CHILD POVERTY AND THE SASKATCHEWAN
CHILD POVERTY INITIATIVES

By

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The Problem of Child Poverty in Canada and Saskatchewan

To address the problem of child poverty in Canada, the federal Minister of Finance, Paul Martin, presented the New Canada Child Tax Benefit (CCTB) program on February 18, 1997, as part of the 1997-1998 Federal Budget. The federal, provincial and territorial governments negotiated an agreement known as the National Children’s Agenda to advance the income and living standards of families with children (National Council of Welfare [NCW], 1999a). Certainly, it was with good reason that a program to address child poverty was introduced in Canada. A comprehensive household survey of 23 industrialized nations, based upon data from the Luxembourg Income Study, ranked Canada’s relative child poverty level at 17 out of 23 industrialized nations in 1994 (Innocenti Report Card, 2000, p. 3). Using this measure, Canada’s child poverty rate is higher than the child poverty rate in countries such as the Czech Republic, Hungary, Greece and Poland.

A high child poverty rate in rich nations such as Canada is a serious issue, as solid research exists that identifies the correlation between a lack of an adequate income and its potential negative impact on families and children. The Innocenti Report Card on Child Poverty in Rich Nations (2000) noted this basic fact when its authors wrote:

Such statistics represent the unnecessary suffering and deprivation of millions of individual children. They also represent a failure to hold faith with the developed world’s ideal of equality of opportunity. For no matter how many individual and anecdotal exceptions there may be, the fact remains that the children of the poor simply do not have the same opportunities as the children of the non-poor. Whether measured by physical or mental development, health and survival rates, educational achievement of job prospects, incomes or life expectancies, those who spend their childhood in poverty of income and expectation are at a marked and measurable disadvantage. (p. 3)

Research on child poverty in Canada demonstrates that the disadvantages for children in poor families include being more likely to grow up in substandard housing, living in neighbourhoods with drug dealing and vandalism, suffering health problems such as vision, hearing, mobility and cognition, and having less participation in organized sports or in arts program (Ross, Scott, & Smith, 2000, pp. 1-2). Obviously, addressing child poverty is a serious issue. However, analysing child poverty is not easy, as “the political landscape is already littered with political rhetoric about children, broken promises and token efforts that provide very little real help to families or help only a minuscule number of the families who are in dire straits” (NCW, 1999a, p. 1).

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1 This paper originally appeared in the Prairie Forum: The Journal of the Canadian Plains Research Center, Vol. 27, No. 1, Spring 2002
2 UNICEF (2000) uses a relative measure of poverty based upon households with incomes below 50 per cent of the national median. This measure differs from the Low Income Cut-Off (LICO) measure used by Statistics Canada, which is based upon the community average spent on essentials.
The year 2000 marked the eleventh anniversary of the House of Commons’ unanimous resolution to achieve the goal of eliminating child poverty by the year 2000. As the data\(^3\) indicate, by 1998 the federal and provincial governments had failed to achieve that goal. In 1998, one in five children in Canada were still living in poverty according to Campaign 2000 (2000, p. 1), an organization dedicated to seeing the Government of Canada adhere to its resolution of eliminating child poverty.

When discussing child poverty however, we need to remember that we can’t discuss children in isolation from the economic situation of their parents. All children, except those who live in an institutional setting, live in some definition of a family.\(^4\) At the Eighth Conference on Canadian Social Welfare Policy (Regina, June 25, 1997), Joan Grant-Cummings incisively apprised that child poverty was being presented to the public as if it fell from an impartial sky to settle among us as a gentle rain. She reminded her audience of the obvious: poor children live in poor families. Any attempt to separate poor children from their poor families is a circuitous diversion to the issue of child poverty.

