

Working Through the Work Disincentive

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CITIZENS *for* PUBLIC JUSTICE





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- CPJ is committed to seek human flourishing and the integrity of creation as our faithful response to God's call for love, justice and stewardship.
- We envision a world in which individuals, communities, societal institutions and governments all contribute to and benefit from the common good.

Our Mission

- CPJ's mission is to promote *public justice* in Canada by shaping key public policy debates through research and analysis, publishing and public dialogue. CPJ encourages citizens, leaders in society, and governments to support policies and practices which reflect God's call for love, justice and stewardship.

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Working Through the Work Disincentiveⁱ

Concerns about a possible work disincentive appear to be one of the biggest obstacles to guaranteed livable income (GLI).ⁱⁱ The work disincentive implies that income security is a deterrent to participating in paid work, generating fears of people withdrawing en masse from the labour market if they have a sufficiently high source of other income. Objections are also raised about “paying people to do nothing.” Experimental evidence demonstrates that the actual work disincentive of GLI is quite small, rendering the work disincentive a largely political obstacle, rather than economic. For this reason, successful advocates of a GLI need to frame arguments that understand and counter these fears. How is the opposition to GLI created? What assumptions does the work disincentive rely on? Why is working for your income so important in North American culture? And should we be paying people to “do nothing?”

Experimental Evidence

Experimental evidence suggests that the work disincentive is not a significant concern. In the 1960s and 70s, experiments were conducted in the United States and Canada to determine the economic and social impact of GLI, including the impact on labour supply. The evidence from the experiments showed a slight disincentive to work, ranging from a 1% to 8% reduction in hours worked annually for men, a 3% to 28% reduction in hours worked annually for married women, and a 5% to 23% reduction for single women with dependents (see Table 1).¹

The context for each finding is important, because while 28% might not sound slight, it was equivalent to 180 fewer hours worked per year for married women in a rural study and only 62 fewer

ⁱ Thanks and appreciation go to Mariel Angus, Karen Diepeveen, Joe Gunn, Matt Helleman and Rob Rainer for their helpful comments on this paper.

ⁱⁱ Guaranteed livable income is also known as guaranteed annual income, guaranteed adequate income, basic income or citizen’s income. For simplicity’s sake, I use GLI throughout this paper.

hours for married women in a New Jersey study.² Therefore, the total number of hours worked annually before the income experiment was relatively slight, an average of 643 hours for the rural study and an average of 221 hours in New Jersey.ⁱⁱⁱ Thus, the initial labour market attachment was not very strong, and the study took place during a very different era for married women's participation in the labour force.

Table 1: Change in annual hours worked from Income Maintenance Experiments 1960s and 70s

	Husbands	Wives	Single Female Heads
Mincome:	-20 (1%)	-15 (3%)	-56 (5%)
New Jersey:	-57 (3%)	-62 (28%)	
Rural:	-93 (5%)	-180 (28%)	
Denver-Seattle:	-135 (8%)	-129 (20%)	-134 (13%)
Gary:	-76 (5%)	-18 (6%)	-84 (23%)
US average:	-69 (6%)	-70 (19%)	-85 (15%)

Source: Hum and Simpson 1993

Overall, the data from the US studies show an average reduction in hours worked annually of 6% for men, 19% for married women, and 15% for single female headed households.³ In the Mincome experiment, which took place in Manitoba, the reduction in hours worked annually was 1% for men, 3% for women, and 5% for lone female households.⁴ Each experiment included different levels of income, so these are totals averaged out over an experiment which saw households receiving different treatment. The US studies were also targeted at different populations, including a rural experiment and one for single parents, to test the impact on a variety of demographics.

While a variety of behavioural impacts were studied, analyses of work disincentives did not take into account the reasons why people left the labour force. If participants took advantage of income security to go back to school and upgrade their skills so they could return to the work force at a higher wage level, that was still recorded as a work reduction. Staying home with small children or elderly parents was also considered work reduction.

ⁱⁱⁱ Assuming a 50 week work year, this works out to just under 13 hours a week on average for the rural women and just under 5 hours weekly for the New Jersey women.

In fact, Derek Hum, lead researcher for the Mincome project, noted at a recent Canadian Senate committee roundtable on GLI in June 2008 that “in many self-employed and farm households, when given a guaranteed annual income, one of the persons, usually the wife, would [with]draw from the paid labour force for other things such as child care or work on the farm, and so on. Others went back to school and pursued education and training. From a pure work disincentive point of view, that was measured as a reduction in work supply.”⁵ Robinson Hollister has also observed that in the US experiments “The biggest response overall came in reduction in the female labour supply and that mostly took the form of slower re-entry to the labour market after absence.”⁶ The numbers generated by the studies therefore represent a very narrow interpretation of the work disincentive that included every reason for working fewer hours or withdrawing from the paid labour force as a work disincentive.

