ANALYSIS OF WELFARE REFORM POLICY IN ONTARIO AND ITS IMPACT ON SOCIAL ASSISTANCE RECIPIENTS

Abstract: In this paper, the policy behind welfare reform in Ontario is described and analyzed in order to illuminate possible barriers affecting a participant's transition to reemployment. As a basis for this policy analysis, institutional ethnography was used to examine the social construct underlying policy problems in a way that makes visible assumptions integrated into the policies themselves. The analysis uncovered both the affected relations organizations have and the subconscious pressures they exert in delivering employment strategies for social assistance recipients under the Ontario Works Policy.

John-Paul Hatala Ph.D jphatala@evaluform.com

ANALYSIS OF WELFARE REFORM POLICY IN ONTARIO AND ITS IMPACT ON SOCIAL ASSISTANCE RECIPIENTS

In this paper, the policy behind welfare reform in Ontario is described and analyzed in order to illuminate possible barriers affecting a participant's transition to reemployment. This policy was created by the Ministry of Community and Social Services for the Ontario Works program and is entitled 'Ontario Works: Making Welfare Work' (1997). As a basis for this policy analysis, institutional ethnography is used to examine the social construct underlying policy problems in a way that makes visible assumptions integrated into the policies themselves (Smith, 1987). The analysis will focus specifically on Policy Directive 7.0 (P.D. 7.0) 'Setting Participation Requirements' to problematize and make visible its underlying assumptions. Specifically, Policy Directive 7.0 represents a subset of 54 directives, released in 1997, that outline changes to the Ontario welfare system. Additionally, based on the experience of the researcher working with a non-profit agency offering Ontario Works funded programs, this paper will attempt to illustrate how the 'text' is implicated in extra local relations, which ultimately direct the practices utilized in delivering said programs. The existing strategies employed by the government of Ontario have left little room for self-discovery and gradual transition off welfare, due in part to the time limitations placed on assisting recipients. This paper will attempt to demonstrate that P.D. 7.0 contradicts the Ministry's objective of moving individuals towards self-sufficiency; moreover, those moving off welfare normally end up a part of Canada's poorest population. The analysis will uncover both the affected relations organizations have and the subconscious pressures they exert in delivering employment strategies for social assistance recipients under the Ontario Works Policy. It will be argued that the effectiveness of the interventions is limited due to the process by which a required employment stream is selected.

Ontario Works was initiated to address the welfare fraud experienced prior to 1995, as well as to reduce the increasing number of individuals receiving social assistance. The government set out to eliminate claimants wrongfully collecting assistance by forming an employment strategy that holds individuals accountable for making themselves self-sufficient. Traditional approaches to analyzing welfare policies have been evaluative, focusing on degrees of success or failure (Bashevkin, 2000; Michalopoulos & Robins, 1999). This evaluative approach *assumes* a linear evolution of welfare reform, where on-going problem solving and adjustments will theoretically result in an ideal policy.

Analyzing the power dynamics is of importance because moving a social assistance recipient towards re-employment is a multifaceted process that involves many different methods, ranging from assessing psychosocial issues to matching an individual to the most appropriate employment placement (Amundson & Borgen, 1987; AuClaire, 1978). However, if systemic barriers exist, these may be related to welfare policies. Figure 1 illustrates the relationship between the various institutions that affect an individual's transition towards re-employment. The policy is based on the premise that the links between the participating institutions are straightforward and yield a direct relationship to those involved. This paper will demonstrate how the policy itself has incorrectly presented these links as positive, and that the policy is geared towards more mainstream populations. It will be argued, therefore, that the Ministry's attempt to move

social assistance recipients back into the mainstream has further marginalized them, due to the manner in which these relations are organized.

Insert Figure 1 about here

Throughout P.D. 7.0, a number of discourses are repeated. These discourses have been identified as: consultation, training, participation and partnership; rights and responsibilities; development, identification and opportunity; and accountability and delivery of services. These discourses represent the underlying theme of the text and how they have formed to create weak links among the institutions directly involved in welfare reform.