**How Child Poverty is Defined and Measured**

In reporting child poverty numbers, many organizations rely on Statistics Canada Low Income Cut-Off (LICO), the most common unofficial poverty line used in Canada. LICO is used to calculate the incidence of poverty represented by the number of economic families that are measured against a definition of low-income\(^5\). The LICO calculation is a relative measure of poverty. It measures relative deprivation based upon income compared to a defined community standard. In other words a relative measure of poverty is informed from the position that “peoples’ experience of hunger and poverty is directly related to the societies in which they live and the standards of living which are customarily enjoyed” (Riches, 1997, p.10). LICO is based upon the average family or individual expenditures for food, shelter and clothing:

> The LICOs represent levels of gross income where people spend disproportionate amounts of money for food, shelter and clothing. Statistics Canada has decided over the years - somewhat arbitrarily - that 20 percentage points is a reasonable measure of additional burden. (NCW, 1999b, p. 3)

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\(^3\) The year 1997 is the last year Statistics Canada produced the *Survey of Consumer Finances*, the data set that had been used on a yearly basis to examine child poverty. The *Survey of Labour and Income Dynamics* (SLID) has since replaced it. There are currently strict criteria on access to the SLID data as the longitudinal nature of the SLID data has raised concerns of possible identification of respondents. These are the data sources used by Campaign 2000.

\(^4\) Statistics Canada defines an economic family unit as all occupants of a dwelling unit who are related by blood, marriage or adoption, and couples living together in common-law relationships.

\(^5\) When using Statistics Canada data, there exist difference income measures such as the family’s income calculated from wages and salaries, or total income including government transfers or income based upon a family’s income after tax. The researcher should identify what income variable was used in the study. In creating the data sets, Statistics Canada does not include families living in First Nations communities (reserves) and children living in institutions.
Most income data from Statistics Canada contains two base years: the 1986 base or the 1992 base. Using the 1986 base, the average Canadian family spent 36.2 per cent of gross income on food, shelter and clothing in their spending patterns; therefore it was judged somewhat arbitrarily that low-income Canadians were those who spent 56.2 per cent or more on these necessary items (Statistics Canada, 1999). If the 1992 base is used, then a low-income Canadian spent 54.7 per cent or more on these necessary items (NCW, 1999b, p. 3). When using LICO to measure the child poverty rate, the Statistics Canada measure takes into account family size and differing costs of living in larger urban areas. Table 1 lists the LICOs for 1998:

<table>
<thead>
<tr>
<th>Size of family unit</th>
<th>Urban areas</th>
<th>Rural areas</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>500,000 +</td>
<td>100,000 - 499,000</td>
</tr>
<tr>
<td>1 person</td>
<td>17,571</td>
<td>15,070</td>
</tr>
<tr>
<td>2 persons</td>
<td>21,962</td>
<td>18,837</td>
</tr>
<tr>
<td>3 persons</td>
<td>27,315</td>
<td>23,429</td>
</tr>
<tr>
<td>4 persons</td>
<td>33,063</td>
<td>28,359</td>
</tr>
<tr>
<td>5 persons</td>
<td>36,958</td>
<td>31,701</td>
</tr>
<tr>
<td>6 persons</td>
<td>40,855</td>
<td>35,043</td>
</tr>
<tr>
<td>7 persons</td>
<td>44,751</td>
<td>38,385</td>
</tr>
</tbody>
</table>

* Includes cities with a population between 15,000 and 30,000 and small urban areas (under 15,000).


LICO is not actually a poverty measure; rather, it is a measure of low-income. Statistics Canada does not consider its LICO measure to be a poverty line. Rather, if a family unit or individual is below the LICO, Statistics Canada considers that situation to be “straitened circumstances” (Webber, 1998, p. 1); that is, the family is left in a tight or narrow financial situation.

