

	page
Notes on Contributors	
Editorial	
Western Canadian Energy and the International Energy Situation and Prospects Peter R. Odell	1
Recent Change in the Western Canadian Energy Sector Robert L. Mansell	6
A Mythic West: Images of the Rural West in the era after the Second World War Douglas Francis	20
Easternising Manitoba: The Changing Economy of the New West Paul Phillips	33
The Re-Orientiation of British Columbia Toward the Pacific M. Patricia Marchak	48
Labour Relations in Western Canada John G. Richards	62
Changes in the geography of freight railways in Western Canada: causes and consequences John F Davis	86
The Need to Monitor Urbanisation in Western Canada Frederik J. Toppen	99
Poverty, Food Banks and Homelessness: The Impact of Economic Stagnation and Fiscal Restraint on Urban British Columbia J. David Hulchanski	114
Perceptions of the Present and Images of the Future: the Implications for Educational Strategies in Western Canada John Othick	131
A Decade of Change and Continuity: An Overview of Social, Political and Legal Developments involving Western Canadian Aboriginal People. William J. Reeves and J. Rick Ponting	138

Cover: During the late nineteenth and early twentieth centuries, the panoramic map, or bird's-eye view, was a popular way of depicting North American towns and cities. These are portrayed, in the days before aerial photography, as if from above and at an oblique angle. The cover is a facsimile in the US Library of Congress, of a bird's-eye view of London, Ontario, in 1872, situated on the River Thames as in its English counterpart.

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Poverty, Food Banks and Homelessness: The Impact of Economic Stagnation and Fiscal Restraint on Urban British Columbia

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During the early 1980s the British Columbia economy began to stagnate. At the same time, a radical fiscal restraint programme, modelled in part on Margaret Thatcher's policies in the United Kingdom, introduced major cuts in social programmes. As a result, rather dramatic socio-economic change took place in British Columbia over a relatively short period of time.

When he wrote a new introduction to his twenty five year old classic *The Affluent Society*, John Kenneth Galbraith noted that one of his errors was that he did not foresee 'how great would be the cost of the modern metropolis' and the extent to which the urban affluent would use its power to maintain and even worsen the conditions of the urban poor and the public and social services they rely upon.' The 'shift in political power to the comfortably well-heeled and socially negligent,' he wrote in 1984, and 'the tendency of the affluent society to remove itself partially from the problems of the poor is something I did not at all foresee.'² When prosperity and general affluence turns sour, as it did in British Columbia, the conditions become much worse for people whose place in society was never very secure to begin with.

As the third most numerous of Canada's ten provinces, with one of the more successful economies during recent decades, the little progress which was made towards improving the living and working conditions and opportunities for *all* British Columbians has been largely wiped out in the 1980s. Eighty per cent of British Columbia's 2.9 million people live in urban areas and 1.4 million (almost half) live in the Vancouver metropolitan area. Under the impact of a severe recession in 1981-82 and an economic policy which the provincial government claimed as prudent fiscal restraint, there was a measurable change for the worse and a dramatic growth in the number of people living in poverty. Not all people suffered in BC's stagnating economy nor did all share in the consequences of the fiscal restraint policy. A redistribution of the smaller economic pie occurred, from the bottom to the top of the income scale.

This paper briefly describes the nature of the recession which hit BC in 1981 and outlines the policy response of the provincial government. Measures of the urban and social impacts of the recession and provincial fiscal restraint policies are then discussed under three general categories: unemployment and poverty; social welfare policy; and housing problems and the policy response.

Recession and restraint

In the 1980s British Columbia suffered its worst recession since the 1930s. During the 1970s BC experienced a period of intense economic activity, extensive construction in the resources industries, and high rates of activity in office, commercial and residential development. Wages and profits increased at a relatively high rate. By 1982 all of this ended with a dramatic decline in economic activity and an increase in unemployment. Forces outside BC initially caused the recession but provincial government policies maintained depressed economic conditions while other parts of Canada recovered.

In February 1982, Premier Bennett's Social Credit Government introduced a programme of budgetary restraint which imposed a ceiling on provincial government expenditures and established public sector wage controls. In April 1983 an election was called for 5 May on the theme of encouraging increased investment by continuing the restraint programme. The Premier repeatedly emphasised that the restraint objectives would be achieved without major cuts in health, education and social services.

About two months after its re-election in July 1983, the provincial government introduced a budget and twenty six bills which involved major reductions in social services, curtailment of trade union rights, and drastic reductions in protective legislation such as the Human Rights Code and the Residency Tenancy Act. These were presented as a restraint programme essential for the health of the provincial economy and for creating a climate conducive to increased investment. All this activity was a direct response to the severe recession.

