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By Arlene Tigar McLaren and Mark Thompson

Especially in the spring and summer, British Columbians enjoy fruits and vegetables grown in the Fraser Valley. But consumers may know little about the people who cultivate and harvest the food we eat. Ironically, at a time of general labour shortages, the BC government has rolled back employment protections for farmworkers and tolerated deplorable working and living conditions in our backyard.

For at least the past 20 years, abusive employment relations have existed in the Fraser Valley. Despite this history, in 2001 the provincial government disbanded a highly successful multi-agency program that uncovered hundreds of violations of labour regulations. The government also made a host of changes to employment laws and regulations that lowered minimum working standards for farmworkers. For example, it reduced minimum piece rates for fruit and vegetable pickers and excluded farmworkers from any entitlement to vacation, statutory holiday or overtime pay.

Our Economic Security Project study—*Cultivating Farmworker Rights*—looks at the impact of these policy and enforcement changes on Fraser Valley farmworkers. Our research team interviewed over 50 farmworkers at length. These interviews were supported by other data and interviews with individuals in government and the farm industry.

Harvest workers in the Fraser Valley are overwhelmingly Indo-Canadian immigrants, most are women, many are in their 50s and 60s. They are employed by “labour contractors” who supply temporary labour to farm owners and transport workers to farms. Workers we interviewed reported that contractors take advantage of immigrants



who know little of their rights, especially women who may be intimidated by male contractors' control of the labour process. These employers frequently violate labour standards and health and safety regulations, and transport workers in unsafe vehicles.

The tragic van crash of March 2007, in which three women died, did not surprise these workers. The government's cutback on enforcement of safety regulations jeopardized their lives. As one woman stated: “There are no windows, no glass. So you can't see how many people are pushed in.”

A recent Federal Tax Court ruling on farm labour contractor Employment Insurance fraud underscored the power of contractors. Indeed, farmworkers in our study talked about being scared of contractors. If they say anything, one explained, “the next day we are not picked up for the work.” As a result, farmworkers are unlikely to exercise their rights and complain about inadequate wages or unsafe conditions.

Unsurprisingly, few Canadians want this work. It pays little (often below the minimum wage of \$8

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Living on Welfare

By Seth Klein and Jane Pulkingham

Public discussions about welfare policy are too often dominated by myths: that welfare benefits are too generous; that it is too easy to get on welfare; and that it is too easy to stay on welfare rather than “get a job.” The reality is starkly different. Living on welfare (or income assistance, as it is officially known) is hard—very hard. Our research finds that, all too often, it forces people into making harmful and desperate “choices.”



PHOTO: DONNA CORRILL / HOPE IN SHADOWS

Our study found that too many people are cut off assistance, and for inappropriate and unfair reasons. Being cut off helped neither these people, nor society generally.

Generally speaking, people remain on income assistance for more than one year only if there is a compelling reason for their inability to secure stable employment.

The number of people receiving welfare has been dropping in BC since 1995. Yet despite this downward trend, the provincial government introduced sweeping changes in 2002. New eligibility rules made it much more difficult to access welfare when in need, and more demanding work-search and employment rules were added for those already getting assistance. Consequently, between 2002 and 2005, the number of people receiving welfare (the “caseload”) plummeted.

The provincial government claims this as a good news story. Yet it has never put adequate studies in place that would allow it to legitimately make such claims. In the absence of such studies, the CCPA/SFU Economic Security Project has examined the reasons for the declining caseload, and the consequences for those unable to get or keep assistance—and a much more nuanced and often disturbing story emerges.

In the summer of 2004, we recruited 62 people on income assistance from three British Columbia cities (Metro Vancouver, Victoria and Kelowna) for our study. All were in the “Expected to Work” (ETW) welfare category, and all had been on assistance for at least 15 months (and on average for a cumulative total of eight years). They agreed to remain in contact with researchers every month, and to be interviewed every six months for the following two years.