Canada actually has no official poverty line and there is no general agreement in Canada on what constitutes poverty (Fellegi, 1997). On the issue of poverty lines, Ternowetsky (2000) comments, “We have come to understand, for example, that even the concept of poverty is elusive. It is difficult to define, hard to measure and it is seemingly impossible to obtain a level of agreement on what it means to be poor in Canada” (p.1). Although LICO is the most commonly used measure of poverty, there are other poverty measures...
used in Canada. Additional relative measures of poverty include the Low Income Measure (LIM) from Statistics Canada, the Toronto Social Planning Council measure, the Canadian Council on Social Development measure, the measure devised by the 1971 Senate and public opinion polls such as the Gallup Poll that since 1976 have conducted regular polls on what the general public considers poverty (Ross, Scott & Smith, 2000, pp. 13-44). Others argue that provincial welfare rates are implicit poverty lines, with welfare rates serving as the minimum income a family or person should receive (Ross et al, 2000). There are also two absolute measures of poverty that are commonly used in Canada, the Montreal Diet Dispensary measure and the Fraser Institute’s Sarlo poverty line. Absolute poverty measures differ from relative measures of poverty in that they do not link levels to an average standard of living. Rather these measures examine what is the absolute minimum an individual or a family needs to survive.\(^6\)

Currently, there is an initiative underway by the provincial and territorial ministers of Social Services and Human Resources Development Canada (HRDC) to devise a needs-based measure of poverty based upon the Market Basket Measure approach (MBM), similar in concept to the absolute measures of poverty (Webber, 1998, pp. 9-10). This initiative should be approached with some skepticism. The federal government acknowledges that using its MBM approach to measure poverty will reduce the extent of child poverty immediately by one-third without any improvement in the standard of living for those children (Shillington, 2001). Additionally, the problem with all MBM approaches is the issue of identifying what constitutes life’s necessities, as there is no consensus of opinion about what is necessary (Ross & Roberts, 1999, p. 36).

There is no objective way of determining whether an absolute or relative measure of poverty is the preferred method. Each method has its own strengths and weaknesses. Perhaps the best solution is to use the relative measure of poverty developed by UNICEF. That method allows comparison of low-income incidence and depth among different nations where data used for the other measures are not available.

Using Statistics Canada LICO measure,\(^7\) high levels of child poverty have persisted up to and including 1998 in Canada and Saskatchewan. In 1989 (the year of the declaration to end child poverty in Canada by 2000) the child poverty level in Canada was 14.4 per cent. Disturbingly, the incidence of child poverty in Canada increased to 19 per cent for the year 1998 (Campaign 2000, 2000, p. 5). The clear and disconcerting outcome from an analysis of the data is the continuous high incidence of child poverty in Canada despite promises

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\(^7\) In this report Statistics Canada Low Income Cut-Offs (LICO) are used as the benchmark to identify poor children and their families. The data for poor children under 18 exclude those who are unattached individuals, those that are the major income earner or those who are the spouse or common-law partner of the major income earner. In creating these survey data sets, Statistics Canada does not include families living in First Nation communities (reserves).
from the highest levels of government to eliminate it. The province of Saskatchewan is very close to the overall child poverty incidence figures for Canada. Child poverty did not appreciably alter in the province of Saskatchewan between 1989 and 1998.

The clear and disturbing outcome of the data is the continuing high level of child poverty in Saskatchewan. However, the major print media for Regina, Saskatchewan, has reported that child poverty has been dropping in Saskatchewan (O’Brien, 2000, A2). Commenting on the 1998 level of child poverty in Saskatchewan, the province’s Social Services minister remarked that Saskatchewan was the only province to reduce the rate of child poverty for two years in a row (O’Brien, 2000, A2). The minister suggested that government income support programs prevented child poverty from being 35 per cent higher, and cited the welfare reform, “Building Independence”, as a main program initiative responsible for preventing and reducing child poverty in Saskatchewan. The minister stated that the rate of child poverty is dropping as more families move from welfare into the workforce.