Institutional Ethnography

The approach to institutional ethnography used in this paper was developed by Dorothy Smith (1987, 1990). Smith refers to social relations as the "consorted sequences or courses of social action implicating more than one individual whose participants are not necessarily present or known to one another" (Smith, 1987, p. 155). Smith refers to 'governing or ruling' as "the total complex of activities, differentiated into many spheres, by which our kind of society is ruled, managed and administered" (1987, p. 14). She goes on to suggest that institutional ethnography also encompasses "what the business world calls management, it includes the professions, it includes government and the activities of those who are selecting, training and indoctrinating those who will be its governors" and that this involves "those who provide and elaborate the procedures by which it is governed and develop methods of accounting for how it is done" (p. 14).

She relates 'the problematic of the everyday world' to the disjuncture between our knowledge and the extended social relations of contemporary society that are not readily visible to us. In some cases, these extended social relations are so apparent that they are taken for granted, but which are, nevertheless, responsible for shaping and changing our local experiences. In order to expose the problematics of the everyday world, we must see them as indeed problematic by exposing the linkages between the local and the extra local and not taking for granted what we see on a regular basis.

'Ideology' serves as a means of sorting and arranging the world conceptually. To view the world in terms pre-established, not only suppresses subjectivity, but constitutes the world as objective. Smith extends this point in stating "not only does it deprive us of access to, hence of critique of, the social relational substructure of our experience [it also] thus obscures the problematic of the everyday world" (Smith, 1990, p 42).

Finally, Smith (1987) refers to 'texts' as mediators of knowledge, generators of "an objectified world-in-common", and therefore, key organizers of the complex extended social relations articulated to and from the ruling apparatus of our society. 'Texts' create a virtual reality wherein the "social facts in which we work are constituted prior to our examination by process of which we know little...they are constituted already in a mode that separates them from the actualities and subjective presences of individuals" (Smith, 1990, p. 54). Smith (1990) goes on to state: "Texts are the coordinators of acts, decisions, policies, and plans of actual subjects as the acts, decisions, policies and plans of large-scale organizations" (p. 61). 'Texts' that are taken for granted can represent a misguided notion for which they are interpreted to apply to social situations.

What we assume as fact creates a skewed view of reality of what actually is fact, it becomes a subjective circumstance (i.e., that of the social assistance recipient). Examining the relationship between the local and extra local will provide insight into the evolution and underlying tones of the document and shed light on the processes and outcomes affected by what has been assumed in its content.

Ontario Works Policy Directive 7.0 – 'Setting Participation Requirements'

Welfare reform was initiated by the Ontario government with the stated objective of reducing the number of individuals on social assistance. The government decided that welfare reform was required to deal with these escalating numbers, which were thought due, in part, to fraudulent claims for assistance. The Ontario Works program was created to hold people accountable for their transition towards re-employment and involved the delivery of employment-training by community agencies. The policy is divided into several components, highlighting specific areas of the Ontario Works program. Directive 7.0 was selected for analysis because it set the criteria for determining what employment stream the social assistance recipient would be required to select. The employment stream ultimately determines the intervention provided in the attempted transition to reemployment.

The policy sets out the criteria for five broad service functions: determining eligibility; appeals; managing participation; monitoring eligibility; and administration of the act.

 The 'determining eligibility' section includes information for responding to an applicant's inquiries, referral to other income supports, income and asset tests, initiating the participation agreement, and verifying information.

