

Empty Stockings





e d m o n t o n

SOCIAL PLANNING

c o u n c i l

First Reading is published six times a year by the Edmonton Social Planning Council. The Council is an independent, not-for-profit organization, whose activities include social research, policy analysis, and advocacy.

We welcome new members, or the opinions and suggestions of our current members. All membership requests or magazine contributions can be forwarded to:

Edmonton Social Planning Council
#41, 9912-106 Street
Edmonton, Alberta
T5K 1C5
(403) 423-2031
FAX 425-6244

We reserve the right to edit all contributions.

Managing Editor: Jonathan Murphy

Editor: Sheila Kushniruk

Graphic Designer: Lesli Thompson

Contributors: Ken Battle,
Bev Matthiessen, Michael Hoyt,
Sharon Parks, Michael Phair,
Ron Kneebone, June Sheppard,
Dana Diamond, Jonathan Murphy
and Sheila Kushniruk.

Opinions expressed are those of the contributors and do not necessarily reflect the opinions or policies of the Edmonton Social Planning Council.

Contents may be reprinted or broadcast without permission of the Council, providing full credit is given and a copy of the publication or broadcast is forwarded to the Council.

Please report any address changes to our office.

Printed on Recycled Paper



Inside you'll find...

- * Balancing Alberta's Budget
experts disagree on how to get out of the red ...page 3
- * Mike Cardinal Speaks Out
Minister asked about his plans for department ...page 5
- * Coping with a Crisis
think-tank leader proposes a plan of attack ...page 6
- * Where now for Child Welfare?
Children's Advocate predicts tragedy ...page 8
- * Learning From Welfare Cuts in the U.S.
citizens suffering from poor decisions ...page 11
- * Welcome to ~~Alabama~~ Alberta
province turns mean to cut costs ...page 12
- * Coping with the SFI Cuts
clients and agencies struggling ...page 14
- * A Quest for Self-Sufficiency
a look at a new venture ...page 17
- * AISH Recipients Terrified
clients wait for news of ineligibility ...page 18
- * Taking a Lesson From Angry Teens
raising your voice to make a difference ...page 19
- * Edmonton Loses Affordable Housing
filling the gap left after federal program cut ...page 20
- * Stop Across the Board Cuts
cuts shouldn't burden the poor ...page 22

Our Mission

" The Edmonton Social Planning Council believes that all people should have the social rights and freedoms to live and work in an environment that enhances individual, family, and community growth without restricting the same rights and freedoms for others. The Council seeks to create, to advocate, and to support changes in policies, attitudes, and actions in order to enhance these social rights and freedoms. "

Our Goals

- To undertake research into the nature and magnitude of social issues in the community.
- To increase public awareness and understanding of current social issues and to exercise an independent voice in the community.
- To encourage greater public participation in the development of social policies and in the implementation of programs.

Experts disagree on how to balance province's budget

By Sheila Kuschmiruk

It's easy to complain the provincial government is going about deficit reduction the wrong way, but what should they be doing differently? I asked two economists, a taxpayers' advocate, and a social justice advocate, to come and talk about how they would balance the provincial budget.

The group did not come to consensus often, except to agree that the government *should* balance the budget and that there are reasons for Albertans to have some hope and optimism in what may seem like a dark time. Economist Allan Warrack said, "We in Alberta are in a position that nobody else in the country is in. We can solve the deficit problem and we can do it right now and be better off..."

The major areas of disagreement came from *how* to reach a balanced budget—should the government rely on spending cuts or raise revenues through tax increases. Warrack said both should be used. To balance the budget in four years, the first 25 per cent of the deficit can be eliminated through spending cuts. That can be done by the end of the coming fiscal year. The other 75 per cent of the deficit would come from increased tax revenues, with or without a provincial sales tax. With Alberta taxes at only about three-quarters of those in other provinces, Warrack said there's room for an increase to about 90 per cent of the rate of other provinces.

That option doesn't sit well with Jason Kenney of the Association of Alberta Taxpayers. He said the best option for balancing our provincial budget while creating jobs and protecting our social programs is to maintain a relatively low

tax regime which is an incentive to wealth creation. Government should focus on restructuring to provide accessibility while reducing spending. He pointed out that spending for health care, social services and education has exceeded the growth in the rate of inflation and population. That, coupled with the sharp downturn in our province's traditional revenue generators, is largely the cause our province's debt.

Health economist Richard Plain said both spending cuts and increased revenues are possibilities for the government, but spending cuts are only effective when they cut waste. When cuts start affecting service provision and quality then they have gone too far. He said someone had better find out the point at which service is affected in all government departments and



Panel from left to right: Jason Kenney, Allan Warrack, Richard Plain, and Kathryn Olson.

make that the bottom line on cuts. From there, Albertans should support increased taxes.

Social justice advocate Kathryn Olson said she agrees there may be areas where the government could cut spending and eliminate waste, but then there are also areas (people services) that should be given more money. Her Alternative Budget Committee argues for combining increased taxes with moderate spending cuts to ensure provincial programs such as health care and social services don't fall below current levels. "There will be long term costs to the short term cuts now," warned Olson. Both Plain and Olson agree government cuts may move people to become more active in politics.

Continued on page 4—Budget

Budget—Continued from page 3

The group agreed the government will probably look at other income generators such as user fees, insurance premiums and privatization, which may be more saleable to the public than higher taxes.

"We can't look at our revenue picture in isolation...we still have and will continue to have in the foreseeable future (at least 15 years) a significant portion of revenue coming from non-renewable resource revenue," said Kenney. If you take these other sources of revenue into consideration, Alberta already has a 16 per cent higher revenue take than other provinces. If we were then to raise our tax level to 90 per cent of the national average it would "boost our total per capita revenues far above our national average and that in my view would be a net drain on our economy," said Kenney.

On the other hand Plain says massive layoffs in the public sector and moves towards user fees will affect the business community. For example there would be a large number of sales lost from supplies and expenditures connected with the health industry. A shift to user fees will show up eventually in business benefit packages and higher draws on existing services, he added. "Business had better realize that this is not going to be without a cost."

Olson pointed out that the government must be made more aware of who is paying the most in restructuring efforts. People at the low end of the income scale are affected more than those on the middle of the income scale, and that's not fair. When a hospital, a clinic or even a grocery store closes in a low-income neighborhood many residents aren't in a position to access services which are farther away. She said the current 'roundtables' can be exclusionary. Disadvantaged people need a voice in what changes are to be made. In the public sector, if wage cuts and layoffs have to happen then they should be graduated from the top, so an executive takes more of a wage cut than a clerical worker.

Although the session generated little agreement, it's vital the debate on the fiscal situation is broadened to take into account the many different voices and opinions in Alberta. Right now it seems as if the government is only listening to one side of the debate. ❖

Allan Warrack is an economics professor at the University of Alberta's (U of A) faculty of business.

Richard Plain is a health economist at the U of A's faculty of economics. Kathryn Olson is a member of the Alternative Budget Committee (a committee made up of members of several Christian groups). Jason Kenney is the executive director of the Association of Alberta Taxpayers.

Letter to the Editor

The following is a letter to the editor regarding Jonathan Murphy's September 1993 First Reading article 'Slash and Burn.'

In your article analyzing the province's fiscal position, you claim that "despite the mythology spread by taxpayers associations, our problem in Alberta is not one of excessive spending but one of insufficient revenue."

Unfortunately, this assertion betrays an inaccurate and selective reading of the available data. While Alberta's conventional tax revenues are clearly below the national average in relative terms, our total revenues exceed the all province average by some 16 per cent on a per capita basis. Your article, together with the McMillan-Warrack study, fails to properly assess the significant extraordinary revenues that the province generates through non-renewable resource revenues, Alberta Heritage Savings Trust Fund investment income, and Alberta Health Care Insurance premiums. These three revenue sources account for nearly a third of the province's revenues, and represent revenue sources unavailable to other provincial governments.

If the provincial government were to implement your recommendation of some \$2 billion in additional taxes, its per capita revenues would then exceed the all province average by some 30 per cent, and would represent the largest revenue take of any state or provincial jurisdiction in North America.