Because the experiments took place over 30 years ago, the results wouldn’t necessarily transfer today. The large difference between reductions in hours for men and women are one example where we would likely see changes today, based on new norms of women’s participation in the paid labour force. However, the results still provide a reasonable guide to understanding the work disincentive of GLI. These studies demonstrate that there is no reason to fear a large-scale withdrawal from the paid labour force.

The Political Fear of the Work Disincentive

But while the work disincentive is insignificant economically, it remains a political issue. Policy makers and analysts still express fears that a GLI would cause people to withdraw from the paid labour force, citing these fears as a reason why GLI is not politically feasible. At the Canadian Senate committee roundtable on GLI, the work disincentive was identified as one of the most important features of GLI to understand, as important as its impact on poverty. Understanding these fears and the underlying

assumptions is thus essential to successful advocacy for GLI. Advocates need to be able to frame arguments that counter these fears.

There are five key assumptions that contribute to a belief in the work disincentive. The first is that people are motivated to work by money, and therefore income security will take away motivation to participate in paid labour, as well as people's motivation to be good and useful members of society. The second is that the activities people engage in if they're not part of the paid labour force are not good or useful, while paid work is always good and useful. The third is that jobs are readily available if only people have motivation to take them. The fourth is that people with disabilities should not be expected to work and it is easy to determine who is capable of supporting themselves by paid work and who is not. The fifth, and perhaps most important, assumption is that GLI is wrong because it is wrong to pay people to "do nothing." This next section examines each of these assumptions in depth and provides a critical assessment.

Motivation

"I was a kid who spent high school in the pool hall, literally, in the north end of Winnipeg. If I had that program, I am not sure I would have gone to university. It was the crappy jobs I had that made me go to university." – Policy analyst for a social policy think tank speaking about a GLI.

There is a belief among some policy makers and analysts that GLI or any form of income security will take away people's motivation, either to work at all or to become "successful." In this view, poverty is necessary to motivate people to participate in the paid labour force and for social advancement. Giving income security to those who do not demonstrate motivation allows them to lead economically and socially unproductive lives and is therefore wrong.

For instance, former Ontario premier Mike Harris and former leader of the Reform Party Preston Manning argue that people on welfare lack "motivation, and incentives" to change their lives, and that "dependence" sets in once people have received support, requiring "a push through that door" of

opportunity. They believe that government programs should focus on helping people to “take responsibility for their own lives.”⁷ From their point of view, higher social assistance rates encourage dependency, while lower rates – and therefore greater poverty – encourage the poor to take on paid work.

But the assumption that people are only motivated by fear of poverty dismisses the wide range of human experience and motivation. People choose to participate in paid work for many reasons, including self-fulfillment, sense of vocation, ambition, the opportunity to participate in a larger project or activity they find meaningful, to achieve goals, to use skills and talents in particular areas, and to benefit from the unique social interactions that exist in a workplace. For many people, work is an important expression of identity. Income might be part of the motivation, but it is rarely the sole factor in motivating people to participate in paid work.

The unemployed are no exception. A study in Sweden, where compensation during unemployment is much higher than in Canada, found that non-financial motivations for work remain high among the unemployed, noting that “People in general appear to be eager to gain employment for psychosocial reasons... Low employment motivation is not a primary cause of unemployment.”⁸ Those who were employed in an instrumental job – one that solely meets financial needs, rather than providing a meaningful activity or social community – had the same employment commitment as the unemployed.⁹ On the other hand, there was a greater correlation between work commitment and having a stimulating job, highlighting the many factors besides financial considerations that motivate people in their paid work.¹⁰

This assumption also appears to condone letting people live in abject poverty if they are not going to participate in the paid labour force. Poverty is viewed as an appropriate punishment for refusing to “make something of yourself.” However, Canadian Senator Wilbert Keon suggests that if some people really refuse to work and pursue goals, they shouldn’t be punished with poverty. They

should have access to psychological help.¹¹ “If you subject any 20-year-old person who will not work and who will not try to achieve along the road of life to psychological testing, cognitive skills, et cetera, they will fail. These people need appropriate medical attention, and then they can be put back on the road of life.” The Senator recognizes that it is unfair to punish all poor Canadians because some people might lack motivation.

Similarly, this assumption ignores all the elements which might contribute to a lack of motivation. Charles Karelis compares the impact of poverty to a swarm of bee stings.¹² Where one bee sting motivates an individual to seek relief, a multitude of bee stings becomes overwhelming to the point that relief of one sting makes no difference at all. Fear, feelings of powerlessness, low self-esteem, lack of resources, poorly designed government policies and programs, addiction, past or present abuse, mental illness, and physical disabilities can all overwhelm and immobilize a person. The answer is not more poverty – it is to address the multiple bee stings that make a person poor and keep them in poverty.

