

**The Curious Case of Single Mothers: A Critical Analysis of Ontario Works
Directives and Regulations**

by

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Abstract

Since its inception in 1997, Ontario Works has been the most developed social assistance regime in Canada. To give an idea of the scope, Ontario spent \$4,847,110,000 on Social Assistance during 1999-2000 fiscal year.¹ With a “work-first” approach, accompanied with a 22% reduction in benefits, the programme decreased caseloads that may signify the programme’s success. Existing economics literature identifies high benefit rate elasticities as a significant factor in caseload reduction.

Contrary to popular belief, however, the impacts of workfare are not equally distributed. Rather, a brunt of the impact is felt by low-income single mothers. Much of the current social assistance literature focuses on welfare reliance and reform aggressiveness. Unique to existing literature, this paper undergoes an in-depth qualitative approach to analyzing Ontario Works’ directives and regulations.

Specifically, we seek to uncover factors that ultimately influence single mothers’ work/workfare trade-off. We find that certain programme characteristics and regulations are discriminatory and aid in funneling single mothers into a cycle of workfare reliance. Specific directives meant to support the programme’s goal of recipient financial independence and sustainable employment work to the contrary. From a policy perspective, targeted funding and reform are necessary to restore neutrality to an increasingly expanding income gap.

¹ Statistics Canada. “Report: Social Security Statistics Canada and Provinces 1975-76 to 1999-2000.” *Statistics Canada*. (2002).
<www.hrdc-drhc.gc.ca/sp-ps/socialp-psociale/statistics/75-76/tables/table1.html>.

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1. Introduction

In Canada, provinces are given the responsibility for both the administration and delivery of social assistance. A specific method of social assistance, workfare, requires recipients to engage in employment activities that “support the shortest route to employment” (Ontario Progressive Conservative Party, 1994). Ontario Works, introduced by the Conservative provincial government in 1995, has not only the most developed workfare policy in Canada but also the largest number of recipients. In 2008, 372,000 individuals received social assistance, compared to 49,400 in Alberta.² Fully implemented in 1997, Ontario Works requires recipients to engage in either community participation, employment support or employment placement. Workfare views social assistance as a last resort by embracing the viewpoint that “any job is a good job.” In addition, workfare seeks to minimize the moral hazard associated with social assistance benefits. Increased eligibility requirements and monitoring activities are implemented with the goal of making welfare seem unappealing and decrease welfare dependency as a result.

Single mothers were originally exempt from participation in required workfare activities. In 1997, Ontario Works legislation was passed which “mandated participation in workfare for lone parents whose youngest child was eligible to attend part-time school (from 3.8 years old)” (Evans, 2007). Although workfare policies advocate and emphasize individual responsibility in the quest for employment, limited training and education

² Human Resources and Skills Development Canada. "Social Assistance Statistical Report." *Human Resources and Skills Development Canada*. Human Resources and Skills Development Canada, (2008) <http://www.hrsdc.gc.ca/eng/publications_resources/social_policy/sasr_2008/page00.shtml>.

opportunities accompany these policies. Approximately 23%³ of single mothers are low-wage workers due to the lack of full time employment opportunities. Previous research has shown that high unemployment rates amongst low-skilled workers are the product of such limited resources.⁴

This paper exclusively examines single mothers and Ontario Works' economic impact. Particularly, we wish to identify particularities that fundamentally alter the work/workfare trade-off. Our focus is directed towards examining specific programme characteristics and underlying regulations. It is important to note that the relationship between single mothers and various welfare regimes has been the topic of numerous qualitative and quantitative studies. Sparse attention, however, has been given to the programme itself and suggesting remedial policies.

The structure of our analysis is as follows. First we start by understanding Canada's social assistance landscape, followed by an introduction to Ontario Works by providing an overview of the programme's procedures and goals. This segways our discussion to critically examining Ontario Works' attributes and regulations. We find that certain directives and regulations assist in funneling low-income single mothers into unsustainable employment, further entrenching them in the workfare system. Though the analysis specifically focuses on single mothers, the policy implications have a much

³ Human Resources and Skills Development Canada. "Social Assistance Statistical Report." *Human Resources and Skills Development Canada*. Human Resources and Skills Development Canada, (2008) <http://www.hrsdc.gc.ca/eng/publications_resources/social_policy/sasr_2008/page00.shtml>.

⁴ See Little (2001), Lightman et al. (2005), Lightman (2007), Gingrich (2010).

further reach. Given a persistently widening income and employment gap,⁵ remedying this issue would help us further address increasingly disparate labor market results and conditions.

2. A Brief History of Canadian Social Assistance

The concept of workfare isn't unique; rather it's a hybrid of earlier welfare reforms from both the United Kingdom and United States. At the very nucleus of such reforms is the desire to transition welfare programmes from "passive" to "active" participation in the labor market.^{6,7} These "work-first" regimes observe poverty in the context of personal shortcomings, whether it is a lack of initiative, poor education, improper work ethic or any combination of these dimensions. Such work-first systems bluntly state, "any job is a good job." By inducing claimants to rapidly find employment through mandatory workforce participation, they are given the incentive to achieve and command sustainable wage.

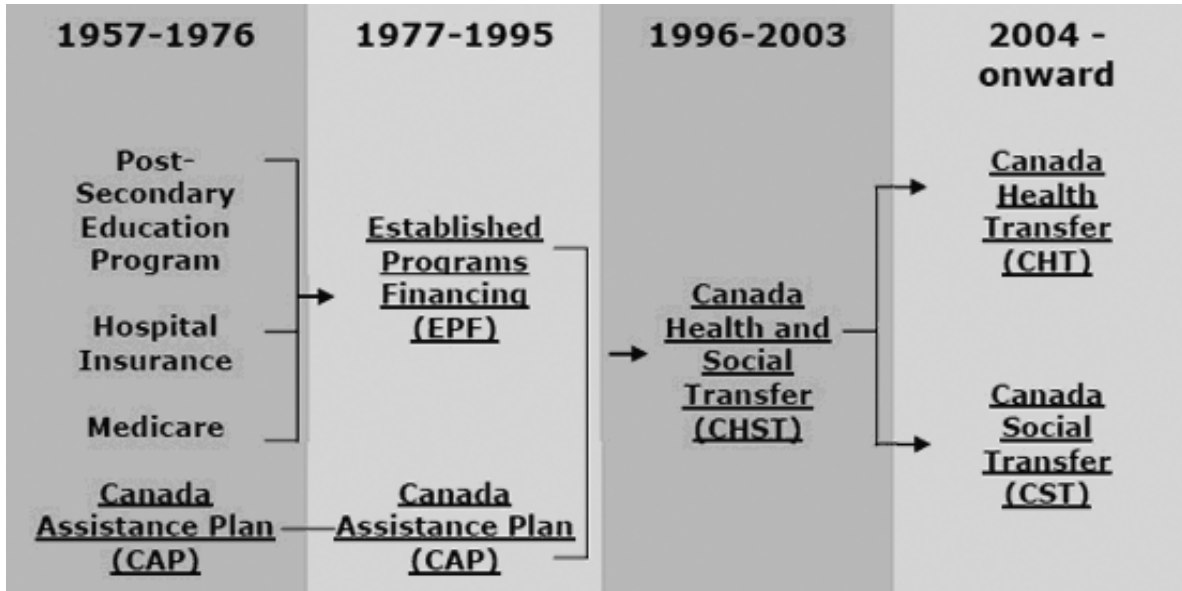
In 1996, a federal initiative changed the social assistance landscape for all Canadians alike. The CHST established a system of cash and tax transfers to provinces for the distribution of social assistance. This granted provinces the freedom to experiment with various welfare regimes. Such an initiative is a requirement of the Canadian constitution

⁵ Heisz Jackson and Picot 2002. *"Winners and Losers in the Labor Market of the 1990s (Analytical Studies Branch, Research Paper Series, No. 184, Catalogue No. 11F0019)*. Statistics Canada. (2002).