Unfortunately, such drastic action on the revenue side would not guarantee long term fiscal sustainability. As every other provincial government in Canada has learned, rapid increases in tax rates have

Continued on page 10—Letter

Mike Cardinal speaks out



Alberta Family and Social Services
Minister Mike Cardinal

With all the recent changes to social assistance programs, the editors of First Reading thought it would be timely to meet with Family and Social Services Minister Mike Cardinal. We requested a one-hour meeting with the Minister to talk about his plans for the department and we indicated we would be able to do this anytime within a four-week period. Alberta Family and Social Services Communications Director Bob Scott answered the request with a NO—the Minister was far too busy, 'tied up from morning until night.'

Pick up



The Other Welfare Manual—A Survival Guide to Supports For Independence has just been published by the Edmonton Social Planning Council. This 75-page booklet guides people through the welfare system and explains their rights and responsibilities. It contains all the program changes and benefit rates as of October 1993. Copies can be picked up free of charge at the Edmonton Social Planning Council or you can order copies by mail or Fax and pay shipping and handling charges.

Call 423-2031 or Fax 425-6244

The Coming *Crisis* in Social Spending

By Ken
Battle

The Mulroney years brought significant and, probably, lasting changes to social programs. It is not at all certain that the Chretien Liberals will be able to pick up the pieces and put Humpty Dumpty Social Policy together again—if, indeed, they even want to restore the social security system erected mainly by previous Liberal governments from King through Pearson to Trudeau.

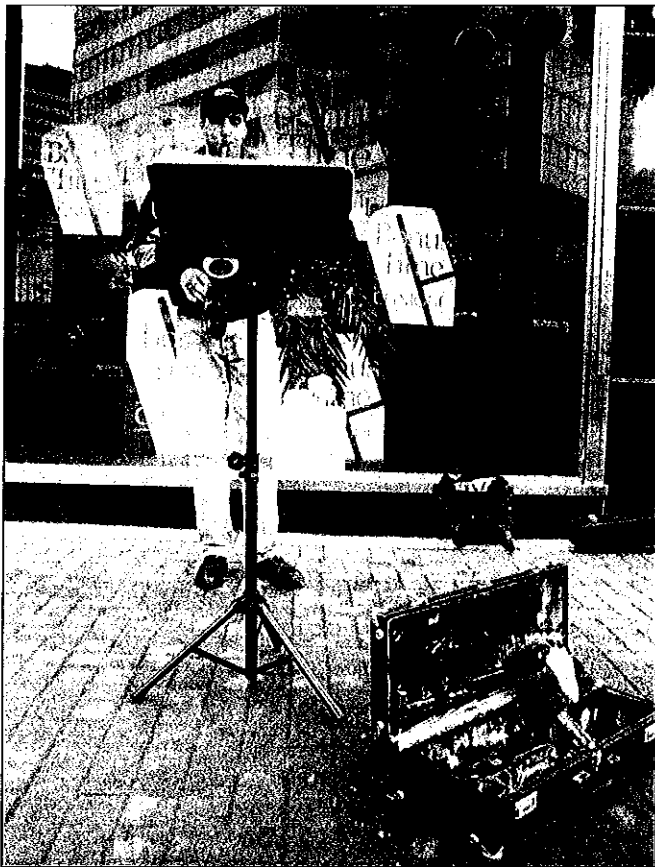


photo by Sheila Koshnitsnik

Getting by in Alberta means people have to be creative.

Largely by means of what I have coined 'social policy by stealth'—the skilful use of complex technical mechanisms to make major but typically hidden changes that generally escaped media scrutiny and public attention—the Conservatives altered the very foundations of Canada's social programs.

Universal child and elderly benefits were dispatched not with a bang but a clawback: by 1991,

family allowances and the old age pension no longer were universal programs, and the baby bonus was killed off altogether in 1993 (along with the refundable and non-refundable child tax credits) and replaced with an income-tested child tax benefit geared to low and middle-income families. Unfortunately, the Tories infected their new child tax scheme with the same partial indexation virus that they used to cut \$4 billion from child benefits between 1986 and 1992, which means that the value of credits will dwindle steadily in future time and fewer and fewer poor families will receive the maximum amount. Many billions of dollars are being siphoned each year from federal transfer payments to the provinces for welfare, social services, health and post-secondary education. The eligibility rules for unemployment insurance were made more stringent, and benefits reduced. (These and other changes are chronicled in the Caledon Institute of Social Policy's report *Federal Social Programs: Setting the Record Straight*.)

While their methods were stealthy, the main reason for the Tory finance ministers' changes to social programs was no secret: to cut costs. And this aim they accomplished very successfully, saving billions in federal social transfers both to individuals and provinces.

Despite these cuts, social spending continues to increase. Caledon's just-released study *Opening the Books on Social Spending* presents a comprehensive, long-term analysis of trends and patterns in social spending. Whatever measure we use, the conclusion is inescapable: social spending has risen phenomenally over both the long and short term.

In 1958/59 (the earliest year for which data are available), spending by all levels of government on the broad range of income security, employment, social

service and health programs totalled \$16 billion in inflation-adjusted 1993 dollars. By 1980/81, the price tag had escalated to \$79 billion. In 1990/91, the bill for Canada's social programs came to \$128 billion—eight times as much as in the late 1950s and 63 per cent more than at the beginning of the 1980s.

On a per capita basis, social spending augmented from \$913 per Canadian in 1958/59 to \$3,301 by 1980/81 and \$4,799 in 1990/91, which means that population growth is not the reason for the increase. Social spending amounted to 7.8 per cent of Gross Domestic Product in the late 1950s and stood at 18.4 per cent in 1990/91, indicating that social spending has grown faster than the economy most years. As a percentage of overall government expenditures, social programs rose from 32.7 per cent in 1958/59 to 41 per cent in 1990/91, which shows that social spending has outpaced other government spending overall.

While all levels of government have seen their social expenditures mount steadily, the federal government's share of the total has declined considerably, from 54 per cent in 1958/59 to 39 per cent in 1990/91, while the provinces' share rose from 21 to 34 per cent over the same period. One reason is that provincial social spending and payouts from social insurance programs (the Canada and Quebec Pension Plans, unemployment insurance and workers' compensation) have gone up faster on average than have federal social expenditures. Another is the gradual erosion of certain federal social programs under the Conservatives, as mentioned earlier.

Three major factors account for the upward trend in Canada's social spending—the growth of the welfare state in the 1950s, 1960s and 1970s, improvements in some key benefits throughout that expansion phase, and—the key reason in the 1980s and 1990s—mounting demands on social programs stemming from powerful social, demographic and economic forces. These include the aging of the population, marriage breakdown and the deadly mix of periodic recessions (which create mass,

lingering unemployment) and a fundamental restructuring of the economy resulting in part from globalization, which is spreading insecurity beyond the traditionally vulnerable working class into the ranks of the middle class.

How can Canada cope with the coming crisis in social spending? One way is to keep cutting social programs and benefits—a conventional response which governments doubtless will continue to employ. Another approach is to keep raising taxes to pay for mounting social expenditures, which is no longer politically viable. A third strategy is to improve the effectiveness and efficiency of the social security system—the 'do more with less' commandment that the pop management theorists have brought down from the mount and imposed on bureaucrats everywhere. Finally, the potentially most effective solution is to attack directly the causes of rising social spending, especially unemployment and underemployment. *

Ken Battle is the Executive Director of the Caledon Institute of Social Policy, an independent social policy and research organization based in Ottawa.

Vitalize '94

The Wild Rose Foundation, an Alberta Lottery Foundation, is proud to sponsor once again Vitalize '94 in Grande Prairie, on June 9, 10 and 11, 1994. This ever popular 6th Annual Provincial Volunteer Conference welcomes delegates from volunteer non-profit organizations across Alberta. Vitalize '93 had 1,250 delegates from 609 different community organizations representing 130 different municipalities.