What Activities Have Value

“Why work when you can sit at home, have babies and collect welfare or overly generous employment insurance year after year?” – Former minister for Human Resources and Social Development.

Another underlying assumption of the work disincentive is the belief that the activities people engage in if they’re not part of the paid labour force are not good or useful. Canada’s former minister of Human Resources and Social Development, Monte Solberg, provided a good example of this when he accused those on social assistance and Employment Insurance (EI) of sitting at home and having babies. Solberg did not even acknowledge that people having babies need to engage in child care, and that caring for a child is a good, socially useful thing. Rather, Solberg’s accusation conjures images of people

sitting in front of a television all day, living the good life on less than \$20,000^{iv} a year. Clearly, Solberg himself has never tried this lifestyle, or he would know how untenable it is.

This assumption implies that if people are not participating in the paid labour force 40 hours per week, 50 weeks of the year, they are not doing anything good or useful for themselves, their family or their community. But what about child care, elder care and other forms of unpaid caring work? What about education and retraining? What about volunteering at community organizations, faith communities, and local schools? What about organic gardening or local farming? What about arts and cultural activities? What about spending time with family, community, or in rest and leisure? What about political and civic engagement?

This assumption also presumes that only paid activities count as work. However, this definition of work has come under fire from feminists for its highly gendered nature and its exclusion of the many activities which women engage in.¹³ Economist Jim Stanford defines work as “all productive human activity,” thereby including all activities, paid and unpaid, that create goods and services that are useful and necessary to human life.¹⁴ He notes that time use surveys show that almost 1 hour of unpaid work takes place for every hour of paid work in advanced economies.¹⁵ Much of this unpaid work can be understood as “producing workers” – if people aren’t fed, clothed and cared for, they cannot be healthy, productive workers in their paid employment.¹⁶ This work isn’t paid, yet without it, paid work could not take place!

There are many activities that people engage in without remuneration that are important, meaningful and even necessary. Many activities are contributions to our society and to our economy that can’t be quantified in dollar terms. Even leisure time helps us to restore our minds and bodies in order to maintain a healthy balance in life and contribute more productively in our paid work. Some of

^{iv} The maximum that any Canadian can receive in EI payments is \$22,350. Few recipients actually qualify for the maximum. The highest welfare payment any Canadian can receive as a single parent with one child is \$18,788 in Newfoundland and Labrador. Most provinces are not so generous in their benefit levels.

the unpaid activities we engage in contribute more to our society and our well-being than certain forms of paid labour.

Yet focusing on the work disincentive overlooks all of these activities. People might rely on the income security of a GLI to spend less time at the office and more time with their families. Or they could volunteer at community organizations, fill spots on local boards, and join advocacy efforts for causes they support. Or they could have time to develop artistic and creative talents, contributing to the cultural life of our country. These activities are no less important than the lowest paying jobs we have available in Canada.

In fact, this assumption implies that paid work is always good and useful when that is clearly not the case. Working to grow, sell or market tobacco or the arms industry are two examples of this. These are products that are not good for either individual or communal well-being, yet they create paid employment and contribute to Gross Domestic Product (GDP). Another example is dangerous or exploitative work, with bad or poorly-enforced labour standards that put workers at risk. Recent Canadians and migrants are particularly vulnerable to such employment, particularly when labour standards are not enforced for farm work or the construction industry. Many more jobs are not dangerous or tied to harmful products or activities but can be negative for workers who feel stultified, limited or frustrated by the lack of challenge and scope. Compensation cannot be used to determine whether activities are good or useful to individuals and to society.