During the summer of 1998, Saskatchewan introduced its version of welfare reform under the program “Building Independence - Investing in Families” initiative (see Government of Saskatchewan Brochures). This policy initiative includes six programs. Three of these programs are designed to address the problem of child poverty in poor working families:

1. the Saskatchewan Employment Supplement (SES) program, providing a monthly payment to supplement income earned by lower income parents;
2. the Saskatchewan Child Benefit (SCB) program, which provides a monthly allowance to all children of lower income families; and
3. the Family Health Benefits (FHB) program providing limited supplementary health benefits, including some dental and drug expense relief, to lower-income working families.

**The SES and the SCB**

Families with children who are low-income earners but not receiving provincial welfare can access a benefit from the SES program by contacting the Saskatchewan provincial office of the SES program and completing an application over the phone.

Examples of the monthly rates for the SES program in Saskatchewan for the year 2000 are given in Table 2.
Program checks and audits for the SES program are made through the income tax system. Beneficiaries of the SES program report changes in income as they occur, or on a quarterly basis.

The SES program is designed to primarily assist the working poor, however families with children on welfare can also access the program. Money from work, self-employment, farming and child/spousal maintenance are considered as income for the program. To receive the SES benefit, gross family income must be at least $175 per month. The level of benefit is calculated as a percentage of earnings, with the maximum amount dependent upon the number of children in a family. The maximum benefit level is $315 per month with a gross family income of $1,000 per month and five children in the family. The federal Indian Affairs Department and First Nations leadership agreed to the creation of a parallel benefit for on-reserve Status Indians. The income supplements of the program are rather modest, and families on social assistance with no other source of income receive no benefit from the SES program. For a detailed examination of the SES program and its effect on welfare budgets in Saskatchewan, see Hunter (1998).

The SCB program change to social assistance delivery in Saskatchewan was designed to coincide with changes to the federal government’s funding of the existing Child Tax Benefit (CTB) program, and during 1998 social assistance (welfare) reform in Saskatchewan took a limited but nonetheless important policy direction in affixing provincial welfare benefits for children to the Federal Canada Child Tax Benefit (CCTB) program.
Federal Programs

The major piece of legislation enabling the social income transfer program in Canada designed specifically to eliminate child poverty is the CCTB. The predecessor to the CCTB (1997) was the New Integrated Child Tax Benefit (CTB, 1993). The social income programs that existed for families with children before the CTB were the universal Family Allowance program and income tax-based measurers, including the refundable child tax credit, the non-refundable child tax credit, the equivalent-to-married credit and the child-care expense reduction. Under the Integrated CTB there were now three components: the CTB, the equivalent-to-married credit and the child-care deduction. The previous non-refundable and refundable tax credits and the Family Allowance program were aggregated into the income-tested CTB.

In 1997, the CTB program was replaced with the Canada Child Tax Benefit (CCTB) legislation. Both programs are somewhat similar in their underlying values. The major difference between the two programs is that the CCTB program includes all the provinces and territories. The provinces and territories were not part of the federal-only CTB program.

The CCTB program provides two benefits. One is the Basic Benefit provided to all families with children contingent upon their level of income. There are maximum levels of family income whereby this benefit is fully phased out. The other benefit is provided under the cost-shared National Child Benefit program (NCB), which is a program that the federal government shares with the provinces and territories. The federal contribution to the NCB is the National Child Benefit Supplement (NCBS), which is similar to the previous Working Income Supplement (WIS) program.