Key Findings

Much of day-to-day life on welfare is about survival—a constant and frequently unsuccessful struggle to look after basic needs for food, shelter, health and personal safety—making the task of seeking employment hugely difficult if not impossible for many. A minority of study participants who had stable housing to begin with were much more likely to leave welfare for employment.

Welfare rates are too low. Inadequate benefit rates mean many simply cannot make ends meet on income assistance alone. The public welfare system is structurally dependent on food banks and other charities in order for people to meet basic needs. Many participants in our study were “re-categorized” as “persons with disabilities” (PWD) or “persons with persistent multiple barriers to employment” (PPMB). Disturbingly, however, even they continued to rely on food banks or soup kitchens an average of four times per month, and those who were not re-categorized reported a significant increase in their use of these charities.

Society pays for an inadequate/inaccessible welfare system in many ways. The findings shed light on why some people on income assistance feel compelled to resort to panhandling, survival sex, or various illegal activities, and why some remain in or return to abusive relationships. And the findings point to the various ways society at large pays for welfare’s failings—through higher health costs, higher policing and justice system costs, and increased demand on innumerable community and charitable agencies.

Our study found that too many people are cut off assistance, and for inappropriate and unfair

Denying Income Inequality Won't Make It Go Away

By Iglika Ivanova

The May release of the 2006 Census data on earnings and incomes sparked a heated debate about inequality in Canada. Media commentators argued whether it was more informative to consider individual or family incomes, while others tried to convince us that market earnings are irrelevant since the taxes we pay and the government services and income supports we access reduce earnings inequality to some extent.



After-tax family income is more equally distributed than individual earnings, but this doesn't mean that all is well. On the contrary, the core finding from the latest Census is stark: income inequality is growing during the best of economic times in Canada. This is a serious reason for concern.

It has been claimed that a rising tide lifts all boats, but Canada's working poor are sinking. Census numbers reveal that the median earnings of the poorest fifth of individuals who worked full-year, full-time dropped by 20.6 per cent between 1980 and 2005 to \$15,375 per year (adjusted for inflation). Without government transfers, they'd be in real trouble.

This is not just a story about the bottom falling behind, but also about the middle class not being able to move forward. Everyone is working about as hard as they can. They're becoming better educated. Yet only the richest among us are getting ahead.

Young Canadians and new immigrants—our future workforce—are struggling the most.

The situation is even worse in British Columbia, which saw the sharpest decline of median earnings of full-time workers in the last quarter century—11.3 per cent—with a 3.4 per cent drop between 2000 and 2005 alone.

Technological change, the industrial restructuring of the economy in response to international trade and the decline in unionization are among the most frequently cited explanations for the nationwide trends of stagnant real wages and rising inequality since the 1980s. These are often regarded as impersonal forces that governments have no control over, and thus bear no responsibility for.

This is simply not correct. Public policy plays a crucial role in how we adapt to structural change: well-designed policies successfully lessen the negative effects of changes, while misguided policies compound the problems.

The forestry industry's collapse and the subsequent loss of stable and relatively well-paid jobs explain much of the dramatic decline in BC real wages between 1980 and 1990. Median earnings recovered slightly over the next decade, but then took another hit between 2000 and 2005, a time of stable economic growth and low unemployment. This makes BC the only province to experience a substantial drop in median earnings during times of economic prosperity.

The decline in median earnings since 2000 was likely the direct result of government policy. In the name of economic competitiveness and labour market flexibility, the current provincial government introduced a host of policies that weakened labour protections soon after it was elected in 2001.

The labour market in its current incarnation in BC doesn't seem to benefit most workers. If we are serious about reducing inequality, we should demand that our government take action.

The province needs to proactively enforce labour standards and implement a broad agenda of education and advocacy on workplace rights. Minimum wages should be raised to a level that ensures that no full-time worker lives in poverty. It is important to see wages not only as providing a certain level of income but also as indicators of affordability for basics like housing, child care and education to make sure we're all set on the right path in life.