The Availability of Jobs

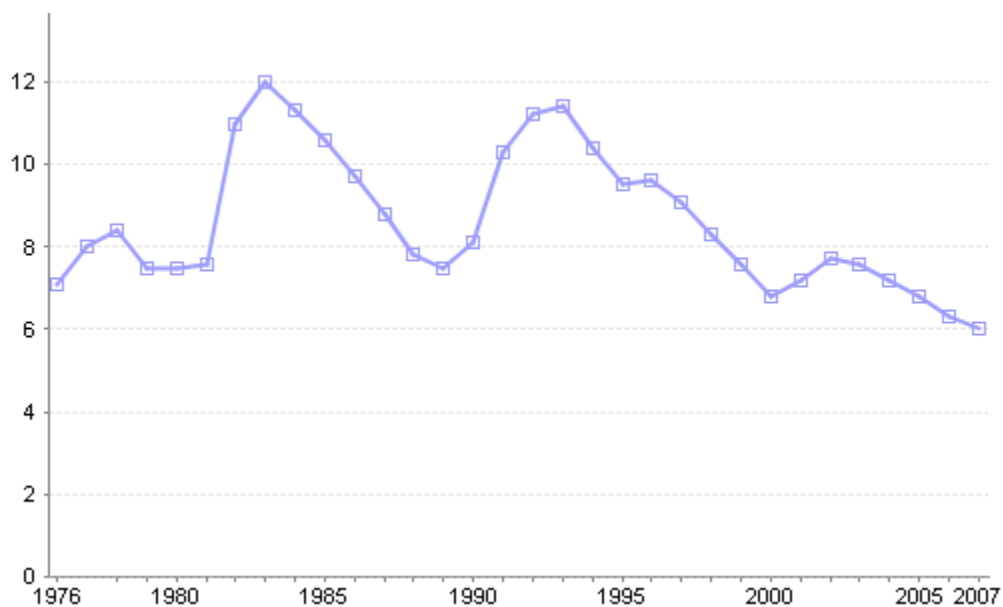
“I think the best thing that one can do to help improve the life of someone who is unemployed is to help them get another job.” – Spokesperson for the Prime Minister’s Office on the change from Social Development to Skills Development

One reason that critics question the motivation and activities of those not participating in the paid labour force is the assumption that jobs are readily available and that individuals are choosing

welfare or employment insurance over work. Following the logic of the old English Poor Law and its principle of “Less Eligibility,” they therefore expect to make people “choose” work by making welfare and EI unappealing with low rates and burdensome conditions.

However, the reality is that there are not enough jobs for everyone. Looking for work is an official requirement of receiving EI or social assistance, unless an exception is given for caregiving work or disability. Recipients are usually required to take any available job, even if it doesn’t meet their needs or match their skill set.¹⁷ It is impossible to choose welfare over work: rather, there are not enough jobs for every Canadian who needs or wants a job. The official unemployment rate in Canada has not been below an annual average of 6% over the past thirty years (see Table 2). Even during the recent years of the economic boom, unemployment stayed in the 6-7% range.¹⁸ Now that Canada is heading into a recession, unemployment is on the rise and the problem is going to get worse, not better.¹⁹

Table 2: Unemployment rate, Canada, 1976-2007 as a percent of the labour force



Source: Human Resources and Skills Development Canada, “Indicators of Well-Being in Canada: Work-Unemployment Rate.”

The official unemployment rate only includes those who are not working at all, but actively seeking work. It does not include those who have stopped looking for work due to frustration with the job market, those who are underemployed, or those who are working part-time involuntarily. There are some estimates that the real, unofficial unemployment rate is one and a half times that of the official rate (i.e., currently around 10.5%). There are neither enough jobs for everyone who needs one, nor adequate jobs that meet the needs of the Canadians forced to take them.

The official employment numbers fail to take into account that not every job is a good job. Currently, 1 in 3 jobs in Canada are non-standard or precarious work: contract, temporary, part-time or self-employed, with no benefits, no pension, and generally low wages.²⁰ Workers in these jobs are extremely vulnerable, and the ratio of good to bad jobs explains why the number of working poor is so high in Canada. In 2004, 58% of two parent families living in poverty in Canada received their principal income from employment and received no social assistance or employment insurance payments.²¹ Work does not prevent poverty because not all jobs pay a living wage.

Trends over the past year have given greater cause for alarm, as job loss has tended to be in full-time employment and in the manufacturing sector (which pays relatively well), while job creation has tended to be in part-time and/or self-employment and in the low-wage service industry.²² In September 2008, 90% of the 107,000 new jobs created were part-time, while 1 in 4 jobs was self-employment.²³ These numbers are particularly worrisome because while many unemployed Canadians will find new work to replace lost jobs, it will not be of the same quality or at the same wage level.

Certain demographic groups run a greater than average risk of unemployment: low paid workers, less educated workers, young people, Aboriginal people and recent immigrants.²⁴ Jobs are also not distributed evenly across the country, putting workers in certain regions at a geographical disadvantage. While some workers have greater mobility, not everyone can uproot their family or leave their community and personal support system. Access to jobs is therefore not equal for every Canadian.

It is simply not reasonable to assume that every Canadian who wants a job could have a job, let alone a good job that meets their needs and matches their skills and interests.

Ability to Participate in Paid Work

“The only way that society will accept an adequate income for people who are severely disabled, is if there is a test. We do have the administrative capacity. We have a well-developed, thought-through, implementable proposal that can do that.” – Policy analyst for a social policy think tank speaking about a GLI.

“The idea of someone behind a Plexiglas panel making a decision about someone’s life – on what basis would they decide?” – Executive Director of an anti-poverty organization on bureaucrats deciding who has a disability.

