

RESIRUCTURING, PRIVATISATION AND THE LOCAL WELFARE STATE

**RESTRUCTURING, PRIVATISATION AND
THE LOCAL WELFARE STATE**

by

GLENDALAWS, B.A. (HONS), M.A.

A Thesis

Submitted to the

School of Graduate Studies

in Partial Fulfilment of the Requirements

for the Degree

Doctor of Philosophy

**McMaster University
June, 1987**

DOCTOR OF PHILOSOPHY (1987)
(Geography)

McMASTER UNIVERSITY
Hamilton, Ontario

TITLE: Restructuring, Privatisation and the Local
Welfare State

AUTHOR: Glenda Laws, B.A. (Hons) (University of Sydney)
M.A. (McMaster University)

SUPERVISOR: Dr. Michael Dear

NUMBER OF PAGES: xvi, 417

ABSTRACT

This thesis examines the local consequences of the restructuring of Ontario's welfare state. Changes in welfare state policies are shown to have significant impacts upon the Province's urban areas. The thesis argues that to understand the development of the welfare state it is necessary to examine the structural context in which that development occurs as well as the actions of human agents that seek to influence policy development and to change the structures of social organisation. That is, welfare state policy, and the restructuring of the state, are not to be seen as imposed by the state; people can influence the development of the welfare state. It is within particular localities that we can observe the interactions between structures and agents.

The thesis proposes that to understand the development of the local welfare state, we need to investigate the structural context in which a locality operates; the processes at work within a locality; and the unique features of the locality itself (e.g., people's experiences of the state and their reactions to state policy). This study incorporates each of these dimensions to provide a comprehensive analysis of the development of

the local welfare state in Ontario.

The primary processes at work in Ontario to influence the local development of the welfare state in the last two decades have been the deinstitutionalisation of several previously-institutionalised populations, and the privatisation of services which serve these people. These policies are shown to be the result of pressures external to the state (e.g., the demands for social services), as well as those internal pressures which have received much greater attention in the literature (e.g., the state's fiscal crisis).

Two case studies (one of Toronto, the other of Hamilton, Ontario) show that these processes have produced several important outcomes for urban areas. First, a new locus of care in the inner city areas of Ontario's larger cities has appeared. Concentrations of residential care facilities and the services which the residents consume are now an ingrained feature of the urban landscape. Second, evidence is presented to suggest that, contrary to popular opinion, privatisation is not necessarily resulting in an erosion of the welfare state. Instead, this thesis argues that we are witnessing the emergence of a shadow state apparatus, as the welfare state extends its control into previously autonomous areas of social service provision.

ACKNOWLEDGEMENTS

I would like to thank the many people who have helped me, both directly and indirectly, during the preparation of this thesis. Special thanks to the many agency and government representatives who shared their time and resources. In particular I would like to mention Diane Crawley at Hamilton Psychiatric Hospital; Pat Santamaria at the Ministry of Health; and Joyce Caygill and the Victorian Order of Nurses for allowing me access to the files of Hamilton's Placement Co-ordination Services. I wish also to thank those people who responded to the survey of Hamilton's residential care facilities.

As members of my Committee, Drs Martin Taylor and Ramesh Mishra provided helpful criticisms of the draft of this thesis. The support of my friends and colleagues in Hamilton is more than appreciated. Jane, Susan, Simon, and Anne made grad school a great time. The "dry runs" with Jane and Susan were almost as valuable as the daily venting of frustrations and achievements at the cafeteria. Don should be knighted for (making it seem like he was) listening to the christmas 1986 post mortems and my general complaining. Wendy has been a very patient flat-mate and

was a real help during the "last minute" rush. Jennifer Wolch helped by sharing her computer and offering much-appreciated encouragement.

Financial support for this research was provided by the Department of Geography at McMaster University and by the Social Sciences and Humanities Research Council of Canada grant number 410-83-1154.

Very special thanks to Michael Dear. As my absentee, but "always there", supervisor Michael has provided me with support in many ways. He has offered useful, if at times stubbornly resisted, advice which has made my time at McMaster a valuable experience. And he didn't get the chance to edit every sentence that opened with a conjunction.

This thesis is dedicated to my parents, Stan and Margaret Laws, who have encouraged me and contributed everything to my non-academic education.

TABLE OF CONTENTS

Abstract	iii
Acknowledgements	v
Table of Contents	vii
List of Tables	xi
List of Figures	xv

CHAPTER ONE: Introduction

1.1 Social Policy, Privatisation and Canadian Cities	1
1.2 The Theoretical Perspective	2
1.3 The Research Agenda	3
1.4 The Plan of this Work	7

CHAPTER TWO: Privatising the Welfare State

2.1 Introduction	12
2.2 The Capitalist State	14
2.2.1 Perspectives on the State in Capitalism	14
2.2.2 The State Apparatus	23
2.2.3 Corporatism	26
2.3 The Welfare State	29
2.3.1 Perspectives on Social Policy	29
2.3.2 The Form of the Welfare State	37
2.3.3 Restructuring the Welfare State: the Case of Deinstitutionalisation	40
2.3.4 The Welfare State and the Service- Dependent Populations	44
2.4 Privatisation	49
2.4.1 The Rationale for Privatisation	49
2.4.2 The Critics' Response	53
2.4.3 The Limits of the Debate around Privatisation	56

2.5 The Local Level Welfare State	57
2.5.1 Localities: Space, Structure and Agency	57
2.5.2 Space and the Welfare State: The Local State	65
2.6 Summary and Critique	69

CHAPTER THREE: Restructuring, Privatisation and the Local State

3.1 Introduction	75
3.2 Restructuring the Welfare State: The Case of Privatisation	77
3.2.1 The Context of Restructuring	77
3.2.2 The Process of Privatisation	
3.2.3 Local Forms of Private Social Service Delivery	92
3.3 Privatisation and the Service-Dependent	100
3.4 Privatisation and the Local Level Welfare State	105
3.5 Implications for Analysis	112

CHAPTER FOUR: The Time-Space Context of Restructuring: The Rise (and Fall?) of Ontario's Welfare State

4.1 Introduction	121
4.2 The Evolution of Ontario's Welfare State	124
4.3 The Pre-Welfare State Era, 1800-1930	131
4.3.1 Welfare in Pre-Industrial Ontario	131
4.3.2 Industrialisation, Urbanisation and the Growth of Institutional Care	134
4.3.3 Summary	142
4.4 The Post-Depression Expansion of the Welfare State, 1930-1975	144
4.4.1 The Great Depression and the Birth of the Modern Welfare State	144
4.4.2 The War and its Aftermath	149
4.4.3 The Post-War Boom in Welfare	151
4.4.4 Deinstitutionalisation and Privatisation: Recreating the Geography of the Welfare State	155
4.5 Restructuring the Welfare State in a period of Restraint, 1975 to the present	168
4.5.1 The Historical Context	169
4.5.2 The Expansion of Welfare Legislation and the State Apparatus	174

4.5.3 The Impact of Economic Crises on Welfare Programmes	186
4.5.4 The Example of the Ministry of Correctional Services	190
4.5.5 Implications for Localities	197
4.6 Summary	198

CHAPTER FIVE: The Local Impacts of Restructuring

5.1 Introduction	202
5.2 A Profile of Metropolitan Toronto	203
5.3 Demands Upon the Welfare State in Toronto	215
5.3.1 The Geography of Poverty in Metro Toronto	217
5.3.2 No Place to Call Home	228
5.3.3 Hunger in Toronto	245
5.4 The Local Response	248
5.4.1 The Commercial Sector Response	248
5.4.2 The Voluntary Response	253
5.4.3 The Geography of the Welfare State	257
5.5 The Local State Responds	265
5.5.1 The Shadow State Emerges	265
5.5.2 The Geographical Reconfiguration of the Local Welfare State Apparatus	274
5.6 Summary	285

CHAPTER SIX: The Process of Privatisation of Hamilton's Residential Care Facilities

6.1 Introduction	289
6.2 Residential Care in Hamilton	291
6.2.1 The Structure of Residential Care	291
6.2.2 The Populations Served	292
6.2.3 The Growth of Residential Care	301
6.3 The Commercial Sector	304
6.3.1 Lodging Homes	304
6.3.2 Nursing Homes in Hamilton	311
6.3.3 Homes for Special Care	314
6.4 The Voluntary Sector and Residential Care	319
6.5 The Domestic Sphere and Residential Care	327
6.6 Restructuring Residential Care: People and Places	340
6.6.1 State and People: The Co-ordination of Residential Care	341

6.6.2 State and Place: The Geography of Residential Care	355
6.7 Summary	366

CHAPTER SEVEN: The Welfare Palimpsest and the Emergence of A Shadow State

7.1 Summary	370
7.2 Evaluation	378
7.3 Policy Implications	382
7.4 Future Research	385

Appendices

A. Persons Interviewed	388
B. Survey Instrument	390
C. Glossary of Terms Referring to Residential Care Facilities	395

References Cited	397
-------------------------	-----

LIST OF TABLES

2.1	The State Apparatus	25
4.1	Provincial Expenditures on Social Welfare, Ontario, 1868-1893	137
4.2	Proportion of Public Welfare Expenditures in Ontario Provided by Each Level of Government, 1930 and 1940	143
4.3	Comparative Costs of Institutional and Community-Based Care	157
4.4	Admissions and Discharges, Ontario Psychiatric Facilities, 1960 and 1976	159
4.5	Total Mental Health Expenditures in Ontario, 1970/71 to 1981/82	160
4.6	Expenditures by the Department of Family Services and the Ministry of Community and Social Services, 1965-82	163
4.7	Provincial Expenditures on Home Care Assistance, 1978-85	165
4.8	Social Expenditures compared with Gross Domestic Product, 7 Major OECD Countries	171
4.9	Provincial Debt as a Proportion of Provincial Gross Domestic Product, Ontario 1971-1982	173
4.10	Changes in Ontario's Welfare Policy and Programmes, 1945-1985	176
4.11	Capacity of Children's Boarding Homes Ontario, 1957-1980	182
4.12	Rates of Probation, Ontario, 1975-1984	193
4.13	Value of Contracts, Ministry of Correctional Services, 1975/76 to 1980/81	195

5.1	Population Growth in Metropolitan Toronto, 1961-1984	206
5.2	Occupied Dwelling Units, Metropolitan Toronto and City of Toronto, 1961-1984	207
5.3	Growth in Single Person Households, Metropolitan Toronto and City of Toronto, 1961-1981	209
5.4	Tenant Occupied Units as a Proportion of Total Dwelling Units, City of Toronto and Metropolitan Toronto, 1961-1984	210
5.5	Manufacturing Employment Metropolitan Toronto, Ontario and Canada, 1976-1986	213
5.6	Employment by Type, City of Toronto, 1970-1983	216
5.7	Economic Families Living Below the Statistics Canada Poverty Line, Metropolitan Toronto 1970-1980	219
5.8	General Welfare Cases in Metropolitan Toronto, 1977-1983	221
5.9	Family Benefits Assistance Cases in Metropolitan Toronto, 1977-85	223
5.10	Selected Characteristics of Sixteen Designated Areas in Metropolitan Toronto	224
5.11	Surveyed Number of Homeless and Hostel Capacity, Metropolitan Toronto, June 1982	231
5.12	Social Service Agencies' Clients With No Fixed Address, June 1982	232
5.13	Hostel Residents, June 1982	233
5.14	Age of Hostel Residents and Agency Clients with No Fixed Address	234
5.15	Hostel Occupancy Figures for Single Night, June 1982	236

5.16	Comparison of Hostel Residents' Ages, 1981 and 1982	237
5.17	Comparison of Hostel Occupancy Rates, 1980 and 1982	238
5.18	Nursing Homes and Homes for the Aged, Metropolitan Toronto, 1976-1986	250
5.19	Licensed Capacity of Day Care Centres by Operator Type, Ontario and Metropolitan Toronto, 1979 and 1983	252
5.20	Homes for the Aged, Metropolitan Toronto 1986	263
5.21	Sources of Revenue for all Voluntary Agencies Metropolitan Toronto, 1972-1981	270
5.22	Sources of Revenue for Non-United Appeal Voluntary Agencies, Metropolitan Toronto 1972-1981	271
5.23	Sources of Revenue for United Appeal Voluntary Agencies, Metropolitan Toronto, 1972-1981	272
6.1	Number of Adult Residential Care Facilities in Hamilton-Wentworth, 1986	293
6.2	Age Distribution of Lodging Home Clients, March 1983	295
6.3	Medical Histories of Lodging Home Clients, March 1983	296
6.4	Hamilton Psychiatric Hospital Statistics, 1969-1985	299
6.5	Patient Disposition on Discharge from Hamilton Psychiatric Hospital, July-November, 1986	300
6.6	The Growth of the Second Level Lodging Homes in Hamilton, 1981-1986	306
6.7	Monthly Averages for Lodging Home Subsidies,	

	Hamilton-Wentworth, 1984-86	309
6.8	Number of Extended Care Beds, Ontario, 1973-1983	313
6.9	Selected Nursing Home Statistics, Hamilton- Wentworth, 1976-86	315
6.10	Homes for the Aged Statistics, Hamilton- Wentworth, 1976-86	316
6.11	Size of Voluntary Sector Residential Care Facilities, Hamilton-Wentworth, November 1986	323
6.12	Primary Client Groups Served by Voluntarily Operated Residential Care Facilities in Hamilton-Wentworth, November, 1986	323
6.13	Primary Client Groups Served by Voluntarily Operated Residential Care Facilities in Hamilton-Wentworth, November, 1986	325
6.14	Primary Source of Funding for Residential Care Facilities, Hamilton-Wentworth, November, 1986	326
6.15	Hours of Service Delivered by the Visiting Homemakers Association of Hamilton- Wentworth, 1975-1984	335
6.16	Revenues of the Visiting Homemakers Association of Hamilton-Wentworth, 1975-84	336
6.17	Location of Placements as a Percentage of Total Placements, 1975-1983/84	347
6.18	Recommended and Actual Placements 1979/80 to 1983/84	348
6.19	Actual Placements as a Percentage of Recommended Placements 1979/80-1983/84	349
6.20	Comparison of November Waiting Lists	351

LIST OF FIGURES

3.1	An Ideal Type Model of Social Service Provision Showing Degree of State Involvement Under Various Auspices	86
4.1	Total Welfare State Expenditures, Ontario, 1926-1983	128
4.2	Per Capita Welfare State Expenditure, Ontario, 1926-1983	129
4.3	Welfare State Expenditure as a Percentage of Total Provincial Spending, Ontario, 1926-1983	130
4.4	Annual Growth Rate of GDP, Public Expenditure and Social Expenditure in the OECD Area, 1960-1981	170
5.1	Population Percentage by Age, Metropolitan Toronto, 1970-1985	204A
5.2	Geographic Location of 16 Designated Areas in Metropolitan Toronto	226
5.3	Permanent Emergency Hostels, Metropolitan Toronto, 1986	258
5.4	Food Programmes, Metropolitan Toronto, 1985	259
5.5	Group Homes, Metropolitan Toronto, 1986	261
5.6	Hospitals, Metropolitan Toronto, 1986	262
5.7	Homes for the Aged, Metropolitan Toronto, 1986	264
5.8	Births and Deaths of Voluntary Social Service Organisations by Quarters, 1970-1982	268
6.1	Hamilton-Wentworth Homecare Programme, Total Admissions	331

6.2	Hamilton-Wentworth Homecare Programme, Total Caseload	332
6.3	Licensed Lodging Homes, Hamilton	357A

CHAPTER ONE

INTRODUCTION

1.1 SOCIAL POLICY, PRIVATISATION AND CANADIAN CITIES

Local communities are bearing the brunt of the restructuring of the welfare state in Canada. The character of the poor in the inner cities has changed. No longer does the transient, skid row population of the early Chicago school sociological models dominate this poor population. Now families, young people, and single parents are joining those who live in conditions of poverty. Being poor leads to problems associated with inadequate shelter and hunger. Increasingly the plight of the homeless and the rise of foodbanks capture the attention of politicians, academics and the media. These problems are the outcome of the restructuring of the welfare state, a complex process that takes on many forms and varies over time and space according to local conditions and histories.)

The recent restructuring of Ontario's welfare state has been associated with a policy of deinstitutionalisation. Both by design and default there have occurred two concomitant processes: the rise of community-based care, and the privatisation of that care. This process of privatisation, the shift in responsibility

for service provision from the state to the private sector, provides the substantive focus for this thesis. In particular it examines the ways in which privatisation has influenced the development of local communities and the local state. This is an important question because it is at the local level that people receive social services and, more often than not, it is at this level that they organise to reform social service provision.

1.2 THE THEORETICAL PERSPECTIVE

The research reported in this thesis is situated within the context of ongoing debates about the nature and role of the welfare state in contemporary capitalism, particularly those debates that are emerging within what may be termed critical social theory, including the neo-marxist and weberian schools. Until recently many attempts to analyse social policy either focussed exclusively on the structural determinants of that policy or on the voluntary actions of individuals in shaping policy. In the former case, events were seen as being determined by the social structures which underlie the capitalist social formation. Failure to acknowledge the role of human agency was one of the major points on which marxist research was, and continues to be, criticised (e.g. Thrift, 1983). In the

latter case, the roles of key bureaucrats or interest groups were the focus of attention. This position has, in its turn, been criticised for its neglect of the structural constraints in which these individuals operate (Chouinard and Fincher, 1985).

Recently however, there have emerged attempts to acknowledge the importance of both "structures" and human "agents" in determining the nature of social policy. The collective actions of people within given historical contexts are viewed as critical in the development of capitalist societies. The way that structures and agents interact has become a central focus in social theory and such debates have recently found their way into geography. Geographers have been interested in the ways that such interactions shape the social and economic landscapes. In this research I use these debates to build upon a body of marxist and non-marxist literature which has focussed upon the geography of the welfare state. My particular concerns are how the welfare state has developed in particular places, and what impact it has had upon the social and built environments of these places.

The welfare state emerges from the ongoing conflicts between and within different classes in society. In broad terms it represents a compromise between business interests

and those who sell their labour power. At any time or place the welfare state may take on a distinct form due to the nature and outcome of these conflicts. Observable variations in the form of the welfare state can therefore be explained by these conflicts and the subsequent uneven development of the welfare state over space and time. Furthermore, the welfare state is not some monolithic structure; it comprises a complex apparatus. These two facts (the uneven development and the fragmented nature of the welfare state) have sparked geographers' interest in the local or spatial dimension of the development of the welfare state, a theme now well-established in the geographic literature.

(Analyses of the state's social policies have been tackled by most social science disciplines. Economists may concentrate on the costs and benefits, while social workers are interested in the clinical outcomes of various policies. Political scientists have emphasised the internal workings of governments in order to determine the ways in which bureaucrats determine policy as well as the historical origins of a particular policy. What can a geographic perspective add to the range of policy analyses? Consider a few simple facts. Poor people are geographically concentrated in the inner areas of large North American

cities. Welfare programmes often have residency (i.e., spatial) requirements associated with the receipt of benefit payments. Cities in Canada are responsible for the administration of many welfare programmes. Urban areas provide a geographical concentration of the services that are available to the needy. There is then, a clear spatial dimension to welfare policy. From the perspective outlined above this geographical dimension is both a product and an instigator of policy. This is not a return to the trap of "spatial fetishism"; but spatial relations are, after all, a manifestation of social relations. Geographers can therefore provide insight into the ways in which welfare policies produce spatial inequalities and, in turn, how these geographical inequalities act to produce new policies.