Vitalize '94 is open to all Albertans, but particularly volunteers from community non-profit organizations, from all levels, who wish to develop their skills in the areas of human, organizational and financial development. This conference offers delegates the opportunity to learn new skills, share information and network with peers

Included in the low price of \$94, each delegate receives all conference meals, educational and keynote presentations, Hop-A-Bus transportation from various Alberta Centres to and from the conference, nutrition breaks, entertainment and a delegate kit bag.

For more information on how you can register for this conference, please contact John Kopeck, Special Projects Consultant, at 422-9305 toll free through the Government RITE Operator.

Where now for Child Welfare?

By Sheila
Kushniruk

In August of 1993 Former Children's Advocate Bernd Walter released a report 'In Need of Protection—Children and Youth in Alberta,' which reviews the Child Welfare system. First Reading asked Bernd Walter about this report, the government's response and where he thinks Child Welfare is heading in Alberta.

What did you find when you looked at the Child Welfare system?

It's very difficult to encapsulate a 300-page report with 300-400 recommendations to a couple of key

findings, but certainly what I found was massive inconsistency with the way Child Welfare legislation is applied and interpreted and how Child Welfare services are delivered in this province. I found deep practice issues in terms of how parents and children are treated within this system. I found major inconsistency in community expectations and what the system was prepared to respond to. I saw, and was told about, the beginnings of massive retrenchment of the system and non-response to community and family needs.

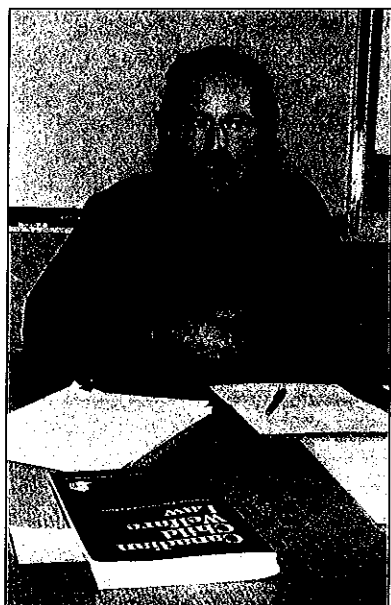


photo by Sheila Kushniruk

Former Children's Advocate Bernd Walter

I saw critical shortages of placement resources to children once they are in the system—most particularly foster and residential spaces which in any way were capable of meeting the specific needs of children in care. I saw the misuse of in-home support services, beyond the point where they could be effective given circumstances of the child and family. I saw children's needs (non-residential needs) such as health care, physical care, educational needs and developmental and emotional needs not being met. And I saw what I would consider very chaotic management and policy approaches to how the system is being designed and operated. And I saw fragmentation amongst government departments and levels of government which provide services to children and families.

I saw that Child Welfare operates on a deficit model—that it operates in a very punitive management culture and within a structural context that is not supportive of its objectives. One of the most important things is that there was absolutely no capacity for the system to consider the experiences of families and children, or for that matter front line social workers and service providers, in how it operated and how its services were delivered and understood.

I saw a lack of understanding of Aboriginal cultures and how this program could be made relevant to Aboriginal communities.

What is your immediate reaction to the Alberta Family and Social Services report 'Reshaping Child Welfare'?

Well I think to call it reshaping is a bit of an overstatement. I think that it contains themes and issues which are definitely not new, but were intended to be part and parcel of the Child Welfare legislation and system for some time. There's really nothing new here. It's what should be happening now and what should have been happening for some time. I fear the document itself is very focused on process and activities rather than in any way describing the state of affairs or objectives which it seeks to achieve. It continues to have the goals of a Child Welfare system or a child protection system essentially in the wrong order of priority. And I think it's based on some massively dubious assumptions and those are assumptions that may or may not have been true in the 1960s or 1970s, but there's no evidence they are true today. That is that somehow this system is over-intervening in the lives of these children and their families. Certainly the experience of the public, children, families and service providers is they are already bending over backwards to delay and minimize the provision of services under the notion of least intrusion. The notion of too-early or over-intervention is completely unfounded.

The notion of creating a commission for Child Welfare services is a good one. It comes right from the report that I tabled in the sense of requiring an independent, time-limited management structure to oversee the organizational changes that are needed to make this system functional; including the delivery of services by communities closer to the child and to the family; and including the integration of government programs and departments. Also anything that makes it possible for social workers to spend more time with children, families and clients, monitoring the care and being in touch with their needs is good. Altering practice to focus more on clients and less on paperwork is positive and I hope that comes about. The commitment to hopefully make the system more responsive at the investigation end, at the first point of entry, making it more user friendly, perhaps I'm just reading that in, but that's certainly positive. But again most of it is simply reiterating what should have been happening all along—there's very little new.

I guess in terms of reaction, in fairness it's not in the report but it's been picked up by the media and that is this sense that somehow we are going to tie the delivery of in-home support to the criminal conviction of parents who are accused of abuse. That's a retrogressive step and places children at risk. It violates any notion of when in-home support services can be effective, and it's a massive contradiction in terms of what the public has been saying to me about when in-home support services are necessary. In other words, in-home support services and early intervention services should be available voluntarily, on request, much earlier in the process. I know enough about front-line Child Welfare practice that I believe this directive will be turned into practice that in fact justifies NOT granting in-home support services until after a conviction has been registered and I think it's a recipe for tragedy. It punishes children who disclose abuse.

Do you feel the government's response properly addresses the issues you raised?

Not substantively. It's unclear in the document how accountability for the progress of many of these initiatives will be measured and whether there's any sort of reporting mechanism. Is there any oversight or accountability for any of this or is it just blowing smoke? The only accountability for this Child Welfare system appears to be that once every 10 years some external individual comes and does a review—where's the accountability?



photo courtesy of the Bissell Centre—Eile Gibson

With cuts to SFI, children, now more than ever, need protection under the Child Welfare Act.

While I welcome the issues of working with and moving towards the empowerment of Aboriginal communities to provide services to their own community members and families, I would hope we're not rushing the devolution of services or forcing delivery responsibilities onto those communities without appropriate, jointly developed standards and monitoring for the transfer of authority out of the simple desire to abdicate provincial responsibilities. It shouldn't involve a hands-off approach that leaves children at risk.

I'm also concerned that nowhere in this process oriented document is there any mention of involving and consulting youth and service recipients, (especially youth) in the proposals and the implementation of these processes.

Continued on page 10—Advocate

Advocate—continued from page 9

Getting back to the Aboriginal area for a minute, the document again rests on the false assumption that we are dealing with only status Indian youth living on reserves. The largest growing segment of the Aboriginal population is the urban native population—this document completely ignores that phenomenon and that population. That population also needs to be involved in the design of services to its community. These are the children in care of the provincial system!

I think some of the proposed approaches to adolescents, especially notions of keeping them at home beyond the point where that can be done safely under some rubric of parental accountability is punitive. There's simply no evidence that masses of parents are trying to abandon their adolescents to the care of the Child Welfare system. You can't treat all cases of adolescents coming to the system as if they were uniform or homogenous in terms of the in-home problems that precipitate the need for services. Families in crisis will be threatened with criminal charges of abandonment. This is already happening now.

The heavy emphasis on foster care as the primary means of service provision may be an overstatement and may be in contradiction of what we're seeing in actual caseloads—that is older, more disturbed, complex kids. It's my sense that placing those kids into family settings may both be incompatible with their needs and desires.

There's really been no mention of the culture of the department and the morale issues.

Based on the apparent direction the government is taking, do you think Alberta's children will be better protected in the future?

I welcome some of the practice recommendations that should improve the quality of service. I believe the notion of monitoring the placements and periodically reviewing the placements of children in care is good. I'm concerned about the complete absence of any mention of permanency planning for children and emphasis on stability and continuity of care. I think the proof will have to await the implications.

I hope they'll be able to pool the services and reduce the obstacles to inter-program co-operation and that, along with integration in and of itself, should make the system more responsive.