⁶ Lightman, Mitchell, Herd and Dean. "Returning to Ontario Works." *Canadian Review of Social Policy*. 59 (2007): 20-43.

⁷ OECD. "Employment Outlook, Paris." *Organization for Economic Co-operation and Development*. (2003).

which states that provinces be responsible for the delivery of social assistance.⁸ It's important to mention that the CHST itself didn't solely govern social assistance. Rather, it was a fusion/combination of both the Established Programs Financing (EPF) and the Canada Assistance Plan (CAP) programmes.



This diagram serves as a simple overview of the evolution of social assistance from 1957-present.⁹

It's interesting to note that a year prior to the creation of the CHST, Ontario was in the midst of the "Common Sense Revolution"- the progressive conservative party's platform to truncate the provincial budget through both tax and social assistance reductions. The "revolution" itself was relatively well intended. Through instilling sensible policies combined with a revitalized work ethic, Ontario would continue to be a thriving and independent province. The elected premier Mike Harris's platform focused on rebuilding Ontario from the heavy taxes and deficits inherited from decades of Liberal and NPD leadership. The core goals of the platform were: cut provincial income taxes and

⁸ Government of Canada. "Constitution Act 1982." *Justice Canada*. Constitution Act 1867-1982. <<http://laws-lois.justice.gc.ca/eng/const/page-15.html>>.

⁹ Government of Canada. "History of Post-Secondary Education, Social and Health Funding in Canada." *Department of Finance Canada*. (2014). <<http://www.fin.gc.ca/fedprov/his-eng.asp>>.

government spending, tear down barriers to job creation and economic growth, balance the budget and, lastly, reduce the size of government. Many, however, argue that the steps taken to achieve these goals were heavy handed. Harris stated that he vowed to reduce social assistance by 22%¹⁰, a figure that alarmed many of Ontario's poorest residents. To give a glance into a single mother's experiences, Margaret Little, a political economist at Queen's University, interviewed a single mother in Kingston who "lost 87 pounds since the Harris Government welfare cut...[speaking to] the sacrifices single mothers are making in order to care for their children" (Little, 2001).

3. Ontario Works

A core aim of Ontario Works was to break a cycle of dependency requiring claimants to participate in training and/or paid employment activities.¹¹ The programme was fully implemented in 1997 following Mike Harris's election and with the passing of the Ontario Works Act. As mentioned, the CHST constitutionally allowed provinces to implement their own style of social assistance delivery to be able to tailor assistance to their local needs and economic situations. This allowed the Harris government, as well as other provincial governments, to pursue both workfare strategies that "represent the shortest route to paid employment" (Ministry of Community and Social Services, 1999a).

Ontario Works' policy directives outline: the programme's eligibility and participation requirements, employment support, shelter assistance and many others. For our purposes,

¹⁰ Ontario Progressive Conservative Party. "The Common Sense Revolution." *Ontario Progressive Conservative Party*. (1994).

¹¹ Ministry of Community and Social Services. "Ontario Works Policy Directive 2.0". *Ministry of Community and Social Services*. (1999a).

the directives outline the recipients' obligations to remain on the programme. Recipients are to participate in one (or more) employment related activities and education, as outlined by the administrator. Although Ontario Works makes it clear that ESL training, education, and workshops are essential programme components, the overbearing theme is one of "any job is a good job." Economically speaking, such a discourse is an improvement from previous policies. Harris's government projected that the restructuring of welfare would save the Ontario taxpayer approximately \$750 million by reducing workfare recipients by 5% per year.^{12,13} Such savings would be applied to reduce the existing deficit and fund the promised tax cuts. Ontario Works succeeded in reducing caseloads since its implementation,¹⁴ and thus served as a template for a successful workfare regime. This reduction in caseloads has been empirically linked to the Harris government's extensive welfare reforms. Blank (2000) finds a high benefit rate elasticity indicating an increased responsiveness in regards to caseload reduction. Approximately 80% of the decrease in caseloads is attributed to the Harris regime, while the remaining 20% account for business cycle fluctuations.¹⁵

It wasn't until a few years later, in 2000, that many researchers began identifying issues with the programme. When conducting a review of exiting welfare recipients, it was found that claimants who have poor educational foundations are marginally affected by

¹² Ontario Progressive Conservative Party. "The Common Sense Revolution." *Ontario Progressive Conservative Party*. (1994).

¹³ McMullin, Davies and Cassidy. "Welfare Reform in Ontario: Tough Times in Mothers' Lives." *Canadian Public Policy*. 28.2 (2002): 297-314.

¹⁴ Evans, Patricia M. "(Not) Taking Account of Precarious Employment: Workfare Policies and Lone Mothers in Ontario and the UK." *Social Policy and Administration*. 41.1 (2007): 29-49.

¹⁵ Blank, Rebecca. "What Causes Public Assistance Caseloads to Grow?" *The Journal of Human Resources*. 36.1 (2000): 85-118.

mandated workforce participation. That is, due to a lack of available training and educational support, labor-market involvement is solely unable to result in wages that will result in self-sufficiency and economic independence.¹⁶ Representative low-income single mothers themselves have stated that remaining on Ontario Works is, in most cases, the most economically viable option.¹⁷ Theoretically speaking, this identifies a high opportunity cost in regards to the “welfare wall” which will be discussed in detail in subsequent sections.

4. Conceptual Framework

To aid in later analysis, it’s important to develop a framework from which to better enrich our understanding. The majority of existing workfare literature on single mothers focuses on their work/workfare trade-off and the impacts felt by policy reform. This literature aids us in understanding our target household’s maximization problem. In the attempt to determine the degree of reform aggressiveness, studies including Shannon (2009) find various results in regards to the effects of welfare reform on single mothers. Christofides and Swinsky (1997) find that benefit levels have no effect on single mothers’ labor force decisions while Cleveland and Hyatt (2003) suggest that decreasing benefits by 10% would result in a 10% increase in single mothers’ employment rates. The underlying assumption is that painting workfare as undesirable will induce recipients to pursue full time employment opportunities. Though this doesn’t help enrich our understanding in regards to single mothers’ employability, it assists in identifying single

¹⁶ Human Resources and Skills Development Canada, "Social Assistance Statistical Report." *Human Resources and Skills Development Canada*. Human Resources and Skills Development Canada, (2008) <http://www.hrsdc.gc.ca/eng/publications_resources/social_policy/sasr_2008/page00.shtml>.