1.3 THE RESEARCH AGENDA

This study examines the ways in which restructuring of the welfare state in Ontario has reshaped the social geography of the city. With increasing frequency, newspapers report the plight of the poor and the homeless in urban areas. Exclusionary zoning practices have made some locations "off-limits" to the service-dependent. Mortgage markets prevent the poor from purchasing a home in particular neighbourhoods. Limits to the funds available

from different income maintenance plans mean that cheap rental accommodation, often in deteriorating inner city neighbourhoods, is the only financially viable alternative available to welfare recipients.

Canadian cities are experiencing these problems just as their U.S. counterparts. For example, Toronto's Parkdale neighbourhood is home to a multitude of service-dependent groups (especially ex-psychiatric patients). Hamilton's inner city area is also characterised by a high proportion of service agencies and their clients. One intention of this research is to show the ways in which policies of the welfare state have operated to produce these spatial outcomes. It should be emphasised that this thesis does not adopt a case-management approach which is concerned with the outcomes of policy for the well-being of individual clients and patients. It focusses instead on the question of policy implications for localities.

Given these substantive and theoretical interests, the research reported in this thesis addresses several fundamental questions:

First, how can we conceptualise the process of privatisation to account for the respective roles of structure and agency?

Second, and again in theoretical terms, how can we

conceptualise local outcomes of state policy?

Third, how is privatisation manifest in the localities of Ontario? Three issues structure the empirical analysis: (a) what are the specific historical conditions which have given rise to the present trend toward privatisation of Ontario's social services?; (b) what processes are at work to translate policy into practice?; and (c) what are the outcomes of these processes for urban localities?

These questions may be linked in a single analytical framework. In order to understand the local outcomes of the restructuring of the welfare state we require a framework which incorporates context, locality, and process. That is, we need to understand (1) the historical and geographical contexts in which policy changes occur; (2) the processes that are at work to create change; and (3) their effects on the geography of local places. This framework structures the research reported in this thesis. As we shall see (chapter 3), it provides a means of addressing the specific analytical problems posed by a time-space analysis of structure and agency in geographical processes.

1.4 THE PLAN OF THIS WORK

The general goals outlined in the previous section

can be translated into five specific objectives:

1. To provide a critical evaluation of the existing literature around the restructuring of the welfare state, particularly the process of privatisation, and its implications for local places;

2. To use this critique to define an alternative theoretical and methodological framework for the analysis of context, locale and process;

3. To outline the geographical and historical context for the evolution of the welfare state in Ontario;

4. To examine the impacts of the Ontario-wide restructuring of the welfare state in one locale (Toronto); and

5. To determine the processes by which local adjustments are made by examining the evolution of selected welfare sectors in Hamilton.

These operational objectives provide the logic for the plan of the dissertation. In chapter two a review of the existing literature is presented. It begins with a discussion of the capitalist state and then moves on to focus specifically upon the welfare state and the ways in which it is constantly changing. This review focusses on privatisation as the central process causing significant changes in the contemporary welfare state. The final

section of the chapter reviews attempts at understanding the local and spatial dimensions of the welfare state.

Chapter two reveals many problems in the existing analyses of the nature of the contemporary welfare state. Hence, chapter three presents an original theoretical and methodological framework which overcomes these problems. The increasing use of private modes of service delivery is placed in its historical context. It is seen as a deliberate strategy of restructuring which has been employed during contemporary periods of crisis experienced by the welfare state. The chapter distinguishes between different forms that privatisation may take, arguing that it is naive and misleading to avoid these distinctions when discussing the consequences of privatisation. The role of human agency in initiating policies which promote privatisation is considered in conjunction with the impact that privatisation has in shaping individuals' lives. Finally, the chapter considers the importance of analyses which concentrate on the level of particular localities and emphasises the role of the local state in policy initiatives and outcomes in different places.

In its discussion of the context in which the recent restructuring of Ontario's welfare state has occurred, chapter 4 concentrates on the years after 1970 because these

constitute the first major period of crisis since the inception of the welfare state. Two strategies of restructuring are given special attention: the trend toward community-based care; and the not unrelated move to private sector involvement in the provision of social services. Both are shown to be as much the product of human actions as constraints to that action. This contradictory nature of Ontario's welfare policy is shown, in the latter part of the chapter, to have significant implications for urban areas. Specifically, it is shown that in this province, as in other areas, a "zone of dependence" is emerging in Canadian cities.

Chapter five examines the implications of restructuring for localities. It presents a case study of the recent history and outcomes of social policy in Toronto. This example demonstrates the importance of the reciprocity between local conditions in determining specific patterns of welfare. For example, the uneven distribution of social services in Toronto can be partly explained by the fact that the inner City of Toronto has historically been the centre of population and thus the centre for potential and actual demand for services. But the recent rapid suburbanisation of Toronto's population means that there must be some other explanation for the continuing concentration of services in

the inner city. A critical determinant of this pattern is the local variation in zoning by-laws and the successful resistance of residents in suburban municipalities to decentralised services.

The sixth chapter addresses the question of process by focussing on the history of privatisation in one social service sector in one city. We focus on the case of residential care facilities in Hamilton in order to examine the processes which translate policy into practice and which shape, and are shaped by, spatial patterns. Local community attitudes, the ability of local business interests to lobby the state, the availability of suitable residential properties, and the policies of the provincial government interact to produce a place-specific pattern of the development of local residential care facilities.

The concluding chapter (7) presents a summary and outlines some of the future research challenges posed by the analysis presented in this thesis.

CHAPTER TWO

PRIVATISING THE WELFARE STATE

2.1 INTRODUCTION

Policies of the welfare state, such as privatisation, have significant impacts on urban areas. They can act to redistribute income within cities, provide funds for renewal of the built environment, affect the mobility of the poor, and so on. At the same time these policies can be influenced by the actions of the residents of a city. A central concern of this thesis is to understand how welfare state policies in general, and privatisation in particular, are shaped by local conditions and how these local conditions are shaped by welfare policy. Because it is "the state" which is central in these processes it is necessary that we understand the nature and operation of the welfare state in local areas.

In this chapter I review those literatures which, taken together, provide valuable insight into the welfare state, its restructuring by way of privatisation and the effects it has on localities. It is important that these

literatures be synthesised beyond their current state if we are to understand the consequences of privatisation for the service-dependent populations of particular localities. The organisation of the chapter is as follows. Section 2.2 begins with a discussion of some of the important themes currently being debated around the capitalist state. From this review emerges the fact that such discussions too often remain at a very abstract level. To complement this abstract level of analysis section 2.3 turns to a review of the literature on the "welfare state", a predominant manifestation of the state in contemporary capitalism. Here I note that earlier abstract discussions have overlooked many of the subtleties in the form taken by the welfare state, especially the constant reorganisation of the welfare state through the restructuring of its activities. Privatisation is one important form that restructuring may take, and section 2.4 considers the theoretical arguments concerning privatisation. Because of our interest in the links between state policy and local areas (in particular urban areas), section 2.5 focusses on the literature which seeks to conceptualise the role of localities in geographic process. The summary and critique presented in section 2.6 outlines the problems which need to be redressed if an understanding of the links between welfare policy

(particularly privatisation) and the geography of local areas is to emerge.

2.2 THE CAPITALIST STATE

The nature of the state in capitalism has been the object of considerable debate. Several critical reviews of this literature have recently been offered (Clark and Dear, 1984; Jessop, 1982; Held and Kreiger, 1984; Alford and Friedland, 1985). In this section I shall briefly outline the major themes which emerge repeatedly in the literature. First, I examine some of the different views of the state which are proffered. I then look at the notion of state apparatus as a means of analysing the internal and changing structure of the state. Finally I will briefly consider some of the debates currently being subsumed under the heading "corporatism" since the emphasis in these debates is on negotiation within the state apparatus and it may prove useful in understanding privatisation.

2.2.1 Perspectives on the State in Capitalism

Pluralist, managerialist and marxist theorists (a division suggested by Alford and Friedland, 1985) have all contributed to the debate on the state. A common element in each of these perspectives is the notion that the state

exercises some monopoly right to the exercise of force/power. Also, authors from each perspective would concede that the state "arbitrates" between various groups which develop in society. Whether this arbitration is neutral or not is a point on which there is much disagreement. But as well as these common themes each of these perspectives has a "home domain", a particular focus on which they concentrate and claim special insight (Alford and Friedland, 1985).

(a) Pluralist

Little mention of the "state" per se is made in the pluralist literature which tends to focus on "government". For the pluralist, government is seen as a "neutral mechanism for reconciling conflicting interests and for representing the 'common interests' of the nation" (Gough, 1979:39; see also Alford and Friedland, 1985:43). The political apparatus is subject to pressures from various groups in the territory over which the state has power. According to Dahl (1963:51) the state is "a pawn of key importance in struggles over power". Unlike marxist theory, which would also see that the state is the site of struggle over class power, pluralist theory does not see these struggles as having any necessary class base. Society is fractured along many dimensions and the numbers and

composition of groups lobbying the government will vary according to the issue at hand. Individuals, rather than classes are seen as the basic unit of society. Collective activity is conceptualised as the aggregate of individuals' behaviour.

In the pluralist perspective political action is determined by the intensity of the preferences expressed by competing groups. Saunders (1979:152) summarises the major premise underlying the theory as

the assumption that people shout when they have reason to, and the louder they shout, the better their reason, and the greater is the likelihood of their views being accepted.

Underneath the superficial policy disputes which can be observed there exists a fundamental consensus. Dahl (1956:132-33, cited in Saunders, 1979: 154) claims:

Prior to politics, beneath it, enveloping it, restricting it, conditioning it is the underlying consensus on policy that usually exists in the society among a predominant proportion of the politically active members. Without such a consensus no democratic system would long survive the endless irritations and frustrations of elections and party competition. With such a consensus, the disputes over policy alternatives have already been winnowed down to those within the broad area of basic agreement.

Pluralist models of the state have been criticised because of their basis in empirical generalisations. Generally these authors have drawn on experiences in the United States and the theoretical validity of some of their claims has been questioned (Held and Krieger, 1984; Saunders, 1979). But, as Alford and Friedland (1985) point out, this perspective may be well-able to inform our understanding of the decision-making process within the state. Power is dependent upon the particular situation in which it is being exercised. So understanding an individual's motives and aspirations may give us some insight into the ways in which state policies are decided upon. The focus of the pluralist perspective, the power of individuals, means that it concentrates on the role of human agency to the neglect of the structural conditions that might impinge upon an individual's ability to act.

(b) Managerialist

Drawing on the Weberian tradition are those theorists often referred to as having an "elite" or "bureaucratic" perspective on state power. But, as Alford and Friedland (1985:161) note, the term "managerialist" is preferable because it "emphasises the organisational base of elites and their control of the state". Whereas the pluralists

emphasise the democratic structure of the state, the managerialists focus on its increasingly bureaucratic structure. For Weber (cited by Held and Krieger, 1984: 5)

The growing complexity of the administrative tasks and the sheer expansion of their scope increasingly result in the technical superiority of those who have training and experience, and will thus inevitably favour the continuity of at least some of the functionaries. Hence, there always exists the probability of the rise of a special, perennial structure for administrative purposes, which of necessity means the exercise of rule.

This "structure for administrative purposes", the state, is viewed as an autonomous institution which is not necessarily controlled by the economically powerful (Held and Krieger, 1984:5). It is an institutional arrangement "commanded by elites. Whether administrative, political, or economic elites are most powerful varies from society to society, depending on the historical outcomes of conflicts between them" (Alford and Friedland, 1985:249). This stands in contrast to the marxist perspective which emphasises the power of those who control the means of production.

For the managerialists an important concept is that of autonomy. Organisations, including the state, are conceptualised as autonomous. This means that, according to Pahl (1977:161)

...there comes a point when the continuing and expanding role of the state reaches a level where its power to control investment, knowledge and the allocation of services and facilities gives it an autonomy which enables it to pass beyond its previous subservient and facilitative role. The state manages everyday life less for the support of private capital and more for the independent purposes of the state.

This autonomy of the state, combined with its monopoly on the legitimate use of force, means that it is able to act as a mediating institution between competing societal factions.

The political sphere in contemporary capitalism certainly appears to exercise some autonomy from the economic sphere. It also has the legitimacy to exercise control over the economy and society more generally. To this extent the managerial perspective may be useful in understanding the organisational structure of the modern state. However, this relative autonomy and control is necessarily limited and, therefore, "the utility of managerial concepts are also limited" (Alford and Friedland, 1985:5). While focussing on the role of key bureaucrats, and hence on human agents, the managerialist perspective also incorporates some notion of structural constraints. Bureaucrats are seen to act within certain structures of the capitalist state and are seen to have more power over

resources than other people by virtue of their position. That is, this perspective does not take an entirely voluntarist perspective of the role of human agency.

(c) Marxist

As is the case with the other perspectives outlined, within Marxist theory there does not exist a consensus as to the nature of the capitalist state. Underlying many of the arguments however, is the view that the state represents the balance of class forces within the capitalist mode of production. There is also general agreement that, at the most general level (i.e. that of the mode of production), the state is involved in maintaining the conditions necessary to the accumulation process. At the same time it legitimises the capitalist mode of production and ensures the reproduction of the associated social relations.

Alford and Friedland (1985:286) note that marxists view "the existence of the state apparatus as necessary for capital accumulation but as simultaneously undermining those conditions and creating the possibility of transformation". This is because the state is not simply a pawn of the dominant classes. Rather, it is shaped as much by the demands of the dominated classes as of the needs of the dominant. The state is, in fact, the site of struggle between classes. Unlike the pluralists however, the

marxists do not assume that the state will "neutrally" arbitrate these struggles. In some instances the outcomes of conflicts will favour the working classes; at other times it will be the capitalist classes which will be favoured.

Within marxist theories of the state there is a wide range of more detailed interpretations (Gold, Lo and Wright, 1975; Jessop, 1982; Clark and Dear, 1984). For instance, the instrumentalist approach is best exemplified by Miliband's (1969) The State in Capitalist Society. Focussing on the links between the ruling class and economic elites, the author sees the state as an "instrument" by which the capitalist class is able to dominate the working class. For Miliband the state is an autonomous set of institutions which is "captured" by the economically dominant class but which still retains some of its autonomy:

While the state does act, in Marxist terms, on behalf of the "ruling class", it does not for the most part act at its behest (1977:37).

This position has been debated by Poulantzas (1972) who disagrees with Miliband's notion of elite control. The emphasis on individual class positions is replaced by a structuralist emphasis. Saunders (1979:181) summarises this position thus:

The state is...neither an instrument of class domination, nor a centre of power independent from classes, but

is rather the representation of the balance of class forces in any particular society at any particular time.....the state is 'relatively autonomous' of any one class, although it necessarily functions in the long term in the interests of monopoly capital.

The debate between the structuralist and instrumentalist positions has been largely superseded. Particularly important have been the more recent attempts to centralise the role that class struggle plays in shaping the contemporary state. In criticising early marxist attempts at theorising the state Gold, Lo and Wright (1975:46-47) note that "a theory of the state must not regard the structures of the state as historical givens but must attempt to explain the development of the structures themselves". The collective actions of the classes struggling for concessions from the state are crucial here (see Gough, 1979; Chouinard and Fincher, 1984). This represents a response to criticisms that claim that marxist analysis has ignored the importance of the role of human agents while concentrating on the structural determinants of state policy. Class struggle, according to recent marxist analysis, is the way in which human actions are able to influence the evolution of the state.

2.2.2 The State Apparatus

An important advance in the study of the state (especially in the marxian research) has been the recognition that it is not a unitary structure. Instead it is more appropriately seen as internally fragmented into a network of apparatus. It may thus display an internal variety in terms of observable goals and objectives (Althusser, 1971; Clark and Dear, 1984). The state apparatus is "the set of institutions and organisations through which state power is exercised" (Clark and Dear, 1984:45). This view draws attention to the internal structure of the state. It suggests that the fragmented nature of the state acts to fragment class struggles which become focussed upon a particular arm of the apparatus. This further implies that there is a certain degree of autonomy among the various apparatus. It is therefore logical that a bureaucratic internal structure will develop in order to co-ordinate these relatively autonomous units.

Therborn (1978:35) notes that the apparatuses of the state

come to crystallise determinate social relations and thus assume a material existence, efficacy and inertia which are to a certain extent independent of current state policies and class relations.

This is an important issue since it warns against trying to

explain observable forms of the state in terms of immediate events. It also accounts for the existence of "relic" apparatuses: those institutions or organisations which appear to be in contradiction to the current agenda of the state.

Another salient point is raised by Clark and Dear (1984:48) who see that "as a set of institutions, it [the state apparatus] offers the potential for strategic intervention by powerful social groups". It is therefore an important mechanism for initiating change. In order to understand the internal structure of the state and the ways in which this either encourages or impedes the changing form of the state, Clark and Dear (1984) develop a taxonomy of the state apparatus based upon the functional objectives of the state that they have defined. Four functions are identified. The state is seen to work toward (i) achieving a social consensus; (ii) maintaining the conditions necessary to capitalist production; and (iii) ensuring the integration of all social groups (cf. Saunders, 1979; O'Connor, 1973). Clark and Dear also add (iv) the executive function, which focusses on the administration of the state and its activities. They then identify 11 "sub-apparatuses" each of which works to achieve one of these functions (Table 2.1). The term "sub-apparatuses" refers to "the collection

TABLE 2.1
THE STATE APPARATUS

Functions			
Consensus	Production	Integration	Executive
political	public production	health, education & welfare	administrat- ion
legal	public provision	information	regulatory agencies
repressive	treasury	communications & media	

Source: Clark and Dear, 1984:50

of agencies, institutions, organisations which together constitute the means by which state functions are attained" (Clark and Dear, 1984:49). The taxonomy thus potentially provides a framework for moving from abstract conceptions of the state's functions to the empirical, institutionalised means of achieving such.

The importance of the fragmentation of the state into its constituent apparatus is important in the consideration of privatisation of the welfare state. Clark and Dear's model of the state apparatus includes a brief consideration of the notions of para-apparatus, or quasi-governmental agencies. These are defined as "auxiliary agencies constituted separately from the state apparatus" (Clark and Dear, 1984:49). The proliferation of such agencies may be conceived as elements in the process of privatisation.

2.2.3 Corporatism

"Corporatism" is a term increasingly being used in analyses of the state. Unfortunately there appear to be as many interpretations of the term as there are authors using it. Panitch (1980) provides a critical review of earlier work on corporatism, including the contributions of Winkler, Pahl, Westergaard and Schmitter. Winkler (1976:103; 1977:44-45) holds that corporatism is an economic system

(akin to feudalism, capitalism, socialism). In this system the state takes on a directive rather than a supportive role.