Unfortunately, when one examines the document closely the overwhelming theme, no matter how it's disguised, is that the bottom line objective is to reduce case loads. Given the increase in family problems and reports and investigations, lower caseloads simply mean more severe situations of risk and need will be unaddressed. The facts are incompatible. The sense is that much of this is motivated by cost containment objectives rather than the desire to create a substantially more effective child welfare system. In the final analysis the likelihood for more tragedies is increased. ❧

Letter—continued from page 4

pushed government revenues past the point of diminishing returns, as economic activity is increasingly seeking shelter in the informal economy. In other words, increases in tax rates no longer guarantee a proportionate increase in revenues.

Your article's plea for a more frank and open discussion of the province's fiscal options is laudable. However, that debate would be much better served if publications like *First Reading* provided a more complete and objective rendering of the facts. ❧

Jason Kenney, Executive Director of the Alberta Taxpayers Association.

Social services reduction caused harm in Michigan

By Sharon Parks

On October 1, 1991 all financial support was eliminated for 83,000 single adults and childless couples in Michigan. The termination of General Assistance (GA), coupled with sizable reductions in supplemental emergency assistance, energy assistance and indigent medical care programs, represented the most significant reduction in any single budget for the Michigan Department of Social Services. The 20 per cent reduction from fiscal year 1990 expenditures also signaled a distinct change in the degree to which the Michigan state government provided for the basic needs of its citizens.

With the elimination of GA, the meager stipend of \$147 per month which had been provided through this last resort program, ended. Only a relative few (4,000 to 5,000) of the former GA recipients initially qualified for a new and very stringent disability program—State Disability Assistance. In addition, the Job Start program, a mandatory employment and training program which provided a monthly stipend roughly equivalent to the GA grant was terminated, leaving approximately 12,000 18-25 year old single people without a point of entry to the world of work. The Emergency Needs Program, which had provided assistance with basic needs such as food and shelter to a yearly average of 222,000 persons, was reduced by 70 per cent. The program was subsequently renamed (State Emergency Relief) and, with more restrictive eligibility criteria and benefit levels, served only 62,000 persons in fiscal year 1992. Similar funding reductions were made in programs to assist low-income households maintain essential heat and electric assistance (a 64 per cent reduction) and in an outpatient medical care program for former GA recipients (an 80 per cent reduction).



The population receiving GA at the time the program ended was significantly different than the common stereotype of a young, African-American, urban, male. Rather, the average age was 39; whites made up 43 per cent of the GA population, with 53 per cent of the GA recipients being African American; 42 per cent were female and 58 per cent male; and barely over half had a high school diploma.

According to an 18-month study undertaken by the Michigan League for Human Services, the social services reductions made in 1991-92, including the elimination of GA, reached deep into communities across Michigan, harming not only the single adults targeted by the elimination of GA but families as well. The project's key research questions tested the reliability of the assumptions underlying the 1991-92 social services changes; that the local labor market, the private social services system and the extended family—together or separately—would replace the support formerly provided through GA and other programs.

The project's findings show that six months after GA ended there was little improvement in the employment rate of those who lost assistance. Only 17 per cent of former recipients were employed and of these half were working before the program was terminated. Eighty-three per cent of former GA recipients were unemployed; their employability at that time was diminished by the lack of a regular place to stay, growing isolation and chronic health problems.

In addition, substantial homelessness and hunger followed the termination of GA, with nearly 20,000 persons in the project's eight study counties being evicted and a similar number having no regular place to stay. More than 27,000 persons in the project's test counties reported going 24 hours or more without food.

Finally, local communities and their network of private emergency service providers were not able to meet the increased need for services which followed the elimination of GA and reductions in other emergency and medical programs. The average number of persons served weekly by

Continued on page 24—Michigan

Welcome to ~~Alabama~~ Alberta

By Jonathan
Murphy

After getting 44 per cent of the popular vote and a four-point margin of victory in the June election, the Conservative government insists it has the right and obligation to dismantle Alberta's social safety net. Health, social services, and education have all been severely affected. In response, thousands have attended protest marches and meetings outside the Alberta legislature, in Calgary, and in other smaller centres. A rally by students in Lacombe even made the *Globe and Mail*, which described the chaotic scene as students lay down on mainstreet and halted traffic.

The particularly vigorous opposition of students and the well-organized lobby of teachers has caused the government to backpedal on its promise of 20 per cent across-the-board spending reductions in all departments, only to say that any cuts not made in education will be found elsewhere.

Welfare recipients are not and never will be a very strong lobby group, and staff from many social agencies are terrified to speak on behalf of their clients for fear of their agency being singled out for funding cuts. When that's combined with social service minister Mike Cardinal's sincere belief that welfare has "destroyed" Aboriginal people and others, we can look forward to further reductions to welfare benefits. There are even rumors that all welfare for single employable people will be eliminated.

All efforts to have the government reconsider its cruel treatment of the poorest and most defenceless members of society fall on deaf ears. Premier Klein, de facto premier Ken Kowalski, and government ideologue Stockwell Day all made flippant comments about the 5,000 strong crowd which gathered outside the legislature October 23 to beg the government to change direction, and all vowed to stay the course on the budget 'plan.'

While roundtable discussions have been held to discuss future directions for health and

education, Mike Cardinal has refused to do the same in social services. At a meeting with agency representatives October 25th, he insisted that there was no point holding any roundtables because "no-one outside Edmonton has complained" about the cuts.

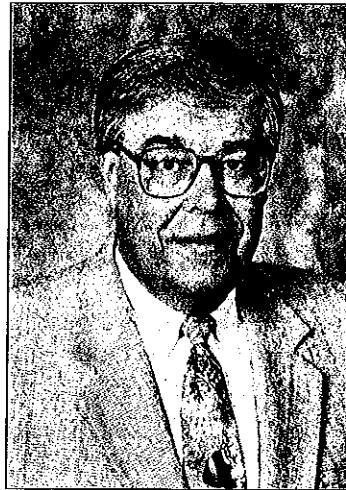
People in the human service field seem to have very few avenues left open. More

rallies will likely be held, but it is hard to match school students' spontaneity and impact. Letters and telephone calls are ignored. The official opposition is in a minority in the legislature, and is treated with derision when it expresses concerns.

All is never lost. Any one strategy is unlikely to dissuade a government con-

vinced of its righteousness and with four years left before the next election. But in combination, innovative and determined action can make even the most intransigent minister and government think again. Every person who cares about the hungry, the weak, and the children needs to explore her own conscience and decide what she can do to help protect the defenceless. There are many different ways to speak up for a caring Alberta:

- Government members come exclusively from Calgary and rural areas. A few phone calls from constituents and meetings with rural MLA's probably affect this government's policies more than 10,000 Edmontonians on the steps of the legislature. Organizations and individuals can reach out to their contacts across the province. Food banks in rural areas are already starting to talk to their government



De facto Premier Ken Kowalski

representatives about the hunger and pain government policies are causing. Churches must begin to use their province-wide networks to insist upon caring policies and social justice.

- Long term alternatives need to be developed. If government policies are short-sighted and ultimately costly, what would be long-sighted and ultimately cheaper? For example, many leading economists have commented that the budget balancing plan is both harmful and unrealistic. They have recommended increasing taxes which remain much lower than anywhere else in Canada. Their message should be repeated, multiplied, and amplified.
- Every government is a coalition of different interests and opinions. While many of the more enlightened members of the Lougheed and Getty governments are in retirement, they still influence the Conservative party and need to stand up for their beliefs in balanced and humane government. Human service advocates can encourage them to do the right thing.
- The government of Alberta is given money by Ottawa to pay for the welfare program. Even with federal cuts, about 44 per cent of Alberta's welfare bill is actually paid by the federal government. As a result, our welfare program must be delivered according to principles set out by the federal Canada Assistance Plan Act. The reforms seem to contravene some of those principles. Federal officials need to review the province's welfare program and direct Alberta to bring the program up to standard.
- Former Children's Advocate Bernd Walter recently completed his review of child welfare services *In Need of Protection*. The report warns that the child welfare system does not properly protect children at risk and needs major reforms. Instead of an overhaul, the system has suffered severe cutbacks. Restrictions on services to some groups, like 16 and 17 year olds, clearly contravene the Child Welfare Act. The government must be made aware that its negligence in this field

will inevitably lead to needless suffering and even deaths among children refused protective services or provided inadequate protection.