- The section on 'internal review and appeal' includes the required documentation, notice, review, and appeal requirements.
- 'Managing participation' highlights what information is required, making referrals to support the individual in achieving self-reliance, and providing opportunities directly (e.g., job club supervision, job search seminars or other structured job search supports, community placement matching). It also includes such indirect assistance as: referring to educational programs; job-specific skills training; a community placement agency or employment placement/self-employment agency (depending on the local service delivery model).
- 'Monitoring eligibility' refers to decisions concerning the participant's eligibility based on budgetary needs and participation. These include procedures for case termination and setting any new participation requirements as a result of either the completion of previously set requirements or the renegotiation of initial requirements in response to a participant's or a case worker's request.
- The final section, 'administration of the act' deals with delegation of authority, delivery standards, performance measures, reporting requirements, cost sharing and recoveries.

At the beginning of each service function of the Policy, an overview summarizes the processes, the decisions that caseworkers must implement, and the training that

workers need in order to make those decisions effectively. The P.D. 7.0 section of the policy was analyzed due to its importance for understanding the dynamics of how social assistance recipients determine the most appropriate employment stream. The employment stream that is selected is critical to the transition towards re-employment. If an inappropriate stream is selected, there is an increased likelihood of remaining on social assistance for a longer period of time. This paper intends to illustrate that P.D. 7.0 is problematic and that closer attention should be paid to the policy as a whole, rather than looking outside or beyond the policy. This is essential in order to examine the assumptions, conditions and forces that make possible the emergence of a social problem.

Breaking down barriers that social assistance recipient's experience, such as psychosocial and emotional problems and shrinking social circles, can only be accomplished if policies are in place that effectively direct the transition to reemployment. If the policy itself adversely affects this transition (due to extralocal relations that may prohibit the reintegration of welfare participants back into society), then its deficiencies must be addressed.

Analysis Findings

The Ontario Welfare Act is divided into four primary streams: community participation, employment measures (including job-search, job-search support services, basic education and job-specific skills training, substance abuse recovery programs, employment placement, and self-employment), basic education and jobs specific skills training. There are also other employment measures prescribed in these regulations. The Ontario Works Policy is problematic in that its aim of creating self-sufficiency is lacking. This is due in part to the failure to allow delivery agencies to properly identify

employment streams that are consistent with a social assistance recipient's present psychosocial conditions. A design map is presented in Figure 1 that shows the relations amongst the institutions involved in the transition from social assistance to reemployment, but in examining the text it is discerned that the relationships were problematic, as they yield a number of weak links and an apparent shifting of accountability from the Ministry to other institutions.

Figure 2 demonstrates the reality of relations amongst the institutions involved in welfare reform. The Ministry of Community and Social Services provides initial intake for those individuals who require social assistance. It is at this point that a case worker must determine the most suitable intervention for assisting the recipient towards reemployment. The reality is that caseworkers are required to deal with many more participants than they are realistically able to assist. As a result, many social assistance recipients are put in employment streams that are not a good match to their needs and are referred to programs that they are not prepared to participate in.

Insert Figure 2 about here

The analysis uncovered that, due to the funding structure of Ontario Works, community-based agencies are pressured to fill training seats even though the social assistance recipients may not be prepared to receive employment-training. Although Ontario Works provides referrals to substance abuse programs, the medical system is over-burdened with individuals who require assistance and as a result there are long waiting lists. The social assistance recipient must wait for an opening to a substance

abuse program, creating added pressures and delaying the transition towards reemployment. During this process, the individual becomes further entrenched in the welfare system, adding to existing employment barriers.

Although most participants in programs are being trained to be employees, the self-employment stream was created to allow individuals with a viable business idea to start their own businesses. Raising capital has been deemed the strongest barrier to actually starting a business (Hatala, 1999); most financial institutions will not lend to anyone without a strong credit history and collateral. The typical social assistance recipient's financial profile is one of ineligibility for credit and limited collateral. To receive social assistance, an individual must declare all personal assets and savings. Assets or savings higher than the limit lead to ineligibility. Without assets that can be used as collateral, there is a minimal chance to start a business. However, this has not deterred the Ministry from promoting self-employment.

The central feature of Ontario Works training programs is to supply prospective employees with marketable skills. When employment streams are selected inappropriately, the program is less likely to achieve this goal. Sustaining employment for a reasonable period of time becomes difficult, which in turn increases the level of recidivism amongst social assistance participants and increases the amount of time they are on welfare.