Young Canadians and new immigrants—our future workforce—are struggling the most.

Perspectives on BC's Carbon Tax

BC's new carbon tax has set off a wide-ranging debate in the province. As an organization, we have supported a well-designed carbon tax through our Alternative Federal Budget for many years. But we also recognize that there is a range of opinion about how carbon taxes should be designed, how effective they are, and whether they are fair. For this issue of BC Commentary we put out a call to our research associates and Climate Justice Project team to comment on the carbon tax. Below is a selection of the responses.

The essential first step is to mandate tough reductions in carbon emissions for the major polluters, and to use some of the revenue generated to fund green alternatives, especially those based on conserving energy.

Peter Prontzos, Langara College

Global warming is the single biggest danger facing Canadians today. We are already too late to prevent serious ecological damage, from rising sea levels to loss of habitat, to shortages of both food and water. These problems are primarily caused by those corporations who put profits above all else, and by politicians who act on their behalf.

The longer we allow powerful special interests to get away with their selfish actions, the greater the disaster that we will all face. While carbon taxes may have some role to play, the essential first step is to mandate tough reductions in carbon emissions for the major polluters, and to use some of the revenue generated to fund green alternatives, especially those based on conserving energy.

Bill Rees, University of British Columbia

BC's carbon tax is a tentative step in the right direction. Ecological taxes are one of the tools available to governments to help correct for gross market failure, and climate change is about as gross an example of market failure as one can imagine. However, the tax is too little to cover the external costs of climate change and too late because it was being overtaken several times over by the "natural" increase in petroleum prices.

We still aren't close to the goal of an 80 per cent reduction in carbon emissions and need much more effective policies. The best bet is some sort of "cap-and-trade" system where the maximum allowable carbon emissions are set and access to those emissions allocated to producers of fossil fuels by some market process—in effect, the market in carbon shares would set the appropriate "tax" level. The costs would be passed on to final consumers. The policy should be phased in at a predictable rate over a reasonable period of time and accompanied by additional tax reforms (e.g., negative income tax) to ease unfair pressures on the economically vulnerable.

Duncan Cameron, Simon Fraser University

The BC carbon tax package is unfair, and will not reduce green house gas emissions (GHG) significantly. The carbon tax is unfair because income tax cuts that, overall, favour the wealthy are included to make it revenue neutral. Since increased consumption by the wealthy accounts for much of the environmental damage being done in Canada, the BC carbon tax package is not even green.

Recent oil price increases will diminish consumption and GHG emissions; while the carbon tax has only minor effects on either. Yet we need to reduce GHG emissions by 60 per cent over the next decades. For BC, getting serious about global warming means revisiting subsidies and regulation in coal mining, oil and gas (including offshore), and re-thinking privatization of gas and electricity.

Todd Litman, Victoria Transport Policy Institute

BC's new tax reflects key tax shifting principles: it is broad, gradual, predictable, and structured to assist low-income people. It begins small and increases gradually over several years, allowing consumers and industry to respond with increased energy efficiency. Revenues are returned to residents and businesses in ways that protect the lowest income households.

Like most new taxes, the carbon tax has been widely criticized. But there are actually many possible ways to conserve energy and therefore reduce the carbon tax burden. Most consumers can save overall. Since lower-income households tend to consume less than average amounts of fuel and receive targeted rebates, this tax is overall progressive with respect to income. It supports economic development by encouraging conservation, which keeps money circulating within the regional economy.

Hugh Mackenzie, CCPA national research associate

The focus on revenue neutrality fosters a dangerous illusion about what will be required to achieve Canada's climate change objectives. To put it bluntly, anyone who believes that Canada's climate change objectives can be achieved without significant new public investment is dreaming in technicolour.