The WIS program, which replaced the universal Family Allowance program, was a per family benefit provided to low-income families with children, while the NCBS is a per child benefit provided to low-income families with children. The NCBS has been integrated into the basic allowance component of provincial social assistance programs in the provinces and territories (Kitchen, 2001, p. 241). The NCBS program removes children from the basic allowance component of the provincial welfare rolls, with those payments now coming from the federal government’s NCBS contribution to the NCB. The provinces, territories and First Nations’ contribution to the NCB is to provide programs that support low-income working families with children, whether or not those families receive welfare. Programs that can be provided by the provinces to low-income families with children could include pharmacare or dental care, childcare services, child credit for low-income families (British Columbia, Quebec), an earned-income credit (Alberta), a combination of programs (Saskatchewan [SES; SCB; FHB] and New Brunswick) and early prevention programs for children at risk. The provincial and territorial contributions to the NCB go under various names in the different provincial, territorial and First Nations jurisdictions.8 By agreement with Revenue Canada, the Saskatchewan provincial basic income tax benefit is called the Working Income Tax Benefit (WITB) and is available to those under the age of 18. The WITB is a refundable benefit, paid in monthly increments.

8 For further information on provincial programs see Revenue Canada, Your Canada Child Tax Benefit, (On-line), Available: http://www.ccra-adrc.gc.ca/E/pub/tg/t4114ed/t4114ed-03.html
allowance benefit for children whose families are on welfare is fully integrated as a single payment within the CCTB.

Savings

Changing the social assistance child basic allowance payment to a fully integrated single payment within the CCTB delivered through Revenue Canada represents significant savings for the province of Saskatchewan. Tables 3 and 4 document the reductions in provincial spending on welfare and the increases in spending by the federal government. As the tables indicate, the provincial contribution to the welfare budgets for children has been reduced by the amount of increase in the federal contribution. The amounts presented in the tables are based upon the author’s calculations.
<table>
<thead>
<tr>
<th>Year</th>
<th>Basic allowance of $160 / month /child added to the monthly family budget.</th>
<th>All children are removed from the social assistance budget.</th>
<th>All children are removed from the social assistance budget.</th>
<th>All children are removed from the social assistance budget.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Sask. contribution of $125. Sask. also considers that a family would have $35/month /child of federal money such as the old Family Allowance program, or the CTB Basic Benefit program. Total of both of these incomes is $160.</td>
<td>Sask. contribution of $75 /month /child (reduced from previous rate of $125). Sask. contribution under the Saskatchewan Child Benefit program (SCB).</td>
<td>Sask. contribution of $60 /month /child (reduced from previous rate of $125). Sask. contribution under the SCB.</td>
<td>Sask. contribution of $44 /month /child (reduced from previous rate of $125). Sask. contribution under SCB.</td>
</tr>
<tr>
<td></td>
<td>The family also receives $85 /month /child from the federal CTB Basic Benefit program. Sask. deducts $35 from the Basic Benefit, leaving $50. Total amount received by a family from both federal and provincial programs = $210 /month /child.</td>
<td>The family also receives $135.42 /month /child from the federal CCTB.</td>
<td>The family also receives $150.42 /month /child from the federal CCTB.</td>
<td>The family also receives $173.42 /month /child from the federal CCTB.</td>
</tr>
</tbody>
</table>
### Table 3 (continued)


### Table 4

**Federal Contribution to Saskatchewan Social Assistance Calculations**


<table>
<thead>
<tr>
<th>Year</th>
<th>Federal Monthly Contribution</th>
</tr>
</thead>
<tbody>
<tr>
<td>1998</td>
<td>$1,020 /yr /child (Basic benefit) + $500 /yr (old W.I.S. program) + $105 /yr (Enriched W.I.S. program) = $1,625. To calculate the monthly benefit: $1,625 ÷ 12 months = $135.42. (Please see Table 3 for adjustments to Saskatchewan social assistance rates).</td>
</tr>
<tr>
<td>1999</td>
<td>$1,020 /yr /child (Basic benefit) + $500 /yr (old W.I.S. program) + $285.04 /yr (Enriched W.I.S. program) = $1,805.04. To calculate the monthly benefit: $1,805.04 ÷ 12 months = $150.42. (Please see Table 3 for adjustments to Saskatchewan social assistance rates).</td>
</tr>
<tr>
<td>2000</td>
<td>$1,104 /yr /child (Basic benefit) + $500 /yr (old W.I.S. program) + $477.04 /yr (Enriched W.I.S. program) = $2,081.04. To calculate the monthly benefit: $2,081.04 ÷ 12 months = $173.42. (Please see Table 3 for adjustments to Saskatchewan social assistance rates).</td>
</tr>
</tbody>
</table>