In contrast to this notion of an alternative economic system is the approach of Presthus, discussed in Tuohy (1976). According to Presthus, the government delegates "its rule-making functions in a particular sphere to corporate groups, or at least makes its policies dependent upon the agreement of the affected group or groups" (Tuohy, 1976:397). This interpretation may emerge from an instrumentalist view of the state which concentrates on links between "elites" and the state (see Saunders, 1979: Ch.4). In keeping with such a view, a government would indeed delegate its responsibilities to the economic elites. This suggests the idea of mediation between the state and other groups in civil society.

Mediation is a central theme in Schmitter's (1974) work and much recent writing. "Corporatism" is used to characterise a "political system", a central feature of which is the process of negotiation between institutionalised interest groups. Cawson (1982:41) provides a succinct definition:

Corporatism in its broadest meaning
is a pattern of articulation between
the state and functional interests
in civil society which fuses

representation and intervention into
an independent relationship.

Similarly, Mishra (1984) sees bargaining, or "institutionalised co-operation", as a distinctive feature of corporatism. Now, contra Pahl, this structure is not separable from capitalism. Rather, it is characteristic of an observable trend within capitalism. It involves a degree of accommodation and flexibility by the state as alliances are drawn up between various state and non-state apparatus. Corporatism is not a simple case of the state co-opting sectors of civil society; it is a means by which the state extends itself into previously non-state activities.

The possibility of state penetration through corporatism may be important in the later discussion of privatisation. Certain of these "autonomous" agencies play an important role in both promoting and regulating the private sector. Marketing boards are an obvious example. They place certain limits on the activities of the producers but, at the same time, they constrain the degree of competition these producers must face. However, often these agencies have been "created to extend and organise state intervention into non-state activities" (Clark and Dear, 1984:54). This illustrates the contradictory nature of the state apparatus. It also alludes to the possibility that

privatisation may not be a simple case of the complete withdrawal of the state.

2.3 THE WELFARE STATE

2.3.1 Perspectives on Social Policy

The period since the second world war is often characterised as one dominated by the welfare state. What is actually meant by this term is not always obvious. Often the term "the welfare state" is used interchangeably with terms such as social policy, social welfare, the service state, etc. In this section I will review some of the more commonly-expressed perspectives on social welfare and social policy since an explicit attempt to address the question of the welfare state per se cannot always be found in the literature. George and Wilding (1976) have suggested that there are four dominant perspectives on welfare. These are (1) the anti-collectivists, (2) the reluctant collectivists, (3) the fabian socialists and (4) the marxists, each of which has close links to a particular political philosophy. Here I will draw from the George and Wilding discussion, but will collapse the first two categories since even the anti-collectivists admit that there is a need for some government intervention within a competitive capitalist economy.

(a) The Reluctant Collectivists

Underlying the interpretation of social welfare and policy proposed by authors such as Friedman, Hayek and Keynes are three fundamental beliefs. First, the reluctant collectivists emphasise the value of the individual. Second, and closely associated with this, is the notion of liberty. Third, the positive dimension of competitive capitalism is emphasised.

The laissez-faire thinking of the nineteenth century political philosophy of liberalism espoused the importance of individual self-determination. Intervention by the state is viewed as coercive since it limits the individual's potential (Friedman, 1962). This is seen as an infringement of the second principle: the freedom of the individual. Keynes (cited in George and Wilding, 1976:44) expresses this view:

But above all, individualism, if it can be purged of its defects and abuses is the best safeguard of personal liberty in the sense that, compared with any other system, it greatly widens the field for the exercise of personal choice, or the loss of which is the greatest of all the losses of the homogeneous or totalitarian state.

The third principle to which these theorists subscribe is that of the superiority of the competitive capitalist model

of economic development. Hayek and Friedman argued that this system is self-regulating. However, this is not to say that they would entirely dismiss state intervention. A modified version of this approach (associated with Keynes and Galbraith) argues that capitalism is in fact not entirely self-regulating. Some government action is necessary if the well-being of all citizens is to be ensured. The problems created by capitalism are seen to be temporary and technical rather than permanent and fundamental (Djao, 1983:19). The state's role then is to react to these problems in a pragmatic manner (George and Wilding, 1976:58). Instead of being antithetical to individual self-determination, state action (according to this modified individualist position) may well be desirable to the extent that it assists an individual in fulfilling particular goals. However, the role of the state is, in principle, to be minimised.

This logic has given rise to a "residual model" of the welfare state (George and Wilding, 1976; Guest, 1981). The state intervenes only in "the last instance" to provide a social minima (however this is defined). Any move beyond this minimum is entirely the responsibility of the individual. Cash benefits are a preferable means of assistance since the recipients are then free to use the

money as they please. Assistance in kind is undesirable since it gives little, if any, freedom of choice.

Welfare state policies are criticised by the reluctant collectivists because of their differential treatment of recipients and non-recipients. "To deprive some people of their entitlements in order to transfer them to others is unfair, however much one desires the end-state of a particular distribution. State welfare intervention is illicit" (Taylor-Gooby and Dale, 1981:60). The welfare state therefore promotes competition between groups and is seen as socially disruptive (George and Wilding, 1976). It is also regarded as wasteful of resources and economically inefficient (Block, 1983).

(b) The Social Democrats

In contrast to the minimalist sentiments expressed by the reluctant collectivists stand a group referred to as "fabian socialists" (George and Wilding, 1976) or "social democrats" (Mishra, 1984). The beliefs of these groups are a practical and pragmatic response to the welfare state (Mishra, 1984). The social democrats argue that the state has positive redistributive effects which can be used to further human interests (Taylor-Gooby and Dale, 1981; Titmuss, 1974). Whereas Friedman and Hayek see competitive

capitalism as providing the means for "solving" social problems, the fabian socialists emphasise the need for an independent state to promote a more equitable distribution of wealth, income and opportunities (Djao, 1983). Need, rather than economic power, is the criterion on which a person's level of assistance will be determined.

Richard Titmuss is one of the most prominent writers in this school. He condemned the competitive capitalist model, arguing

that the ways in which society organises and structures its social institutions... can encourage or discourage the altruistic in man [sic]; such systems can foster integration or alienation;....This ...is an aspect of freedom in the twentieth century which, compared with the emphasis on consumer choice in material acquisitiveness, is insufficiently recognised (1973:255).

For him, social services "are concerned with delivering and providing services to meet publicly acknowledged needs which markets or the family cannot, or should not, or will not, meet" (Titmuss, 1974:52). There is an underlying assumption that social policy, and by implication, the welfare state, can be used to promote a commitment "to the common welfare" (Room, 1979:63).

This concern with "moral" welfare permeates the writings of others in the fabian tradition. Crosland, for

example, sees the welfare state as able to promote equality which will increase "social contentment" (Taylor-Gooby and Dale, 1981:79). The fabian socialists can be distinguished from their marxist counterparts because they view the welfare state as almost-unproblematically benefitting the working class. The policy implication of this is the promotion of "reformist" measures. "Piecemeal tinkeringcan in principle reorganise existing services and create new ones to tackle them" (Taylor-Gooby and Dale, 1981:79). This reformist approach to policy formulation has been criticised by marxists because it maintains rather than challenges the status quo.

(c) Marxist interpretations of the welfare state

The twin roles of the capitalist state, according to marxist theory, are those of (a) maintaining those conditions appropriate to continued accumulation, and (b) ensuring social harmony through its legitimation functions. To fulfil these roles the state develops a form which, as outlined by Gough (1979), involves it in the reproduction of labour power and in maintaining the non-working population. These are what marxists generally refer to as the "welfare functions" of the state. This does not imply a functionalist interpretation of the state; the theory

acknowledges that a particular event may in fact challenge the accumulation and legitimacy processes. This is, in fact, at the heart of the dynamics of the capitalist mode of production. The contradictions which constantly arise lead to changes as counter responses are proposed.

Within the marxist paradigm there is no clear consensus on social policy and the welfare state. In a summary of the various arguments, Djao (1983:42-43) identifies the following three points which are at the basis of most marxist analyses of the welfare state:

1. The capitalist state uses its power (a) to lower the cost of reproducing labour power, and (b) to maintain the non-working population, thereby ensuring peace and harmony in society.
2. Nevertheless, specific welfare policies and programs may be introduced or established partly as the outcome of class conflicts.
3. Thus, welfare programs are not only measures of social control, but also means by which the subordinate classes can acquire social benefits (emphasis added).

Several points should be noted from this summary. First, the welfare state is not seen a priori as the answer to the problems of the working classes. In fact there are several instances in which the welfare state is seen to act contrary

to the interests of this class. Taylor-Gooby and Dale (1981:183) illustrate this when they write

....welfare state activities are an appeasement to working class struggles against the vagaries of the capitalist system, whilst at the same time contributing to capitalist production by raising workers' productivity and ensuring that they are adequately housed, fed and kept healthy, ready to labour afresh each day.

That is, marxist theorists do not, a priori, greet the welfare state with the enthusiasm of the social democrats. Second, the pressure mounted by various groups results in changes in social policy. Therborn (1984) outlines the importance of organised labour in gaining concessions from the state. Depending on the strength of trade unions and similar organisations, the welfare state will be more or less developed. This is a point I will explore further in the following section. Suffice it here to say that the "myth of the benevolent state" has been seriously undermined as more and more evidence is amassed to show that the state is reactive rather than initiative in welfare policy (Galper, 1975). Third, because of the contradictory nature of the welfare state it simultaneously contains the seeds for its perpetuation and transformation. Marxists would concur with the social democrats that gains can be made from welfare policies. But unlike the social democrats, the

marxists would argue that since the welfare state is a capitalist state true gains for the working class can only be made with a transformation to a socialist state. However, we should note that the welfare state "signifies a partial decommodification of social relations" (Therborn, 1984:29) or a means of "socialised consumption" (Harloe, 1981:22). That is, it represents a mechanism through which services are produced for their use value rather than for their exchange value and thus challenges the capitalist exchange relation.

2.3.2 The Form of the Welfare State

Increasing attention has been focussed on the subtleties within the state apparatus, especially the emergence of a concern with the form that the welfare state takes. "Form" refers to

the way in which the welfare state is organised or structured. Largely focusing on state policies, programs and the like, form refers to such organisational matters as: degree of accessibility to the welfare state; means of welfare state delivery; degree of commodification of the welfare state; internal organisation of particular welfare state programs (e.g. democratically or hierarchically operated), and so on (Knowles, 1985:15).

Within the limits of the capitalist social formation it is

obvious that the welfare state takes on many and varied forms. For example, welfare state delivery might include varying degrees of subsidised services. In Ontario, premiums are imposed for health insurance thus providing a partially subsidised system. For low-income earners however, these premiums are waived thus offering a fully subsidised system of insurance. Yet this coverage is limited: recipients must be residents of the province for at least twelve months; and certain medical services (e.g. prescription drugs and opticals, dental care) are excluded from coverage. The form of Ontario's health policy therefore restricts its beneficiaries. (Compare this with the British National Health Service with its more extensive range of services, or with the more limited services available on a subsidised basis in the United States.)

Gilbert's (1983) analysis of the evolution of the welfare state in the United States over the last two decades captures the essence of the changing form of the welfare state. The introduction of universal services, according to Gilbert, opened the welfare state up to the "middle class" which had previously been excluded from some of its benefits. Currently a similar debate is evident in Canada (Block, 1983; Findlay, 1983). Klein and O'Higgins' (1985) collection of essays on the future of the British welfare

state similarly examines some of the changes taking place in manifest forms of the welfare state. Walker (1985), for example, points out that in face of the growing unemployment in Britain the state there has two basic options. First, it can attempt to reduce the size of the labour force by increasing education and training programmes and implementing early retirement. Or, second, it can attempt to redistribute existing jobs by way of job-sharing or reducing the working week. Whatever policy option the state chooses there will be a change in the form that the welfare state takes.

This change in the form of the welfare state is both a mode and an outcome of restructuring. This may be defined as the reorganisation of activities which occur when some obstacle prevents an institution or individual from achieving some goal. Thus, a firm, as its profits drop, may undertake some form of restructuring (such as introducing new technology) in order to recapture lost profits. Similarly, the state will reorganise its apparatus and programmes as different classes call upon it to meet their needs under circumstances of changing resource availability.

2.3.3 The Restructuring of the Welfare State: the Case of Deinstitutionalisation

Restructuring of the welfare state involves many processes. In later chapters, this thesis emphasises the consequences of one particular example of restructuring, i.e., deinstitutionalisation. This is a process that involves transferring the "treatment" of various clients of the welfare state from an institutional model of care to a community-based approach. In the field of psychiatric care, deinstitutionalisation has been particularly widespread. Between 1955 and 1977 the population of mental hospitals in the United States declined from 500,000 to 190,000 (Ashbaugh and Bradley, 1979). In Ontario the number of psychiatric beds fell from 15,141 in 1960 to 4,831 in 1986, a drop of around 75%. Accompanying this decline in the inpatient population has been a significant drop in the average length of stay in hospital. Canadian statistics show that today about two-thirds of inpatients stay in hospitals for less than two weeks, and 90% stay for less than a month. This contrasts with 25 years ago, when more than 50% of Canada's psychiatric inpatients had been in an institution for more than seven years (Ministry of Health, 1986:2). Other groups, including alcoholics, orphans, juvenile delinquents

and offenders have also been subject to this shift in treatment philosophy (Otto and Orford, 1978; Simmons, 1982; Scull, 1977).

Deinstitutionalisation gained momentum during the nineteen-sixties when it received unilateral support from politicians, medical professionals, bureaucrats, social workers and the community at large. There are several attempts at explaining why community-based care came to be seen as the most appropriate means of delivering care. First, it was argued that community-based centres provided a more humane treatment environment than did their institutional counterparts (e.g. Mamula and Newman, 1973: 6-8). For example, separation from family and friends may be just as traumatic an experience as the illness that caused the initial separation. The poverty of stimulation in an institution could also cause an individual to regress rather than improve.

Delinquents and offenders had been institutionalised because they were unable to maintain expected social relationships. This leads to a second argument in favour of deinstitutionalisation. It was argued that problems which emerged as a consequence of living "within" a particular set of social relationships should be treated within the context of those relationships. Social deprivation, it was claimed,

could be detrimental to attempts to change social behaviours. Isolation would not promote the development of "normal" social relationships. This view was set forth by those who sought to promote "normalisation" and "mainstreaming" (De Weaver, 1983:435).

Thirdly, community-based care received great support from politicians because it anticipated substantial dollar savings (Bassuk and Gerson, 1978; Klerman, 1977; Scull, 1977). Increasingly however, evidence is being produced which shows that costs have, in fact, increased (Goldman et al., 1983; Lerman, 1982; Borus, 1981; Halpern et al., 1980). This is because community-based care, to be successful, must include a network of community centres; some kind of institution must still be in place (and at smaller operating scales per capita costs are likely to increase); and expensive drugs must be used.

The fourth explanation for the advent of deinstitutionalisation focusses on the new treatment technologies, especially the availability of psycho-active drugs (Department of Health, 1954, 1961). Clients can be treated on an outpatient basis rather than in the hospital. There are arguments however, which suggest that the process of deinstitutionalisation had begun prior to the widespread introduction of these drugs (Scull, 1977). Electro-

convulsive therapy, particularly in the treatment of the depressed, also allowed some people to "function" within the community.

Deinstitutionalisation therefore arose out of the historical coincidence of a variety of forces acting to depopulate large public institutions. But the process has not gone uncriticised (Borus, 1981; Halpern et al., 1980; Ontario Welfare Council, 1981). One of the most fundamental criticisms revolves around the realisation that, for some people, institutional care is to be preferred to the minimal care that might be available in the community. Communities have not always willingly accepted the people who have been moved from institutions. This, in part, is a problem of public education and community attitudes. But it is also a function of the inability of communities to provide the care required. Deinstitutionalisation did not stop mental illness or criminal behaviour. The people who suffered psychiatric disorders did not suddenly "recover" on their return to the community. However, the support services required to maintain their community tenure did not necessarily materialise. The money that was saved from the closing of institutional beds frequently has not found its way into the community. Without community-based support services, deinstitutionalisation cannot possibly provide a

viable treatment alternative to the institutional model of care. Further, there are some critics who show that deinstitutionalisation has not produced the financial savings that were hoped for.

Another body of criticism concentrates on the political dimension of community care. Scull (1977) argues that deinstitutionalisation, like institutionalisation, is a means whereby the modern welfare state is able to regulate those individuals who are unable, or unwilling to conform to the requirements and conventions of capitalist society. From this perspective, deinstitutionalisation has occurred so that the state can (i) disperse its fiscal problems; (ii) increase its control over individuals and create dependency among those who depend on the programmes; and (iii) bolster private sector activity by contracting to private agencies to provide the community-based programmes (Hanlon, 1983).

2.3.4 The Welfare State and Service-Dependent Populations

Everyone is in some way "service-dependent" in that we all rely on, for example, health and welfare services. The group referred to as service-dependent in this thesis is composed of individuals whose well-being is almost entirely dependent on the formal social service support network. Of

fundamental importance is the fact that they depend on the state for their income. This, in turn, may lead to other forms of dependence.

Theoretical discussions of the service-dependent generally concentrate on particular sub-groups e.g. the aged (Phillipson, 1982; Knowles, 1985; Estes, 1982; Myles, 1984) or the mentally ill (Scull, 1977; Clark and Dear, 1984). But can we discuss, theoretically, a general population called the "service-dependent"? Or are the experiences of different groups so disparate that a general analysis would be meaningless? The common characteristic shared by all these people is that they are unable, either permanently or temporarily, to participate in the capitalist labour market, i.e. they are unemployed, at least in the sense of not being part of the wage labour market. This fact means that they need, or depend upon, financial assistance from the state.

Davies (1980) suggests that there has been a massive increase in the definable clientele of the welfare state (cf. Gilbert, 1983). This is not to say that the state has simply co-opted more and more individuals. Rather, there has been expansion in the types of programmes under which individuals may become clients of the state. In Ontario, for example, the recent economic recession and the consequent rising unemployment rate has increased the number

of service-dependent. This means that the number of people dependent on unemployment insurance has grown (Ontario Statistics, 1984:672). At the same time the number of people who have been unemployed beyond the twelve-month limit to receiving unemployment insurance payments means that there are increasing numbers of General Welfare Assistance (GWA) recipients. For example, between 1977 and 1982 there was an increase in GWA recipients from 114,613 to 149,262 (Ontario Statistics, 1984:658). In addition, the "greying" of Canada's population has seen a growth in the number of people dependent on public (and private) pensions. Knowles (1985) shows that the Canadian Public Pension is responsible for promoting dependency since it provides an income at or near established poverty levels.