For social assistance recipients, referrals to public or private educational programs become difficult because of the strict guidelines of program length. The majority of the educational programs are geared to the mainstream population. Even though the Ministry has developed criteria for which educational opportunities for an individual are eligible,

the level of education for a typical social assistance recipient is lower than what is required by the public or private educational programs (Region of Peel, 2001).

In addition to the design map generated, four key areas of analysis have been identified: 'determining job readiness', 'assessing participants', 'Ontario Works funding', and 'referrals'. Each of these are discussed in turn.

Determining Job Readiness

P.D. 7.0 emphasizes that before acceptance into an employment stream, an assessment must be undertaken to determine whether the individual is 'job ready'. Criteria for being 'job ready' include stable living arrangements, arranging for child-care and, where appropriate, the treatment of substance abuse. However, suitable time frames are not indicated for job search preparation, nor does the policy address timeframes that would allow for participants to deal with any issues affecting their ability to conduct such a search. Employment programs are limited by the amount of time an individual can participate.

DIR 7.0-3 29.(1) "An administrator (Ministry) may require a participant to participate in one or more employment assistance activities for which he or she is physically capable under the terms and conditions and for the periods of time specified by the administrator."

In most cases, the time allotted for individuals to participate in employment assistance activities is limited unless an assessment deems them physically incapable of securing employment. It is only at this time that the employment activities may be extended. The reality is that it becomes difficult to demonstrate that participants have psychosocial issues affecting their abilities to find employment. Normally, they are

quickly processed through the employment-training to starting the job search. The researcher's experience in working with social assistance recipients in Ontario Works programs has provided him an opportunity to see first hand the misplacement of participants into employment streams. For example, there have been several occasions where participants in employment programs were unprepared to receive career-related information. The lack of preparedness was mainly due to emotional and personal issues; as a result, it was extremely difficult for them to focus on the materials presented during their training (Robbins & Tucker, 1986). Building a case to present to the Ministry for referral to an intervention that deals with emotional problems is usually difficult and in most cases is not approved. Unless strong evidence is provided that personal problems deter the search for employment, it is likely that a referral will be declined.

Even though the policy refers to the appropriate amount of time to become 'job ready', the practice is more oriented to feed the labour market rather than properly preparing social assistance recipients by such methods as helping them to overcome related personal problems:

DIR 7.0-7 "The appropriate mix of activities and employment measures should build on experience, education, skills and needs of the individual applicant or participant and the local labour market. The amount of time a person is required to participate in activities designed to prepare him or her to go to work will vary, depending on when he or she is job ready."

Training programs for social assistance recipients are geared to meeting the increased demand by the labour market for entry-level positions (e.g., cashiers, clerks, warehouse personnel). The Ministry claims, as noted in the above statement, that once job readiness is achieved, participants are required to seek employment. The policy

focuses on being physically capable of conducting a job search and ignores any psychosocial barriers. By not preparing recipients properly, the likelihood is increased of future failure, and for longer periods of time. With the restrictions on social assistance, this policy may lead to an increase in those who fall beneath the social safety net and become indigent.

Assessing Participants

The initial intake assessment for social assistance is conducted by a caseworker employed by the Ministry. This process includes minimal information gathering, only such things as discerning personal assets, employment status and social insurance number. Since the introduction of Ontario Works, the Ministry no longer determines what employment intervention will be utilized but rather provides suggestions. Assessing the appropriate employment stream for a social assistance recipient is done by the delivery agency:

DIR 7.0-13 Restrictions on Participation- "Where an applicant's or participant's circumstances will limit the individual's capacity to participate, delivery agents must identify and document the restrictions on participation. People who have specific requirements for, or restrictions on, their participation must not be referred to placements that could aggravate their condition, present a danger to their health or safety, or interfere with the practice of personal or religious beliefs."