Ann McLellan—Federal Minister of Energy

- Our new federal government can provide some balance to government policies, and thus help protect the many Albertans who are being cut out of the 'new Alberta.' Edmonton is represented by four talented government members, of whom one is a senior cabinet minister. They can be expected to advocate for federal programs and policies which will serve the interests of our city.

We must change the attitude of our government towards the disadvantaged. Not so much because of the details of the cuts, which are bad enough. More dangerous is the message our government is sending to Albertans, that it is OK to let the poor go hungry and the children go without protection because they are not our friends, not our kids. This is exactly the perspective Reagan and Bush promoted in the United States. It ended up with the inner cities in flames and a bigger deficit than when they took over.

Premier Klein says he must balance the budget to show that Alberta is "open for business". Let us ask him, what kind of business wants to relocate to a place where we would have the poor go hungry and the children go without protection if that means avoiding paying even one cent more in taxes? *

The Board and Staff of the
Edmonton Social Planning Council invite you
to join us in celebrating the joy of the season
at our Wine and Cheese Open House

Friday, December 10, 1993
4:00 p.m. to 7:00 p.m.

#41, 9912-106 Street
Phone 423-2031

Clients and agencies wrestling with SFI cuts

By Michael Hoyt

Dean, an Edmonton welfare recipient, claims that Supports for Independence, Alberta's welfare program, no longer lives up to its name. The province recently made cuts to social assistance benefits to get people off of welfare. "The program as it stands now doesn't fortify people, it traps them," he concluded.

When the recession hit Dean lost his job. He hoped that social assistance would help his family to survive until the job market improved. That hope faded when the new welfare changes went into effect on October 1.



Edmonton Food Bank Executive Director Marjorie Bencz chats with a volunteer who is preparing a food hamper. Food demand has increased by about 35 % over last year.

photo by Sheila Kuschiruk

"We were sharing the rent for our house with some friends," he explained. However, their friends moved just before the welfare cuts. Now they can afford neither to stay or to move to cheaper accommodation.

"If we move to a cheaper place without giving one month notice our landlord will keep the damage deposit money we have now," explained Dean's wife, Stephanie. If they give 30 days notice the new landlord will want a damage deposit to hold the unit for them. "We don't qualify for money for a new damage deposit under the welfare changes, even though we would be moving to a less expensive place." The welfare changes limit money for damage deposits to a one time pay out to recipients. They have looked, unsuccessfully, for new

roommates. "It's hard to find someone you feel you can trust with two small children," noted Stephanie.

At their income support worker's suggestion, they asked the landlord for a rent reduction. "He can't do anything until the bank reduces his mortgage," said a restrained Dean, who fears that their eviction is imminent.

In the wake of cutbacks many families across Edmonton have turned to the pawnbroker for assistance. Shelly, a 24 year old wife and mother, has pawned her family's television and cassette player to help pay for rent and food this month. "Before the cuts they gave you barely enough to get by," she said. After this month "we're probably going to be in more debt than when we started. I'll have to pay 30% on what (the pawnbroker) gives to get our things back." Dean, who is in the same position, cautioned "we are losing everything to stay alive."

To pay for expenses no longer covered by social assistance many people have dug into their food allowance. "We eat every-day, but some days this month it has been oatmeal for breakfast and dinner," noted Stephanie. "That's a problem because if you're undernourished you don't feel like getting up in the morning."

At Operation Friendship workers calculate that the number of meals they are serving to seniors has increased by almost 14%, to 5,700 meal per month since the welfare cuts began. Mary Ann Cunningham, drop in supervisor, said "A lot of new faces are showing up for meals. Up to a third are coming for the first time."

Eddy, an unemployed 57 year old, was waiting for his meal when he spoke. "The government is taking food right off my table to pay for the deficit," he said. Eddy's welfare cheque was cut by \$70 to \$400 per month. After rent, that leaves

him with \$180 for living expenses. He would like to have a phone installed for \$46 to provide comfort and safety. "I live in a building with 20 people, all over age 55, and there are only four private phones. What happens if there is an emergency?"

Eddy feels fortunate, he expects to be called back to work in December. Cunningham noted that many seniors at the drop-in are less fortunate. "They are considered employable, between the ages of 55 and 65, but they have no advantage over 20 year olds looking for jobs. It's unrealistic to think that this group will become financially independent."

At Candora, a resource center for low income families, mothers are worried about the effects of the welfare cuts on their children. "Kids are the ones who will suffer the most because of the cut-backs," observed one mother. She explained that for many families at the center food money goes toward children's school fees and supplies. "How do you explain to a child that you don't have the money for (fees and supplies), they just see that they don't have what other kids have."

Welfare covered the actual cost of school fees and supplies for each child before the changes. This amount has been reduced to \$25 per year for each child. "Our kids can't afford to attend the schools or take the classes they want because of user fees," explained the mother of a grade 12 student. A two-tiered school system, one for the poor and one for the rich, is just around the corner according to these mothers.

Mothers feel the cuts in other ways. Many mothers are feeling pressured to look for work to keep their benefits but they don't have a place to leave their children. "We are looking at day care to provide crisis relief for these mothers," said a worker at the Bissell Centre, but that is not a long term solution.

Fred, a volunteer at the Boyle Street Community Services Cooperative, is concerned that the welfare cuts push those on assistance into a labor market

where they have no hope of competing. "Who is an employer going to take, a person on assistance or someone with a steady work record and may be post-secondary education? These people can't compete with an ALCB worker who has 10 years experience."



Over 5,000 people attended the October 23rd rally in Edmonton to protest cuts to social programs.

photo courtesy of Alberta Federation of Labour—
taken by Roxanne Smart

Many people on assistance fear that the cuts will have other negative consequences. Crime is going to increase warned a group on welfare at a drop in centre in Edmonton's inner city. "There is more hooking going on now," confided Maggie, a young native woman at the Boyle Street Cooperative. She has decided not to work the street, but some of her friends are hooking to make up for cuts to their housing allowance. "Stealing has already increased," noted another. If these predictions are correct some welfare recipients may end in jail rather than becoming independent members of society.

Community workers in the inner city agree that crime is one possible offshoot of the welfare cuts. It is still too early to assess the long term effects of the cuts say both Karen Schulz, youth unit supervisor at the Boyle Street Co-op, and Scott Smillie, director of adult service at the Bissell Centre. "Prostitution appears to be up already," said Schulz, who fears that break and enters, and muggings will follow this trend. Workers at the Bissell Centre have also noticed tempers becoming shorter. "People are expressing fears about being cut off," said Smillie, "and that leads to frustrations and fights."

Smillie believes that people are finding temporary solutions to the cuts. "They are

Continued on page 16—Cuts

Cuts—Continued from page 15

doubling up on accommodation," while others are leaving the province. He is concerned that this could drive the problem of poverty underground. This invisibility creates another difficulty for those on welfare.

"People have to speak out to make changes to the welfare system," explained Dean, but they are afraid of negative repercussions. Like being labeled a troublemaker or having their case closed. "Some mothers live in fear that their children will be taken if they report that they are unable to provide for them", said a Candora mother. Others are simply resigned to the problems of living on welfare. After a while you just give up because no one is listening when you tell them what is happening to those on welfare," said Gary, who has been on assistance and looking for steady employment since the summer.

The role of advocating or speaking on behalf of those on welfare is the work of community agencies. However, the cuts have also hurt this group. "Good staff are burning out," noted Sharon Laton, acting director of the Norwood Community Service Centre. Workers from the

centre have watched helplessly as families break up under the stress of the cuts. "More appeals are being made to welfare, but the success rate has dropped," said Laton. Workers are finding that the only assistance they can offer is emergency relief in the form of food hampers, clothing, furniture, or help with a move.