Such dependence on the state for financial assistance, bolstered by the state's willingness to "tide people over" until they are once again eligible to enter the wage-labour force, leads to other forms of dependence. Knowles (1985), for instance, identifies the environmental dependence of the elderly who are reliant on the proximity of nearby service centres due to limited transport services, which may arise from financial constraints. Where transport is available in a subsidised form, it often requires that the individual is a resident of a particular locality. A

similar form of dependence is experienced by ex-psychiatric patients (Laws and Dear, forthcoming). This has led Dear to identify a "public city", an area of the inner city characterised by high concentrations of service-dependent groups and the agencies which serve them (see also Beamish, 1981; Dear and Laws, 1986a). The welfare state can therefore promote environmental dependence directly by placing residential requirements on those in receipt of services. It also creates environmental dependence by constraining the spatial mobility of these people to areas with appropriate levels of service resources.

Another form of dependence is familial dependence. I will argue below that families are increasingly responsible for their members' well-being as state services are restricted. Women's unpaid domestic labour can be tapped to meet needs within the domestic, family sphere and within community organisations (Finch, 1984; Armstrong, 1984). Of course, it is not only women who play this role. Increasingly it is possible that the unemployed members of a family, male or female, may take on the responsibility for the care of family members as an alternative to more costly options. For those individuals who must use fee-for-service alternatives it is often the family which is called upon to pay. Welfare policies, with their ceilings on assistance,

therefore promote familial dependence.

A fourth type of dependence created by the welfare state is that of reliance upon professionals. Dear and Wolch (1987), following Illich et al. (1977), write that the welfare apparatus tends to "produce disabling effects in a population as a prerequisite for receiving care. It can be argued that the apparatus does not "cure" mental illness; that it "produces" illness in clients and their social networks (especially the family); and that it encourages long-term dependency in those who enter the system (see also Gaylin et al., 1978). Service-dependency, as I have argued earlier, has its roots in the inability of particular groups to participate in the wage-labour market. Social services are an instrument of caring for these people. As the welfare state expands, and as the "helping professions" grow, so does the number of dependent clients.

In summary, the capitalist welfare state encourages a dependence with clients of the social service sector. As noted at the outset of this section we all experience some degree of "dependence". For some groups of people however, this dependency is very pronounced and limits the possibilities of individuals reducing their dependent status.

2.4 PRIVATISATION

Privatisation has been defined as the "rolling back of the activities of the state" (Le Grand, 1984). It occurs as there is a shift in the responsibility for the provision of services from the state to the private sector. It is not easy to categorise the theoretical arguments around privatisation. They come from both conservative and radical perspectives and they may support or oppose the process. The essays collected by Le Grand and Robinson (1984) provide a useful overview of the literature. In this section I will review arguments which rationalise the process of privatisation, and then the responses by critics. Finally, I will outline some of the limits to the debates around privatisation.

2.4.1 The Rationale for Privatisation

At its most extreme, privatisation is antithetical to the welfare state. The call for privatisation is rationalised along a number of dimensions. These include efficiency, equality and liberty (Le Grand and Robinson, 1984; Walker, 1984; Hurl, 1983). Advocates of privatisation often draw on a liberal economic tradition of the nineteenth century which emphasised competition, individualism and efficiency. According to this view "greater competition

among providers generates more powerful incentives for reducing costs of production" (Pruger and Miller, 1973:22). Private market competition therefore results in a product cost "substantially below that of the public sector" (Fisk et al., 1978:2). In contrast, the bureaucratic structures associated with public service provision are, some argue, inherently inefficient (see Rubinstein et al., 1979). State-provided services also promote economic inefficiencies in that they undermine the incentive to work and allocate resources inefficiently so that productivity is reduced (see Le Grand and Robinson, 1984; Mishra, 1984; George and Wilding, 1976).

Le Grand and Robinson (1984:7-11) summarise the arguments around efficiency in terms of three areas of state intervention. Inefficiencies arise from state provision "because services are not provided at minimum cost". State subsidies create inefficiencies "because their existence encourages users to demand more of the services concerned than they would if they were charged at the true cost" (see also Block, 1983). Regulations can lead to inefficiencies by increasing the costs of production and by creating excess demand (e.g. by making schooling compulsory).

A second factor in the arguments around privatisation concerns the question of equality. The welfare state

purportedly provides mechanisms which seek to minimise social inequalities, but there are many critics who would claim that this is, in fact, not the case. Universal social services, available to everyone regardless of their income or wealth, are often subject to the criticism that they are inequalitarian, inflationary and costly (see Block, 1983; Findlay, 1983). Universal services are more often used by the well-off; this suggests that the welfare state has failed to achieve any real measure of equality (Le Grand, 1982).

The erosion of individual liberty is a third dimension along which the welfare state is attacked. Block (1983:26) claims, for instance, that the taxation system is 'coercive' and universal social services are "costly in terms of the use of coercive taxation". Further, individuals should be free (as consumers) to choose among a variety of producers. To restrict this choice, by way of state-provided services, is an infringement upon an individual's liberties. The state should be subservient to the interests of the individual, who has the right to self-determination. Private provision of welfare services is therefore to be preferred.

Such criticisms of the welfare state lay behind monetarist policies aimed at undoing "the 'mischief' done to

western economies by Keynesianism and liberal democracy during the last thirty years" (Mishra, 1984:43). Emphasis is placed on controlling the money supply and balancing the budget. To do so government deficits must be cut, meaning a reduction in state activity. It is assumed that if there is a demand for a (social) service the market will respond accordingly. Monetarist policies therefore have an explicit theoretical rationale behind their promotion of private sector activity.

It is not only the neo-conservatives who criticise the welfare state. According to critiques from the left the welfare state can be characterised as "(1) ineffective and inefficient; (2) repressive; (3) conditioning a false ('ideological') understanding of social and political reality with the working class" (Offe, 1984:154). Calls for increased "consumer control" (Drover, 1985) may also be calls for privatisation. This is a result of the "contradictory" nature of the social services. Galper (1975:5) summarises this view:

At the same time that they are concerned about the promotion of human welfare, the social services buttress values, institutions, and procedures that are destructive to that welfare. The services are products of, and responses to, a social order that values economic growth and political stability above human well-being and that uses

social services and the helping professions to preserve and strengthen the ideologies, behaviours and structure of the status quo.

If "private" service provision meant that this contradiction could be resolved, then privatisation is to be sought. Thus privatisation may provide an avenue for change that is acceptable to people coming from both radical and conservative perspectives.

2.4.2 The Critics' Response

Calls for reductions in the state's participation in welfare services have not gone unchallenged. This is because the welfare state is recognised as providing valuable gains for the working classes. Critics have countered arguments that the private sector is more efficient, more equitable or able to promote individual freedom.

There is little conclusive evidence to show that the private sector is more, or less, efficient than the public sector. Judge and Knapp (1985:145) conclude "that there is more rhetoric than evidence available about the comparative efficiency of the public and private sectors in the production of welfare...". Similar conclusions have been reached in the study of the British health system (Maynard

and Williams, 1984); the hospital systems of the USA and Canada (Stoddart and Labelle, 1985); and children's daycare services (SPCMT, 1984a).

There is some evidence which suggests that the private sector may be able to provide services at lower cost (CCHS, 1985), but this also raises questions as to the quality of care which can be provided at such reduced rates (SPCMT, 1984a). This question of quality of care is often ignored in discussions of the efficiency of the private sector since the focus is generally on economic efficiency. But, as Walker (1984) points out, economic efficiency is not necessarily commensurate with social equity.

Contrary to the arguments of some advocates of privatisation, there is little basis to claims that privatisation will result in a greater degree of social equity. Le Grand and Robinson (1984:11) note that

Most privatised systems are likely to create distributions of the relevant service that more closely reflect the market distribution of private income and wealth. Of course, if the savings from reducing subsidies to the universal services were used to bolster the incomes of the poor, then the eventual outcome might well be more equitable than under the present system; but that is a big 'if'.

Schlesinger and Dowat (1984:964) found that private hospitals, and particularly proprietary hospitals, "screen

patients on their ability to pay". This has been combined with "cream skimming": the hospitals restrict admissions to those patients who (1) can pay, and (2) have conditions which are less expensive to treat (Stoddart and Labelle, 1985). Clearly then there is a restriction on access to services and so there must be some kind of barrier to social equity.

Writing in the context of recent debates in Canada about "extra billing" by physicians for their services, Stoddart and Labelle (1985:45) observe arguments in the literature which note that it is the poor who are more sensitive to price increases. "Increased privatisation will therefore inhibit care-seeking and discourage compliance with medical advice for lower income groups in particular....". This would obviously sharpen the divisions between those who can afford to pay and those who cannot. Increased privatisation is also a threat to social equity "because private financing provides a relatively easy method for physicians to increase incomes and for hospitals to increase revenues" (Stoddart and Labelle, 1985:45). This would clearly provide a means for large corporate hospitals (for instance) to increase their power.

Arguments that privatisation will also promote individual liberty have also come under close scrutiny.

Liberty can be defined in terms of the absence of coercion (George and Wilding, 1976:22-24). The welfare state can therefore be seen as limiting freedom (Le Grand and Robinson, 1984; Block, 1983). Similarly, creating and perpetuating dependency of clients (Galper, 1975; Illich, et al., 1977) will also place limits on their freedom. (However, liberty can also be defined as having the freedom to make choices. In this sense welfare state policies can be seen as increasing freedom since they are aimed at increasing opportunities for individuals (Le Grand and Robinson, 1984). While there is this debate over whether or not the welfare state has increased or reduced the liberty of individuals there seems to be no reason to assume that a private system will necessarily improve the situation. If, for instance, privatisation places limits on the accessibility of services then it is hardly logical to claim that there is increased freedom for the consumers of these services.

2.4.3 The Limits of the Debate around Privatisation

The debates around privatisation are limited in three ways. First, much of the literature focusses on the problems associated with commercialisation. This is not the only form in which privatisation is occurring and so we need

to be cautious of generalising from this particular instance to other situations. Often reference is made to the incompatibility of welfare and the profit motive. The voluntary sector, which is equally involved in privatisation, is not guided by a direct profit motive. Discussions of the limitations imposed by user fees, etc. must acknowledge that the large voluntary sector often charges only nominal, if any, fees. Second, the distinction between public and private is almost impossible to sustain in any extensive analysis of privatisation; to focus on this distinction is to overlook the range of alternatives which exist between these extremes. To this end, the notion of a "mixed economy of welfare" (Kammerman, 1983) is gaining currency in the literature. Third, and of particular interest to this thesis, there is little consideration of the spatial dimension to privatisation. Yet just as there is a temporal dimension, or a history, behind the various forms of service provision and delivery, so there is also a need to consider and account for the geographical variations in social service provision.

2.5 THE LOCAL LEVEL WELFARE STATE

2.5.1 Localities: Space, Structure and Agency

The search for a definition of "locality" has its

roots in the classical, descriptive regional geography which dominated the discipline prior to the adoption of quantitative methods in the 1960s. Regions were defined largely in terms of forms or function. A formal region might be a coastal plain or a mountain landscape; functional regions included agricultural or industrial areas. The descriptive tradition of these studies meant that it was often the observable elements of the landscape (either physical attributes or land-use patterns) which were used for delimiting regions. More or less explicit in this approach was the view that there was some degree of homogeneity within these regions that separated them from surrounding places.

Some rich analyses appeared from these studies, providing detailed discussions of regions at a variety of scales. However, the search for scientific rigour saw descriptive, regional studies superseded by the search for regularities between, rather than within, regions. On these regularities generalisations and predictions could be based. The question of how to define a region became more a question of finding a unit of analysis for which quantitative data could easily be collected. Hence, the adoption of administrative boundaries became a popular means of delimiting regions for geographical analysis.

A major problem with each of these approaches is that they fail to consider the idea of social relations in defining regional boundaries. This is an issue that has been addressed by several authors concerned with questions of space. In the first edition of their Marxism and the Metropolis, Tabb and Sawers (1978:12) criticised urban studies for being preoccupied with "the fetishism of space". They dismissed the "seemingly endless debate about the spatial dispersion" of urban phenomenon because "[it] mistakes the surface manifestation of social divisions - spatial segregation - for the social division itself". This type of attack is especially important for geographers since the raison d'être of their discipline is space. Geographers have responded by seriously reconsidering the nature and importance of space.

Debates about the nature of space, and about social relations within space, have become prominent in urban studies, particularly among geographers and sociologists. Two views of space dominate the literature. An absolute conception of space sees it as "immune to influence" but capable of exerting physical effects (Sack, 1980:55; see also Urry, 1985:21-22). The other view of space is relational. In this case "space only exists where it is constituted by matter" (Sayer, 1985:51). It is this second

view, with some modifications, which is becoming increasingly popular within urban social and political geography; it is the approach which will be adopted in this thesis. In essence, it views spatial arrangements as the outcome of social processes, not as an abstract given. But, as Massey (1985:12) has argued, geography has suffered by this new preoccupation with underlying, causal social relations. While there is no arguing that "space is a social construction", we must emphasise that "social relations are also constructed over space, and that makes a difference". How these social relations are constructed has been one focus of attention of authors engaged in the so-called "structure-agency debate".

This debate signals an attempt to overcome the analytical void which exists between those who concentrate on structural determinants (e.g., marxists) and those who focus on the voluntary actions of individuals (e.g., pluralists) in shaping the human environment. Geographers have become particularly attuned to the former since the adoption of marxist approaches in geographical studies. Early efforts at applying Marx's theory to the study of space often emphasised the "inevitability" of certain trends because of the overwhelming influence of the structural limits of the capitalist mode of production (Harvey, 1978).

This occurred to such an extent that human action was certainly downplayed. Economic structures were identified, following an Althusserian reading of Marx, as the major determinants of the urban environment. In contrast to this view, the later humanist and phenomenological approaches emphasise the role played by human agency. People's perceptions of space and problems, and their actions in response to these, were accorded prime importance in shaping the landscape (Ley, 1983: ch.4).

As might be anticipated each "opposing" camp has criticised the other. According to Duncan and Ley (1982:36)

Despite the fact that in various programmatic statements structures are said to be dialectically related to individuals, it is supra-individual wholes that are inevitably the active subjects in the marxist geographers' analysis while individuals, the parts, are the objects acted upon.

The structuralists have in turn noted the deficiencies of the atomistic, individual focus of humanist geography: "it gives the individual freedom to act when in fact he or she is very much constrained, if not constricted, by external circumstances over which he or she has little control" (Johnston, 1983:85). The contributions from the different sides of this debate are summarised in Duncan and Ley (1982), Chouinard and Fincher (1983), Thrift (1983),

Giddens(1979), and Gregory(1981).

Two major responses to this dialogue are relevant in this thesis. First, writers drawing on a marxian framework have chosen to abandon the Althusserian structuralism and to refine the concepts of marxist theory so as to account for human agency. This has seen the emergence of a critique within the marxist paradigm:

"Structuralist" approaches drew much of their strength through countering the individualist and voluntarist view that social processes were reducible to the apparently unconstrained actions of individuals. But in stressing the way in which actions take place within social relations and are rule-governed and constrained by conditions not of the actors' choosing, the activity of the agents and their skills were ignored, so that the conditions did the acting. At worst, the "subjects" were "written out" altogether, producing a dehumanising social science (Sayer, 1984:88).

Recent developments have consequently sought to overcome the problems associated with a strict structuralism. Marxist theory, it is argued, can account for human agency through its concern with class struggle which stresses "the voluntarist actions of individuals and groups within the labour movement and the working class" (Corrigan and Leonard, 1978:97). Adoption of a "realist" perspective has

been instrumental in drawing attention to the role of human agency. This is because it recognises that necessary relations are modified by contingent events. So, the form and success of any conflict may modify the development of the capitalist mode of production. It is not a process that continues unproblematically; human agents significantly influence the course of its development.

A second response has been offered by those authors working in the "structurationist" school which draws heavily on the works of Anthony Giddens. The fundamental premise of this school is that

...social structures....are both constituted by human practices, and yet at the same time they are the very medium of this constitution.....Social life is therefore fundamentally recursive ... and expresses the mutual dependence of structure and agency (Thrift, 1983:7).

In this sense the authors working within this framework differ little from many marxist writers. However, the structurationist school has been criticised because it lacks any clear notion of determination.

"Space" will develop unevenly as structure and agency intersect differentially over time and space. Uneven development has become the subject of recent writings in marxist urban and regional studies. Some of these have

emphasised the "structural" determinants of uneven patterns of development. For instance, Smith (1984:150) writes of the mobility of capital which has been witness to the differentiation of the city into "gentrifying" and "suburban" areas. But attention to the types of struggles which develop as individuals react to the constraints on their activities has provided a more fruitful means of understanding uneven development. Soja (1985:118) summarises this position thus

Just as capitalism develops unevenly over time and can be periodised into distinct sequences, phases or other temporal patterning, so too has capitalism developed unevenly over space in similarly identifiable configurations and patternings of spatiality. These specific patternings are not incidental extrusions but changeable products of social struggle, part of the successions of spatialities punctuating the course of capitalist development. As such they are embroiled in politics and power relations and reinforce the link between spatiality and the role of the state.

A similar theme pervades the work of Chouinard and Fincher (1984, 1985) which addresses the question of the local state.

Places therefore develop in time and space, a theme that is central in time geography (Pred, 1984; Gregory and

Urry, 1985). Localities represent the partitioning of society into time-space bundles in which social relations are situated. For Giddens (1984:118) these "provide the settings of interaction", but, following Massey (1985) and others, localities are also the products of interaction. A locality should not be thought of as simply a "vessel" for social practices because these practices will shape the form of that locality. For example, the locality referred to as Toronto is currently changing from one that was dominated by manufacturing to one dominated by tertiary activities (see ch.6 below). It is true that the Toronto landscape provided a "setting" for "industrial interactions" and now, for commercial and services activities; but these activities and their associated social relations have also changed the "setting" in which they are situated.

2.5.2 Space and the Welfare State: The Local State

Earlier in this chapter, the problems of assuming the state to be a singular and universal institution were discussed. It is important to acknowledge the uneven development of the state over time and space, and note the importance of attempts to identify those "contingent" factors which produce the variations which are observed. In later chapters I will be discussing the changing nature of

the state in particular jurisdictions and asking what are the consequences of these changes for the service-dependent populations in that locality. This raises an important analytical question: how do we conceptualise the state in a local place?

Arguments about the local state fall into one of two categories. First, there are those which see the local state as nothing more than an historically-specific form of the state (Paris, 1983; Fincher, 1979, 1981). Second, there are those which call for a separate theory of the local state (Clark and Dear, 1984; Short, 1983; Kirby, 1982; Saunders, 1984, 1981, 1979). Reviews of these debates can be found in Clark and Dear (1984) and Chouinard and Fincher (1985). In the latter paper, local state theorists are criticised for their preoccupations with the functions performed by that arm of the state. Such a focus is viewed as ahistorical since it entails the reification of empirical, observable functions at a particular place and time to some theoretical status. To suggest, as Saunders (1981) has done, that the local state is theoretically concerned with social consumption is to claim that this is always the case. Cockburn (1977) similarly specifies the functions of the local state as primarily concerned with reproduction. It is not logical however, to suggest that

this is either the exclusive or the only role of the local state. Further, empirical evidence suggests that this is not the case. Local states can, and do, intervene in the production sphere just as non-local or central states intervene in reproduction.