Most decision makers and policy analysts agree that people with disabilities and serious health problems should not be expected to participate in paid work. People who fear a work disincentive therefore generally argue that income support should be set at a lower level for those who are expected to work to “encourage” them to work, and at a higher level for those with disabilities who are therefore “deserving” poor. Such a division is based on the assumption that it is easy and practicable to determine who has a disability serious enough to disqualify them from participating in paid work.^v

According to Jim Mulvale of the University of Regina, this approach is failing in Saskatchewan. “We have all kinds of problems with people getting put in the wrong program, getting deprived of necessary supports, being considered to be work ready when perhaps they’re not or, in some cases, the opposite.”²⁵

Some disabilities are relatively straight-forward, and a medical certificate can be easily obtained that will satisfy bureaucratic exigencies. But there are many disabilities that are not so easy to define, diagnose and categorize. There are physical disabilities that do not totally disable a person, but arbitrarily render a person incapable of engaging in full-time work. Marie White, National Chairperson of

^v This is not to deny that people with disabilities may have greater costs associated with their disability. In Canada, however, disability and health supports are delivered separately from the social assistance system, and the distinction in benefit levels for basic welfare is solely predicated on belief in a work disincentive.

the Council of Canadians with Disabilities, has multiple sclerosis. She told the Senate roundtable on GLI: “I can work for three years and suddenly I cannot work for three weeks.” Other conditions such as chronic fatigue syndrome and fibromyalgia are also episodic and unpredictable.

Some disabilities are permanent, but not highly visible. Rob Rainer of Canada Without Poverty described to the Senate roundtable how his daughter’s Asperger’s syndrome will present significant challenges to employment, yet it is not visible at a glance.²⁶ Mental disabilities and mental health problems are often not highly visible. How is a policy maker or bureaucrat capable of deciding whether or not a person is able to engage in full-time employment? The consequences of that decision could cast someone into poverty. And how does the decision contribute to the stigmas associated with needing social support or having a disability?

Determining diagnoses is not always easy, either. Some diagnoses can only be obtained with considerable expense or from specialists. For those in rural and remote areas with limited access to specialists, this can either diminish the possibility of a diagnosis or considerably increase the cost of obtaining one. Due to doctor shortages, not everyone has a family doctor who can make referrals, and symptoms can be easily overlooked or misdiagnosed from infrequent or emergency medical care. Because of these challenges, many people with disabilities may not ever know that they have one or more disabilities and may be confused as to why they struggle with certain circumstances or symptoms for their entire lives.

The emphasis on paid employment versus full income security also prevents people from taking progressive steps to enter the workforce. Volunteering at a local organization might help some people develop the skills and self-confidence necessary to make the jump into the paid labour force, but it won’t give them income. Others might be able to handle part-time or contract work, but won’t receive adequate income to pay the bills, while disqualifying themselves for social assistance and other programs.

Paying People to “Do Nothing”

“We do not want to make it lucrative for them to stay home and get paid for it.” – Minister for Human Resources and Skills Development when asked about increasing Employment Insurance payments.

Perhaps the biggest stumbling block posed by the work disincentive is the belief that it is wrong to pay people to “do nothing.” This assumption is also the most complex, since it relies on cultural norms of value, productivity, responsibility, religious and cultural work ethic, and a history of poor-bashing. This assumption asserts that not only are people failing to engage in activities of value, but that it is inherently wrong to give them money because of that failure. But where did this belief come from? Why, in our society, is it considered to be so important to work for your income? This next section considers why “working for your income” is so important in our political system and culture, and offers a critical assessment of this belief.

Why is “Working for your Income” so Important?

Production and Monetary Value

Our cultural values and norms on work and income security have been shaped in part by our focus on economic development based on a monetary notion of productivity. Just as we measure “growth” in Canada by the market value of all goods and services produced (GDP), we often value “productive” work and “productive” people according to how much money they produce. Non-monetary goods and services aren’t seen as an important contribution to society. Former prime minister Jean Chrétien once said that it was better for the unemployed to be “at 50 per cent productivity than to be sitting home drinking beer at zero per cent productivity.”²⁷

This tendency includes placing a value on how much people’s labour is worth. To a certain extent, the value is related to what is produced by a person’s labour, with those positions that lead to greater production bringing greater remuneration. Being the Chief Executive Officer of a large

multinational corporation pays much better than being a community social worker, for instance. Directly productive labour is valued more than transductive labour – caring work (including health, child and elder care), education, arts and culture, environmental protection, and governance – and is therefore associated with higher wages.²⁸

But there is also a value placed on labour according to the *person's* worth. Some criteria, such as skill, education, and experience, are explicit. Other criteria, including gender, race, and social connections, are not although statistics have shown they are related to earning potential. It is assumed that everyone has equal access to education, experience and skills development, but in practice access is also determined by economic class, gender, race, citizenship and life experience. But because many people believe everyone has equal access, they assume that not pursuing further education, experience or skills development (or greater economic potential more generally) demonstrates a lack of initiative and that therefore those without education and experience deserve to earn less.