The severity and length of the recession can be seen in Fig 1. Gross domestic product fell by 5.5 per cent in 1982, the sharpest decline in recent history (Fig 1). In 1983 there was no growth in the GDP and in 1984 it was only +2 per cent. In comparison, the recession in 1974-75 was minor - a fall from +9 per cent growth in 1973 to +3 per cent in 1974 and -2 per cent in 1975. There was also a quick recovery in 1976 (+7 per cent). It took four years for real GDP to reach the 1981 level of \$14.6 billion. As the end of the decade approached, British Columbia had still not recovered from the recession at the start of the decade.

One very real human impact of a recession and a poorly managed economy is the impact on employment in the province. Fig 2 compares British Columbia with the rest of Canada. During and immediately

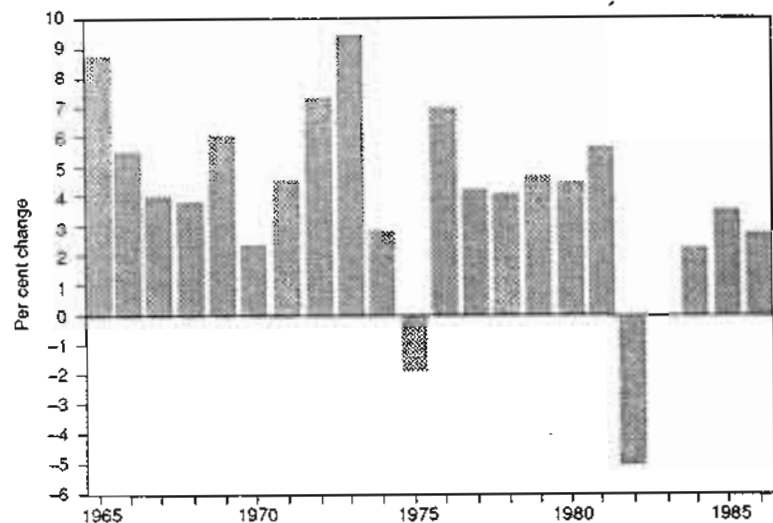


Fig 1 British Columbia GDP (Real Annual Change 1965-1986).
(BC Ministry of Finance 1987)

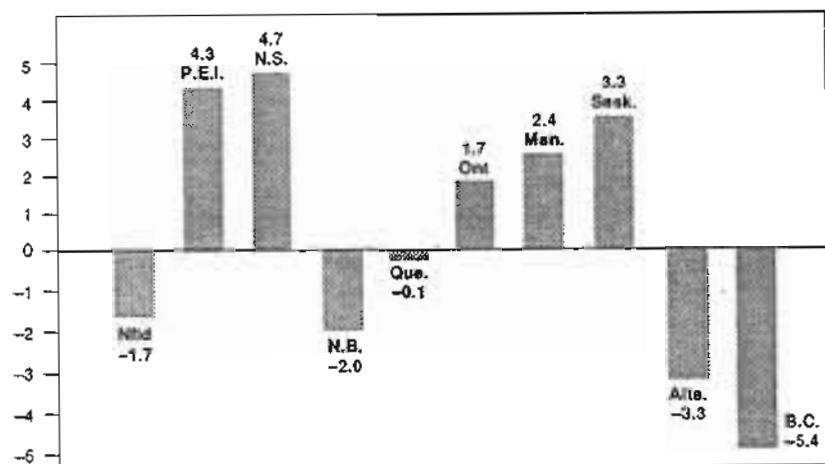


Fig 2 Percentage Change in Employment by Province, 1981-84, (Stats Canada, Historical Labour Force Statistics).

following the recession (1981 to 1984) half the provinces had a net decline in employment while the other half had a net increase. BC had the worst record, a net loss of employment of 5.4 per cent. Until 1981 the BC unemployment rate closely followed the national average and was always very close to the Ontario average. BC's performance even equalled or bettered the Canadian average for four years, 1978 to 1981. After the 1981 recession, however, BC's unemployment rate was closer to that of the Atlantic provinces than to the Canadian or Ontario average. Regional economic disparities increased during the 1980s. What is unusual is that during the 1980s, British Columbia, with one of the previously stronger regional economies, joined the ranks of the most depressed regions.