A second criticism (Chouinard and Fincher, 1985) levelled at studies of the local state is that there have been attempts to "read off" local state forms from the structures of capitalism. I have already suggested, in the discussion of the welfare state, that this is not possible if we wish to explain the subtleties and variations that we observe in state form.

In local state studies there has been a recognition of the importance of the role of human action in determining the form of this apparatus of the state. Esping-Anderson et al. (1976) stress the importance of incorporating the role of locally-based struggles for our understanding of local state functions. Chouinard and Fincher (1985) have further refined this type of conceptualisation. Their goal is to develop a conception of the local state which is able to overcome the "structure-agency" gap. While being contingent upon people's experiences and actions in a particular locality, the form of the local state is limited by the structures of, and necessary tendencies in,

capitalist development. Thus they arrive at a definition of the local state as consisting of

the historical forms of the capitalist state, i.e., material institutions, policies and implementation procedures, created in local places through contingent social relations which are limited but not determined by necessary tendencies in the development of capitalist societies (Chouinard and Fincher, 1985:10).

The attraction of this definition is that it does not predetermine the form or the function of the local state. It can thus account for the local states that we see in Great Britain, Australia and Canada at different times.

Such a view of the local state may be useful in understanding restructuring (especially privatisation) of the welfare state. In an earlier section, I discussed the importance of the environmental dependence of the service-dependent populations. This means that their efforts to question state policy will, more often than not, be concentrated in a particular locality. These efforts, or struggles around matters of policy, are what creates the state. And increasingly the local state is being identified as the arena of class struggle because it is in spatially-confined localities that classes experience everyday life (Cockburn, 1977).

Focussing on the local level will thus allow us to analyse the effects of state policy on local service-dependent groups such as those in Hamilton. It allows us to capture the spatially-specific outcomes of state policy for such groups while not losing sight of the fact that such policy may indeed extend beyond some arbitrarily-fixed spatial boundary (Urry, 1981). It is the mix of state policy and the struggles which precede them which determines the character of the local state.

2.6 SUMMARY AND CRITIQUE

This chapter has introduced four concepts which are of critical importance to the concerns of this thesis:

(1) the welfare state, the dominant form of the post-war capitalist state, which espouses a policy of maintaining a certain minimum level of social well-being for its constituents;

(2) the restructuring of the welfare state, a process of reorganisation and rationalisation that is undertaken as various classes make demands upon the resources of the society via the state apparatus;

(3) privatisation, a specific form of restructuring that involves a shift in the responsibility for social service provision from the state to the private sector; and

(4) locality, the spatial dimension of social relations, encompassing both past and present interactions around some issue, and varying in scale according to the process under consideration.

In addition chapter one introduced three key methodological themes which will form the basis of the model proposed (in chapter three) for an understanding of the local implications of the restructuring of the welfare state:

- (1) the spatial and temporal context in which restructuring occurs;
- (2) the reciprocal relationships that operate between a locality and the restructuring of the local welfare state; and
- (3) the processes involved in the restructuring.

The literature surveyed in this chapter outlined the ways in which past and present analysts have contributed to these substantive and methodological concerns. This summary reviews these themes and outlines the analytical challenge posed by these previous contributions.

(a) Context

From the extensive literatures on the state, we have identified many issues which are usually associated with the "home domain" of the three major intellectual traditions:

pluralists, weberian and marxist. The pluralist school emphasises the power of individuals to challenge state policy; weberian theorists concentrate on the role of bureaucrats in determining policy; and marxian analysts emphasise the class nature of the capitalist state. All three approaches make significant contributions to our understanding of the links between structures, institutions and agents. But each focusses on a different element. There is a need to synthesise some of the contributions from each of these literatures.

The theme of the state apparatus provides a potential means of achieving this synthesis. The state apparatus emphasises the fragmented nature of the state which allows for the dispersion of conflict while promoting relatively autonomous units within the state apparatus. The notion of a corporatist state provides a means of understanding the negotiation that must occur between these elements within the state, as well as between the state and elements of civil society.

The particular concern of the thesis is with the contemporary welfare state. There are at least three broad schools of thought on the welfare state. It is clear that there are not only ambiguities surrounding the definition of the welfare state but also around the interpretation of its

operation. Whatever the viewpoint, it is clear that there is an ongoing process of restructuring as both the form and functions of the welfare state change.

(b) Locality

The geographical dimension of the restructuring of the welfare state implies an examination of the relations between social and spatial processes, and between structures and agents in space. The interest of the thesis is how these relationships are played out in one place, or locality. There is a problem in delimiting the scale at which a locality should be defined, given that we need to encapsulate both past and present social practices that impinge upon current local conditions. One way into this problem is to consider the evolution of the local state and its relationships with the local service-dependent populations. Viewing the local state as both a cause and a product of local conditions lets us focus on the peculiarities of local places. This enables us to capture variations in space rather than concentrating on general processes.

However, this focus in locality does not suggest that more general forces be ignored. Our interest in context provides the basis for understanding the macro processes

that impinge upon not only the locality under investigation, but also neighbouring and more distant places. That is, when we centre our interest on one location we are asking how these macro-forces are modified by local histories and geographies and thus account for the uneven development of the modern welfare state.

(c) Process

In recent years there have been two dominant forms in the restructuring of the Canadian welfare state: deinstitutionalisation and privatisation. While they have often occurred in tandem, privatisation has become a more explicit policy in the last 5 - 10 years. In general, the literature around this process tends to be less developed than that which describes deinstitutionalisation. Specifically, three dimensions of privatisation require much greater attention than is currently found in the literature. First, privatisation takes on a variety of forms, and so an analytical framework needs to be developed that can account for this diversity. Second, this framework needs also to account for the public-private continuum that exists in the provision of social services. Finally, account must be taken of the geography of privatisation since this chapter has established that state policy evolves not only through

time, but also over space.

The explanation of everyday events in people's lives in relation to deep-seated, long-term changes in the welfare state raises profoundly difficult theoretical and methodological problems. These problems are confronted explicitly in the next chapter, where the CONTEXT - LOCALITY - PROCESS logic is applied to the privatisation question.

CHAPTER THREE
PRIVATISATION, RESTRUCTURING AND THE LOCAL
WELFARE STATE

3.1 INTRODUCTION

Understanding the potential consequences of privatisation for local areas and their service-dependent populations requires that some criteria which will guide the development of the proposed analytical framework be outlined. First, privatisation does not occur in a vacuum. It has a historical, political and social context. Second, the processes that translate privatisation from a policy objective into practice must be articulated. Third, the geographical dimension of the process as it is manifest in specific localities needs to be accounted for by the analytical framework. Fourth, I have emphasised the fact that localities are products of the interactions between structures and agents. An analytical framework which is capable of analysing the consequences of social policy in particular jurisdictions must be able to accommodate this duality between structures and agents. This implies that we should not only consider the consequences of privatisation for individuals, but also the ways in which privatisation is the product of human actions. Fifth, the interaction

between structures, agents and localities means that there are many manifest forms of privatisation. A viable theoretical framework must therefore be able to account for these empirical variations.

The objective of this chapter is to present an analytical framework for the analysis of geographically-uneven privatisation, and show how it will be used in the empirical work reported in the remaining chapters. Section 3.2 outlines the way in which the context of privatisation can best be viewed as a form of restructuring of the welfare state. Here it is argued that, while privatisation may in fact lead to the demise of the welfare state, this is not necessarily the case. Rather, I will argue that what we are observing is a change in the form of the welfare state. A simple model of the different forms that the private delivery of services may take is developed, and some empirical examples which will be explored later in the thesis are initially identified. Section 3.3 focusses on the question of the ways in which privatisation may influence the lives of the service-dependent. I will argue that privatisation is not necessarily disadvantageous to these groups, and that some forms of privatisation are the outcome of demands made by these service-dependent groups themselves. Naïve attempts to equate privatisation with

commercialisation and the erosion of the welfare state will therefore be regarded as deficient. In section 3.4 I will explore the significance of understanding privatisation in a particular locality. The final sections (3.5) deals with the implications of this model for empirical analysis.

3.2 RESTRUCTURING THE WELFARE STATE: THE CASE OF PRIVATISATION.

3.2.1 The Context of Restructuring

The capitalist state is conceived in this thesis as the product of struggles between conflicting classes. It represents a mechanism of mediation between these classes, but it is not a neutral arbiter. This is because there are limits to the actions of the state, imposed by the capitalist society in which the state operates. The form that the state takes will be shaped by local conditions and histories and therefore cannot be automatically "read off" from the social formation. If this were the case we could not explain the variations we observe between advanced capitalist states.

Definitions of the welfare state have hitherto failed to distinguish the welfare state from the state in general. This is because the welfare state is a historically-specific form of the state and therefore its identification is (above

all else) an empirical question. At its most simple the welfare state is characterised as a state formation which espouses a social policy that provides a "social minimum", a certain level of social well-being below which its constituents should not fall. The formulation and implementation of such a policy has usually been accompanied by the evolution of a state apparatus, which is primarily concerned with executing specific welfare functions. The welfare apparatus of the capitalist state is extensive, covering health, education, social assistance etc.; it may therefore take on a variety of forms.

The term "welfare state" has also been used to refer to the dominant form of the capitalist state since the depression years of the nineteen thirties. This period has been marked by a massive injection of public funds into all spheres of capitalist society. The field of "social policy" however, has received a relatively large proportion of this increased expenditure.

In summary, in this thesis, the term "welfare state" refers to that form of the state which guarantees a certain level of social well-being; which has a distinct welfare sub-apparatus; and which has witnessed a large allocation of the state's fiscal resources to the welfare sector.

The form and substance of the welfare state are

continually changing. This process of restructuring occurs in response to demands placed upon the state during periods of crisis, as well as in response to the "day-to-day" pressures which are directed at the state. The term "crisis" refers to a period during which the basic structures of society are threatened. The most common manifestation of this is the economic crises which periodically occur in capitalist societies when the rate of profit in many industrial sectors coincidentally begins to fall. The legitimacy of dominant class relations is called into question during these periods. Crises do not have uniform outcomes for all classes in society. The effects of a crisis for the poor (e.g. a withdrawal of state subsidies for housing) may result from a reallocation of public funds to overcome a crisis in industry (e.g., as profits decline a state-supported tariff might be introduced to protect a particular industry). Further, a crisis need not simply be economic in nature or exclusively a crisis for the state. This is because crises are manifest in various forms with far-reaching consequences for all sectors. They may simultaneously appear as factory layoffs, welfare cutbacks, business bankruptcies, etc. Following from this, it can be argued that a crisis will have differential impacts on various sectors of the economy, localities and populations.

This is because local conditions or historical contingencies may modify the manifestations of crises, and the nature of local demands causes the state to react with policy responses that may vary over space and time.

Restructuring also occurs as a result of more "routine" pressures that arise out of the everyday experiences of contemporary societies. For instance, questions about the availability of francophone programmes in Canadian schools have little to do with the current economic recession. Yet the demands for such programmes can result in a re-organisation of the state's resources. Restructuring therefore, is conceived as, to significant degree, agency-induced: that is, the state does not simply "decide" to engage in certain realms of government programmes; the collective lobbying of human agents around particular issues provides the impetus for change within the state.

In summary, "restructuring" is used to refer to the process of rationalisation and reorganisation which the state continually undertakes in order to maintain its legitimacy by responding to the demands placed upon it by various interest groups. Several sources of demands for restructuring of the state can be identified. First, there is pressure internal to the state, the most obvious example

being the fiscal crises being experienced by the states in most western economies. Problems of balancing deficits have caused many states to seek methods of increasing revenues and decreasing expenditures. Taxes are increased, crown corporations are sold to the private sector, or public spending is reduced. Since the capitalist state always experiences a degree of relative autonomy it is capable of producing its own agenda. As a capitalist state it is able to anticipate some of the "demands" that will occur within the limits of the capitalist social formation. For example, state policies that promote commodified forms of production may arise with little pressure from sources outside the state apparatus.

Second, there is a range of external pressures. For instance, the business community will periodically call upon the state to funnel its resources into activities that will maintain and promote a profitable business climate. (Trade tariffs, for example, represent a state policy which is enthusiastically greeted by many manufacturers.) In addition, the working class looks to the state to provide it with support of various forms: health, education, income maintenance, etc.

While I have identified these "separate" sources of calls for restructuring, it is important to note that (in

any historical instance) it is unlikely that such distinct categories can be identified. On certain occasions, for instance, capital and labour may unite in their demands for the form that restructuring should take, for example, if it is necessary for the state to provide large subsidies to an ailing industry to save jobs. Or, at the level of electoral politics, members of both the capitalist and working classes may argue for a reduction in state activity, albeit for different reasons.

As restructuring occurs, and the resources of the state are shifted between different sectors of society, there will be observable changes in the form of the state. At the same time the substance of state policies might also change. When the welfare state is faced with a crisis it will restructure its activities. So, while there may be inherent tendencies toward crises, historical events, and peoples' reactions to them, will act to counter these tendencies. Rather than its complete dismantling, there will emerge a new form of the state. A change in form may not necessarily result in any substantive changes to the state, i.e., the longer-term outcomes for the clients of the welfare state may not change significantly. We must therefore also be alert to substantive changes in the welfare state.

To assert that a new form of the capitalist state will emerge (from the restructuring process) to supersede relic apparatus is not a functionalist proposition. In fact such a proposition merely underscores the dynamics of change within the internal structure of the state. The apparatus of the state is the locus of intersection between human agents and the state. Hence, while the welfare state apparatus is (in many respects) functional to the capitalist mode of production, it simultaneously represents tangible gains for the working class. The substance of state policies might change as in the case of a shift in housing policies from those that emphasise commodified housing production to those that promote more or less decommodified forms. It is therefore an oversimplification to assume that the results of restructuring will always favour the capitalist class. As Therborn (1978) has noted the state apparatus provides an arena for class struggles and, as such, it is a site for potential change. The (capitalist) welfare state therefore has within itself the seeds of its own destruction. The appearance of a new apparatus may signal a trend to strengthen the welfare state or it may have been created to counter this trend. This contradictory nature of welfare state evolution will be considered in more detail in the discussion of privatisation.

3.2.2 The Process of Privatisation

The term privatisation usually refers to the apparent withdrawal of state activity, particularly in the field of social service provision. I stress the word "apparent"; while it may be the case that there has been "retreat" in some areas of service delivery, in others there is evidence that the state is actually increasing its presence through privatisation. For instance, when the state provides grants or contracts to the private sector, they are typically not awarded without some ancillary regulations.

The term "provision" is used here to encompass the regulation, administration, financing, production and distribution of services. Even if privatisation does occur at (say) the distribution stage, the "welfare state" may remain intact at other stages. This "stage model" of service provision emphasises that the vast array of social services may operate with highly varying degrees of autonomy within the state. What happens at one stage in one sector may differ from the past and future stages; and what is happening in one sector may not be exactly duplicated in any other.

Throughout this thesis privatisation will be used simply to describe a mode of restructuring, and refers to an increasing level of involvement by the private sector in the

provision of social services. In light of the previous observations the term will not carry with it any connotation that the state is under attack, or withdrawing totally from the sphere of social service provision. Instead, privatisation is simply a process which marks a change in the form of the state from one of seemingly exclusive public responsibility for social services to one which is characterised by a growing partnership between the public and private sectors. That is, privatisation marks a move along a continuum of state involvement (from complete state responsibility to minimal levels of state involvement) (Fig. 3.1). This continuum is in operation at the various stages of service provision outlined above, but as already noted, the degree of state involvement at any one stage may differ from that at other stages. We will note an example in chapter 6 of Hamilton's Placement Co-ordination Services which illustrates this point. The state is responsible for the regulation and financing of this agency, but a voluntary agency administers, produces and delivers the Placement service to Hamilton's elderly.

Accompanying this change in the form of the welfare state may be a change in the substance of state policy. That is, while the state may encourage private sector involvement in the delivery of social services via purchase-

FIGURE 3.1

AN IDEAL TYPE
MODEL OF SOCIAL SERVICE PROVISION
SHOWING DEGREE OF STATE INVOLVEMENT
UNDER VARIOUS AUSPICES

Stages of Provision	Under the Auspices of:		
	State	Mixed	Private
Regulation	High-----		Low
Administration	High-----		Low
Financing	High-----		Low
Production	High-----		Low
Distribution	High-----		Low

of-service contracts, there may be concomitant changes in the consequences of state policy for consumers of these services. The growth in the number of people living below the poverty line and their continued dependent status, for example, may be a substantive outcome of changes in state policy.

The move to privatise a range of social and economic activities has been occurring in the context of the growing fiscal problems of many states, and the policy response of restraint in the public sector. As expenditures continue to exceed revenues and deficits grow, the administrators of welfare states must look for means of placating their critics. One strategy has been to promote the privatisation of public services. The promotion of minimalist philosophies of government by conservative politicians has also aided the move toward privatisation. Now, if the thesis proposed here is correct, the "retreat" of the welfare state is (in many instances) more apparent than real. It may appear that the private sector has absorbed more responsibility, but there are elements of increasing state "control" as a network of legislation directs and constrains the activities of these private agencies. Privatisation may therefore play an important ideological role in mystifying the actions of the state. It

simultaneously appears as a sloughing off of state responsibilities and interventions in favour of private agencies and agents outside the traditional state apparatus; and it marks an increasing extension of the state into previously-autonomous sectors.

In addition to the internal pressures for privatisation induced by the fiscal crisis of the state, both capital and labour have placed their own agenda for change before the state. For example, businesses have been seeking alternative sources for investment. As already noted, crises affect all sectors of society. Harvey (1978) has shown that investment capital can be shifted between different spheres so as to avoid, or at least delay, the impacts of a crisis. Businesses suffering from the pressures of the current economic recession will seek out alternative avenues of investment and profit and seek assistance to maintain profitability. There is also an increased capital-induced demand for social services during periods of recession, as diverse groups face the consequences of both state and industrial restructuring. For example, representatives of capital may argue for job creation or retraining programmes to upgrade the skills of the growing number of unemployed. In this sense it is in the capitalists' interest to maintain a "reserve army of

unemployed". At another level a potentially growing demand for services may well be met by business interests in some way or another (e.g., resume-writing services).

Calls for restructuring of the welfare state may also derive from labour. In particular privatisation might be sought by the clients of social services requesting alternative modes of delivery. Client-induced restructuring may be as important as strategies promoted by the state to overcome its fiscal problems, and by businesses as they search for profit. The service-dependent, or their advocates, are not simply passive recipients of policies from a benevolent state. Advocates of community-based care for the mentally ill, for example, have been successful in having the local states in many jurisdictions "restructure" by lobbying for changes in local policy (in particular, zoning legislation). They have been able to have group homes permitted in the residential neighbourhoods from which they were previously excluded. The desire by various "consumer" or client groups to have greater control over the services on which they depend amounts to calls for a lessening of the "social control" activities of the state. Critics of the dependency created by the growth of the post-war welfare state advocate greater degrees of consumer control in an attempt to lessen the degree of dependency

experienced by people who are in need of some form of assistance. Requests from consumer groups for more participation and control over service provision and less state control may therefore, in effect, be requests for privatisation. That is, privatisation may be a way of promoting participation.