The provincial savings from reduced welfare expenditures under the CCTB are quite substantial. For example:

Saskatchewan reinvested a total of approximately $13 million in NCB initiatives in the nine-month period from July 1, 1998 to March 31, 1999. This reinvestment represents $17.2 million on a full fiscal year basis. As a result of further federal investments in the National Child Benefit supplement, reinvestment funds for 1999-2000 and 2000-01 are expected to increase to $21.2 million and $26.6 million respectively. (Government of Canada, 2000, Appendix 2, p. 9)

The federal government estimates that for the fiscal year 1999/2000, Saskatchewan’s NCB Initiatives Reinvestment Funds will be allotted toward $16.27 million in the Saskatchewan Child Benefit (SCB) (a monthly allowance provided for all children of lower-income families); $2.64 million in the Saskatchewan Employment Supplement (SES) (a monthly income supplement available to lower-income families); and $2.3 million in the supplementary Family Health Benefits program (FHB), (which provides limited supplementary health benefits to lower-income working families) (Government of Canada, 2000, Appendix 2, p. 10). In Saskatchewan, most of the reinvestment of funds from savings due to an increase in federal spending under the CCTB have gone into the supplement of low-income wages through programs such as the previously described SCB and the SES programs. As mentioned, the source of these reinvestment funds is from provincial “social assistance adjustments.” Social assistance adjustments are the savings the provinces incur by not passing on the increases in federal spending for children to families on welfare who have no labour force income.

In fact provincial savings on welfare expenditures, due to increased federal contributions through the CCTB, do not need to go to increased spending on families with children on welfare who have no other source of income, presumably the poorest children in Canada. Rather, the money can be used to fund social income programs for the working poor, as has happened in the provinces. Using the funds saved by not passing on the increase in federal expenditures to the poorest families on welfare with no source of income, and using those funds to support families with low incomes, is entirely in keeping with the intent of the CCTB program. According to the CCTB agreement, provincial savings from decreased welfare expenditures are to go to programs designed to assist low-income families with children. An Enriched Canada Child Tax Benefit will “pave the way for provinces and territories to redirect their resources towards improved child services and income support for low-income working families” (Government of Canada, Budget 1997 Fact Sheets, p. 2) and further “to promote attachment to the workforce - resulting in fewer families having to rely on social assistance - by ensuring that families will always be better off as a result of finding work” (Government of Canada, Finance Canada, Budget 1997, p. 1). The savings incurred by the provinces under the CCTB are to be directed toward children’s services and income support programs for low-income families with children.

Saskatchewan has also made considerable expenditures in these programs under what are referred to as “investment funds.” Investment funds are additional expenditures by the
provinces within the NCB program. Saskatchewan’s initial investments in the NCB program were $19.79 million for the SCB program, $2.6 million for the SES program and $2.03 million for the FHB program. These additional investments allowed Saskatchewan to completely remove all children’s basic allowance from the social assistance program and fully implement the three programs for all low-income families. The provinces refer to this process as “main streaming”; that is, extending programs beyond just those people on welfare.

It should be noted, however, that the increase in federal and provincial spending is not new money. The federal government would have been making these expenditures under the cost-sharing agreement with the provinces under the old Canada Assistance Plan (CAP), which was replaced in 1996 by the block-funded Canadian Health and Social Transfer (CHST) program. The federal government would have also made further expenditures through the previous Family Allowance program and its successor, the federal CTB program (Pulkingham & Ternowetsky, 1997, p. 205). The provinces would have made these expenditures under the old CAP program and also under the new CHST program. For example, before the SCB, SES and FHB initiatives, for 1997-98, Saskatchewan spent $327,504,000 on income support programs. After the initiatives, for 1999-00, the province spent $348,379,897 on income support programs (Saskatchewan Social Services, Government of Saskatchewan; Annual Reports). Eventually, as the CCTB program “matures”, the SCB program should be eliminated due to increasing federal contributions to the NCB program.