The result is that those who are on social assistance or other income programs are viewed as “freeloaders” – an unproductive burden on those who are productive. They are taking public money (produced by taxpayers), but they are not doing their fair share.

Responsibility

From this perspective, responsibility is understood solely as an individual imperative, not communal. For a working age adult to depend on others is considered immoral or wrong and the result of a personal flaw. This is described as dependency, and references make it clear that dependency is a bad thing. Mike Harris and Preston Manning argue that “we do a disservice to those who can make better lives for themselves and their families if we allow dependence to grow.”²⁹ Individual responsibility requires those in difficult situations to “pull themselves up by their bootstraps,” rather than turning to their community for assistance. Canadian anti-poverty activist Jean Swanson notes, “The

word ‘dependency’ promotes the stereotype that people on welfare or [EI] are like children dependent on their parents, unable to care for themselves. Then it seems appropriate for others to tell them what to do, without consulting them – even to make them do things, the way we make children go to school or to bed on time.”³⁰

This is accompanied by an individualist tendency in our culture that emphasizes individual rather than communal well-being. Everyone is responsible for themselves, not for their neighbours. Those who are wealthy have worked hard to earn it, and should be able to enjoy their wealth unencumbered by feelings of compassion for those around them. Those who are poor have not worked hard and therefore deserve poverty. This attitude contributes to the policy of only allowing people to qualify for social assistance when they are destitute. If they have any asset whatsoever, they are expected to rely on themselves before they will be offered any help. As a result, insofar as our society has a communal responsibility, it is understood to be discouraging irresponsible behaviour by instituting tough rules for income support.

Of course, such beliefs have serious moral overtones. It is no accident, as they are likely – at least in part – the inheritance of a religious work ethic.

Protestant Work Ethic

North America’s Judeo-Christian heritage contributes to our current cultural understandings of work and responsibility. A senior policy adviser to the former minister of Human Resources and Social Development, a Christian, told CPJ in conversation that “GLI is a moral hazard,” representing his firm belief that employment is actually an issue of morality. Some Christians cite the Bible, “If any would not work, neither shall he eat”³¹ to justify harsh attitudes toward the poor. This is bad exegesis of the verse in question³² but it does serve to highlight the religious importance of work and the moral implications associated with the work ethic.

In both Protestantism and more recent Catholicism, work is portrayed as positive and important. Medieval Christianity prioritized the religious life (the priesthood or religious congregations) as the highest form of human activity. The Protestant Reformation broke with this tradition, and gave Western culture a sense of all work as vocation – a calling from God. Work therefore became a form of service to God, and spiritual dignity could be found even in manual labour. Calvinism further developed the sense that work is the will of God, highlighting the Christian duty of serving as God’s instruments on earth, participating in God’s work of transforming the world into the kingdom of God. Work therefore came to be deeply tied to what it meant to be a Protestant Christian.

Pope John Paul II also conveyed a profoundly positive sense of work in his 1981 papal encyclical, *Laborem Exercens: On Human Work*. “Work is a good thing for man (sic) – a good thing for his humanity – because through work man *not only transforms nature*, adapting it to his own needs, but he also *achieves fulfilment* as a human being and indeed, in a sense, becomes ‘more a human being’.”³³ It is this nature of work leading to human fulfillment that makes industriousness a virtue, according to John Paul II. Work is also viewed as a “moral obligation,” a way of co-creating with God and therefore something all humans should be able to do. Because of this, unemployment is “in all cases an evil,” while work is a duty “in all the many meanings of the word.”³⁴

This religious work ethic is also related to fear of idleness. The old idiom “the devil finds work for idle hands” encapsulates this fear: idleness will lead to sinfulness. Keeping yourself occupied doing good things is therefore one way of ensuring that you avoid sinning. From there, working becomes equated with doing good. Those who do not work are therefore suspected of *not* doing good things. For Calvinists in particular, this made austerity and working hard particular virtues.

The North American relationship between evangelical Christianity and capitalism has also contributed to this understanding of work as a virtue. This relationship is most explicitly expressed when evangelicals make direct links between the capitalist free market system and Christianity. For instance,

John Boersema, a business professor at a Christian university in Ontario, stated in a recent newspaper article that “Christians ought to have a preference for a market economy.”³⁵ A more extreme view is professed by Gary North of the Institute for Christian Economics: “When Christianity adheres to the judicial specifics of the Bible, it produces free market capitalism.”³⁶ The implication is that good Christians participate in and are reliant on the market. Failure to sell one’s labour in the market is a failure to be a good person.