The point to be emphasised is this. Privatisation cannot simply be thought of as some "top-down" decree by the state. It has evolved in response to different pressures: the critics who call for less government; the entrepreneur wishing to take advantage of the growing demands for different types of services for the aged; and the consumers of social services who want more control over the production of the services which they consume. The role of human agents is therefore of primary significance in understanding the "bottom-up" evolution and form of state policy. I do not however, want to imply solely a voluntarist view of the process. Agents act within a context, and this context is constrained by the structures of capitalist society. The approach in this thesis emphasises the interdependencies between structure and agency.

These observations point to the central contradiction in conceptualising privatisation. The central contradiction

in this process is between increasing "participation" by consumers and "private" producers, and increasing "penetration" or extension of the state. Privatisation may clearly mark an increasingly important role for agents (consumers and producers) who generally operate outside the traditional boundaries of the state. At the same time however, the state maintains its involvement through regulation, financing, or purchase of services from private operators because there is a continuum of state involvement. In this way the state is promoting a partnership which allows it to impinge upon the autonomy of its "partners". Privatisation can therefore represent a victory for advocates of consumer participation, and for businesses entering the service field. It also represents a potential strengthening of state control.

Wolch (1986) has made a valuable contribution to the literature which addresses the question of this growing partnership between the state and civil society. She has introduced the concept of a shadow state to describe one of the outcomes of privatisation. The shadow state is defined as

a sector with an increasing share of formerly public welfare responsibilities, and increased political resources with which to affect public policy, but which (a) is less accountable to the public,

(b) exists outside of key formal democratic controls, and (c) is still circumscribed by government (Wolch, 1986:9).

Rather than asserting that this new public-private relationship is simply a reproduction of the pre-welfare state pattern of interdependencies which characterised social service delivery, Wolch argues that the shadow state apparatus is a new means by which the state influences the development of civil society and its citizenry. This influence of course works in both directions. The state has an increasing degree of control over private organisations as, for example, it provides an increasing proportion of their revenues. But, as the private sector develops, it may also be able to exert more influence on government policies (Wolch, 1986).

The different calls for privatisation means that it may take on a variety of characteristics. To take our understanding beyond this point, it is necessary to consider what historical forms privatisation has taken, and how they have evolved in the context of the restructuring of the welfare state.

3.2.3 Local Forms of Private Social Service Delivery

Privatisation is a process that takes on many guises. Promoting the use of voluntary labour is no less a

form of privatisation than is the subsidisation of commercial activities. In this section I will discuss the forms of privatisation that can be observed currently in Ontario. Four forms of private service distribution can be identified: commercially-provided services; voluntary, non-profit agencies; domestic forms of service; and co-operatively operated service networks. Privatisation may occur at other stages of service provision, but here I will concentrate on that stage where recipients come directly into contact with service providers, i.e., at the distribution stage. This is also the stage at which privatisation is most visible. Each of these four forms may be identifiable in other historical instances, but I am not arguing that they are necessarily generalisable beyond Ontario. Here I want to speculate as to why these forms may evolve and how they relate to the restructuring of the welfare state.

(a) Some assumptions

The drive toward privatisation can promote either commodified or decommodified forms of social service delivery. To realise a profit, surplus value must be generated during the production process. It is in the production of commodities that surplus value is created.

Businesses interested in maximising their profits are therefore to be found offering commodified forms of their products. Social services can be viewed as a commodity, and may therefore be able to generate a profit, just like any other manufactured good. Agencies can "manufacture" a social service by employing labour power to produce an item (the service) which can then be entered into an exchange relation. People will pay to have their children educated, their health restored or their elderly relatives cared for.

The form of privatisation that promotes for-profit participation in the provision of social services will therefore encourage the commodified form. At the same time, the state may intervene and subsidise an individual's purchase of these services so that they simultaneously appear to the consumer in a decommodified form (i.e., the exchange relation is based on need rather than profit). Harloe (1981:22) captures the contradictory nature of the decommodified form: while the decommodification of services "may involve a reduction in opportunities for capitalist accumulation.... the specific branch of the economy concerned with supplying such socialised goods and services is likely to profit from such supply". That is, the particular service takes on a commodified form in the exchange relation which exists between the state and the

producer; between the state and the consumer, however, the relation is a decommodified one. The delivery of social services in the commodified form is therefore in complete harmony with the capitalist mode of production.

In the case of the decommodified or non-profit form of privatisation, the use-value of an item, rather than its exchange-value, is of prime importance in production. The welfare state has historically been involved in offering services in a relatively decommodified form. "Free" education, health care, subsidised housing and the like are largely financed through taxation revenues. The actual "delivery" of the service does not occur within an exchange relation. The private sector can also offer decommodified services. The family, voluntary agencies and co-operatives are "private" service-providers which are less concerned with the exchange value than with the use value of the care that they "produce".

(b) Local forms of privatisation

How can an item (in this case a social service) best be delivered to a consumer (the service recipient)? The capitalist mode of production, by definition, is dependent on commodity production, and there is a necessary tendency toward the commodity form. There are, in principle, limits

to the tolerable degree of decommodification since the process limits the possibilities of accumulation. Nonetheless since the end of the Second World War, there has been a massive growth in the welfare state and its more or less decommodified forms. Within the last decade, however, a large and diverse programme of recommodification has occurred. In chapter four, the reasons for this decommodification and subsequent recommodification in Ontario are examined in detail. For the present, it will be sufficient to outline the four main local forms of privatisation which have developed in Ontario.

First, why should a commercial, profit-motivated firm enter the field of social service delivery? In a period of recession there may be a greater demand for social services. If these can be packaged as commodities and sold on the market they can generate profit and so may provide an attractive investment alternative for the entrepreneur. Now, as the state restructures it must accommodate a variety of pressures: those internal to the state, those of businesses seeking profits, and those of client groups. Promoting commercial activity in the service sector may satisfy all these demands. It lessens the fiscal responsibility of the state; it provides an outlet for capital investment; it provides services that can benefit

clients; and it answers calls for the diminution of government activity. Rather than increase expenditure, the state remains involved by way of its regulatory network. In Ontario, for example, there are certain regulations and standards which must be met in order to receive a licence to operate in several areas of service delivery.

A second form of privatisation is the voluntary sector, comprising "nongovernmental, non-profit organisations formed independently of state mandate" (Ostrander, 1985:435). Historically, this sector preceded the welfare state. It took the form of charitable institutions operated by philanthropists and the church. The autonomy enjoyed by these voluntary agencies has often been a factor in their promotion as a viable alternative to the problems associated with the welfare state. Further, the mandates of voluntary organisations often promote community participation by way of community boards, etc.

The voluntary sector can play a critical role during periods in which the welfare state is being restructured. First, a comprehensive voluntary network provide a means of ensuring some *minimal* level of support should the state's resources be targetted elsewhere. In this way the voluntary sector is "useful" to both the state and service clients. Second, the voluntary sector offers a means for client

groups to side-step the state apparatus for assistance. Third, it plays an important ideological role in that the autonomy of the voluntary sector promotes the idea that state intervention in the sphere of everyday life is being reduced. However, the autonomy of the sector may not be as great as it appears because much of the voluntary sector is dependent on the state for its finances.

A third way in which services can be delivered is via the household in a domestic setting. This is clearly the oldest network of delivery. The household's role has changed with the "industrialisation of housework" (Eichler, 1983). More and more household-produced goods and services have become commodified and packaged for the market. This is characteristic of Aglietta's (1979) intensive regime of accumulation in the development of capitalism, when communal reproduction is replaced by the commodification of reproduction. The change from the extended to the nuclear family has occurred in tandem with the commodification of a range of household tasks (e.g. food preparation, clothing etc.).

The state had historically "taken over" part of the family role, particularly in the area of personal services. The state became more and more involved in health, education, and conciliation between family members in

conflict. State intervention in these areas marked the recognition of the social bases of these problems. The state appears now to be returning to the family, at least partially, this responsibility of caring for its members. It is doing this by (1) not making services available or withdrawing existing services; (2) promoting an individualist ideology which focusses on the benefits of family care; and (3) providing partial assistance for those people who care for a dependent member of their family within their homes.

Some families also make the choice to care for their members. At one level, some households simply cannot afford to pay the costs of commercial care, prescription drugs and the like. But there is another dimension to households choosing to provide care. There has been a deep questioning of institutional models of care, and the removal of people from their familial environment. Cynicism over the role of professionals, especially prevalent in the literature around medicine and psychiatry, may lead to a lessening of the reliance on professionals and the medical model which dominates the "helping professions". The household and extended-family network offer an alternative which does not suffer the problems of bureaucracy, restricted hours, physical inaccessibility, user fees, and eligibility

requirements which are all, to a greater or lesser extent, part of the formal sectors of care.

The fourth type of service provision which has emerged in Ontario is the co-operative form. Although co-ops have developed in the fields of housing, food production and distribution, and day care, the involvement of co-ops in social services has been a relatively minor one. Co-operatives operate on the premise that members should own and control the organisation and its resources, and that the decision-making should follow a democratic rather than hierarchical model. In addition, they are non-profit organisations.

3.3 PRIVATISATION AND THE SERVICE-DEPENDENT

Privatisation is a process that is generally the subject of negative criticism. It has been represented as an attack on the welfare state, a relinquishing of government responsibility, an infringement on the already-limited budgets of the poor, an attack on unions, the erosion of the domain of the professional social worker, and a decline in the quality of care. These criticisms may have some basis in fact, but we must be cautious of such broad generalisations. In this section I argue that since privatisation takes on several forms and is supported by

many diverse class interests, we cannot conclude that it is a process with only negative consequences for the service-dependent. It is misleading and confusing to predict the consequences of each of these forms by speaking of some generic process called privatisation. There are distinct forms, each with different potential outcomes for both the welfare state and the service-dependent populations. The lesson from our analysis is that the different forms must be assessed independently.

What are the implications of privatisation for the service-dependent populations? The groups that constitute the service-dependent are many and varied. Single parents, the chronically and short-term ill, physically and mentally handicapped, the very young and the aged, and the unemployed are all dependent on the provision of some form of social service. Their inability to participate in the wage labour force is the most crucial determinant of this dependency status. We need now to consider the implications of the differing forms of privatised service delivery for these people.

It is clear that for-profit services will exclude those groups unable to pay the fees required to obtain the service (unless some form of subsidisation is made available). In this sense, commercial privatisation is not

likely to improve the lot of the majority of the service-dependent, even on a day-to-day basis. When the state contracts for the purchase of such services (and thus subsidises the delivery of these services to consumers who may otherwise have been excluded) it is at the same time subsidising the accumulation process. The plight of those dependent on welfare services is accepted as given; the possibility that their service-dependent status may be the product of the accumulation process is not questioned by the form of the welfare policies (state subsidy of commodified services). This means that the existence of social services which require the ability to pay, or that require state subsidies to overcome the inability to pay, continues the dependent status of these groups. The clients are dependent on the state either for the cash to pay for the service or for a subsidised state form of delivery. For example, even though individuals living in extreme financial hardship may not pay for a particular service (e.g., prescription glasses) the state will pay the manufacturer of this product. Thus, the commercial sector can be instrumental to the provision of needed social services.

What of the non-profit organisations (voluntary and co-operative) which offer decommodified services? They can be a major help to the day-to-day existence of the

service-dependent (apart from any "cure" they may be able to affect). This is because they help to overcome some of the difficulties associated with limited financial resources. Co-operative organisations, ideally, promote "consumer control" of service provision. They therefore have the potential to decrease the dependency of their members on the welfare state. Also, by virtue of the decommodified form of their product, these agencies need not (directly) promote the accumulation of private capital. In this way they may have longer-term effects of reducing the dependency of service recipients. Non-profit organisations, however, may simultaneously reinforce and undermine the system which brings about their creation. Services may therefore simultaneously increase (through the regulations they create) and reduce (by making services more answerable to the needs of the client) the dependency status of the service-dependent populations.

The domestic sphere is being used increasingly in the process of privatisation. Responsibility for the care of family members is being returned to "nuclear" families or non-family households which may not have the resources of the extended family of the nineteenth century. Returning care to the family often means returning the responsibility to women who have historically "stayed at home" undertaking

unpaid labour. An ideology that women are "natural caregivers" has also arisen. Welfare state policies, it was argued in chapter two, have been instrumental in promoting familial dependence. The family as service-provider is an example of a decommodified form of service delivery. But, if the family must call on outside resources, it may have to enter a commodified exchange relationship with, for instance, a commercial homemaker agency. It seems likely that privatisation will only reinforce this familial dependence rather than challenge it. Households will either provide care directly because private alternatives are too costly, or they will be called upon to pay the fees charged by the private care-giver.

In short, privatisation is likely to affect substantially the material circumstances in which the service-dependent live. Commercial service provision may increase the financial hardship of people already living at, or near, poverty levels. At the same time, these services may provide assistance in overcoming a disability. The voluntary and co-operative sectors may provide more services than a "purely" state welfare system and so may make services more accessible. Home-based care may simultaneously provide more comfortable surroundings for an invalid and place added stress on the resources of the

family.

3.4 PRIVATISATION AND THE LOCAL LEVEL WELFARE STATE

confined our analyses of restructuring to service sectors, we would gain only a partial view of the effects of restructuring. It is a mistake to think of impacts not simply on one sector in isolation but on the whole. Within the confines of one geographic area it is possible to observe the cumulative impacts of restructuring of many sectors. It has long been recognised that the accumulation of restructuring processes, both public and state activities, has widespread and significant implications for the political economies of local

analyses of localities must necessarily embrace the long-term relationship that exists between relatively stable structural forces and the shorter-term actions of

This implies that economic, social and political histories are both time- and place- specific: that is, in that relationships between and within social agents develop at different temporal rates; and that they unfold in recognisable and distinct different scales of operation.

It further implies that there is a reciprocal

relationship between social process and spatial forms. This is a reflexive interaction that can occur in many ways. Most simply, social relations are constituted through space (e.g., the organisation of production is dependent upon environmental resources); constrained by space (there is an inertia associated with obsolete built environments); or mediated through space (e.g. certain ideologies develop within spatially-confined regions) (Dear and Laws, 1986b).

Local states represent the historical manifestations of the state in particular places. The scale of these places can vary but in this thesis I am interested in the urban scale. It is within the spatial limits of a city that most service-dependent groups find the agencies of the state apparatus with which they must deal. It is at the local level that the actions of these groups can most likely influence policy implementation and interpretation. So, as people encounter difficulties in their everyday life (e.g. unemployment, inadequate housing, and poor health) they look to the local state for assistance.

Local states are not coherent, homogeneous apparatus of the "central" state. The term "local state" refers to the specific manifestation of the state in some place. It can therefore include offices of central, regional and local governments, as well as other institutional (e.g., the

police and the military) and non-institutional (e.g., transfer payments, legislation) forms of the state. That is, the local state is more than local government. Further, it is not simply defined by proximity. The presence of an army base, for example, does not necessarily constitute an arm of the local state; but the presence of the armed forces to control some civil disruption in a particular place can be seen as part of the local state apparatus. The "local" dimension therefore refers not so much to proximity, as to the relationship between the particular state apparatus and the locality.

This perspective easily accommodates the structure and agency dimensions to the creation of the state. For example, a single-sector town in Canada may experience extreme economic problems as a result of the current recession (a structural force). Both business people and workers may therefore request assistance, in the form of loans and transfer payments, from Ottawa (the actions of human agents). This creates a new form of the local state, even though it is the federal level of government that is intervening.

It follows from this discussion that the creation of local states is a function of the intersection of contingent events and social structures. The fundamental question is

how local conditions affect the development of the form and function of the capitalist state. That is, any local state cannot be defined a priori but must be defined historically in terms of people's actions and the state's response in particular geographical circumstances.

Now, what is the relationship between privatisation and the development of the local level welfare state? Consider some examples of community-based organisations deciding to establish their own service network. An entrepreneur may note an increase in the elderly population and judge that a nursing home may be a profitable activity. A group of women identify a need for a shelter for abused women. A citizens' group, unhappy with the bureaucratic state employment service, decides to provide an alternative counselling service. Each of these is an example of a locally-based initiative for the provision of a needed welfare service. But how are these initiatives translated into practice?

The entrepreneur, the womens' collective and the citizens' group will make demands upon the state if they are to bring their ideas to fruition. To open a nursing home requires that certain requirements are met in order to gain a license necessary for the operation of the home. The non-profit groups will more than likely demand funds from the

state in order to begin their operations. The identification of a need (such as the shelter for abused women) may also result in the passing of some legislation which will in some way meet this need. Demands for "private" service networks can therefore actually mark an extension of the welfare state into localities and sectors in which it was previously absent. This includes efforts by the private sector to enter into areas of service provision already controlled by the state. For example, voluntary organisations now administer, on a contractual basis, some of the programme extensions under the direction of Ontario's Ministry of Correctional Services. This means that the Ministry now has some element of control over the activities of the voluntary sector.

Not all attempts at privatisation mark an extension of the state and its activities. For example, if deregulation were a policy of the state and/or local groups were able to finance independently (and continuously) their activities, then there may be some contraction of the state. This would resemble the "welfare state" of the early nineteenth century when families, philanthropists and churches provided welfare services but as noted earlier, the emergence of a shadow state apparatus may in fact mark a new pattern of social relations. Also, if community groups were

able to obtain access to state resources and use them for activities which encourage the development of non-capitalist (decommodified) forms of service, the local state may take on a form which changes dominant social relations. The recent history of socialist local governments in Britain illustrates this point.

The forms that the local state takes are products of limits imposed by the capitalist mode of production and of the contingent actions of people living in a particular locality. Privatisation, as a policy response to pressures applied to the state can modify, and be modified by, local conditions. It was noted (in section 3.2) that the welfare state has historically promoted decommodified forms of social service delivery. Contemporary privatisation has the potential to produce contradictory outcomes: commodified or decommodified forms of service provision; the extension of people's involvement in controlling this provision; or, at the same time, the extension of the state's involvement. Depending on local conditions, then the outcomes of policies which promote privatisation can vary significantly.

What are the implications of this for localities? We must recall that these changes are occurring within a wide-ranging restructuring of the welfare state. Recent headlines regarding the growing population of homeless

persons suggest that, within North American cities, something is happening to the "social safety net". The simultaneous growth in foodbanks likewise points to the negative consequences of restructuring. The list of examples can be extended: the growing number of people in receipt of welfare payments; the decline in real terms of these welfare benefits; the spread of hunger into the suburbs, etc. But restructuring is not by definition a negative process. People's reactions to state policies can be creative and positive, just as state policies may offer a form of restructuring which benefits service-dependent groups. Assessing local outcomes is the task of empirical analysis of particular historical cases.