Rather than cushioning the impact of external shocks to the economy, the restraint programme made them worse. An economic impact assessment of the 1984 provincial budget by Tom Gunton of Simon Fraser University concluded that if BC had left government spending unchanged in real terms (adjusting for inflation) instead of cutting spending, there would be about 31,000 more jobs.³ If the government pursued a mildly stimulative policy, there would be 45,000 more jobs. But what about the impact of such a policy on BC's net debt and budget deficits?

The BC government is one of the few in Canada which does not have a long history of deficits. From the 1951/52 to the 1981/82 fiscal years, with only one exception, the provincial government financed all operating and capital expenditures from current revenue and accumulated surpluses.⁴ The BC government had no net debt (excess of liabilities over assets) until the 1983/84 fiscal year. Net debt amounted to about 1 per cent of GDP in March 1984 and about 2.8 per cent a year later. Interest payments on this debt amounted to about 0.5 per cent in 1985. These are trivial figures when compared to the federal net debt of 45 per cent of GNP and interest payments on this debt of about 4 per cent of GNP.⁵ In spite of this readily available evidence of fiscal strength, the provincial government continually cited the urgent need to reduce the deficit as a justification for cutting expenditures and raising taxes.

In their study of BC's deficits and debt, Rosenbluth and Schworm concluded:

There is some evidence to suggest that the government conveyed to the public (and perhaps to itself) an exaggerated impression of the size of deficits, first by overestimating expenditures and underestimating revenues in the 1983/84 budget, and later by including in the 1984/85 budget an 'expenditure' of \$470 million (later reduced to \$430 million) for reducing the long-term debt of BC Rail, a Crown Corporation.⁶

In short, there is little reason for the provincial government to follow a pro-cyclical fiscal policy. Rosenbluth and Schworm asked, 'What evidence did the government have for the view that deficits would persist in good times, and that the debt service burden would come to outweigh the

benefits?" BC's long history of budgetary surpluses points to a structural surplus, not the structural deficit which the government claimed. 'There is no evidence of a structural deficit or a fiscal crisis in BC,' according to Rosenbluth and Schworm, 'and the government's "restraint" policies cannot be justified on grounds of fiscal prudence.'⁸

On what grounds can the restraint policies be explained? Most analysts can find no other reasonable explanation than neo-conservative ideology. According to economist Mel Watkins:

What has been done is so inexplicable and indefensible from a fiscal perspective that it is difficult to avoid the conclusion that the government did have a hidden agenda – as its critics have frequently alleged – which was, in the name of restraint, to make the BC economy and society conform to the precepts of the neo-conservative ideology, through downgrading social programmes, privatisation, deregulation and so on.⁹

Unemployment and poverty

While a jump in the unemployment rate from 6.7 per cent in 1981 to 12.1 per cent in 1982 is dramatic in and of itself (see Fig 3), the real impact on

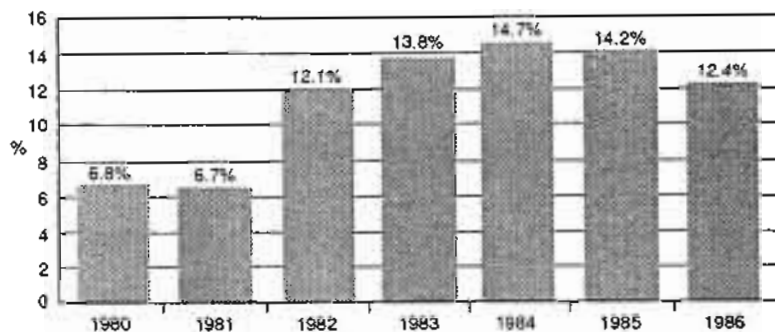


Fig 3 BC Unemployment Rate 1980–86, (The Financial Post, *Report on the Nation*, 1986).

communities and families is better understood by looking at the actual number of individuals who were left unemployed by the recession and the actual number who have remained unemployed. During much of the 1970s there were about 90,000 unemployed people. Since 1982 there have been about 180,000 unemployed people. The 'unnecessary' part of the provincial labour force is now twice as high. This is not just a one or two year blip cycle. It has become a fact of daily life in British Columbia.

This unemployment data is the 'official' rate as compiled by the federal government. The official rate attempts to count only those people who are actively looking for work. As a result the official unemployment figures are low estimates of the actual number of unemployed. Depending on what additional categories are added, the actual number could be as much as 40 per cent higher. The official figures fail to account for the hidden unemployed whose frustration has prompted them to abandon the search for a job; the partially employed – those who want full-time work but can only find part-time work; women who would work at paid jobs if jobs and child care were available; and people on government training programmes.

