Report documents the disastrous plight of Canada's welfare recipients

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A recent report from the National Council of Welfare, an advisory board to the federal Minister of Human Resources and Social Development, paints a very somber picture of the conditions in which welfare recipients in Canada are forced to live.

Invariably, those receiving welfare or "last resort" benefits have incomes far below the poverty line. Moreover, the real dollar value of the benefits paid welfare recipients has been rapidly shrinking over both the short and long term.

The report sheds light on the degree to which state policy is oriented towards enriching the wealthiest and most privileged sections of society to the detriment of the most vulnerable. Far from coming to the aid of the most destitute, the state is seeking to transform them through punitive regulations and woefully inadequate financial support into a source of cheap labor so as to increase the profitability of Canadian big business.

Entitled "Welfare Incomes 2005," the report describes in detail the welfare benefits received by families across Canada.

In 2005, 1.7 million Canadians, roughly 5 percent of the total population, including nearly half a million children, were dependent on welfare for their livelihood.

Although the federal government helps fund welfare through transfers to the provinces, it is the provinces that administer welfare in Canada.

"Welfare Incomes 2005" found that in 20 of the 52 categories of welfare recipients the Council has been tracking across Canada's 10 provinces and three territories for the past 20 years, welfare incomes are now at their lowest point ever.

The report further found that in Ontario, Manitoba, Saskatchewan, Alberta and British Columbia—five provinces representing close to two thirds of Canada's total population and currently ruled, respectively by Liberal, New Democratic Party (NDP), NDP, Conservative and Liberal governments—the incomes of welfare recipients in all categories declined in 2005 to their lowest point since at least since 2000.

The Canadian government has defined the poverty threshold for a single person at C$19,795.

Yet in New Brunswick, a single person on welfare received just C$3,427 in 2005, and a four-person family (a couple with two children) only C$17,567.

Alberta, which due to its oil and gas reserves is far and away the country's richest province, has dramatically slashed the values of welfare benefits since the early 1990s. Last year a two-person family (one parent and one child) in Alberta received just C$12,326 in welfare benefits. And the income of a single person on welfare in Alberta, when adjusted for inflation, has been nearly halved since 1986, falling from C$9,881 two decades ago to C$5,050 in 2005.

In Ontario, the real dollar value of welfare benefits for a single person has fallen nearly 35 percent since 1992, going from C$10,700 to C$7,000, while the value of welfare benefits for an Ontario family comprising two children and two adults has been reduced from C$28,000 to C$19,300 during the same period.

In 51of the 52 categories designated by the National Council on Welfare, including those covering persons receiving disability benefits, the income of welfare recipients was less than two thirds, and in many cases far less than two thirds, of the poverty threshold. (The lone exception was single-parent families in Newfoundland.)

The incomes of welfare families with children were generally between 55 and 60 percent of the poverty threshold. The incomes of single people living alone were nearer to one third of the poverty line.

According to the report, people who depend on welfare to survive must go through a "complex, onerous and humbling" experience—that is, a maze of time-consuming and demeaning administrative hoops—to obtain or retain

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their eligibility for welfare benefits, benefits that are too meager to satisfy their most basic needs.

This shows one thing: Canada's governments—federal and provincial and of every political stripe, Liberal, Conservative, Parti Québécois (PQ), and social-democratic (NDP)—long ago abandoned any pretence of providing for the basic needs of their most deprived citizens. The days of the welfare state, when governments redistributed a portion of wealth to the poorer sections of society and ensured a minimum living standard for all, are long gone. It has been replaced by a deliberate drive to render the jobless destitute, so that they can be dragooned into accepting the most degrading and underpaid jobs and, thereby, downward pressure exerted on wages as a whole.

In some provinces, after having endured administrative harassment, including flagrant intrusions into their private lives, welfare recipients are steered into programs aimed at "re-integrating" them into the job market.

This is true in Quebec where the program of welfare aid is bluntly called an "employment assistance program." After having undergone an intrusive detailed study of their material conditions and their needs, welfare applicants in Quebec who have been deemed apt for work must meet with a job-agency representative whose role is to press them to accept the first job available. Welfare recipients cannot refuse a job judged to be "appropriate" by a job-agency representative without having their benefits reduced or stopped. Single persons deemed "apt for work" in Quebec receive a welfare stipend of C$533 per month, or C$6578 per year, just 34 percent of the so-called poverty threshold—that is, if their benefits haven't been reduced because they refused to accept an "appropriate" job.

In most provinces, welfare recipients must regularly demonstrate that their financial and professional situation remains the same—i.e., desperate—if they want to continue to receive welfare benefits, and, if they have a disability or other condition that prevents them from working, they must regularly prove that their health still prevents them from seeking employment.

Despite the meagerness of the stipends paid under welfare, the provinces have developed a whole series of restrictive regulations to further reduce welfare eligibility and rates. For example, for nearly 10 years, successive Quebec governments, Liberal and Parti Québécois (PQ), have cut the stipend paid a young welfare recipient by C$100, if he or she lives with a parent not receiving welfare. This measure has allowed the Quebec government to save C$44 million on the backs of some of the province's poorest residents.

In considering the plight of Canada's welfare recipients, it is also necessary to consider what is happening at the other extreme of the social ladder.

For the year 1999 (and contemporary figures would certainly be even more skewed in favor of the privileged), the richest 27 percent of all Quebecers owned 80 percent of all the wealth, while the poorest 36 percent owned just 1.4 percent. In Alberta, the poorest 30 percent shared between them a little more than 0.8 percent of the total wealth while the top 24 percent possessed 75 percent. In Ontario, the lowest 25 percent in terms of revenue possessed an infinitesimal 0.1%, and the richest 27 percent had 77 percent.

Equally striking are the obscene incomes earned by the richest Canadians in 2004. Robert Gratton, CEO of Power Corp., earned C$173.2 million, while Bernard Isautler received C$93 million. Frank Stronach of Magna International pocketed C$52 million, and John Hunkin of the CIBC bank earned C$13 million. And this is only a tiny part of the total wealth siphoned off by the tiny, but economically and politically dominant, capitalist elite.

This is an international process. In the US, for example, salaries now make up the tiniest part of the gross domestic product since 1947, while profits have not been so high since the 1960s. As one banker remarked, "It is the reduction in the share of the national revenue going to the workforce which has contributed the most to the increase in profit margins over the last 5 years."

All these figures show to what degree the gap in income and wealth between the working class and the ruling classes is immense and continues to widen. This situation is the direct and sought-after consequence of a policy that aims to impoverish the working class majority to enrich the owners of capital

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