"Workers are finding that there is less they can do and less they can offer to people in real need," stated Schulz. "To be effective workers must always build on positives, but with the welfare cuts it is becoming more difficult to find the positives." At Operation Friendship, Rosalie Gelderman, client service coordinator, noted that the welfare cuts will lead to more difficult times. "Everybody likes to give around Christmas. The real crunch will not come until the new year when the generosity tap is cut off." *

Michael Hoyt is a fourth-year social work student with the University of Calgary, Edmonton campus. Michael is serving his practicum with the Edmonton Social Planning Council.

Supports For Independence (welfare) Change Highlights



Utility connection, moving expenses, damage deposit—ONE TIME ONLY



School supply allowance \$25 per year per child, down from \$50-\$175 per year for each child



Shelter allowance down by \$50 per month for singles and families; down by \$100 per month for childless couples



Standard allowance down by \$26 per month for singles; down by \$52 per month for families



AISH eligibility tightened—3,000 targeted to move to SFI



Students on welfare are transferred over to the Student's Finance Board for loans and payouts



Supplementary benefits such as special diets or babysitting, are restricted or eliminated



No room and board allowances for clients boarding with adult relatives



Child recreation allowance was dropped from \$220 per year lump sum to \$108 per year in monthly installments and it's no longer specified for recreation

Two provinces try new project which could spawn changes



If incentives were changed to make work pay more than income assistance, would more recipients take and keep jobs, leave income assistance and remain self-sufficient? A new pilot project in New Brunswick and British Columbia, the Self-Sufficiency Project, is attempting to answer this fundamental question.

Income assistance programs support individuals and families whose incomes are insufficient. Although many are employable, the wages they earn when they first enter the labor market are often too low to support their families. Entry-level jobs often provide less income than welfare, and when you factor in the cost of child care, transportation, and other job related expenses the financial reward from working becomes minimal.

To test the proposition the Innovations Branch of Employment and Immigration Canada in collaboration with the Social Research and Demonstration Corporation, Statistics Canada, the provincial income assistance agencies, the Manpower Demonstration Research Corporation, Bernard C. Vinge and Associates in British Columbia, and Family Services Saint John in New Brunswick have launched the Self-Sufficiency Project.

To be eligible for the program the person must be a single parent who has received income assistance for at least 12 of the past 13 months; they must be working full-time in one or more jobs covered by Unemployment Insurance; and the job they take must pay at least minimum wage.

Eligible income assistance recipients who agree to participate in the research project are randomly assigned to one of three groups. One group will receive a supplement payment large enough to make work financially preferable to income assistance. A second group will not be eligible to receive the supplement but will be eligible for all other public services. The third

group, new applicants to income assistance, will be analyzed separately as part of a special income assistance Exit Study. This group will serve as a control group to help determine whether the supplement encourages people to remain on income assistance longer than they would have otherwise.

The supplement payments will be based on earnings, and will be calculated at 50 per cent of the difference between an individual's earnings and an "earnings benchmark" level. The benchmarks have been set at \$37,000 per year in British Columbia and \$30,000 per year in New Brunswick. For example, a British Columbian earning \$6.00 per hour over a 40 hour week would earn \$12,480 per year. Her supplement would be calculated at 50 per cent of $(\$37,000 - \$12,480) = \$12,260$. This works out to be a supplement of \$235.77 per month.

The supplement benchmark figures were set according to the labor market conditions and income assistance rates in the participating provinces. The participants may claim the supplement for up to three years even if they have not been continuously employed, but they will only be paid the supplement while they are working. The study will follow the participants over eight years.

The project is designed to address several questions: which recipients are able to find jobs and receive a supplement, which aren't, and why? Does the project save money compared to income assistance and other benefits? How does the project affect the economic well-being of the participants and their families? To what extent do income assistance recipients respond to the supplement? Does the type of job held and wage earned while receiving the supplement affect whether a recipient returns to income assistance?

The project is only in its first year, so it is too early to determine its effects. It is a fresh approach to income assistance. Should it succeed it could change income assistance policy across Canada. *

Dana Diamond is a social planner at the Edmonton Social Planning Council.

AISH cuts affect all of us



By Bev
Matthiessen

When the Minister of Family and Social Services announced a \$1.3 million in 'savings' to be gained by 'tightening up' Assured Income for the Severely Handicapped (AISH) eligibility guidelines, he was really telling us two important things about how cutbacks are working these days: no one is safe, and all social service programs are in jeopardy.

AISH cuts affect all of us. When government must save money on the backs of those members of society who live below the poverty line, we are all vulnerable. The result of the government's deficit reduction plan weakens the social safety net for those who need it most, leaving a significant number of Albertans to fend for themselves. This puts extra pressure and stress on community services which are already stretched to the limit of their resources.

AISH provides income support to people with severe disabilities. It is not a perfect program—like other social assistance programs, benefits are lost if you receive money from other sources. So, there is no incentive to get off the program. But for most of the people who receive AISH benefits, full economic independence is not an option. Even if the new tougher guidelines mean that more people will be labeled 'employable,' the reality is that many people with severe disabilities will never be able to sustain full-time employment. This proposition is even more unrealistic when you consider that the current unemployment rate in the disability community is 80 per cent.

The toughest part about the cuts to the AISH program is the stories of the people behind the statistics. Right now, people all over Edmonton and the rest of Alberta are getting ready for a 'review' of their cases. They are scared that they will lose their AISH benefits. With Supports For Independence (SFI), they will have to fight for every disability-related benefit, and will need to continually prove that their disability prevents them from working. They will always be faced with the possibility that the assistance they depend on may eventually be cut for good.

One family targeted for review is currently facing the implication of tougher government

social policies. The husband was severely disabled in an accident and one of their five children has a congenital disability as well. When the parents first applied to AISH (after struggling to work and support themselves and their children), they were told they must first sell their land before they could qualify. They received only \$935 from this sale after paying off their mortgage on a trailer where they lived. As part of their initial income support they received a transportation allowance of \$19 but this meager amount has been removed through prior government cuts. For the last ten years the family has had to struggle to meet their most basic needs. Presently the husband, wife and one child are living on \$10,716 per year (AISH) plus the family child credit and GST refund. The current review threatens their tenuous financial stability.

There are no easy answers to this dilemma, but cutting support to Albertans with disabilities should be one of the last—not one of the first—options to be considered in 'balancing the provincial budget.'

WE ARE CALLING for a round table consultation on disability issues in Alberta, so that politicians can hear 'first hand' from people with disabilities, and get some new ideas for how to make services more effective within the available budget. Consultation with those who are affected is the only responsible, and humane, way to deal with decisions that drastically affect people's lives.

If you are interested in finding out more, or getting involved in our work, please call the ACCD office at 488-9088, or outside Edmonton call 1-800-387-2514. ✽

Bev Matthiessen is the Executive Director of the Alberta Committee of Citizens with Disabilities (ACCD). ACCD addresses disability issues on the national, provincial and community level.

Canadians too *complacent* in fighting social program cuts

At first we were reassured by the 'experts' that it was a 'recession' we had fallen into, making it sound like an unfortunate but not serious situation resembling nothing more than a 'passing blip'!

Then came the first job layoffs—not really enough to disturb, but then rising steadily into dozens, then the hundreds and the thousands.

The reassurances from the country's inside trackers began to arouse some doubts about their real knowledge, their understanding of what was happening in our country and whether they were speaking with false optimism to shore up their own confidence.

We found ourselves wondering sometimes inwardly, sometimes to others, if at least a small sense of panic about our country and ourselves was growing more appropriate. Canadians generally don't have a history of being kept informed of what goes on in the inner sanctums of the country's capital!

In 1985 tax reforms were unveiled to fight the 'deficit.' New tax breaks were introduced for the rich with Michael Wilson (remember him?) defending the cut rates for the 'haves' with these unforgettable words "Canada has an acute shortage of rich people!"

That, and the fact that Mr. Wilson forgot to pay the GST on a \$4,500 carpet bought while he was on a government trip to Iran, are all I seem to recall about this top member of Ottawa's powerful. Or perhaps I'm just sublimating!