As mentioned, the National Child Benefit (NCB) portion of the two-part CCTB is a social income program shared between the federal government and the provinces, territories and First Nations to assist working poor families with children. Due to the focus of the NCB policy initiative on the workplace attachment of the recipient, there is a fundamental flaw with the NCB portion of the CCTB program. If the program had been designed to reduce child poverty, benefits would increase according to the financial need of families with children (Pulkingham & Ternowetsky, 1997, pp. 206-7). There is no extra money for families whose only source of income is social assistance.

Conclusion

The CCTB program, with the participation of the government of Saskatchewan, has linked the level of benefits for children to the labour force attachment of their parents. Those who are employed receive more in benefits for their children through government-run social programs than those without paid employment. The CCTB program does not address the employability status of a family on welfare (whether they are actually employable or whether employment exists for them), nor does it account for the unpaid labour necessary to raise a child. All families are considered able to find employment; that is, all families are considered as having an equal chance or right to paid employment, and the level of benefits received is tied to the paid labour status of the family. In effect, this results in a horizontal distribution of resources from the poor families on welfare who have no other source of income and do not benefit from the provincial savings in welfare payments, to the distribution of those provincial savings in the form of small monthly income supplements to working poor families from the SES program.
Under the CCTB program, rights are derived from the marketplace and the family. A family receives benefits for their children dependent upon that family’s attachment to the labour force, and children receive a level of benefit that is calculated in reference to their family’s attachment to the market.

What we are seeing is a restructuring of the welfare state in the delivery of social assistance programs to meet the needs of economic restructuring. The old welfare program served the needs of the business community during a time when unemployment was relatively low, and when workers could expect lifetime employment from an employer and a wage that a family could live on. At that time the welfare state served business needs by supplying a low-wage labour pool for business, controlling social unrest during a period of increased expectations from the citizenry and providing a minimum living standard for those who could not work (Piven & Cloward, 1971).

With economic restructuring since the early 1980s and a business community that wants to increasingly offer “flexible employment” to workers, including low-wages, no job security and no job benefits, we see the income support programs of the welfare state adjust. Current welfare programs are being designed to keep people off social assistance by providing enough of an income supplement so that families do not qualify for welfare, thereby assuring business the labour force presently most desired for profit in service sector and other low-income employment. During the 1980s and 1990s the greatest area of job growth in Canada and Saskatchewan has been in service sector and low-income jobs (Ternowetsky & Thorn, 1991; Ternowetsky, 2000). In the future we can expect to see an increasing number of programs designed to keep workers in the labour force under conditions of low wages, no job security, no benefits and continued income disparity between the rich and the poor. Additionally, research is emerging that suggests that the current welfare restructuring in Canada has hurt the working poor by depressing wages. Wages are being depressed because the current reforms have increased the competition for low-income jobs and wages (Klein & Montgomery, 2001). If the desire were really to address child poverty, solutions such as raising the minimum wage and welfare rates, and introducing more progressivity into the income tax system would be more effective and much simpler to administer.

By introducing the Child Tax Benefit in its current form, governments are acknowledging that, for a growing majority of people, the economic system will not provide an adequate income and that inequality for the poorest in Saskatchewan will continue to grow. Ultimately, as Ternowetsky (2000) has made clear, we will not be able to deal with the problem of poverty until we tackle the problem of wealth.
References


Government of Saskatchewan. “Building Independence - Investing in Families.” *Saskatchewan Employment Supplement; Saskatchewan Child Benefit; Family Health Benefits; Provincial Training Allowance; Youth Futures [Brochures].*