In 1986 there were 183,000 unemployed people in BC. If we conservatively assume that this official estimate is low by 20 per cent, the number of unemployed would have been 36,600 higher for a total of 219,600, which is 17.2 per cent of the 1986 labour force. Whatever the real number, the fact remains that a very high percentage of the provincial population is affected by the inability of the provincial economy and government policy to create and maintain an adequate level of employment for the population and that this record is generally much worse than the rest of the country with the exception of the traditionally most depressed regions.

A stagnating economy and very high unemployment rates should have an impact on the number of people living in poverty. The Statistics Canada and the National Council on Welfare poverty data for British Columbia indicates that there are indeed many more impoverished family households and single person households since 1980. The number of families living in poverty almost doubled, from about 65,000 in 1980 to about 120,000 in 1984. The number of single person households in poverty increased by about 10,000 during the period. There were approximately 260,000 households living in poverty in 1984 (the latest available estimates) compared to 195,000 in 1980, with most of the increase due to additional families. This is one of the more dramatic indicators of the human impact of the prolonged period of high unemployment in the province.

In addition to the people living in poverty, there are the large number of working poor. While unemployment is a major contributor to the increased poverty in BC, most poor families have at least one member who works outside the home. In 1983, 58 per cent of poor families had a head in the labour force. These are the working poor – people with low wages or large families. In BC a person could work full-time at the minimum wage and still be \$2,000 below the poverty line.

Social welfare policy

In 1976 the provincial government consolidated its income assistance programmes in the Guaranteed Available Income for Need (GAIN) Act,

giving the Ministry of Human Resources (now the Ministry of Social Services and Housing) the authority to disburse money for social services and income assistance. The stated objective of the GAIN program is to relieve poverty, neglect and suffering. The government establishes criteria to determine who is in need, how much aid is required, and how best to deliver the assistance. These regulations define BC's income assistance policy.

GAIN has two major components. One provides general income support, the other provides money for shelter. Both are based on the size of the household. If the level of funding was based on real costs of living and if the levels were adjusted to reflect changes in the cost of living, it is safe to conclude that there would be a great deal less 'poverty, neglect and suffering.' Homelessness would not be the major issue it is today. There would be no need for food banks. A properly administered and financed social service system would ensure that no one could 'fall through' the provincial social welfare safety net. However, the level of funding was never adequate to properly meet the basic needs of the poor and, as the result of BC's restraint budgets of the early and mid-1980s, the gap became even greater.

From 1976 to 1982 the GAIN regulations were amended almost annually in order to adjust benefit rates to changes in the Consumer Price Index. However, in the July 1983 budget, which introduced the 'restraint' programme, the government announced that it was going to 'defer' the increase in GAIN rates. In addition, in February, 1984 the government removed certain groups from eligibility and then continued to defer any adjustment in GAIN rates. The rates were not changed until October 1986 when only the shelter component was increased by 4.5 per cent. This increased the shelter allowances of a single person from \$200 per month to \$209 per month. In March 1987 the Minister for Social Services and Housing announced a 5 per cent increase in support allowances for families, effective from 1 June, 1987. This is the first increase in the income support allowance since the early 1980s and applies only to families. Other categories of social assistance recipients have still not received an income support increase in their GAIN rates.

The combined effect of the restraint budgets on social assistance rates and the failure to adjust for the impact of inflation reduced the purchasing power of the poorest households in British Columbia by between 13 and 24 per cent (depending on size and type of household) during the 1983 to 1985 period.¹⁰

The cash saving from these measures (1983 to 1985) was approximately \$350 million. Half of this amount would have been paid by the federal government's Canada Assistance Plan. The GAIN programme is funded on a 50/50 federal/provincial basis. So BC's share of the cost would have been about \$175 million. According to economist Angela Redish:

But even this (\$175 million) is an overestimate since the government would earn sales tax and income tax on transactions undertaken by recipients. A minimum estimate of this revenue is \$50 million, so that the approximate cost to the government of maintaining the pre-'restraint' level of benefits would have been \$125 million. On the other hand, it would have meant that over the last three years \$350 million would have been pumped into the local economy, having a significant stimulative effect.¹¹

Therefore, all of British Columbia is worse off, and especially the poorest households. For an investment of about \$125 million, the BC economy could have benefited from a \$350 million economic boost, half of which would have come from the federal government.