¹⁷ Meyer and Sullivan. “Changes in Consumption, Income, and Well-Being of Single Mother Headed Families.” *American Economic Review*. 98.5 (2008): 2221-2241.

mothers' choice variables. Referring back to Shannon (2009)'s study, we are able to uncover the variables that ultimately impact single mothers' work/workfare trade-off. In addition to measuring reform aggressiveness, the study aimed to quantify the economic effects resulting from such reforms. Firstly, they include real benefit rates in order to estimate the change in work incentives. Using the unemployment rate as a proxy for economic conditions, income supplements, tax rates as well as real wages serve an estimate for the "welfare wall." The "welfare wall" is commonly referred to in the economics literature as the monetary gain from employment relative to social assistance. That is, "*welfare wall*" = *income earned from full time employment* – *income earned from social assistance*. Their results most closely align with those of Cleveland and Hyatt (2003), suggesting that the resulting incentives from workfare reform and aggressiveness explain no more than 10-20% of increases in single mothers' employment rates.^{18,19}

In theory the "welfare wall" should induce recipients to pursue full time employment. As real income from social assistance decreases, it's expected that single mothers will pursue the more economically sustainable option. In practice this result is mostly prevalent amongst single mothers with existing skills and significant workforce experience. Lightman (2007) notes that single mothers constitute a disproportionately high percentage of unskilled workers in Ontario making them a niche case in the workfare literature.

¹⁸ Shannon, Michael. "Canadian Lone Mother Employment Rates, Policy Change and US Welfare Reform Literature." *Applied Economics*. 41.19 (2009): 2463-2481.

¹⁹ Cleveland and Hyatt. "Child Care Subsidies, Welfare Reforms and Lone Mothers." *Industrial Relations: A Journal of Economy and Society*. 42.2 (2003): 251-269.

Additionally, it's important to recall that 54.2% of single mothers are dependent upon a subsistence income below the poverty line.²⁰

When making employment decisions, single mothers heavily weigh investments in adequate childcare, housing and available employment opportunities. In examining consumption trends, Meyer and Sullivan (2008) find that the majority of single mothers' consumption fluctuations are the results of increased housing expenses in addition to childcare and transportation expenditures. Their utility is largely dependent upon housing, which accounts for approximately half of their annual consumption.²¹ Childcare and transportation expenses account for a quarter, with the remaining disaggregated by food and other expenditures.²²

Earlier, we touched upon the importance of training and education opportunities provided by Ontario Works. In simulating a standard employment probit model, Ziliak (1999) suggests a direct link between availability of proper training resources and rises in single mothers' employment rates. Specifically in regards to Ontario Works, studies including Shannon (2009) and Cleveland and Hyatt (2003) find that reductions in funding severely impacted the programme's ability to provide essential career training. Despite the absence of tangible benefits from existing training resources, single mothers must

²⁰ Carrier, Tracy. "A LEAP forward or a LEAP back? Revelations about the Learning, Earning and Parenting (LEAP) Program of Ontario Works." *Social Policy and Society*. 9.2 (2010): 155-166.

²¹ Meyer and Sullivan. "Changes in Consumption, Income, and Well-Being of Single Mother Headed Families." *American Economic Review*. 98.5 (2008): 2221-2241.

²² Meyer and Sullivan. "Changes in Consumption, Income, and Well-Being of Single Mother Headed Families." *American Economic Review*. 98.5 (2008): 2221-2241.

continue to participate in these activities due to eligibility requirements. This compounds the time spent searching for adequate, affordable housing and childcare solutions.

Thus, we can begin to piece together the single mothers' decision puzzle. When making the work/workfare trade-off, the "welfare wall" plays a significant factor. A rational, representative recipient will pursue full time employment if the benefits exceed those of remaining on social assistance. These incentives are very much the products of existing skills levels and employment experience. Based upon Ziliak, Meyer and Sullivan (2008) and Shannon (2009), we assume that single mothers' utility is a function of housing and childcare expenses taking as given current economic conditions and incentives. As we will thoroughly discuss in the following section, Ontario Works has a direct influence over labor force incentives as well as housing and childcare. The discussion is followed by suggestion policy improvements with the goal of improving both efficiency and delivery.

5. Responsibility vs. Reliance: A Controversial Discourse

Although our subsequent analysis views the workfare system as a strong barrier to single mothers' economic betterment, it is crucial to first consider other points of view in order to gain additional perspective. The discourse we seek to create is one where a system reform will aid in cultivating an environment suitable for career development and reduce the reliance burden.

Some, however, propose the opposite. An argument is made that it is a lack of self-initiative and community participation, not the workfare system, which is the ultimate cultivator of subjectivity. This supports a toxic public discourse of single mothers as “undeserving, lazy, bad mothers and/or criminal” (Pollack et al, 2010). In other words, single mothers themselves create barriers to the workforce through: unwillingness to participate in training programs, community participation, as well as underlying psychological factors impeding them from entering the labor market. Although single mothers may receive the blunt of workfare impact, this discourse suggests that it is ultimately not the workfare system, but rather the individual, as the source of labor force unpreparedness and economic impoverishment. There is weak evidence to support this claim. In 2004, for example, only “12% participated in education or training and 5% were placed in a job” (Toronto Social Services, 2004). Such discourse is heavily prevalent amongst workfare literature,²³ especially amongst workfare advocates. The underlying premise behind this argument is simply the assumption of rent-seeking behavior. Single mothers must overcome their personal barriers to work and eventually realize the benefits of entering the labor force. Policy makers assume that single mothers on workfare are rational, profit-maximizing actors who will respond and gravitate towards avenues of sustainability. Strong workfare advocates go further to state that an imposed work ethic is not coercion, but rather it paves a path for both the fiscal advantages of self-reliance.²⁴ Through participating in mandated employment-related activities, the advantages of full-time employment should induce the single mother to seek financial independence.

²³ See McCormack (2004), Heard and Mitchell (2002), McDonald and Marston (2005).

²⁴ Oliker, Stacey J. “Work Commitment and Constraint Among Mothers on Workfare.” *Journal of Contemporary Ethnography*. 24.2 (1995): 165-194.

This same discourse, however, blissfully disacknowledges the underlying work incentives of single mothers. True to the core of workfare, single mothers are fully rational and aware of the wage they can command in the labour market in order to achieve economic independence. Labeling them as “lazy” and “undeserving” creates a negative discourse despite their abilities. A large qualitative study performed by the Toronto Institute for social research prior to Ontario Works’ implementation found that 75% of single mothers were actively involved in employment seeking activities.²⁵ Living in poverty induces the search for opportunities to obtain a family-supporting wage, which subsequently shapes caregiving and economic strategy. Many seek economic betterment, however a fine balance must be struck between full-time employment and satisfying parental obligations. Thus, although we acknowledge and are in agreement with the presupposed assumptions made by policy makers, we strongly argue that the aforementioned lack of initiative and participation stems from the regime itself.

As discussed, sparse attention has been given to the underlying regulations and directives outlined in Ontario Works. Certain policy directives and regulations, including *Directive 4.1 (Summary of Assets)*, *Directive 7.4 (Employment and Participation Benefits)* and *Ontario Works Act Regulation 134/98* are flawed by design. Vagueness and discrimination are woven into these directives and regulations, by both benefit irregularities and gender-based discrimination. Hence, the following section seeks to not only critically examine the impact Ontario Works’ policies have on single mothers, but also to uncover the underlying policy design flaws.