However, the *religious* nature of the Protestant work ethic should not be overstated. In my own Calvinist/Reformed upbringing, for example, the value of work was certainly emphasized but was never attached to money in any way. Our duty was to work hard at everything we did, at home, at school, as volunteers and in paid employment. Effort had no correlation to payment, and work was not seen as limited to the paid labour force. Money was not viewed as a particular blessing, and certainly didn’t say anything about your relative virtue. Your work *effort*, on the other hand, did.

The *sociological* nature of the Protestant work ethic is just as, if not more, important to our cultural understanding of work. Max Weber was the first to posit a connection between the Protestant ethic and capitalism in his 1905 work *The Protestant Ethic and the Spirit of Capitalism*.³⁷ Weber argued that certain values associated with Protestantism such as viewing work as a vocation, profit as acceptable, and diligence and austerity as virtues contributed to the rise of capitalism. These values made hard work a social duty that contributed to the order of the community. Reinvesting profits in business ventures was seen as an acceptable use of profits, while charity towards those who were not working was seen as perverting the social order.

These beliefs remained part of Western culture even as it secularized. Work came to be seen as part of the natural social order, justified on the basis of its usefulness in maintaining the social order and economic system of capitalism. Work is believed to contribute to the economic well-being of the nation and to prevent the decay of the social fabric expressed in crime, addictions and poverty. Those who do

not participate in paid work are thus understood as destabilizing to both our economic well-being and our social order.

Poor-Bashing

Poor-bashing is a centuries-old habit, but it became mainstream in Canada in the 1980s and 1990s. Demonization of the poor invaded political rhetoric and swept Ralph Klein and Mike Harris to power in Alberta and Ontario. Media stories alleged rampant welfare fraud and portrayed welfare as so generous that no one would want to engage in low-wage work. Jean Swanson demonstrates the role of corporately-funded right-wing think tanks in generating poor-bashing in the US and Canada, beginning in the 1970s. This effort was linked to promotion of low-wage work and the liberalization of trade. It included a significant change to the language used to discuss poverty, including terms and phrases like “dependency,” “reward effort,” and “generous benefits.”³⁸

Poor-bashing can take many forms, but includes stereotypes, discrimination and a focus on the individual who is poor rather than the context that creates and maintains poverty.³⁹ Poor-bashing takes place in exchanges between individuals, but is also developed, perpetuated and excused by politicians, media, and non-governmental organizations and think tanks.

Resurgent poor-bashing in Canada led to anti-cheating campaigns and justified punitive approaches by politicians – even from those on the left, like the New Democratic premier of British Columbia, Mike Harcourt.⁴⁰ These anti-fraud campaigns were not justified by their results. According to Jean Swanson, during the first three weeks of a welfare fraud tip line in Winnipeg, 117 complaints were thrown out because the accused were not receiving welfare. Estimates calculate that as many as 97% of accusations were false.⁴¹ However, if these campaigns were not effective in identifying cheaters, they were effective in another sense: as John Stapleton argues, Canadians now make assumptions that those on welfare are “motivated differently than the rest of society.”⁴² Behaviours that could develop self-

sufficiency are viewed negatively, as though every action by someone on welfare seeking to better their situation is really an attempt to defraud the system.

As a consequence, low wage work is glorified, even if it leaves someone in poverty, while social programs like welfare are stigmatized. Punitive programs like workfare are considered acceptable and even necessary. Welfare ends up intentionally promoting low waged work, by ensuring that Canadians have no other options,⁴³ thus fostering exploitation rather than independence or meaningful social participation. Even though the public poor-bashing has subsided over the past decade, the policies of workfare, and reduced welfare and EI benefits have remained in place, as have many of the public suspicions of the poor.

A Critical Assessment

The biggest problem with the link between work and income is that the expectation of working for your income is limited only to the poor. It is considered perfectly acceptable for the middleclass and the wealthy to make income without working, by generating income from privately-owned property or through investments and speculation. Whereas social assistance is considered public money, property and investments are viewed as private and therefore a just recognition of hard work and initiative. Of course, while some accumulated wealth is the result of hard work and personal initiative, public infrastructure and services contribute to successful businesses and therefore profit and inherited wealth aren't the result of personal effort. This distinction simply doesn't hold.

As well, financial speculation, while lucrative, does not contribute to real production and cannot be considered socially useful.⁴⁴ In fact, given the recent economic crisis, it should be viewed with great skepticism as potentially harmful to economic and social well-being. The poor are being held to a greater standard of social and economic usefulness than the wealthy.

Second, economic opportunity is not equally open to everyone. Race, sex, age, education, geographic location, and family structure are among the many factors that influence someone's ability to participate in paid work, as well as their earnings potential in that work. Women, for instance, still make less on average than men: in 2003, women working on a full-time, full-year basis in Canada had average earnings of only 71% compared to their male counterparts.⁴⁵ Income is therefore not equally available to everyone, simply on the basis of working.