Redish's analysis of social policy in BC concludes with the following observations: that social assistance payments are a form of automatic stabiliser for the economy, and by cutting income assistance rates the government has exacerbated the unemployment problem in the province; and the government's fiscal policy has had the effect of worsening the distribution of income in addition to lowering the level of employment.¹²

The clearest indicator of the inadequacy of GAIN and related programmes is the rapid growth in the number of British Columbians living in poverty. This growth in the number of impoverished households took place in spite of an increase in the number of people receiving GAIN. The number of people receiving income assistance under the provincial GAIN programme increased by more than 100,000 between 1980/81 and

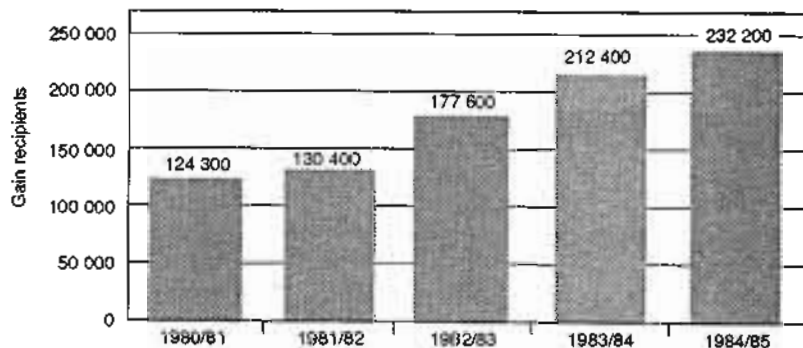


Fig 4 Income Assistance Recipients, (GAIN) in BC, 1980-85, (BC Ministry of Social Services and Housing).

1984/85, from 125,000 to 232,000 people (Fig 4). One might assume that the people receiving welfare support under the GAIN programme would not be living in extreme poverty. The programme, however, has the effect of officially 'legislating poverty' by paying income and shelter support rates well below the level necessary to meet average basic living costs.

The gap between GAIN rates and the real cost of living has been calculated by the Social Planning and Research Council of British Columbia. For GAIN rates to equal the average basic costs of living, increases of between 30 per cent and 70 per cent are necessary, depending on the size of the household. The inadequacy of the provincial welfare programme is a major reason for the need for food banks and for growing numbers of inadequately housed families and the large numbers of homeless. Many GAIN recipients cannot adequately feed and shelter themselves.

The impact of BC's social welfare and employment policies was so severe on impoverished families and individuals that, for the first time since the depression of the 1930s, food banks began to appear in the early 1980s throughout the province. More than fifty food banks were established throughout BC since the first one opened in 1982. As of December 1985 there was a total of 94 food banks in Canada, 53 of them in British Columbia.¹³ A commonly accepted definition of a food bank is:

a centralised warehouse or clearing house registered as a non-profit organisation for the purpose of collecting, storing and distributing surplus food (donated/shared), free of charge, to front line agencies which provide supplementary food and meals to the hungry.¹⁴

A 1986 survey of food bank users in BC by the Social Planning and Research Council of British Columbia (SPARC) found that:

- Food banks have become an established part of making ends meet for the vast majority of people using them. For welfare recipients in particular, who make up in total over 80 per cent of users, the food banks have become an essential part of their daily survival.
- Food banks help over 40,000 people in BC who make about 70,000 food bank visits each month, but the needs of the hungry far exceed the assistance food banks can provide.
- 74 per cent of users were on GAIN (income assistance), and over one-half of these had been on welfare for two years or more.
- Users' average income ranged from 37 per cent to 50 per cent of the respective poverty lines depending on household size.
- On average, users spent 55 per cent of their meagre incomes on shelter, and 33 per cent of their money on food.
- Each user collected food to help feed an average of 2.3 people. Users with children collected food to help feed an average of 2.2 children.
- Users clearly identify government as most responsible for addressing the problem of hunger and reject the food bank as a solution.¹⁵

The very existence of food banks raises critical questions about the social welfare system, unemployment insurance and the management of the economy in general. As Graham Riches notes in his recent book, food banks raise questions about poverty and its creation, about public health and inadequate nutrition, about women and poverty, about child hunger in the midst of superficial affluence, about public and private rights and responsibilities, about voluntarism and the role of altruism, and 'about a public safety net in which the holes are so wide that minimal protection is denied hundreds of thousands of Canadians.'¹⁶ The most recent public debate relating to hunger in BC is over the large number of elementary school children who go to school without breakfast and some without lunch. The BC government has refused to do anything so the Vancouver School Board has had to appeal directly to the federal government for assistance.¹⁷