²⁵ Little, Margaret. “Litmus Test for Democracy: The Impact of Ontario Welfare Changes on Single Mothers.” *Studies in Political Economy*. 66 (2001): 9-36.

6. The Role of Children's Aid Societies

Briefly digressing, I have the pleasure and opportunity to be currently employed by the *Family and Children's Services of Frontenac, Lennox and Addington* children's aid agency. Working as an analyst, I'm able to analyze trends and generate interpretations. Through my employment, I've been exposed to interesting information that directly supports the intended goal of this paper. Due to the inherent and strict confidentiality, it is vital to speak in broad strokes however the information collected provides an additional dimension and a great deal of insight into the topic at hand.

A significant majority, ~55%, of opened cases are single mothers.²⁶ The reason for this is the subject of a current province-wide research initiative on indicators that result in children being placed in care. Interestingly, when observing the cross-section of cases, a relatively small amount is the result of abuse or neglect. Rather, children are often placed in care due to inability to access reliable and affordable childcare solutions. The majority of such cases simply result in the child being placed in kinship care (a child resides with a family member), with a small percentage being placed in foster or group care. The agency's core goal, as well as the provincial goal (as outlined by the Ministry of Child and Youth Services), is to provide underprivileged and poorly trained parents with the necessary training and support to allow the child to return to parental care. Thus, children's aid societies play a small, yet vital role in returning single mother's their independence. Currently, there is an initiative called the "Young/Single Parent Support

²⁶ Observation obtained from the Family and Children's Services of Frontenac, Lennox and Addington Annual Report (2013).

Network” which seeks to address this very issue at its core by providing mothers the necessary resources they require to be a suitable and nurturing caregiver.

It would be irresponsible to suggest a direct correlation between Ontario Works and the prevalence of childcare investigations, however a common characteristic is prevalent across all single mothers in the sample, low income. Many of these single mothers receive child support payments from their child’s father. Receiving such payments from an outside source (i.e child’s father) may cause income to exceed the required Ontario Works threshold for assistance.²⁷ This is a critical pitfall of the programme, which will be discussed in following sections.

7. Critical Analysis Of Ontario Works

7.1 Directive 4

To begin our analysis, we first examine Directive 4. This directive outlines the regulations surrounding both exempt and non-exempt assets. Such a directive is particularly vital to single mothers, who seek supplemental income to support themselves and their child or children. Directive 4.1 states: “No person is eligible for income assistance if his/her non-exempt assets, and the non-exempt assets of his/her dependents, exceed the allowable asset limits ”(Ministry of Community and Social Services, 2015). The aforementioned limits are outlined in a table found imbedded in directive 4.2:

²⁷ Lightman, Mitchell and Herd. “Welfare to What? After Workfare in Toronto.” *International Social Security Review*. 58.4 (2005): 96-106.

| Benefit Unit Size | Maximum Asset Limit |
|--|---|
| Single applicant or recipient (<i>no spouse and no dependents</i>) | \$2,500 |
| Applicant or recipient with a spouse (<i>no other dependents</i>) | \$5,000 |
| Applicant or recipient with a spouse and one other dependent | \$5,500 |
| Applicant or recipient with a spouse and one dependent, plus additional dependents | \$5,500 + \$500 for each additional dependent |
| Applicant or recipient with one dependent (<i>no spouse</i>) | \$3,000 |
| Applicant or recipient with one dependent, plus additional dependents (<i>no spouse</i>) | \$3,000 + \$500 for each additional dependent |
| Child in temporary care or a dependent of a dependent | \$500 |

Maximum asset limit table by benefit unit size²⁸

We notice that a single mother's exogenous income must not exceed \$2,500/month in order to continue to be eligible for social assistance. Prior to Ontario Works' inception, single mothers in Ontario were \$8488 below the poverty line. Following the implementation and the associated benefit cuts in 1998, single mothers were \$9,852 below the poverty line.^{29,30} Approximately 10.4% of single women lived below the poverty line, compared to 54.2% of single mothers.³¹ This makes single mothers particularly vulnerable to both policy and labor market fluctuations. From an economic perspective under the assumption of rational and profit-maximizing behavior, the pursuit of supplemental income is expected.

²⁸ Ministry of Community and Social Services. "Social Assistance Policy Directives." *Ministry of Community and Social Services.* (2015)

<<http://www.mcscs.gov.on.ca/documents/en/mcscs/social/directives/ow/index.aspx> >.

²⁹ Little, Margaret. "Litmus Test for Democracy: The Impact of Ontario Welfare Changes on Single Mothers." *Studies in Political Economy.* 66 (2001): 9-36.

³⁰ Gazso, Amber. "Moral Codes of Mothering and the Introduction of Welfare-to-Work in Ontario." *Canadian Review of Sociology.* 49.1 (2012): 26-49.

³¹ Carrier, Tracy. "A LEAP forward or a LEAP back? Revelations about the Learning, Earning and Parenting (LEAP) program of Ontario Works." *Social Policy and Society.* 9.2 (2010): 155-166.

The issue at hand with this particular directive is in part the asset limit, but mainly due to what are considered exemptible assets. The directive states the following assets as being exempt, i.e. not included for the purposes of determining ongoing eligibility: *real property, business assets, motor vehicles, compensation under awards, financial savings plans, life insurance policies, pre-paid funerals, funds held in trust, earnings, loans, and other.*³² From a single mother's perspective, the fact that child support payments aren't considered exempt poses a particular problem. Relying on a sustenance income struggling to solely care for a child is further compounded by the exclusion of these payments. Many single mothers report that if they increase their labor force participation and receive child support payments simultaneously, they no longer become eligible.³³ Such is the stark reality of a single mother on Ontario Works. Many are forced to approach abusive and uncooperative men to obtain child support payments. A 2005 survey describes single mothers "living in fear and uncertainty... [due to] unreliable and vengeful fathers who seek to sever any remaining family ties" (Lightman et al, 2005).

Furthermore, many women stated that they were "forced to locate violent ex-partners in order to obtain some of the necessary documentation" (Little, 2001). We believe that increasing asset limits as well as categorizing paternal childcare payments as exempt would significantly alleviate this issue, however this will be subsequently discussed in our policy analysis.

³² Ministry of Community and Social Services. "Social Assistance Policy Directives." *Ministry of Community and Social Services.* (2015)

<<http://www.mcscs.gov.on.ca/documents/en/mcss/social/directives/ow/index.aspx>>.

³³ Little, Margaret. "Litmus Test for Democracy: The Impact of Ontario Welfare Changes on Single Mothers." *Studies in Political Economy.* 66 (2001): 9-36.

7.2 Directive 7.4 (Employment and Participation Benefits)

Directive 7.4 is incredibly vast, in the sense that it covers what is considered both mandatory and discretionary benefits. The provision of discretionary benefits is determined by Ontario Works. Mandatory benefits include: health benefits, guide dog benefits and employment benefits, amongst others.³⁴ For the purposes of our discussion, the discretionary benefits are of greatest concern. More specifically, the non-health-related benefits are the ones where our analysis is focused. The table below summarizes the discretionary benefits available to participants.