What can't be put out of mind, nor should it be, is the fact that the people who have suffered most in the last few years are middle and low-income families, single mothers, and a national day-care plan, so that children, who must be left behind when mothers have to work, get the best possible care.

Furthermore, estimates released by the National Council on Welfare reveal that spending on health and higher education from 1986 to 1999 will have been cut by \$97.6 billion.

How can this blow to some of Canada's most vulnerable be justified in the face of a \$4.6 billion raise in the defence budget since 1984.

One problem among Canadians has been complacency! We've allowed the decision-makers to close off access to them and to avoid responses to our questions when we do ask. However, it must be said that far too often, led by cynicism or indifference, Canadians have not seen the value in joining together to make their voices loud enough.

I found it heartening to see an angry but reasonable and informed crowd of teen-aged students interested enough in their education and their futures to march right to the seats of power.

We've been told time and again that many vitally-needed social programs cannot be afforded because they have been too lavish and too far beyond our means. I've been interested to read some of the conclusions reached by Neil Brooks, a tax expert at Osgoode Law School in Toronto.

For instance, he points out that if the \$100,000 capital gains exemption were repealed, it would mean some \$1.7 billion a year taken back to fight the deficit.

And that if the tax subsidies given to businesses for expenses they incur in lobbying government were repealed, hundreds of millions of dollars per year would go back into government coffers. Moreover, another plus would be the reduction of these companies' political clout!

Now that a new government sits in power in Ottawa it is not the time for wishful thinking or putting all our trust in those in authority.

Maude Barlow of the Council of Canadians writes in her book *Take Back the Nation*, "When we ask the question 'Who will save Canada?' the only answer can be found in the mirror. We must all take a long look." ❖

By June Sheppard

Another casualty— affordable housing

By Michael
Phair

When the federal (Conservative) government cut funding to all new social housing programs, it left Edmonton, and other cities, in a bad spot.

For the past 30 years, addressing the City's need for affordable and adequate housing for low income and special needs households has primarily been the responsibility of the federal and provincial governments (for subsidy funding) and a number of private non-profit organizations (for program delivery). The major financing of new housing in Edmonton has been through a range of cost-shared federal and provincial social housing programs. Funding has

emerging social housing needs. The major tool that had enabled new, affordable units has been lost.

The City's role in affordable housing over the past three years has been primarily in the following three areas:

- working in partnership with other levels of government and community agencies in needs assessment, planning and provision of housing to meet high priority low income and special housing needs. This entails a range of involvements including participating with the Edmonton Joint Planning Committee on Housing, providing land and operating subsidies, and providing land use, housing and related support services;
- monitoring and regulating the health and safety of older housing stock through the City's Safe Housing Committee;
- regulating and legislating private sector housing, land zoning and community housing/land development, aspects of the City's traditional land use planning role.



After 1993 there will not be any new federal funding for social housing programs... Increased need for affordable housing will fall on groups like Habitat For Humanity.

steadily declined over the past decades. Even so, between 1990 and 1993 Edmonton received \$48.3 million annually to subsidize social housing programs. That money made it possible to build 230 housing units each year. Like other municipal governments, the availability of federal subsidy funding for housing is essential given the City's inability to generate such revenue through the property tax base. The large dollar investment required to build affordable housing is beyond the capability of the municipal level of government. The federal government has announced that for 1994 and beyond, new unit commitments for all federal social housing programs will cease. The loss of \$48 million in annual social housing investment in the city is devastating and will effectively end our collective ability to address existing and

Under Mayor Jan Reimer, the Mayor's Task Force on Safer Cities tabled a 1992 Report on Housing that identified the direct links between unsafe, unaffordable housing and crime. Housing that is neither affordable nor safe undermines the security of persons and communities made vulnerable by poverty. The deterioration of neighborhoods and its impact on residents, businesses and schools have been well documented across Canada and in Edmonton since the turn of the century. Recent analysis of local housing needs in Edmonton compiled by the City for 1993 concludes:

- 28,000 renter households are living below the poverty line and paying more than their fair share (30 per cent) of their incomes on shelter (one in four renter households);

- 6,100 of these households are comprised of three or more persons and earn less than \$15,000, well below the poverty line of \$25,000 for such households;
- 2,200 (estimate) of these households live in substandard or marginal inner-city rooming house accommodation, often illegally converted from single detached dwellings;
- 600 (estimate) have special housing needs—hard to house persons (many with mental health histories), people with physical and mental disabilities, women with and without children who have fled from abuse, inner city seniors and homeless youth;
- 2,000 of these households are actively seeking improved housing conditions but to no avail. All have either been approved for occupancy by agencies managing existing subsidized rental housing or have applied to one of the city's five housing registries and have been placed on waiting lists.

The elimination of the federal investment dollars of \$48.3 million in housing will not eliminate the need Edmontonians have for additional affordable housing. Indeed low income and special need housing can only persist and intensify. Certainly more pressure will be put on the City government to respond and play a more active role. Yet the City traditionally has not provided significant capital financing nor would the City have the authority or ability to make such money available. For 1994 the City's entire proposed capital budget totals \$59 million of general financing to cover roads, sewer repairs, bridges, fire/police equipment and the like. Ironically, although one of the few positive economic indicators for Edmonton is new private sector housing development of some 3,000 units in 1994, the private sector plays no part in financing and developing affordable social housing. Private sector investment in new housing starts in Edmonton over the past few years has been concentrated in the production of single detached housing for home ownership, and higher-end condominiums.


✱ *First Reading, December 1993*

Although we live in a period where doing things 'differently' dominates the political agenda, the possibilities for the city to adequately respond to less dollars for housing is very limited. Consistent lobbying by Mayor Reimer and City Council for restoration of funding or a new social housing program was made to the former Conservative government, all candidates in the recent federal election and to Canada's new Prime Minister, Jean Chretien. Additionally it may be possible for the City to persuade, influence and leverage other sectors to undertake the financing of new social housing—union pension plans, private developers, community or ethical investment funds for example. This together with the development and maintenance of new housing units might be coordinated by the City with other levels of government and private interest. However, it is very difficult for me to imagine that any of these efforts will go very far in replacing the 230 annual units which used to be constructed with \$48 million dollars from the federal government.

The Liberal party, during the election campaign, promised to restore funding to social housing however no details were provided. They have yet to issue a timetable for this or other election promises.

Affordable housing in the 1990s is not a pretty picture. I fear it is another example in a long list, whereby senior levels of government abandon programs, and download responsibility to the City. It looks to me like much of the progress Edmonton has made in addressing priority housing needs over the last decade will cease and the result will be to aggravate and exacerbate the associated problems of homelessness, unstable households and poverty—all in the name of debt reduction. ✱

Michael Phair is an Edmonton Councillor who represents Ward 4. This ward encompasses many of Edmonton's low income communities where social housing is a critical issue. This article was prepared with the assistance of Daryl Kreuzer of the City of Edmonton's Office of the Commissioner of Housing.

The  is a member of the



United Way
Alberta Capital Region

Across-the-board cuts *burdening Alberta's poor*

By Ron
Kneebone

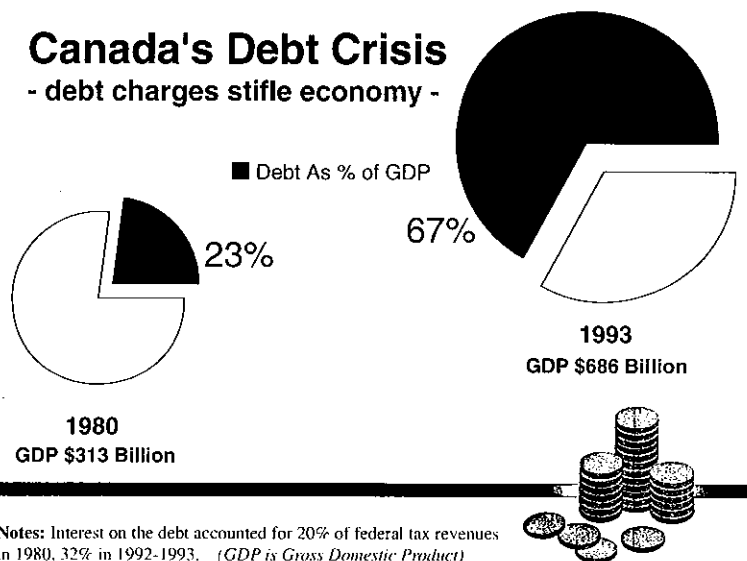
I am an economist and I have a high regard for the free market. I also believe it is absolutely critical that we demand of our governments that they stop the growth in their debts and that this be done as quickly as possible.