Of course, since events are observed in local places, one important question that needs to be addressed is "How is locality defined?". It is important that a priori definitions of a local area are avoided, since their purpose may not have relevance to a particular research topic. For example, local government boundaries may not be pertinent to some discussion of the inadequacy of income maintenance programmes. Localities must be defined on an issue-specific basis. A locality is a place in which social interactions around some problem occur (Giddens, 1985). Since social

processes tend to operate at different scales, different definitions of locality will be necessary according to the specific needs of the analyst. In our case, we shall need to focus on two distinctly different scales. First, Ontario - because social policy is written at the provincial level; second, the "urban" scale. There are two approaches to examining events at this urban scale. First, we can examine the cumulative impacts of restructuring for a locality. Toronto was identified as a city where the data base was extensive enough to examine the aggregate outcomes of restructuring. Second, we can concentrate on one sector within one place so that we can understand the processes at work within a locality. For this reason, it is useful to identify a relatively "simple" urban system where it is possible to define clearly the links that are operating within that system. For this purpose, the growth of residential care facilities in Hamilton was selected as a case.

3.5 IMPLICATIONS FOR ANALYSIS

The object of empirical analysis is to offer some theoretically-informed explanation of the events that we observe. I have provided a theoretical framework that outlines the most general forces at work and it might be

expected that these same forces will operate in a variety of situations. At the most abstract level the theoretical framework suggests that state policy is the outcome of the interaction between structures (e.g. an economic recession, a fiscal crisis for the state) and agents (service-dependent people and their advocates, professionals, business interests). Further, the theory highlights the importance of locality in determining the specific ways in which context and process will lead to particular outcomes. Empirical analysis must therefore examine the ways in which broad forces of change (context and process) are modified in local situations to produce unique outcomes.

Generalisations should only be made at the most abstract of levels. That is, the "generalisability" of this thesis should be assessed in terms of its theoretical framework and its empirical procedures. This is because localities are, by definition, unique; moreover, the concern of this thesis is exactly with the importance of local conditions in constituting and modifying broad underlying forces. In terms of methodology, this concern provides the basic justification for adopting a case-study approach in this thesis.

Case-studies afford the opportunity to explore in detail both the historical and structural context in which a

situation develops as well as the more immediate determinants of that situation. If we took an alternate route which, for instance, identified only those general conditions which produced common outcomes in a variety of times and places, we would be unable to draw any conclusions about either the importance of locality or the interaction of locality and context. In some senses the case study approach is a return to the ideographic tradition in human geography which, according to Yeates and Garner (1980:6) had been rejected in recent geographical analyses because "In a positivist geography... uniqueness is illogical because it does not permit explanation or the prediction of phenomena....". This thesis makes no attempt at prediction; this view of the role of science, in any case, is being increasingly questioned in the social sciences (Sayer, 1984; Chouinard et al., 1984). However, the uniqueness of a locality (e.g. the particular configuration of the built environment, the ethnic composition, the nature of class conflict, or the industrial mix) can be an important determinant of geographically-diverse outcomes. That is, the nature of a local area is of primary significance to an explanation of events we observe in that place. The case study method, rejected by the positivist tradition (for different reasons), is therefore a rich and valuable method

of capturing the detail that is needed to explain the importance of local places.

There are further advantages to the case study approach. It allows an investigation at different "levels of analysis" using multiple theoretical approaches. Specifically, it encourages incorporation of the highest levels of abstraction with the most immediate levels of human activity, through the structure-agency framework. Moreover, it thus allows diverse theoretical insights to be woven into the explanation of the evolution of localities. Such multi-dimensional analysis runs the risk of accusations of eclecticism, but an extended sequence of explanation can be derived by asking questions of both the more fundamental social forces operating in a place and the everyday practices that are likely to determine the historical manifestation of those forces.

It is possible to proceed with two different emphases once a case study approach has been selected. First, the particulars of the case can be interrogated on the basis of those dimensions deemed important in several theories. Second, a number of different case studies can be used to accumulate information using systematic categories in the hope that "general" trends will emerge (Seley, 1983). In practice, both approaches could be used in complementary

ways. However, this second approach is rejected here because it is not possible to accumulate a representative number of cases. Instead the a priori dimensions identified in the theoretical framework outlined above will be used to examine three case studies which concentrate on context, locale and process.

In order to understand fully the process of privatisation (as it is manifest in a particular locality and how it affects the service-dependent groups in those places) empirical case-studies should focus on three areas. First, the historical context, taking into account both time and space in which privatisation is occurring, should be established. Second, we will consider how this policy response is manifest as a cumulative set of sectoral changes in one locality. Third, it is necessary to trace how the process of privatisation evolved in a selected sector in one place.

The following chapters report three case studies in detail. They represent a "nested" study of one region (the province of Ontario), which focusses in increasing detail on different aspects of the privatisation process. Chapter four reports the findings of an historical investigation of the development of Ontario's welfare state. This provides the context for the issues reported in chapters five and

six. In chapter five, the cumulative outcomes of the restructuring in several sectors of the welfare state in one place are examined. Toronto has been selected, largely because of the availability of large amounts of data that allow some assessment of the aggregate implications of social policy in one place. Chapter six presents the findings of a sectoral analysis of the privatisation of residential care facilities in Hamilton, Ontario.

These case studies detail the consequences of changing social policy for places of different scales, namely the province and local urban areas. They also represent an hierarchical analysis consistent with the earlier theoretical and methodological observations: the historical context, the spatial outcomes, and sectoral processes within the time-space matrix.

In pursuit of these empirical objectives, this thesis uses information collected from a diverse series of sources. For the most part the analysis is historical. Data were collected from primary and secondary sources, including published and unpublished government documents, newspaper files, and already-published histories. Rather than attempting to provide a totally original data set, the chapters provide an original synthesis and analysis of material which was hitherto fragmented and uncollected.

Another important source of information was a series of unstructured interviews. People who have been closely associated with the development and implementation of local policy were a valuable source of information of policy initiation and practice. The interviews were unstructured in the sense that no formal schedule was used. Instead, a set of general questions was asked of the respondents. These interviews were used to investigate a number of areas of concern including (1) the evolution of Hamilton's lodging home industry; (2) the consequences of deinstitutionalisation for Hamilton and its service-dependent populations; (3) the need for co-ordination of both the development of residential care facilities and the persons placed in these; (4) the growth of services to help maintain people in their own homes; (5) the rise of foodbanks in Toronto; (6) the privatisation of social services in Toronto; and (7) the problems of providing shelter for Toronto's poor and transient populations. A list of the names and positions of those interviewed is found in Appendix A.

The unstructured format allowed the freedom to explore other areas that emerged as important as the interview proceeded. Interviews lasted between one and a half and two and a half hours. In almost every case

respondents suggested the names of other people who could be useful. If such names were not suggested I sought the names of other key informants. In this way a core group of people was identified. In several cases the respondents were able to provide access to unpublished documents, such as computer records and internal reports. Such information was used to substantiate the information collected during the interviews.

A third method of collecting information was by observing a 1984 hearing of the Ontario Municipal Board. The hearing adjudicated a dispute over local by-laws which restricted the location of group homes in Metropolitan Toronto. Much of the evidence presented at this hearing was made available by the provincial Secretariat for Social Development. This allowed an analysis of how the local state deals with a problem (the location of group homes) which is the direct outcome of a change in provincial social policy (deinstitutionalisation). This evidence was supplemented by interviews with key informants.

A final data source was a mail-back survey, used to investigate the voluntary sectors' role in the provision of residential care facilities in Hamilton. A copy of the survey can be found in Appendix B. A response rate of approximately 66% was achieved. While this is a relatively

high response rate for a mail-back survey it elicited only 16 responses so the sample is small in absolute terms.

CHAPTER FOUR

THE TIME-SPACE CONTEXT OF RESTRUCTURING: THE RISE (AND FALL?) OF ONTARIO'S WELFARE STATE

4.1 INTRODUCTION

North American cities have historically played a critical role in the lives of displaced persons. The early work of the Chicago School sociologists identified the inner city as a zone of transition, an area that accommodated people unable to find their place in "suburban" residential locations. The "displaced" of the inner city continue to exist. They are not just poor immigrants who use the inner city as a transition point until more permanent accommodation is found. Today it is the service-dependent populations (the poor, the elderly, the developmentally and physically handicapped) which congregate in the inner city. And it is not a temporary, transitional point of accommodation. Often this is a longer-term "solution" to their problems of accommodation and access to services. The "zone of transition" of the 1920s has come to be the "zone of dependence" of the 1980s (Dear and Wolch, 1987).

This urban manifestation of social problems has evolved in Ontario over the last century and a half because of (a) the reciprocal relationships that operate between

state social policies and urban places, and (b) the uneven development, within the city, of the welfare state. But such small-scale phenomenon are the local products of processes occurring at a greater scale. That is, the emergence of these inner-city concentrations of service-dependent people and the services on which they rely is a product of the evolution of the welfare state, the processes of industrialisation and urbanisation, and the changing internal structure of the city. The objective of this chapter is to explore this broader time-space context by focussing on the history of Ontario's welfare state. That is, how have the processes that have changed the welfare state impacted upon urban areas? And how does the spatial manifestation of urbanisation inhibit or promote the development of the welfare state in local areas?

To answer these questions, the chapter first outlines a periodisation of the development of the welfare state in Ontario (section 4.2). These periods are used as the basis for organising the remainder of this chapter. Section 4.3 discusses the early origins of the welfare state in Ontario. The rapid expansion and institutionalisation of welfare in the decades which followed the depression of the nineteen-thirties are examined in section 4.4. This dilation was not destined to continue unchecked, and section 4.5 examines the

restructuring which has taken place since the onset of the current recession in the early seventies. A summary is presented in section 4.6.

Two fundamental points permeate this history. First, it is difficult to sustain an argument that privatisation necessarily implies an erosion of, or an attack upon, the welfare state. It is difficult to conceptualise advanced capitalism without the welfare state (Gough, 1979; Offe, 1984). Rather, we will see that while some forms of the welfare state may become obsolete, other new forms will emerge to replace them. Hence, I wish to challenge conventional wisdom "that the trends in social service delivery that seem to be emerging relate to the dismantling of the welfare state" (Ismael, 1984:10). While this may be the case, such a prediction is based on, in Ismael's own words, a rather ad hoc collection of evidence. I shall argue that the Canadian experience is hardly suggestive of the demise of the welfare state. The discussion in chapter three suggests that we might hypothesise, in fact, that current patterns of restructuring are resulting in the expansion of the welfare state via the development of a shadow state apparatus.

There is one other fundamental argument which I should like to anticipate in these introductory remarks.

Arguments which claim that the welfare state is currently under attack imply that previously it was not. This is certainly not the case. The welfare state has always been resisted by the capitalist class because welfare represents concessions to the working class. Moreover, certain forms of welfare are resisted by the working class. For example, one union in Ontario fought deinstitutionalisation on the grounds that it was an attempt to prune the labour force (OPSEU, 1983). So, the current "attack" may be more draconian but it is nonetheless just one more historical instance of the ongoing conflict between capital and labour, and within these classes.

4.2 THE EVOLUTION OF ONTARIO'S WELFARE STATE

There have been several contributions to the periodisation of the history of the welfare state. Gilbert (1983) has outlined the development of the welfare state in the United States. The period prior to 1929 is described as an era of industry-sponsored welfare. This involved "industry's attending to the social needs of workers through an assortment of medical and funeral benefits, as well as provisions for recreational, educational, housing, and social services". The motivation behind this lay in the

belief that "'business could do well by doing good'". Industry jettisoned the responsibility for welfare provision as it ate into declining profits during the Great Depression. A second period, characterised by the growth of welfare bureaucracies, emerged as the New Deal marked the onset of the modern welfare state. The most recent phase in the development of the United States' welfare system is dominated by the view that the welfare state is "an untapped market (with profit-making potential) which is ready for conversion to capitalist doctrine" (Gilbert, 1983: 3-6).

Such an extended periodisation is lacking in the literature on the evolution of Ontario's welfare state. Guest (1980) provides a history of the Canadian welfare state. His treatment focusses on the dominant characteristics of each decade in the twentieth century. Splane (1965) focusses on the origins of Ontario's welfare state in the nineteenth century. He bases his periodisation on the political infrastructure of the time, and therefore looks at the pre- and post-union periods up until 1893. Clearly, such a history needs to be complemented by studies of the twentieth-century development of the welfare state. The evolution of Ontario's welfare state in the years from the end of the second world war until the early seventies is traced by Lang (1974). According to Lang, the welfare state

in the nineteen-forties was primarily concerned with regulation of the private agencies which were largely responsible for the provision of welfare activities; capital expansion characterised the nineteen-fifties; and it was during the 1960's that Ontario emerged as a "service state" in which the government was responsible for service delivery.

Lang's history is a useful introduction to some major trends within the Ontario welfare state. However, it ignores the roots of the post-war welfare state, and because it was published in the early seventies it cannot be expected to account for the changes that have occurred since then. For these reasons it is useful to consider a new periodisation which considers both the early and recent histories of welfare in Ontario. Figures 4.1, 4.2 and 4.3 provide indicators of the evolution of Ontario's welfare state. Figure 4.1 shows that total welfare state expenditures (defined as provincial expenditures on health, education, labour, unemployment relief (when this was a provincial responsibility), welfare, post-secondary education, corrections and the provincial secretariat) began to grow after the Second World War, and increased rapidly through the nineteen-sixties and early seventies. There was some decline in expenditures after 1975 but the graph shows

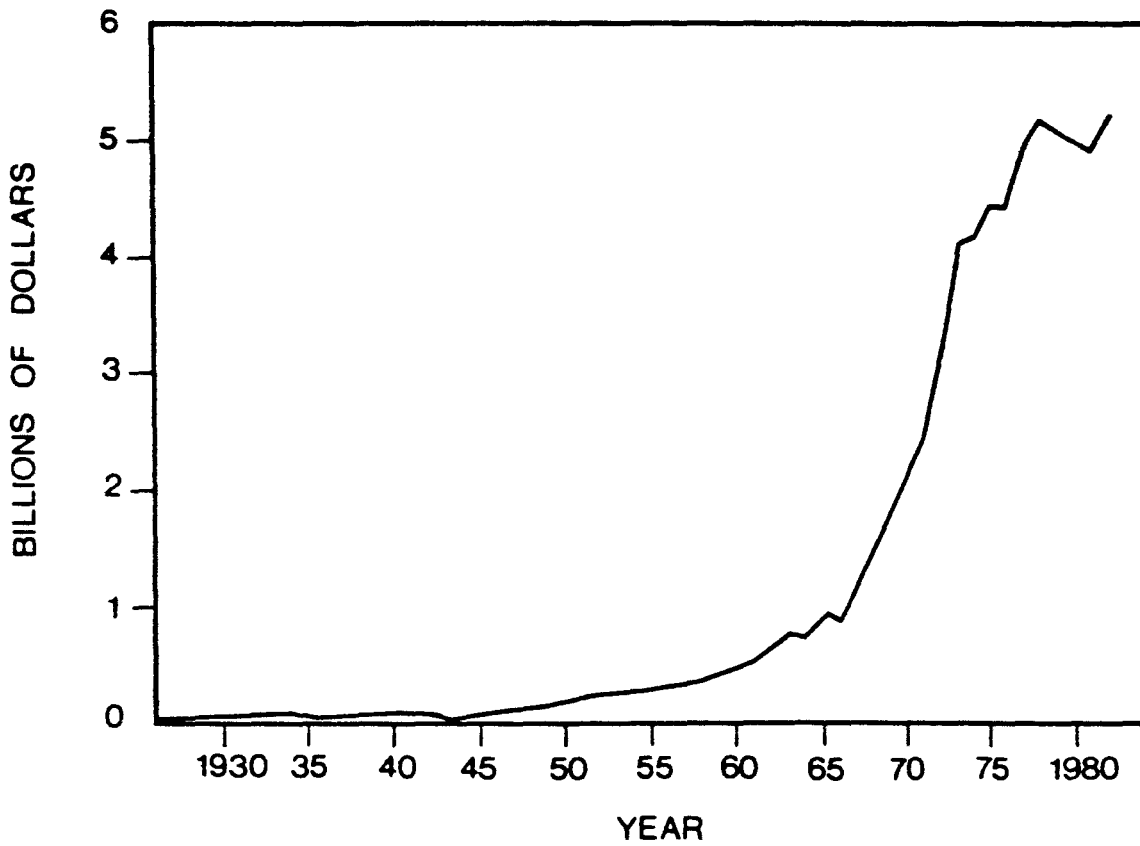


Figure 4.1 Total Welfare State Expenditure(\$ 1971) Ontario, 1926-1983.

Source: Public Accounts of Ontario, various years

some recovery in the last year for which data are available. A similar trend is seen in per capita welfare expenditures (Fig. 4.2). These general trends support those arguments that suggest the welfare state is a post-war phenomenon (Lang, 1974).

Figure 4.3, however, suggests that the welfare state in Ontario had begun to develop prior to the Second World War. The graph shows that as a proportion of total provincial government expenditures, social expenditures were already rising during the nineteen thirties. This is reasonable given the consequences of the Great Depression and the resultant demands for various forms of social assistance. There was a decline in the proportional share of welfare expenditures during the war years as resources were shifted to other sectors. Since the close of the war there has been a gradual, although not continuous, expansion in the share of the provincial budget that is allocated to the welfare sector. This increase continued until about 1975 when the Province introduced a series of restraint programmes. Since then there has been a decline.

It seems reasonable, on the basis of this evidence to identify initially three broad periods in the development of the welfare state in Ontario:

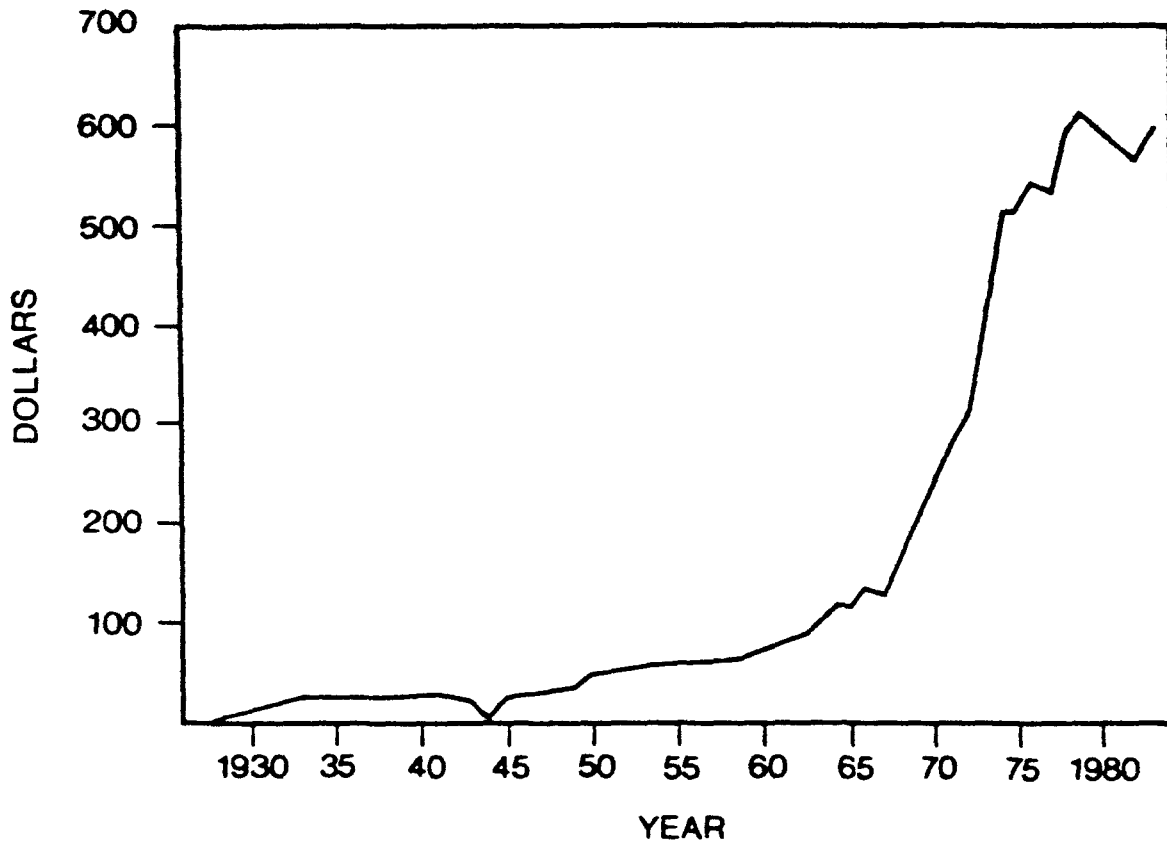


Figure 4.2 Per capita Welfare Expenditure, Ontario 1926-1983, in 1971 Dollars.