- Health-related:
 - dental care for adults
 - vision care for adults
 - prosthetic appliances
 - funerals and burials
 - heating payments and payments for low-cost heating energy conservation measures
- Non-health-related:
 - vocational training and retraining
 - travel and transportation that is not for health-related purposes
 - moving expenses
 - any other special service, item or payment authorized by the Director

*An overview of Ontario Works' discretionary benefits*³⁵

What is unexpected and concerning is the classification of retraining and vocational training as a discretionary benefit. Many single mothers voice their concerns regarding provided training activities, labeling them as “rinky-dinky” and “uncertified” (Gingrich, 2010). A single mother explains her struggle to advance her culinary skills: “Well, the welfare worker told me, “Okay, why don’t you go and take this culinary

³⁴ Ministry of Community and Social Services. “Social Assistance Policy Directives.” *Ministry of Community and Social Services.* (2015)

<<http://www.mcscs.gov.on.ca/documents/en/mcss/social/directives/ow/index.aspx> >.

³⁵ Ministry of Community and Social Services. “Social Assistance Policy Directives.” *Ministry of Community and Social Services.* (2015)

<<http://www.mcscs.gov.on.ca/documents/en/mcss/social/directives/ow/index.aspx>>.

course? “I went down there but everything they did I already knew how to do. I have my food-handling course already. I was wasting my time there.”³⁶

While another describes her attempt at furthering her computer skills: “One time I went in to ask them if I can get training [for computers] and they said there’s a 2-month program for office skills. And I said to them, “But I already have office skills, so what is the point of 2 months? And then that was it.”³⁷

It is simple to deduce that vocational training whether it be learning a new trade, or obtaining the necessary skills for a particular job (such as basic accounting, data entry etc.), would prove beneficial. The provision of these benefits has been subject to extreme strain, especially since 2012. In July 2012, the Ontario government implemented alterations to the “provincial funding formula” for discretionary benefits.³⁸ Many local municipalities heavily rely on cost sharing subsidies from the province to aid in the provision of discretionary benefits. In 2011, the City of Hamilton received \$3,350,845 in cost sharing subsidies while the resulting change reduced that amount to \$1,534,118.³⁹ This 54% reduction in subsidies affected approximately 60,000⁴⁰ participants receiving discretionary benefits, who had to look elsewhere to obtain them.

³⁶ Gingrich, Luann. “Single Mothers, Work(fare), and Managed Precariousness.” *Journal of Progressive Human Services*. 21.2 (2010): 107-135.

³⁷ Little, Margaret. “Manhunts and Bingo Blabs”: The Moral Regulation of Ontario Single Mothers.” *The Canadian Journal of Sociology*. 19.2 (1994): 233-247.

³⁸ Government of Ontario. “2012 Ontario Budget.” *2012 Ontario Budget: Chapter I: Transforming Public Services*. (2012).

< http://www.fin.gov.on.ca/en/budget/ontariobudgets/2012/papers_all.html>.

³⁹ Hamilton Roundtable for Poverty Reduction. “Discretionary Benefits.” *City of Hamilton*. (2012). <<http://hamiltonpoverty.ca/wp-content/uploads/2012/03/What-are-discretionary-benefits.docx>>.

⁴⁰ Hamilton Roundtable for Poverty Reduction. “Discretionary Benefits.” *City of Hamilton*. (2012). <<http://hamiltonpoverty.ca/wp-content/uploads/2012/03/What-are-discretionary-benefits.docx>>.

In regards to mandatory benefits, when the Harris government cut back benefits to recipients beginning in 1997 they froze it nominally at the reduced rate. Empirical work examining welfare reform aggressiveness identifies this as a particular issue with the approach. “By 2001, real welfare benefits had fallen relative to their peak in all 10 provinces. For single mothers, Ontario experienced the largest decline (37%) with Alberta a close second at 34%” (Shannon, 2009). By allowing the real value of benefits to decrease, this compounds the low-income burden felt by many single mothers in Ontario. The moral hazard imbedded within social assistance benefits is a natural cause for concern amongst policy makers. However, we argue that benefit erosion since the programme’s inception influences the development of negative incentives and outlooks towards labor force participation.

7.3 Ontario Works Act 1997 Regulation 134/98 (OWA Reg. 134/98)

Ontario Works Act General Regulation Amendment, fully implemented in 1998, viewed a spousal relationship as one where a member of the opposite sex currently lives with the claimant, regardless of the fact if said spouse is the child or children’s father.⁴¹ Infamously known as the “spouse in the house” rule, if a single mother has a roommate for more than 3 months, she risks relinquishing her social assistance eligibility since the male roommate becomes financially responsible for the household (in the eyes of Ontario

⁴¹ Government of Ontario. “Ontario Works Act 1997, S.O. 1997, Chapter 25, Schedule A.” *Government of Ontario*. (1997).

Works). A “spouse”, was originally loosely defined by the Ontario Works Act Regulation 134/98⁴² as:

A person who has been residing in the same dwelling place as the applicant or recipient for a period of at least three months, if,

*(i) the extent of the social and familial aspects of the relationship between the two persons is consistent with **cohabitation**, and*

*(ii) the extent of the financial support provided by one person to the other or the degree of financial interdependence between the two persons is consistent with **cohabitation**.*

It is important to acknowledge that cohabitation is unique from coresidence. While coresidence simply means sharing living quarters, cohabitation insinuates aspects of social or financial association. The very vagueness of “social association” is what single mother’s face. Although the relationship may be purely platonic, the simple fact she lives with a male adult defines him as a spouse, thus making him financial responsible for the “household.” Resultantly, a single mother may either run the risk of not reporting a fellow cohabitant and possibly being charged with welfare fraud, endure the associated expenses with independent living or live with her so-called “spouse” and lose her Ontario Works eligibility. The loss of eligibility stems from Ontario Work’s definition of “financial independence” which is stated in OWA Reg 134/98 S.2(2)⁴³. An individual who “now resides with or at any time in the past has resided with, a "spouse"”⁴⁴ is

⁴² Government of Ontario. “Ontario Works Act 1997, Ontario Regulation 134/98.” *Government of Ontario*. (2001).

⁴³ Brackets denote subsection.

⁴⁴ Government of Ontario. “Ontario Works Act 1997, Ontario Regulation 134/98.” *Government of Ontario*. (2001).

classified as financially independent. The definition of spouse was slightly altered following *Falkiner vs. Ontario (2002)*⁴⁵, however the core remains. The case exposed the “spouse in the house” rule as discriminatory based on gender and, despite the “changes” made, we argue this rule remains discriminatory and should be urgently addressed.

We begin to see the direct impacts certain regulations and directives have on single mother’s abilities to achieve financial independence and thus exit workfare. Prior to discussing policy implications and suggestions, it is important to describe single mothers’ labour market expectations and realizations to further enrich our analysis. Though it was briefly touched upon earlier, the concept of “precarious employment” affects single mothers directly. In terms of Ontario Works, we view a lack of targeted funding and training initiatives to be a main culprit as well as the infamous “spouse in the house” rule.

8. Single Mothers and the Labor Market

Evans (2007) is the first in the social assistance literature to introduce this notion of “precarious employment.” The concept was first introduced by Cranford et al. (2003), and is categorized by irregular hours, minimal benefits as well as temporary/part-time work.⁴⁶ Their empirical work concludes that a lack of investment in human capital results in bleak economic opportunities. Their conclusion very much aligns with Peck’s “ ‘brutal’ logic to workfare” (Peck, 2001). That is, single mothers are funneled into

⁴⁵ *Falkiner vs. Ontario*. “Falkiner, Sears, Johnson-Pepping and Cadieux vs. Director, Income Maintenance Branch and Ministry of Community and Social Services.” *Court of Appeal for Ontario*. (2002), <<http://www.ontariocourts.on.ca/decisions/2000/september/falkiner.htm>>.