Where is the funding going to come from to pay for the expansion in public transit that will be needed to support more environmentally friendly transportation choices? Making it more expensive to drive your car isn't going to make buses, streetcars and subways appear as an alternative. Making short-haul air travel more expensive won't make the high-speed rail service we need in high-density corridors magically materialize. And the experience of every jurisdiction that has taken energy conservation seriously is that special financial measures are needed to facilitate the investments by individuals and businesses in energy saving technologies.

Cliff Stainsby, BC Government and Service Employees' Union

In my view, the issue is not about "getting the price of carbon right." It is about getting the "emissions of carbon right." And there is a fundamental difference. The issue is basically a moral one (it is wrong to destroy our life support systems), and the decision should be based upon science and our societal values. Also, the time pressure is immense—we need reductions yesterday. No one knows how to draw a path between today's emissions and 2020 or 2050 targets based on a carbon tax. The emission response to a tax is highly speculative, uncertain. We do not have time for uncertainty.

A cap is required and we can easily identify a path from today to 2020 or 2050 based on periodic percentage reductions in a cap. The cap is essentially a rationing scheme, that can be designed to be equitable and timely and no more complicated than a tax, with the essential ingredient—certainty. Applied at the mine site, well head and border, it can be very simple and very fair. Selling allowances can raise revenue for whatever purpose public policy dictates.

Alan Durning, Sightline Institute

BC's carbon tax shift is the purest instance of a tax shift that I've ever seen. It is comprehensive, revenue neutral, phased, predictable, free of political loopholes, and progressive—with built-in protections for working families. Most countries with carbon taxes, including tax-shifting's pioneers in Scandinavia, have made one political compromise after another, exempting whole industries and thereby undermining the tax. BC's carbon tax is an important signal to other states and provinces in North America.

Not that BC's smart tax shift policy can't be even better. Tax shifting is supposed to start small; my disappointment is that it ends in 2012. Only continuing rate increases will deliver on the tax shift's promise. Advance notice of future carbon price increases are as important as the increases themselves. If British Columbians know that the price of fossil fuels is going to go up every single year for as far into the future as the eye can see, they'll make different decisions now.

Keith Reynolds, Canadian Union of Public Employees

With this tax, higher income British Columbians can afford changes in their lifestyle (cars and furnaces) that are simply unaffordable to many working people. Moreover, the tax credit which benefits the low and middle income is not scheduled to increase as fast as the tax itself. Is this just a continuation of past government tax changes—cutting progressive taxes and raising regressive fees—that involved a shift in the tax burden from the wealthy to the low and middle income?

People who have to shovel their driveways (i.e. cold weather and no transit) will be much harder hit than people in BC's banana belts. The Cariboo Chilcotin School District, for example, will pay an additional \$110,000 in the carbon tax. This is a small part of their total budget, but it is enough to take teaching assistants out of classrooms. There is no money to help schools make this transition. Finally, there are serious questions that the carbon tax will actually have much impact if many people cannot afford to change their lifestyles. The marketplace alone is not the answer to every question. •

If British Columbians know that the price of fossil fuels is going to go up every single year for as far into the future as the eye can see, they'll make different decisions now.

Selling Out the Public Interest on Vancouver Island Forestlands

By Ben Parfitt

Since the heady days of the Clayoquot Sound logging blockades, few issues on Vancouver Island have triggered such public outrage as the proposed sale of thousands of hectares of forestland on Victoria's doorstep. That outrage has only intensified in recent days after BC Auditor General John Doyle issued a blistering report criticizing the provincial government for failing to consider the public interest when granting Western Forest Products (WFP) the right to sell these lands.



PHOTO: GARTH LENZ

Surfers and loggers alike correctly saw that the sale would mean a proliferation of houses and roads where forests once stood and an end to carefully developed regional growth plans that embraced sustainable development by limiting urban sprawl.

When news of a potential buyer surfaced last year, hundreds of woodworkers, environmentalists, First Nations and outdoor enthusiasts protested at community meetings and before elected municipal and regional councils from the provincial capital, through Sooke, Jordan River and Otter Point.