Housing problems and the policy response

There is little debate over the fact that many thousands of British Columbians cannot obtain adequate housing appropriate to their needs at an affordable price. The BC Government's own 'Inquiry into Social Housing' in 1986, using a very conservative definition of housing need, found that: between 1981 and 1984, housing need has increased in BC. There has also been a significant increase in the size of the gap between the cost of adequate housing and the household income of individuals and families already in need. According to the best available estimates of core house need, 86,000 BC renters and 81,000 BC homeowners were in core housing need. This represents a total of 167,000 or 16.3 per cent of BC households. Our estimate places the number of households closer to 250,000 (about 25 per cent of all BC households). Certain household types are more likely to be in need: older singles; elderly households; non-elderly single-parent families; the disabled. Many low-income households in need are paying more than 50 per cent of income on rent.¹⁸

Yet provincial spending on housing programmes decreased in BC over the past decade and the provincial government also engaged in a political attack on the very small and poorly funded federal social housing programmes. The federal non-profit and co-op housing programmes are the only source of affordable new housing starts in BC. In 1985, however, the Deputy Minister of Housing, Bob Flitton, formerly a president of the Canadian Home Builders Association, told the *Vancouver Province* that 'We would like to see the word non-profit eliminated' from BC's housing system.¹⁹

The problem of affordable housing supply becomes more critical each year. More British Columbians live in poverty today than in 1980, yet

rents keep going up, vacancy rates remain very low, few new rental units are being built and social housing starts are lower today than in the recent past.

Statistics Canada reported that in 1984 15.1 per cent of BC's 1.1 million households had an income under C\$10,000. Another 12.1 per cent of households had incomes between C\$10,000 and C\$15,000. This means that 300,000 households in the province had incomes under C\$15,000 in 1984. How can these households afford good quality housing appropriate to the size and needs of their families? In the metropolitan Vancouver area, for example, the average rent for a one bedroom apartment was C\$406 in 1984. This requires an income of at least C\$19,500 in order to pay no more than 25 per cent of income on rent. The average rent on a two bedroom apartment in 1984 (C\$529) requires an income of C\$25,400. About 500,000 BC households (40 per cent of the 1.1 million households in the province) had incomes below \$25,000 in 1984.

Housing supply is also a problem in BC. Housing starts fell from 41,600 in 1981 to 20,700 in 1986. Only 16,200 new units were built in 1984. New private sector and non-profit rental starts have also decreased, from 12,700 in 1981 to 600 units in 1986. Social housing starts have fallen from about 5,200 in 1980 to about 2,500 in the past few years. All of this helps explain why vacancy rates in 1986 were under 1 per cent in the metropolitan Vancouver area.

Vancouver's cost of living, and in particular the cost of housing, is one of the most expensive in Canada. Other parts of the province face periodic boom-and-bust cycles placing extreme hardships on many families. The problem of finding appropriate and affordable housing, especially for families, has become very serious over the past ten years. CMHC estimates that 170,000 households, 16 per cent of BC's households, are in 'core housing need,' that is, they cannot obtain adequate and affordable housing.

The rental sector in BC is the major aspect of the housing problem. In particular, the supply of new rental housing will continue to be a major problem well into the next century. Low income people do not stimulate 'market demand.' They do not have the money to pay rents necessary to stimulate private rental housing investment. Virtually all middle and higher income households are leaving the rental sector to become home owners.

Rather than market demand, the poor generate social need. Yet most of housing is provided by the private sector. Most housing starts are for owner occupied housing, both single family houses and condominiums. There is no money to be made in building housing for low and moderate income renters.

Rental market trends in BC clearly point to the serious nature of this problem. Vacancy rates have been below 3 per cent and often below 1 per cent in Vancouver for the past fifteen years. According to conventional economics, low vacancy rates are a market signal for investors to jump in

and build more rental units. This is the case with owner occupied housing and condominiums. As soon as developers see an increase in demand, many will compete to meet this demand first and with the best product. From time to time, over building is a problem in the single family and condominium markets. Not so in the rental market.

Private and non-profit rental housing starts are at their lowest point in decades. In 1986, only 600 rental housing starts took place, in spite of the 'Expo boom.' Most of these were subsidised by the Federal non-profit housing programme. Very few were private, non-subsidised rental starts. There is a great deal of activity in the single detached and condominium home ownership markets, depending upon demand in a given year (Fig 5). Yet the supply of private rental housing has fallen each year. The Canada Rental Supply Programme (CRSP) provided subsidies to private builders but the programme has since been discontinued and, in any case, the units provided were at the upper end of the rental market. The amount of social housing provided by the federal and provincial governments has remained relatively constant. It is the small number of social housing units which provide the only new affordable rental housing in British Columbia.