This lack of economic opportunity is perpetuated but also hidden by our market-based approach to work. "Human resources" are sometimes viewed as one more input into the process of production, with the value of labour to be solely determined by demand.⁴⁶ Rather than focus on the human worker who has basic rights and basic needs including material necessities of life, the emphasis is placed exclusively on the value of the labour to the production process. Paying a wage that is insufficient to meet basic needs can thus be justified. This exists in contradiction with a general cultural assumption that a full-time job should pay enough to support a worker and his or her family. This is how some of the same people can argue against minimum wage *and* against effective support for those living in poverty.

Third, the understanding of responsibility lacks context. No one is truly independent of others. Even wealth is generated in the context of public infrastructure, government services and regulation, and the labour of others. Not all of this interdependency is positive, as Jean Swanson notes: "In my value system, I think being dependent on profits creamed from paying extremely low wages should be more harmful to a person's self-esteem than needing welfare to survive."⁴⁷

In addition, those who expect the poor to "pull themselves up by their bootstraps" lack understanding of the context of poverty. They don't take into account badly designed government programs or services, lack of good jobs, the elements which might contribute to a lack of motivation, or mental, emotional, psychological and physical issues. They rarely notice the complexity of poverty. And

there is also no acknowledgement that our economic system is structured to create inequality, and that without government intervention, some people will always be left behind.

As a result, a more holistic, communitarian sense of well-being is overlooked. Moral responsibility should compel us to look out for our neighbor, and care for the common good. Recent work on well-being has demonstrated the negative impact of inequality on everyone's well-being, rich and poor,⁴⁸ and income inequality is a social determinant of health. Responsibility cannot be seen as only an individual attribute – all of us are intimately connected to the society which we are part of.

Fourth, our notion of a work ethic has been misapplied to discriminate against those who do not participate in paid work. Vocation is not limited to those activities which take place in the paid workforce, and poverty is not the punishment of the idle. It is time-consuming and can be hard work to be poor. Many working poor hold multiple low-waged jobs to try and make ends meet. Many more Canadians on social assistance struggle to meet basic needs through visits to food banks or community programs, to satisfy the demands of the Canadian social system, to care for their children, and to search for paid work or seek retraining. Not everyone who is poor lacks a good work ethic, and not everyone with income security has a good work ethic.

Furthermore, the Protestant and Catholic emphasis on work ethic can overshadow our Christian responsibility to provide justice to the poor. Christians are called to respect and protect the dignity of every individual created in the image of God. When poverty harms that dignity, we have an obligation to fight poverty and to respond with justice, generosity and compassion to those who are poor. That is our moral obligation, not punishing poor people so that they will stop being poor.⁴⁹

Finally, as noted above, poor-bashing was not based in reality. Allegations of wide-spread welfare fraud were not substantiated by evidence. And accusations of living the good life on welfare and EI incomes well below the poverty line are simply absurd. The reality is that low income Canadians are

motivated by the same desires as everyone else: the desire for security and well-being, a decent life free from shame and stigma, the opportunity to participate in their community, and respect from others.

Should We Pay People for Doing Nothing?

As it is formulated, this question is meaningless: people aren't doing nothing. People are engaging in many activities, some of which are useful and important contributions to our society, some of which are necessary to support and help us to continue our paid work, and some of which are not good. But the goodness or social usefulness of people's activities is not determined by whether or not they are paid; nor is the goodness or social role of people determined by whether or not they engage in paid work. That is a belief based on incorrect assumptions and historically-developed cultural norms and expectations. This question is the wrong way of looking at the issue.

The correct question is actually one of human rights – is it right for us to leave people without access to the basic resources necessary for well-being? Our human rights commitments say no. The Universal Declaration of Human Rights includes the right of every individual to “a standard of living adequate for the health and well-being of himself (sic) and of his family, including food, clothing, housing and medical care and necessary social services, and the right to security in the event of unemployment, sickness, disability, widowhood, old age or other lack of livelihood in circumstances beyond his control.”⁵⁰ These rights are reaffirmed in later documents, including the International Covenant on Economic, Social and Cultural Rights, the Convention on the Elimination of All Forms of Discrimination Against Women, and the Convention on the Rights of the Child. And many other human rights cannot be fully realized unless this basic security of the person is protected. The work disincentive offers no excuse to ignore basic human rights.

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About CPJ: Citizens for Public Justice is a national organization of members inspired by faith to act for justice in Canadian public policy. CPJ's mission is to promote public justice in Canada by shaping key public policy debates through research and analysis, publishing and public dialogue. CPJ encourages citizens, leaders in society and governments to support policies and practices which reflect God's call for love, justice and stewardship.

End Notes

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