Surfers and loggers alike correctly saw that the sale would mean a proliferation of houses and roads where forests once stood and an end to carefully developed regional growth plans that embraced sustainable development by limiting urban sprawl.

The controversy goes back to January 2007, when the provincial government gave debt-ridden WFP permission to break a longstanding social contract. That social contract saw forest companies get generous tax breaks and access to public timber in exchange for bundling their private holdings into Tree Farm Licenses and managing both their private and public forestlands under the same set of rules. By allowing WFP to decouple its private forestlands from BC's publicly-managed forest resources, the province set the stage for the company to sell the lands for so-called "higher and better uses," a move that could potentially see WFP's shareholders reap a \$70 million windfall.

It now falls to newly appointed Forests Minister Pat Bell to deal with the mess left by his predecessor Rich Coleman. With an election less than a year away, Bell has little time to make it right. But make it right he can and here's how.

First, Bell ought to consider the longstanding practice of protecting BC farmlands through the Agricultural Land Reserve. If the ALR limits non-farm developments on privately owned farmlands,

why not a Forest Land Reserve that does the same for private forestlands?

Second, demonstrate that the province is serious about letting regional and municipal governments call the shots on lands properly in their jurisdiction. The Capital Regional District (CRD) passed a zoning bylaw limiting housing development on the lands that WFP proposes to sell. But Community Services Minister Ida Chong took so long to approve the CRD's down-zoning that WFP was able to apply to subdivide the lands under the old rules. Bell needs to do what Coleman failed to: defend the interests of regional governments at the cabinet table. Otherwise, company shareholders will win and the public will end up saddled with the costs.

Finally, Bell can win the support of woodworkers and environmentalists alike by declaring that public and private forestlands will be managed under similar rules. Yes, this means higher costs for private forestland owners (some of whom have publicly boasted of the lack of regulations governing their activities). But private forestland owners also pay low property taxes and no stumpage or timber-cutting fees. They have, and always will have, a leg up on companies operating exclusively on public forestlands.

If Bell tackles one coastal issue during his brief tenure as Forests Minister, the private forestlands question is one that has broad public interest. Let's hope he hears what the public is saying.

Ben Parfitt is a resource policy analyst with the Canadian Centre for Policy Alternatives' BC Office and author of Restoring the Public Good on Private Forestlands, available at www.policyalternatives.ca.

per hour). Many workers are in the fields 10-12 hours per day, seven days a week. Working conditions are hard, and often unsafe and unsanitary. One of the most common complaints of workers is the lack of washrooms, drinking water and a place to eat lunch. All these amenities are required by WorkSafeBC—yet workers report never having seen inspectors.

Rather than improve conditions to help attract needed workers, in 2004 the provincial government signed on to the federally-run Seasonal Agricultural Workers Program (SAWP), giving growers the right to import temporary Mexican workers.

SAWP workers are paid slightly more than most Canadian farmworkers, at \$8.90 per hour. They also receive transportation and housing—which can mean living in a barn. Over 90 per cent are male, most are under age 45, and they must leave their families behind. They are contracted to work for a single farmer, who has the effective right to deny them future employment and can have them repatriated before their contract ends. One migrant told us: “If they see us taking a rest, they threaten to send us back to Mexico.” Given this constant threat, few migrants complain about their working conditions.

The labour of both immigrant and migrant farmworkers is unfree; they cannot exercise their rights to report violations of employment, health and safety regulations. Nor can they change employers, for either legal or economic reasons.

Individual farm owners or contractors may treat farmworkers well, but the current system fails to protect farmworkers from employers who take advantage of the imbalance of power.

What should be done? The basic principle of policy should be to give farmworkers (immigrants and migrants) the same rights as other Canadian workers, such as overtime and paid public holidays. The minimum wage should be raised to \$10per hour. To ensure standards are respected, pro-active enforcement is needed, as is an active program to inform farmworkers about their rights. A non-profit agency to supply temporary labour to growers should be created to replace farm labour contractors. Migrant workers in the SAWP should be employed via this new agency, rather than being tied to a single employer who has the power to send them home. Provincial and federal government enforcement activities should be coordinated to ensure all workers’ rights are respected.