In spite of these realities, the federal and provincial governments have been reducing their commitment to social housing supply programmes (private, public and co-op non-profit housing and rural and native housing). Social housing starts in BC fell from 5,200 in 1980 to 1,800 in 1986.

BC government housing policy has changed dramatically since the early 1970s. From 1972 to 1975, when the New Democratic Party (NDP) formed the government, good quality, affordable housing was viewed as a right of all British Columbians. For the first time the provincial government followed an explicitly direct interventionist strategy in the housing market, with the goal of producing as much housing as they could as quickly as possible.²⁰ During this period, the social housing stock of the province was doubled in an attempt to meet the serious need for affordable housing.

Most of the rental housing programmes initiated by the NDP were abolished when the Social Credit government came to power in December 1975. Eligibility for government *social* housing assistance also became much more restrictive in 1976:

The eligible groups include only the elderly, the chronically ill, the handicapped and the very poor. The working poor, those employable but unable to find work, and those with moderate or low income but unable to find suitable housing are not included in their (the government's) definition of needy, and therefore, are expected to fend for themselves in the housing market.²¹

Over the years, the eligibility criteria for social housing assistance has become even more restrictive.

One aspect of housing spending has not become more restrictive and spending has doubled since the restraint budgets. The Home Owner Grant, which is a subsidy for every home owner in the province regardless of income, has not been touched even though the cost of the programme

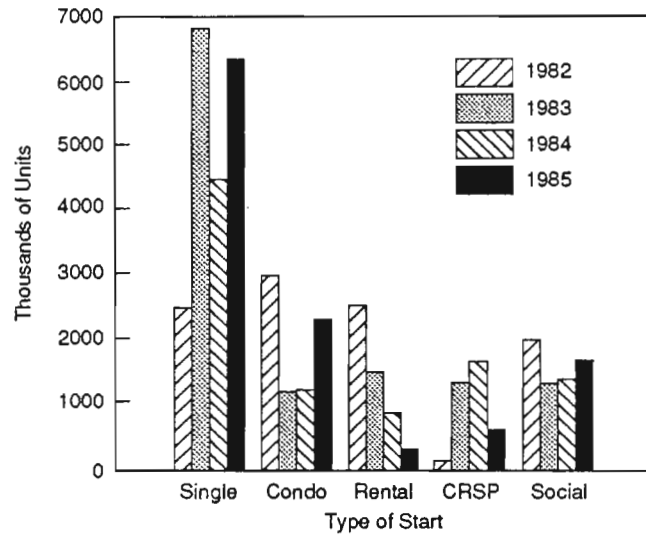


Fig 5 Housing Starts in Metropolitan Vancouver 1982-85, (CMHG Canadian Housing Statistics).

has risen from \$23 million to \$46 million in 1987. But it was the Renter's Grant programme which was abolished in the 1983 Budget. The money taken from the province's tenants, about \$22 million per year as of 1983, equals the cost increase in the Home Owner Grant programme. This is a transfer from those who on average need the money the most and who generally get the worst quality housing in the province (the private rental stock) to those who need the money the least and who occupy some of the best quality housing in the world (BC's home ownership stock). The other programme identified on Fig 5 is the Home Purchase Grant which was intended to help people with high interest rates during the early 1980s and was allowed to fade away by 1986. Over the ten year period, 1978 to 1987, the BC government spent \$320 million on the Home Owner Grants, \$130 million on the Home Acquisition Grants, and \$113 million on the Renters Grants. The 'final score' in this ten year game leaves the home owners victorious, \$450 million to \$113 million.

In its contribution on homelessness in Canada as part of the UN's International Year of Shelter for the Homeless, the Centre for Human Settlements at the University of British Columbia identified four significant structural changes taking place which have a direct bearing on a person or family becoming homeless, or being at risk of becoming homeless in Canada:

- (i) a transformation of the traditional resource-based and industrial economies (largely in the regions or the Western and Atlantic provinces);
- (ii) a decline in government income assistance and restructuring of the social support system;
- (iii) a fundamental reorientation in the care of the long-term mentally ill;
- (iv) a significant decrease in the affordable housing stock especially in the metropolitan areas of Montreal, Toronto, Ottawa and Vancouver.²²

All four changes have occurred in British Columbia during the 1980s. These changes mean that more and more people are finding themselves in economic and social hardship which, in terms of housing, means that many more people are inadequately housed, with some lacking any shelter at all.