⁴⁶ Cranford, Vosko and Zukewich. “Precarious employment in the Canadian Labour Market: A Statistical Portrait, Just Labour.” *A Canadian Journal of Work and Society*, 3.1. (2003): 6-22.

occupations categorized by precarious employment, which then reinforces the cycle of perpetual dependency on social assistance. Peck views workfare programmes as a “McJob” factory; consistently supplying workers for jobs with little prospects. Such an approach clearly fits the “ “McWelfare for the McJobs” economic characterization of welfare-to-work programmes” (Peck, 2001).

Although Ontario Works, as an administrator of social assistance, has little control over exogenous economic conditions, they have ultimate control over the delivery of necessary education and training opportunities. It is important to recall the ultimate goal behind Ontario Works. The programme goal is clearly summarized in *Directive 1.1, Overview* which states, “The intent of the Ontario Works programme is to help people in temporary financial need find sustainable employment and achieve self-reliance through the provision of effective, integrated employment services and financial assistance” (Ministry of Community and Social Services, 2015). From this statement alone, it is evident that Ontario Works aims for *temporary assistance* with a strict emphasis on *self-reliance*. The programme lacks a long-run focus, ignoring the proven need for education and training to produce sustainable results. All training activities must be geared to finding the shortest route to immediate employment.⁴⁷ Recipients who exit the programme are expected to obtain sustainable employment despite the skills and tools provided being short-term oriented and available to a minority of participants. Due to Ontario Works’ short-term approach to administration, single mothers aren’t provided

⁴⁷ Ontario Ministry of Community and Social Services,. "Ontario Ministry of Community and Social Services." *Ontario Works Policy Directives*. (2015)
<<http://www.mcscs.gov.on.ca/documents/en/mcscs/social/directives/index.aspx> >.

with the necessary information and training to succeed beyond the bottom tier of the labor market.

It is rational to assume that an individual weighs the costs and benefits of workfare vs. full time employment. An individual will exit workfare when his/her income exceeds that provided by social assistance. For this to occur, there must not only be accessible training and education opportunities but also sufficient labor market incentives to induce a shift from social assistance to full time employment. In the case of single mothers, with limited access to the necessary resources, they rationally view the labor market as bleak. Obtaining a marginally higher income is far outweighed by childcare obligations. An interesting qualitative study conducted by Stacey Oliker (1995) highlights this very issue. By both using mandatory workfare survey responses and interviewing some single mothers, she was able to uncover interesting insight into the employment reality they face. One respondent, Karin, described her trade-off between employment and remaining on workfare.

“You are just making the money that welfare was giving you in the first place... We figured it out – with me working, I was making thirty-two extra dollars a month than if I stayed on welfare...We took out [money] for gas or bus and... other things. And I’m like, I’m working hard and going away from my son...for nine hours, 3 days a week...for thirty-two extra dollars⁴⁸?”

Karin’s, as well as other responses, highlight the same issue; that being, if there is a lack of incentives then rational agents will not be willing to make the transition from workfare

⁴⁸ Oliker, Stacey. “Work Commitment and Constraint Among Mothers on Workfare.” *Journal of Contemporary Ethnography*. 24.2 (1995): 165-194.

to employment. We view this issue as the by-product of limited and poorly funded resources being unable to provide tools for meaningful and sustainable employment.

Empirically, Shannon (2009) agrees with our claim. They suggest that employment rates for single mothers on workfare are highest amongst those with the lowest amount of education, contributing to the expansion of “McJobs.” Many single mothers, approximately 20%, employed in precarious employment sectors return to workfare due to financial instability associated with irregular schedules and shift work.⁴⁹ In the following section, the need for targeted funding to these areas is discussed in the efforts to improve the employment prospects and initiatives for single mothers.

9. Policy Prescriptions

To be able to suggest policy prescriptions, it is important to have in-depth knowledge of the issues at hand. The goal of our discussion thus far was to paint this picture, which is a crucial prerequisite to suggesting policy improvements. Our discussion continues with potential implications of and solutions to these issues, which precedes the impact these suggestions may have on single mothers in Ontario.

9.1 Targeted Funding

Although the financial inadequacies of Ontario Works are well documented, suggesting avenues where such funding would prove invaluable has rarely been discussed in related literature. “Increase funding” is a suggestion that causes the greatest amount of

⁴⁹ Evans, Patricia. "(Not) Taking Account of Precarious Employment: Workfare Policies and Lone Mothers in Ontario and the UK." *Social Policy and Administration*. 41.1 (2007): 29-49.

debate amongst economists and policy makers alike. Though a simple proposal, it's consistently difficult to pinpoint specific areas in which increased funding would not only remedy a situation but also create a path of sustainability and efficiency. In the case of single mothers, however, we view the area that desperately requires additional funding as being relatively clear. Workfare strategies, specifically *Directive 2.5 Participation Requirements*, must increase funding to training programs that provide single mothers with necessary training and education. 2.5 states that recipients must be engaged in employment directed activities⁵⁰ whether they be community participation, employment or employment search, as per Ontario Regulation 134/98 section 25⁵¹.

The directive itself aligns with the nucleus of workfare programmes, that being a work-first approach and the notion that social assistance is contingent on employment. Supported by regulation 134/98, the goal is clear: find employment. This isn't necessarily a poor or misguided strategy, however the application of this goal is the core of Ontario Works.

As discussed, although employment training and assistance, skills training as well as educational programs are present, it is only available to a minority of recipients and is minimally invested. All employment initiatives must be directed towards finding rapid

⁵⁰ Ministry of Community and Social Services. "Social Assistance Policy Directives." *Ministry of Community and Social Services.* (2015)

<<http://www.mcscs.gov.on.ca/documents/en/mcss/social/directives/ow/index.aspx> >.

⁵¹ "Every participant shall make reasonable efforts to accept and maintain full-time, part-time or casual employment for which he or she is physically capable."

employment. This is a clear short-term approach, which strongly reinforces the “any job is a good job” notion. We go against Ontario Works’ short-run approach in proposing a long-run investment in human capital. The HRSDC agrees with us and suggests that although short-run strategies may provide a brief stepping stone towards financial independence, “long-term outcomes for many clients are disappearing and underscore the need for a human capital approach, involving training and personal counseling” (Human Resources and Skills Development Canada, 2008). With ever-widening income gaps accompanied with a lack of training, many empirically forecast bleak opportunities for single mothers.⁵² With an increase in precarious employment, education and training become paramount for mothers who rely on sustainable income to avoid a cycle of dependence.

Complementary to our study, others have shown that single mothers who have access to reliable training and education (of sufficient quality) are those who show the lowest dependency rate.^{53,54} As a result, we propose that funding be increased to support *Directive 2.5* by providing single mothers with the tools necessary to find meaningful and sustainable employment. The “tools” we refer to include: resume/cv workshops, interview training, mental health assistance and parental guidance. Furthermore, this would allow single mothers to break the chain of interdependence with their child/children’s father (some of whom are abusive) and not live in fear that their social

⁵² Heisz and Picot 2002. “Winners and losers in the labor market of the 1990s (Analytical Studies Branch, Research Paper Series, No. 184, Catalogue No. 11F0019). “Statistics Canada. (2002).