BC’s agricultural sector should no longer be subsidized on the backs of vulnerable farmworkers.

Arlene Tigar McLaren is Professor Emerita of Sociology at Simon Fraser University. Mark Thompson is Professor Emeritus Professor Emeritus with UBC’s Sauder School of Business; he led a commission on employment standards in the 1990s. Arlene and Mark are co-authors of the Economic Security Project study Cultivating Farmworker Rights, co-published by the CCPA-BC, Justicia for Migrant Workers, Progressive Intercultural Community Services, and the BC Federation of Labour.

Ironically, at a time of general labour shortages, the BC government has rolled back employment protections for farmworkers and tolerated deplorable working and living conditions in our backyard.

We also need to take a tougher look at the use of temporary foreign workers as a substitute for paying adequate wages to Canadians. In a tight labour market, the shortage of workers willing to take jobs at the prevailing wages should push wages up, but this cannot happen if we continue to allow employers to import and exploit cheap labour under the temporary foreign workers program. At a minimum, these temporary workers should enjoy the same labour rights as all Canadian workers.

Denying inequality won’t make this very real and pressing problem disappear. What we need instead is to take a serious look at the causes of rising inequality in BC and at the national level, and commit to addressing the problem with effective public policy.

Iglika Ivanova is the public interest researcher at the BC Office of the Canadian Centre for Policy Alternatives.

reasons. Seven people in our study were cut off assistance for varying periods. Being cut off helped neither the seven people in this study, nor society generally. When reviewing their cases, it is clear that what these people needed and desired was support in tackling their addictions, help managing their hepatitis C and other health problems, and stable housing. They experienced the policy stick without the needed supports.

Of those who were not cut off, many remain inappropriately categorized in the “expected to work” (ETW) category for far too long. Most people in this study who remained on welfare were ultimately re-categorized. However, it was obvious from our first interviews that most had long-standing and serious health conditions that limited their day-to-day activities. Fifty-five per cent of participants reported having a long-term physical or mental health condition or health problem, and 26 per cent reported having a long-term disability that limits their activity. Almost half reported addiction problems. Yet all were in the ETW category at the time of the first interview (and most had been there for many years).

The high incidence of re-categorization represents both a good and bad news story—and a significant finding. On the positive side, once re-categorized (to PWD or PPMB status), people receive modestly higher monthly benefits. With re-categorization also comes the welcome relief of being excused

from onerous and inappropriate work-search obligations. However, re-categorization took much longer than it should have, and often happened only after repeated unsuccessful applications. People were forced to wait minimally two years, and frequently much longer, for their medical condition, disability, or other barrier to employment to be officially recognized. And even the higher benefit levels PWD clients receive still leave people living well below the poverty line. The sad reality is that, for many, in the absence of a significant increase in benefit levels, this will be as good as it gets.

The findings cast doubt on the government’s stated commitment to offering employment supports to longer-term income assistance clients, even though the government has significantly boosted its employment expectations of those on assistance.

BC’s welfare policies do not help people find a path out of poverty. Only a small fraction of the participants in this study left poverty. Those who remain on assistance remain very poor, even if re-categorized. Those forced off even more so. And while those who shifted from income assistance to the labour market were better off, most are now counted among the working poor.

We reiterate the need to see greater accountability at the ministry responsible for income assistance. This is a ministry charged with helping poor, needy and often vulnerable people. We urge that the ministry (and government overall) change its overarching goals, from a narrow focus on welfare caseload reduction and “moving people from welfare to work,” and move instead to the broader goals of poverty reduction and elimination, and health promotion.

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ECONOMIC SECURITY PROJECT

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www.policyalternatives.ca/economic_security

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