Not only is accountability shifted to the delivery agency, but also to other extralocal relations such as health and safety laws, religious institutions and law enforcement. In working with social assistance recipients, the researcher has found it difficult to assess their conditions due to his lack of expertise in determining their specific requirements. In some instances an incorrect placement was created due to the lack of

resources available. This shifting of accountability protects the Ministry from incorrectly selecting an employment opportunity and deflects any public 'back-lash'; for example, as when the 'work for welfare' program was initiated, the delivering agencies for Ontario Works were targeted by activists in the late 1990s.

Ontario Works Funding

The funding structure for Ontario Works Programs actually limits the number of community-based agencies willing or able to deliver the program. This is because the Act requires programs to include all relevant employment activities that are in the Act, including: community participation; employment measures; basic education and job specific skills training; and other employment measures prescribed for participants.

Agencies are funded on a performance basis when participants meet graduated program objectives (i.e., initial payment is received at the beginning of the program, a second payment is allocated once the training portion of the program is completed, a third payment is provided once the participant commences with an employment placement, and a final payment once the agency can demonstrate employment for a specified period of time). Funding will not be provided for activities outside of the delivery agency's area of intervention:

DIR 7.0-7 "Employment assistance is assistance to help a person to become and stay employed, and includes: Community Participation, Employment Measures, Basic Education and Jobs Specific Skills Training, and other employment measures prescribed in regulations. Note: The delivery agent is required to provide all activities that are in the act."

For example, if a delivering agency refers participants to an appropriate educational or training program, it does not receive funding for referrals. Since delivery

agencies are funded for the number of participants they train, they are reluctant to make referrals. In essence, the policy promotes 'cherry-picking' of participants who do not require outside interventions and can readily participate in the delivery agency's employment program. In the researcher's experience, participants are encouraged to enter an employment stream even if they are not prepared to do so, so that the agency can generate funding to continue their programs. This policy has increased recidivism among participants in Ontario Works, and ironically, has actually increased the number of times individuals collect welfare (Barrett & Cragg, 1998). By delivering only those employment programs outlined in the policy, agencies are forced to process participants with little regard to their readiness and their need to address other issues, which may not be the most effective intervention.

The majority of the delivery agencies involved in the Ontario Works programs have large infrastructures that make it easier to sustain a program. This limits diversity of delivery agencies and may also decrease program quality. The inability of smaller agencies to deliver Ontario Works programs that are sustainable means that these programs are concentrated in larger urban centres.

In addition to pressuring delivery agencies into selecting those participants who are most likely to succeed in their employment programs, the policy also requires social assistance recipients to choose an employment stream after an assessment is conducted or risk being ineligible for income assistance:

DIR 7.0-2 (3)" A person who fails to comply with the conditions of eligibility regarding employment assistance that apply to the person is not eligible for income assistance."

An important influence on the supposed success of a program is the employment opportunities within that locale. Therefore, location can dictate whether employment agencies would be willing to offer Ontario Works programs. If the local labour market already has high unemployment, performance-related funding provides a minimal incentive for agencies to deliver Ontario Works Programs:

DIR 7.0-10 "The job search requirement should normally occur at the point when job search is likely to have positive results (including part-time employment). Where a participant is a youthful dependent adult in a benefit unit, who is willing and able to pursue post secondary education, the Administrator is encouraged to approve this activity as a positive investment in the youth's continued, future self-reliance."

The time it takes to get a participant 'job ready' can vary, and ultimately can yield expenses that agencies are not able to afford. Where referrals are recommended to an educational institution, a social services administrator intervenes to make this decision.

Although the Ministry views this as a successful outcome, the credit is taken by the Ministry, as it has made the placement.

Referrals

In theory, the policy allows for delivery agencies to refer participants to external resources in preparation for participating in a specific employment activity:

DIR 7.0-7" A first approved step for some individuals will be to pursue a necessary support to enable participation in the above activities. For example, an applicant or participant may need to stabilize living arrangements, pursue substance abuse treatment or make arrangements for suitable childcare."