⁵³ Immervoll and Pearson “A Good Time for Making Work Pay? Taking Stock of In-Work Benefits and Related Measures across the OECD”, *OECD Publishing*. 81.1 (2009): 60-121.

⁵⁴ Carrier, Tracy. “A LEAP forward or a LEAP back? Revelations about the Learning, Earning and Parenting (LEAP) program of Ontario Works.” *Social Policy and Society*. 9.2 (2010): 155-166.

assistance status will be deemed ineligible.

Recall that exogenous child support payments are not considered “exempt” by Ontario Works, an aspect common in other programmes with lesser degrees.⁵⁵ An obvious reform would be to allow childcare payments to be exempt. The belief many programmes hold is that the payments will not be properly geared to a child’s needs, and that necessary income may be gained through employment. We believe the practice currently in place violates Section 7 of the Charter of Rights of Freedoms (as with the case with the “spouse in the house” rule), and may cause recipients to be in involuntary violation of Section 31 of the Family Law Act 1990. This section states “every parent has an obligation to provide support for his or her unmarried child who is a minor or is enrolled in a full time program of education, to the extent that the parent is capable of doing so” (Government of Ontario, 1990). Being unable to support their children is a dreadful, yet realistic scenario single mothers face. The trade-off between receiving child support payments and continuing on social assistance is a grim decision. Thus, we push for court appeal to reform the non-exemption of these payments with the goal that the verdict aligns with the interest of single mothers, as was the case with *Falkiner vs. Ontario*. It’s important to recognize the need to revisit this aspect of policy, however it’s equally important to understand that reforming and altering the philosophies of these institutions is a monumental task that extends beyond the scope of our discussion. We urge policy and law-makers, as well as political scientists to examine this issue and determine whether in fact the practice is in violation of both the Charter and Family Law Act. Should the status

⁵⁵ Gingrich, Luann G. “Single Mothers, Work(fare), and Managed Precariousness.” *Journal of Progressive Human Services*. 21.2 (2010): 107-135.

quo maintain we believe a temporary solution for this issue is an increase in funding to support *Directive 4.2: Asset Limits*. Increasing the maximum asset limit would allow single mothers to attain a sustainable income above the poverty line and would cease to undergo a 100% claw back from their social assistance income due to receiving childcare payments and subsidies, as is the current practice in Toronto.⁵⁶ We further suggest that childcare payments be considered exempt from monthly income.

To aid with the education aspect of our suggestion, we align our proposal with that of Carrier (2010) to allow claimants to access both Ontario Works and student loans concurrently to “avoid a life of cycling in the system” (Carter, 2010). Providing single mothers more accessible means to education would not only reduce the burden on the system but also promote increased sustainability. The programme must devote increased attention to its own education and skills training initiatives. The goal being to provide participants with the tools they need to not only further schooling but also succeed in the workplace. As a result, we propose that funding be increased to support *Directives 2.5* and *4.2* by providing single mothers with the tools necessary to find meaningful and sustainable employment, as well as easier access to post-secondary education.

9.2 “Spouse in the House” - Ontario Works Act 1997: General Regulation 134/98

Recall from our earlier discussion that a single mother living with a male

⁵⁶ Lightman, Mitchell and Herd. “Welfare to What? After Workfare in Toronto.” *International Social Security Review*. 58.4 (2005): 96-106.

occupant may lose her Ontario Works eligibility due to cohabitating relationship. At first glance, this has a severely negative connotation attached to it and seems fairly discriminatory. In essence, Ontario Works is attempting to dictate the living strategies and patterns of claimants whilst simultaneously disregarding case specifics and events. This stems from Ontario Works' definition of a "spouse" which then directly influences the definition of "financial independence." Briefly recapping, Ontario Works views a spouse as a product of a living arrangement "consistent with cohabitation." As cohabitation implies a form of social or familial interconnectedness, the vagueness is stark. It's difficult to state one may live with another individual and not strike a friendship or social bond. Thus, single mothers face a dilemma that many other marginalized social groups may/may not experience.

To start, we suggest that the very definition of spouse be altered. As mentioned, the definition of spouse ties in directly with the one of financial independence. While the annotation of financial independence i.e. an individual who "now resides with or at any time in the past has resided with, a "spouse" "⁵⁷ is fairly sound, the crucial component to that definition is **spouse** itself. We propose the definition of spouse be aligned with that of the Canada Revenue Agency (CRA). The CRA views a spouse as an individual to whom you are legally married.⁵⁸ Note that this definition, by very construction, excludes common law partnerships. Not only would this reduce the reporting requirements which

⁵⁷ Ontario Ministry of Community and Social Services,. "Ontario Ministry of Community and Social Services." *Ontario Works Policy Directives*. (2015).

<<http://www.mcscs.gov.on.ca/documents/en/mcscs/social/directives/index.aspx> >.

⁵⁸ Canada Revenue Agency. "Marital Status." *Canada Revenue Agency*. (2015). <<http://www.cra-arc.gc.ca/tx/ndvds/tpcs/nem-tx/rtrn/cmpltng/prsnl-nf/mrtl-eng.html>>.

single mother's view as a tremendous burden, but also it would allow them to enter a coresidence status rather than one of cohabitation. By removing the social (and potential relationship) component from the spouse equation, single mothers would have heightened freedom in their lodging choices. This would be a crucial step in the right direction. Following this suggestion, we further propose that the spouse rule be completely eliminated and deemed unconstitutional. In fact, the Ontario Divisional Court case of *Falkiner vs. Ontario* (2002) deemed that the rule "discriminated on the basis of sex and the analogous ground of 'sole support mothers on social assistance'" (Ontario Human Rights Commission, 2012). The case sought to reform the regulation that violated Sections 7 and 15 of the Charter of Rights and Freedoms.

Section 7, Life, Liberty and Security of Person:

*Everyone has the right to life, liberty and security of the person and the right not to be deprived thereof except in accordance with the principles of fundamental justice.*⁵⁹

Section 15, Equality Before and Under Law and Equal Protection and Benefit of Law:

*Every individual is equal before and under the law and has the right to the equal protection and equal benefit of the law without discrimination and, in particular, without discrimination based on race, national or ethnic origin, colour, religion, sex, age or mental or physical disability.*⁶⁰

Indeed, the Ontario Court of Appeals ruled the "spouse in the house" rule discriminated based purely on gender, since "women comprise almost 90% of those who were cut off social assistance because of the definition."⁶¹

⁵⁹ Government of Canada. "Constitution Act 1982." *Justice Canada*. Constitution Act 1867-1982. <<http://laws-lois.justice.gc.ca/eng/const/page-15.html>>.

⁶⁰ Government of Canada. "Constitution Act 1982." *Justice Canada*. Constitution Act 1867-1982. <<http://laws-lois.justice.gc.ca/eng/const/page-15.html>>.

⁶¹ Ontario Human Rights Commission. "Interim Reports of the Commission for the Review of Social Assistance in Ontario." *Ontario Human Rights Commission*. (2012). <<http://www.ohrc.on.ca/en/ontario-human-rights-commission-submission-regarding-interim-reports-commission-review-social>>.