In urban British Columbia, as with many other places in Canada, it has become increasingly common to find people with no physical shelter; growing numbers rely on emergency shelter on an increasingly permanent basis; people live in inappropriate or substandard accommodation for which they are paying in excess of 30 per cent of their income, or who run the risk of being displaced as a result of urban change and revitalisation projects; the marginally 'at risk' whose rents are tied to social assistance payments (the gap between assistance and rents is widening); and people whose income is below the poverty line who are very susceptible to changing housing and social welfare policies. Their security and stability are often tenuous.²³

A survey of the temporary shelters in greater Vancouver for the homeless and special needs carried out in 1986 found that 29 agencies provided 1,460 beds which were, on average, 75 to 100 per cent occupied at all times. The highest occupancy rates were in the following categories: women only, battered women, ex-psychiatric patients, mentally disabled, and long term shelter. A majority of the agencies reported an increase in demand in 1986 compared to 1985.²⁴

In its review of national and regional data, the UBC Centre for Human Settlements concludes that despite the social and economic diversity of

the homeless, there appear to be a number of recurring issues which contribute to homelessness in Canada. These are:

- (a) significant shortages of affordable housing, particularly for those on low and fixed incomes;
- (b) social assistance payments not keeping pace with inflation or need, resulting in insufficient financial resources; housing programmes for special needs groups ceasing to keep pace or expand, and in some instances (eg, rooming house stock) being significantly reduced through demolition;
- (c) conversions of existing and potential accommodation for upscale occupants reducing the available housing stock resulting in the displacement of vulnerable groups;
- (d) zoning restrictions precluding older single family residential districts from accommodating potential clients¹;
- (e) reductions in the number of available psychiatric beds, and the related policy of deinstitutionalisation without compensating increased funding for community mental health and related social services support; and
- (f) native people drifting toward major cities in search of jobs and choice of life styles.²⁵

This list provides a useful summary of the factors which affect housing conditions in urban British Columbia for all but middle and upper income home owners. In addition to the group which is homeless in the sense of lacking any permanent shelter, a relatively small number, there are many more in British Columbia whose tenuous hold on economic and social stability places them 'at risk' of becoming homeless unless conditions improve.

Conclusion

That the political and economic position of the poor everywhere worsens with increasing affluence is not an attractive conclusion. It is one I did not foresee.²⁶

Like Galbraith, it is pertinent to question what is happening to the quality of life in British Columbia. There is a measurable growth in the impoverishment of a substantial number of British Columbians over the course of just five years, a number which is much greater than the official poverty and unemployment estimates. In contrast, a substantial proportion of the population has never had it so good, with incomes, careers and businesses, housing, and life prospects equal to or better than the opportunities offered by almost any prosperous advanced economy in the world. The result is a growing disparity between the winners and

losers in the economic and political game which decides all important matters affecting the life prospects of each individual. Prior to the 1980s some small progress was being made in closing the gap between the opportunities and prospects of the rich and poor. Since the early 1980s, a dramatically measurable annual change for the worse has been occurring in British Columbia. The high cost of housing and the severe cuts in social services has made the problem especially severe in metropolitan Vancouver.

This growing disparity has not come about by accident. It has been created by private and public action. It is a result of the confluence of political decisions, public policies and the social and economic trends which arise from people and corporate entities who are in a position to effectively pursue their self-interest. In tough times, when the economic pie is not growing, success can only be achieved at someone else's expense. Instead of achieving personal and corporate success on a base of the 91,000 unemployed and the 190,000 households living in poverty, as was the case in 1981, the base in 1986 had become 183,000 unemployed and about 270,000 households living in poverty. The impoverished though, are still a minority and the majority still rules. The political tendency of the securely affluent in the 1980s, Galbraith noted, 'is that of the affluent in the past. It reflects the age-old capacity for ignoring or rationalising the differing fortunes of the rich and the poor. No one who reflects on past experience should be surprised.'²⁷

A growing minority of the BC population is facing one or a combination of difficulties relating to: income problems; work-related problems; health-related problems; problems with family and relationships; and problems relating to the affordability, adequacy or access to secure housing. Over the past several decades a system of services to people staffed by generally qualified professionals sought to address aspects of each of these problems. In the course of about five years many of these services to people have been either dismantled or stripped of their effectiveness in British Columbia.

Notes and references

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- ¹¹ *Ibid.*, 154.
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- ²² H. P. Oberlander and A. L. Fallick, *Shelter or Homes? A Contribution to the Search for Solutions to Homelessness in Canada*, (Vancouver: Centre for Human Settlements, University of British Columbia, 1987).
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- ²⁵ Oberlander and Fallick, *op cit.*
- ²⁶ Galbraith, *op cit.*, xxix.
- ²⁷ Galbraith, *op cit.*, xxvii-xxviii.