However, due to the funding structure, referrals are avoided even though they may assist an individual in becoming job ready. Without the Ministry's approval, the type of referral made by the delivery agency is limited to non-Ministry educational resources:

DIR 7.0-8 "Employment measures include job search, job search support services, referral to basic education and job-specific skills training, employment placement, an education or training program approved by the administrator, a self-employment activity approved by the administrator, supports to self-employment and a substance abuse recovery program."

A referral to an education or training program and self-employment activity requires approval from the Ministry (administrator). Other referrals are left to the discretion of the delivery agency, and generally include services that are contracted out by the Ministry. This is another example of shifting the accountability from the Ministry to other service providers in the community.

Successful outcomes are determined by whether the participant is placed in an employment situation and is able to maintain employment for a 12-month period. If a referral is made to another service (i.e., additional training), this outcome is considered successful. The drawback for agencies is that as soon as the referral is made, funding for that particular individual stops. In the researcher's experience, referrals are made only when absolutely necessary. This creates an unhealthy bias and works against thorough assessments and appropriate referrals.

Conclusion

Institutional ethnography, as an approach to welfare policy analysis, offers a micro viewpoint into the details of how policy is organized. This approach has been particularly useful in examining how power is articulated to and from the ruling apparatus, via the language and practices. Smith (1990) has demonstrated how institutional ethnography is not only a method but also a means by which we can make a connection to a larger political cause.

The approach undertaken in this paper provides opportunities to question and address the inequities that are justified in the name of welfare reform policy. The policy indicates a shifting of the accountability to the delivery agencies, such that when declining social assistance rates are published, it reflects favourably on the government. Although it appears that welfare participation is declining, where these individuals end up is not always known. By contracting out the delivery of interventions, the Ministry can redirect the attention for who is responsible for negative re-employment outcomes to the delivery agencies. The short-term outcome of re-employment may obscure other problems with this policy. Although the percentage of the population on social assistance has declined, an increase in poverty levels has occurred over the same time period (Picot, Morissette & Myles, 2003).

The payment structure for Ontario Works programs is a disincentive to program diversity among delivery agencies. The programs are provided predominantly by large agencies in urban centres. This is a weakness in the delivery system that should be addressed by the inclusion of various layers of government and a diverse range of delivery agencies.

From the researcher's experience with Ontario Works participants, the funding structure has led to many inappropriate placements. An incorrect selection of an employment stream leads to a higher level of recidivism because many participants are not ready for the interventions to which they are streamed. These problems must be dealt with in order to assist in the transition to re-employment for social assistance recipients. Long-term assessments should be established for welfare recipients who enter the job market. This is the responsibility of the Ministry and the delivering agencies. It is not sufficient to simply reduce welfare participation; it is also necessary to understand what happens after social assistance recipients enter the labour market. The status of a participant's employment barriers during a selected employment stream need to be addressed in order to fully understand the impact that the Ontario Works policy has on removing individuals from welfare permanently. One of the key barriers for a participant's employment is the lack of opportunity and resources found within their social network – an essential factor for employment attainment in the current world of work. As illustrated earlier, Ontario Works policies appear to overlook several critical psychosocial factors that can have an impact on participants' effort for employment, including discouraging network growth due to a high potential of caseworkers making referrals to inappropriate employment streams. Diverse social networks will provide access to information that will enable the individual to maintain a stable socio-economic status. Strong networks will provide emotional and financial support as well as referrals for new employment opportunities.

The present paper has provided a starting point for a kind of inquiry into welfare reform, and exemplifies it by analyzing documents that represent a shift in accountability

from government to the agencies offering employment interventions. The need to continue this work is important to uncovering the problematics of welfare reform and the development of new policies that are reflective of the reality of social assistance recipients and their transition towards self-sufficiency.

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Figure 1 - Institutional Matrix