This was a milestone in social assistance history. Though it is difficult to understand the intent of social assistance to discriminate against its recipients, the upheld ruling illustrates that even benevolent programmes may produce potentially harmful results. The rule, as a result, was simply scratched. However, the original definition of spouse remains despite this ruling. Ontario Regulation 134/98 simply added additional factors to the definition, those being:

- a) *a person, if the person and the applicant or recipient have together declared to the administrator or to the Director under the Ontario Disability Support Program Act, 1997 that they are spouses,*
- b) *a person who is required under a court order or domestic contract to support the applicant or recipient or any of his or her dependants,*
- c) *a person who has an obligation to support the applicant or recipient or any of his or her dependants under section 30 or 31 of the Family Law Act, whether or not there is a domestic contract or other agreement between the person and the applicant or recipient whereby they purport to waive or release such obligation to support.*

Section d) of this Regulation contains the original definition of a spouse. The Family Law Act sections mentioned simply state that spouses have an obligation to support themselves, each other and their children.⁶² Section a) is a smart addition by allowing recipients additional discretion and ability to voluntarily declare spousal relations. C) however, is vague since Ontario Works could state that [in accordance with d)] regardless of domestic agreement, single mothers have an obligation to support the companion. The presence of this caveat is that the programme may continue to indirectly discriminate with the assistance of both section d) and the Family Law Act.

⁶² Government of Ontario. "Family Law Act, R.S.O. 1990, Chapter F.3." *Government of Ontario*. (1990).

We propose that the presence of a domestic contract or agreement is a necessary and crucial component to the spouse definition, otherwise it must be categorized as a social/platonic relationship. A temporary solution to avert the issue would be allowing caseworkers additional discretion. An important assumption being implied about caseworkers is that they work for the benefit of the client/recipient. For the purposes of this paper, we will continue to assume that this is the case. Surveys⁶³ conducted on single mothers may point to the contrary, however this is very much a staffing/training issue (not impacted by policy) that should be treated as an internal initiative.

9.3 Discretionary Benefits

In reference to *Directive 7.4: Employment and Participation Benefits*, we suggest that both vocational training and retraining be considered mandatory benefits, rather than discretionary. Discretionary benefits receive the brunt of benefit recalculation changes and impact a significant amount of recipients. Considering that existing training programs are ill funded and poorly accredited, this further lowers the availability of necessary resources. Surveys of Toronto Ontario Works recipients identify this prevalent issue, especially amongst single immigrant mothers. Many former tradesman and tradeswomen find their skills to be lacking in Ontario due to unrecognized diplomas and certificates, as well as different production practices. Many recount their skills being reduced as a result of this. Luann Gingrich accounts the experiences of many immigrant mothers on Ontario Works who went from being “an accountant with 10 years of experience to day-care assistant; from fully credentialed teacher to telemarketer; from university-educated

⁶³ See Gingrich 2010, Little 2001, Lightman 2005.

pharmacist to high school student; from medical engineer to building superintendent” (Gingrich 2010). The sizable cuts implemented in 2012 compound this issue, by forcing recipients to obtain these benefits through other avenues.

Although pursuing these benefits through alternate social assistance avenues isn’t necessarily cause for concern, the training obtained is of significant lesser quality.⁶⁴ This, in part, entails a change in philosophy and restructuring on part of Ontario Works. Necessary investment in human capital will continue to be overshadowed by a short-term orientated approach to the delivery of social assistance. A refocus from short to long-term thinking would restructure Ontario Works in a positive way. However, we recognize that the scope of such reform is beyond the scope of our analysis. To alleviate the present issue, we argue for the re-categorization of both vocational training and retraining as mandatory benefits. This would allow discretionary benefits to be relatively more immune to changes in benefit calculation formulae, thus providing single mothers with an additional avenue for skill development.

Lastly, we suggest that mandatory benefits should be prevented from further inflation erosion. Recall that from 1997-2001 real benefits decreased by 37% in Ontario as a result of nominally fixed reduced benefits.⁶⁵ The province saw this as a countermeasure to the moral hazard associated with social assistance. Through portraying Ontario Works as unpleasant and unappealing, recipients are less likely to remain on the programme for a

⁶⁴ McMullin, Davies and Cassidy. “Welfare Reform in Ontario: Tough Times in Mothers’ Lives.” *Canadian Public Policy*. 28.2 (2002): 297-314.

⁶⁵ Shannon, Michael. “Canadian Lone Mother Employment Rates, Policy Change and US Welfare Reform Literature.” *Applied Economics*. 41.19 (2009): 2463-2481.

protracted period. Rather than allowing real benefits to decrease, we propose that increased reporting requirements would prove effective in combatting moral hazard. Therefore, we suggest that mandatory benefits be consistent with inflation whilst implementing alternative safeguards.

10. Conclusion

The goal of our analysis was to critically examine Ontario Works and how it interacts with single mothers. Although a plethora of research has been devoted to this topic due to the greater labor market and policy ramifications, little attention has been given to examining the “fine print.” It was uncovered that certain directives and regulations, as well as a lack of targeted funding, assist in funneling single mothers into negative labor force attachments which results in a vicious cycle of dependence.

Our solutions are not strictly financial since increasing funding is not an elixir; rather, we offer tangible suggestions to aid in both programme reform and helping single mothers attain financial independence. We first examined *Directive 4* and its prescribed asset limits and income exemptions/non-exemptions. It was determined that a higher asset limit is required for low-income single mothers, or heightened caseworker discretion. In addition, the categorization of childcare payments as non-exempt would be tremendous help to those single mothers dwindling just above/below the poverty line.

For some single mothers, being able to command a higher wage than their compatriots requires bridging their skills or undergoing training for a specific field. The benefits

necessary are outlined in *Directive 7.4*, however both vocational training and retraining are considered discretionary benefits. Our proposal is simple; consider these benefits mandatory. Offering necessary resources for vocational training and retraining would alleviate the strain from other training programs, and transition those with existing skills into labor force quickly. This is particularly true for immigrant mothers, who struggle to bridge their skills to the Canadian workforce. In the attempt to provide single mothers and other claimants with the skills and tools required to bridge “precarious employment”, targeted funding to educational and training programs is necessary. Research has repeatedly shown recipients with better education have the lowest rate of welfare reliance. By specifically targeting certain aspects of the programme, meaningful reform is possible. Since Ontario Works sets the workfare standard for programmes in Canada, this would produce positive outcomes for recipients across the country.

Lastly, we examined *Ontario Works Act 1997: General Regulation 134/98* and the infamous “spouse in the house” rule. Despite a change to the spousal definition, the rule remains discriminatory and must be altered. Despite revision, we argue that the rule remains intact. Despite its severely negative connotations, it remains discriminatory and must be eliminated from legislation.

Due to an expanding income gap, the attention paid to social assistance will gain prevalence. Single mothers provide us with a glimpse into an economically disadvantaged group and the challenges they face. Upon analyzing and identifying certain negative aspects with existing policy, we may begin to understand the greater

ramifications they have on specific social groups. This paper sought to identify these policy flaws and suggest tangible solutions. It's our hope that Ontario Works will make the necessary changes to their policies and procedures such that subsequent single mothers won't undergo the same level of oppression and disadvantages they had previously.

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