Typically, this combination of opinions leads people to the conclusion that the person holding these views is unfriendly toward the idea of spending on programs designed to better the lot of the poor and disadvantaged. Often, they are correct. However, it is not necessarily true and, I would argue, it should not be true. Economists recognize that for all of its good qualities the free market often needs to be controlled via government policy. Examples include measures to control pollution, spending on roads, national defense, etc. Another example is spending on social programs. Social programs are deemed to be necessary by economists because they believe that while free markets are a necessary condition for the maximization of a society's well-being, they are not sufficient. This means there is an important role for government to reallocate incomes toward those least successful in their struggles in the free market. When economists criticize social programs their criticism is typically directed toward the *design* of these programs, not their *purpose*.

How does an economist concerned about government debt reconcile this concern with a recognition that spending on programs to aid the poor is a legitimate priority of government? In my opinion, because of past decisions that have burdened Canadians with high government debt and a high tax burden, deficit reduction is a precursor to defending the viability of social programs and is not, or at least should not be, a threat to such programs. Let's consider each of these statements in turn.

When a government relies on borrowing to finance its expenditures it obligates itself to pay interest on the money it borrows. All else equal, this debt servicing cost increases the size of future deficits, adds to the size of the debt, increases future debt servicing costs, and so on. The explosive nature of this vicious

Canada's Debt Crisis - debt charges stifle economy -



circle can be illustrated by observing that in 1980, just 13 years ago, the federal debt was 72 billion dollars (equal to about 23 per cent of GDP) and annual interest payments ate up 20 per cent of federal tax revenues. By March 31, 1993, the federal debt had grown to 460 billion dollars (67 per cent of GDP) and annual interest payment were 40 billion dollars. Despite the fact that federal taxes increased by over 25 per cent in real terms during this period, debt servicing costs increased even faster so that they now eat up 32 per cent of federal tax revenues. Thus, the consequence of past decisions to rely on borrowing to finance government expenditures has been to burden Canadians with a huge debt and a very high tax burden.

As debt servicing costs eat up an increasingly large fraction of tax revenues, it is necessary to cut spending on government programs or increase tax burdens still further. This is the source of the threat to the funding of social programs in Canada. That is, as Canadian taxes are already very high by international standards, the federal government has no choice but to cut its expenditures. An especially attractive area for cuts is one of its largest expenditures; transfers to the provinces to fund social programs.

Funding of social programs is similarly threatened by growth in the Alberta government's debt. Since 1986, Alberta has moved from having net assets equal to about \$16 billion (or 24 per cent of GDP) to having a net debt of about \$12 billion (or about 15 per cent of GDP) by March 1993. This remarkable turnaround in provincial finances puts Alberta in a similar position with respect to its debt-to-GDP ratio as the federal government in 1980. The lesson from the federal government's experience is clear; reduce the provincial deficit now or face exploding debt service costs in the near future and the consequent need to make drastic cuts to program spending.

This brings us to our second question; should efforts to curtail government deficits involve cuts in the aid received by the poor and disadvantaged? No, they should not. Expenditure cuts must stop short of actually reducing payments to those deserving aid as this is clearly an inequitable way of sharing the burden of deficit reduction among Alberta's citizens. To force the poorest members of our society to bear the brunt of the cost of deficit reduction is not only unfair but it also denies that the provision of aid to the poor is a legitimate role of government. As such, economists should be at the forefront of those resisting such efforts. Having said this, we cannot expect that the funding of social programs will be left untouched by efforts to regain control of public finances and stop the inexorable crowding out of program spending by debt service costs.

Three types of cuts are possible without jeopardizing the legitimate role of government to aid the poor and disadvantaged. First, the government bureaucracy involved in the provision of social services must contribute to efforts to reduce the waste and inefficiency that exists in any large bureaucracy, private or public. Second, we need to ensure that aid is directed only to those needing help. This, of course, raises the question of the universality of social programs. Finally, we need to ensure that the design of any social program is such to minimize welfare dependency. The goal here is to minimize the time one spends collecting assistance. This can be done, for example, by not penalizing those on social assistance for finding part-time work or for seeking re-training.

Simply put, we need to cut expenditures wisely, not haphazardly, and certainly not by making 'across the board' cuts. I believe that substantial cost savings can, and must, be made but these can only be made by employing imaginative solutions. Such solutions require that those most familiar with the problem initiate these changes and not simply react defensively to edicts from above. In Alberta, this requires that Family and Social Services recognize the inevitability of cuts to its budget and recognize that the best way it can defend the interests of those needing social assistance is to concern itself with designing constructive cost saving measures. ❖

Ron Kneebone is a University of Calgary professor in the Department of Economics.

Celebrate International Human Rights Day

Friday, December 10

at Noon to 1 p.m.

Canada Place (9700 Jasper Avenue)

Breaking of bread, songs by a school choir
and affirmations
will all be part of the celebration.

Bring your family and friends to celebrate
the rights and freedoms we've won,
and those we continue to work for.

Sponsored by the
Edmonton Committee to
Celebrate Human Rights Day.

To:

From:

Edmonton Social Planning Council

Suite 41, 9912-106 Street

Edmonton, Alberta

T5K 1C5

Phone: (403) 423-2031

Fax: (403) 425-6244

Canadian Publications Mail Sales Agreement No. 59498

espc news

While the Edmonton Social Planning Council continues to advocate against regressive cuts in provincial social spending, we have recently had some positive moments. We published the *Other Welfare Manual* and the Department of Alberta Family and Social Services has agreed to distribute the booklet in their Edmonton Supports For Independence Offices.

We received word from Justice Canada that we will be funded to start up a resource centre for street prostitutes. The money will cover a six-month start-up period and one year of operation.

The Edmonton Social Planning Council serves as the co-ordinating agency for the Children and Families Initiative (CFI) project. CFI has been underway for about one year. During that time workers have been compiling information about all the services available to Edmonton families. We looked for service gaps and areas of service duplication. The project is steered by members of leading community agencies with a goal to eliminate the most damaging effects of child poverty. On November 24th CFI held a



photo by Sheila Kushniruk

Participants vote on issues they feel are priorities at the November 24 Stakeholder's Meeting for CFI.

stakeholders meeting with more than 250 community and agency representatives to identify possible actions, set priorities and get involved in addressing child poverty. It was a full day. By 4:30 p.m. people had voted on directions they felt were priorities. The top priority identified by participants was in the area of income security which stated "There is a need to redefine work and our place in it and make value shifts that provide new and creative directions. There is inadequate income resulting from underemployment, unemployment and inadequate income support." The key action identified for this was to create a multi-sectoral planning committee including all three levels of government to look at the issues of employment, income distribution and income support and propose a vision, plan, workable strategies and measures of evaluation for implementation at an Edmonton area level within 12-18 months. The Steering Committee will use results and recommendations from this Stakeholder's Meeting as well as project research to take action over the next year.

The *Other Child Welfare Manual* will be published in December. This will be the first published guide to the Child Welfare System showing young people their rights and responsibilities in the system. ❖

Michigan—continued from page 11

agencies increased 19 per cent in one year and waiting lists increased as did limitations on the types of persons eligible for services and the benefits available.

The League's study found that the policy changes undertaken in Michigan did not increase the employability or self sufficiency of those who depended on GA for assistance, nor was the local community able to make up the support which had been provided through the public sector. Substantial harm was done in Michigan in October 1991. ❖

Sharon Park is a researcher with the Michigan League for Human Services.