Source: Public Accounts of Ontario, various years



Figure 4.3 Welfare State Expenditure as a Percentage of Total Provincial Spending, Ontario 1926-1983.

Source: Public Accounts of Ontario, various years

(a) The "pre-welfare state" period, from 1800 to 1930, dominated by the private sector;

(b) The rise of the welfare state, 1930-1975, when the provincial level of government accepted greater responsibility for welfare services; and

(c) a period of retrenchment in the welfare state, since 1975, characterised by a decline in the proportion of provincial funds which is allocated to welfare services.

4.3 THE PRE-WELFARE STATE ERA, 1800-1930

4.3.1 Welfare in Pre-Industrial Ontario

Prior to the mid-nineteenth century, Ontario was dominated by an agrarian society organised around family farming units. Fundamental to the economy of this period was the production of wheat, particularly for export across the Atlantic. Earlier decades had been dominated by other staples such as fur and lumber and by such conglomerates as the Hudson's Bay Company (Harris and Warkentin, 1974; Pentland, 1981 edn.; Cross and Kealey, 1982). The domination of the economy by agriculture meant that settlement was largely in the form of small rural communities which did not confront, until much later, the problems associated with industrialisation and urbanisation. Problems were seen not as social in origin,

but rather as the responsibility of individuals and their families. Formal, publically-provided social services were non-existent.

Legislation of 1791 created the two provinces of Upper and Lower Canada. The following year Upper Canada (Ontario) passed its first major "welfare" legislation, and this rejected the British Poor Laws model for assisting the province's needy. By not accepting responsibility for welfare (as was implied in the Poor Laws), the provincial state reinforced the perception of welfare as an individual, private concern. As a consequence, the provision of welfare services, where and when it occurred, was focussed in urban localities as private philanthropists, churches, and families sought to deal with immediate problems (such as the seasonal problems of unemployment associated with the severe climate (Finguard, 1974)). Included in the legislation was provision for the "nomination and appointment of parish and town officers" and another act which called for the establishment of "a gaol and courthouse in every district within the province" (Strong, 1930:23-24). Herein lay the early foundations of Ontario's municipal organisation and the institutional approach to welfare which was to develop more than a century later.

The assumption of responsibility for welfare services

by the state was slow to develop but through the first half of the nineteenth century more and more legislation was introduced. Between 1824 and 1840, the province's population more than doubled and the influx of poor Irish immigrants during the 1830s accentuated the growing problems of poverty, crime and health (Russell,1983). The social policy legislation passed in these early decades was often predicated upon an institutional model. The earlier 1792 legislation pertaining to local gaols had been as much concerned with providing a holding facility as with offering a place of rehabilitation (Oliver,1984). Often the poor and the insane had been placed in these gaols because of the lack of any alternative. Legislation proclaimed during the 1830s sought to correct this. In 1830, the Home District was authorised "to provide for the relief of insane and destitute persons in that district" (Strong, 1930:24); and in 1837 provision was made for the building of houses of industry in each of the Province's local districts, although the relevant Act was never implemented (Splane, 1965). In 1839 legislation was passed to establish a provincial asylum for the insane.

Provincial intervention in welfare was becoming more formalised not by directly providing services, but by subsidising private activities. Of this early period Guest

(1980:13) writes

the relative absence of public services during this period acted as a stimulus for voluntary activity, and as charity organisations established their programmes they found it necessary to seek government grants to assist them in meeting pressing needs uncovered by their activities....

Grants to charitable agencies began in the 1830s with York Hospital, the Female Benevolent Society of Canada and the General Hospital of Toronto being among the first recipients. Grants for non-institutional relief of distress were also initiated during this decade (Splane, 1965:76; Strong, 1930:25-29). A mixed economy of welfare had already been established by the 1840s. In Ontario there was

a dual system of social services in Ontario- one set of institutions operated by local or provincial government authorities, and another by church or secular auspices, usually with a subsidy from the public purse (Bellamy, 1983:31).

4.3.2 Industrialisation, Urbanisation and the Growth of Institutional Care

By the 1850s Ontario was at the heart of Canada's industrialisation. Several writers who are critical of the emphasis given to the "staples" theory of Canadian history have pointed out that by the middle of the nineteenth

century industrial capitalism was well established in Ontario (Kealey, 1982; Pentland, 1981 edn.). The dismantling of British imperialism and the consequent decline of the guaranteed markets across the Atlantic led the emerging industrialists to domestic and the United States markets. Business interests argued strongly for protective tariffs and for Confederation in order to secure markets for their manufactured goods. Concomitant with the emergence of a class of industrial capitalists was the emergence of a working class and the rise of organised labour (Kealey and Palmer, 1981; Langdon, 1975; Pentland, 1981 edn.; Palmer, 1982). Urbanisation accompanied industrialisation, bringing with it problems of housing, sanitation and public health. The latter half of the nineteenth century was marked by increasing state intervention for economic as well as social welfare purposes as the effects of recessions in both the 1850s and 1870s were felt.

Throughout the latter part of the nineteenth century, the state's reluctance to intervene in matters of social welfare continued. The 1857 Inspections Act required institutions which were in receipt of government grants to conform to certain state regulations. This form of state intervention was further formalised in 1874 with the passing

of the Charity Aid Act which provided for grants to private charities, conditional on their meeting state-imposed regulations. By way of its regulatory function, the state was increasing its activity in the field of social service provision. This theme of state participation by regulation is repeated throughout the history of Ontario's welfare state.

During this second half of the nineteenth century there was a marked increase in institutional-based delivery of welfare services, illustrated by the expansion of hospitals, asylums and orphanages (Table 4.1). Institutional care in the pre-confederation era was often a "last resort" form of care, associated with the "treatment" of individuals who were perceived as unable to look after themselves. For the most part, these new institutions tended to be on the periphery of the newly-developing urban centres. For example, in Toronto, the asylum, the General Hospital and the House of Providence were all located on the outskirts of the city. Similarly, in Hamilton the asylum and the Sanatorium were located on the mountain brow, beyond the major areas of population settlement. But it was not long before these locations were to be absorbed by the growth of the nearby cities. Previously they had served as regional centres drawing upon a relatively large catchment

TABLE 4.1

PROVINCIAL EXPENDITURES ON SOCIAL WELFARE
ONTARIO, 1868-1893.

ITEM	1868	1878	1888	1893
Office of the Inspector	1,181	8,068	10,739	15,641
Mental Institutions	177,585	457,045	679,940	743,020
Goals, prisons, reformatories	66,992	174,499	224,793	218,109
Grants to private Institutions	39,000	70,673	113,686	164,896
Deaf and Blind Institutions	---	103,073	86,130	99,901
Assistance to indigents	---	8,791	660	190
Grants to Indust- rial Schools	---	---	1,000	6,500
Grant to Prisoner's Aid Assocn	---	---	1,000	1,000
Measures for Public Health	---	---	7,252	10,700
Factory Inspections	---	---	4,245	4,275
Protection of Children	---	---	---	960
TOTAL	284,758	822,149	1,129,445	1,265,192

Source: Splane, 1965:table XVI

area. As the surrounding cities grew however, the hospitals began to serve the more immediate locality to a greater extent (Dear and Wolch, 1987).

In the closing decades of the century however, there was some questioning of the institutional model. Wallace (1950:387) notes that some contemporary observers

began to reveal a growing doubt as to whether the poor were, after all, the chief architects of their own poverty, and showed uneasiness at the building of large institutions, named after the most lavish contributors, to house people who needed care, while providing no preventive measures whereby the old, the sick and the poor could live without begging.

This recognition that the problems experienced by some people may not be the fault of the individual was not widespread, but it was important and growing. Industrialisation was steadily eroding the self-sufficiency of family-based farming communities and there was an increasing questioning of society's responsibility for the care of individuals who were suffering the consequences of industrialisation and urbanisation. One result of these related processes was an urban-based demand for social services as more and more problems became apparent in the emerging cities. Consequently there developed an urban-

based response, initially expressed by the urban reform movements which were developing in large cities across North America. "Urban reform" is a title used to describe a seemingly disparate collection of people who sought to alleviate a variety of problems. In Ontario, for instance, J.J. Kelso was concerned with the well-being of children, and Thomas Adams was concerned with town planning. In Montreal, Herbert Ames focussed on the conditions of the working class poor. Others endeavoured to reform local government, to create the "city beautiful", and to overcome the problems of vagrancy, alcoholism, crime and vice. The common denominator shared by reformers and the groups they represented was their concern with the deteriorating conditions of the growing metropolitan areas (Allen, 1973; Weaver, 1983; Careless, 1984; Lemon, 1985).

The growth of the industrial sector had resulted in a shift in the locus of population from small rural communities to the rapidly expanding cities. At the same time, the port cities along the Great Lakes were the receiving points for the continuous influx of international migrants. The social, political and physical infrastructures of the developing urban centres were not able to keep pace with the population growth. Public health was a particularly visible and growing problem, and from the

1880s provincial money was allocated to programmes concerned with public health (Table 4.1). In 1891, A. H. Sinclair wrote

Accompanying the increasing importance of cities, partially the cause, but more largely the result of that development, is the attempt to protect their inhabitants from the manifest evils shewn [sic] in some of the existing cities of the Old World to be the result of crowding a large population into a small area. The latest discoveries of physical science have been called into service; and it has been found that cleanliness is a necessary precaution against the epidemics that attend filth and squalor of Eastern plague-swept cities... (Sinclair, 1891).

One member of the Toronto Methodist community, who addressed a meeting of the Social Service Congress in Ottawa in 1914 warned:

The slum is the city at its worst. It represents the sphere of congested housing, the lurking place of disease and impaired health, the hiding place of crime, the haunt of immorality, the home of poverty, the habitation of drinking and drunkards, and because of its lesser rentals, the colony of the foreigner in our midst. Most of these influences are at once causes and results of the slum. The most luxurious parts of our city, its most spacious palaces, would become slums, were the above conditions introduced. Keep such qualities out of our poorest sections and they will never become slums (Dean, 1914).

Often the reformers of this period were cynical about the operation of municipal government and so actively promoted the virtues of the voluntary sector (Guest, 1980). Christian reform groups such as the YWCA and YMCA flourished during this period. These voluntary efforts were successful in lobbying the Ontario legislature to create new forms of the state. One example is the passing of An Act for the Protection and Reformation of Neglected Children in 1888 which can be largely attributed to the actions of the Toronto Humane Society which had been established in 1887. The Act was responsible for the opening of voluntarily-operated Children's Aid Societies regulated by the province. But even though the reform movement petitioned for some significant changes, it did little to dismantle the belief that poverty and destitution ultimately originated from the inability of individuals to manage their affairs. Rutherford (1974:xx) reveals the dominant character of the movement:

growing out of the class presumptions of its advocates, reform was designed to reinforce the bourgeois character of the city. Neighbourhood associations were intent upon uprooting such lower class institutions as the pool-room and the saloon and replacing them with community centres and athletic clubs. Welfare policies were devised to install the work ethic....

While the reform movement persisted in focussing attention on the urban basis of social problems, the Province left it to the local municipalities to respond. In 1913, more than half the public money spent on welfare activities in Ontario came from the municipalities, a pattern that was to change significantly after the Great Depression (Table 4.2).

4.3.3 Summary

The time-space fabric of the nineteenth-century welfare structure emerged in response to the changes in demand for welfare services that arose out of the twin processes of industrialisation and urbanisation. The Ontario state was reluctant to become involved, and the federal government had made no attempt to participate in welfare delivery since the British North America Act had given responsibility for social services to the provinces. For the most part, Ontario passed this responsibility onto local municipalities which would deal with problems on a piecemeal basis as each experienced the growth of urban and industrial activities.

Out of this urban-based growth in demand for services grew the urban reform movement which drew attention to the urban-based causes of the many problems which were being identified (including housing, sanitation, and poverty).

TABLE 4.2
PROPORTION OF PUBLIC WELFARE EXPENDITURES
IN ONTARIO PROVIDED BY EACH LEVEL OF
GOVERNMENT, 1913 AND 1940

	1913	1940
Federal	17.4%	36.2%
Provincial	28.7%	41.5%
Municipal	53.9%	22.3%

Source: Cassidy, 1945:9

The early response by the state was to provide financial assistance to, and regulation of, a developing system of institutions in which the psychiatrically disabled, orphaned children and the indigent could find refuge. These were located on the fringes of the towns but quickly became engulfed with the spread of urban areas.

By the early twentieth century, a rudimentary welfare state was in place. It was characterised by private, charitable institutions which were receiving grants from the provincial government. The "welfare state" primarily took the form of a regulatory mechanism. Local municipalities were also involved in the distribution of outdoor relief and the operation of local gaols which often housed the poor and insane because of the lack of any alternative. This structure remained in place for the first two decades of the twentieth century.

4.4 THE POST-DEPRESSION EXPANSION OF THE WELFARE STATE, 1930-1975

4.4.1 The Great Depression and the Birth of the Modern Welfare State

Until the onset of the Great Depression there was little change in the definition of social problems. This is not to deny the continued efforts to bring about needed

changes. The trade union movement, for instance, had been active in the early decades of the twentieth century in pressing for public pensions (Knowles, 1985); and the passing of a workers' compensation act in Ontario in 1914 represented another step toward a change in attitude toward social assistance (Piva, 1975). But the growth of a formal welfare state apparatus had to await the shock of the 1930s. The Great Depression of that decade marked the beginning of a new phase in the evolution of the welfare state in Ontario (as elsewhere). From the 1930s until the mid-seventies, there was a progressive expansion of state intervention in welfare provision. This expansion was most rapid after the Second World War. Public expenditures, in general, have increased significantly and the social services have accounted for a large proportion of this increase.

Between the First and Second World Wars there was a marked shift in the pattern of funding for welfare services, with the municipalities becoming subordinated to the senior levels of government (Table 4.2). During the nineteen-thirties, welfare-related expenditures increased as a proportion of total provincial expenditures (Fig. 4.3). Growth in the social service sector during the post-depression decades took two major forms: (1) an extension of what was already a significant state apparatus,

comprising state regulation, some state funding for contracted agencies, and direct service delivery; and (2) the development of new policies and programmes aimed at dealing with the problems of depression, war, and later demands to share the prosperity of the post-war economic boom.

Keynesian economics provided a theoretical justification for the increasing general intervention by the state. Yet despite this, and the rising levels of unemployment during the depression years, the provincial state remained reluctant to intervene (Wolfe, 1984). Resistance to state intervention was expressed by private philanthropists (many of whom had been active in the urban reform movement) who believed that a state system would create dependency. The emphasis in public discourse remained largely upon the notion that the source of problems rested with the individual, not in society or the economy. In light of a Royal Commission on Public Welfare which highlighted the problems of the largely unco-ordinated service system that had been operating in Ontario, the provincial government announced, in the fall of 1930, that a Department of Public Welfare would be created. By this time there were provincial departments concerned with health, education and labour relations. Many welfare functions were

also under the administration of the Provincial Secretariat. While the private sector was still an important element in the service system, the announcement of the creation of the Department of Public Welfare marked the beginning of a growing provincial welfare apparatus. The public sector, especially the senior levels of government, was now playing a larger role than the private sector in the provision of relief assistance (Cassidy, 1930).

The focus of state intervention during the thirties was income maintenance. Pensions for war widows, single-parent families, and for people over seventy dominated the province's welfare system. Municipalities were responsible for administering in-kind relief. In 1935 the provincial government recommended a cash relief programme that would operate in conjunction with a public works programme (Child and Family Welfare, 1935). It was also in this year that the federal government announced an unemployment insurance scheme, only to have it challenged by the Province of Ontario on the grounds that the British North America Act had given responsibility for welfare to the provinces, not the federal state. A constitutional amendment allowed the programme to be implemented, at the federal level, in 1940 (Cuneo, 1979).

Guest (1980:93-95) notes the significant changes in

the ideology regarding welfare as a result of the depression. First, there was the recognition that unemployment was not a result of personal inadequacies but rather an outcome of structural changes in the economy. Second, and related to this, unemployment was seen to be a national problem rather than one with local origins. It was therefore legitimate for the federal government to provide assistance for the unemployed. These were significant changes which altered public attitudes toward state intervention and which must (at least partially) be attributed to the protests of organised labour groups, churches, and other agencies concerned with the plight of the poor and disadvantaged. These changed perceptions of welfare carried through the war economy. As two recent commentators observe:

It was not the welfare state, but the warfare state, that finally gave working people the opportunity to even the score for a decade of humiliation. There is nothing like a war to break down old-fashioned opposition to public works expenditures, so money was no object as long as it financed destruction, not construction (Roberts and Bullen, 1984:112).

As well as these shifts in ideology, there was a shift from the local level to the provincial level for much of the administration of the expanding social services.

This was, in part, due to the recognition that local areas were not so much the cause of many problems but rather the places in which manifestations of more widespread processes were observed.

4.4.2 The War and its Aftermath

The Second World War itself heralded a change in orientation for the Department of Public Welfare. The number of dependents on the income-maintenance programmes declined steadily as unemployed males were called upon to fight the war, and as women and the elderly entered the labour force to fill vacancies created as men went to war. Prior to Canada's entry into the war, 9% of the population in Ontario were in receipt of relief payments. By 1942 this figure had fallen below 1% (Williams, 1984:44). But while the war economy imposed some limits, there were also some significant innovations in welfare.

The provision of children's day-care was, without doubt, one of the most important of these. In mid-1942, a federal-provincial arrangement was announced to provide child care which was deemed to be necessary for women to enter the labour force. Public pressure in Ontario resulted in the Province's continuing to provide day-care even after the federal government withdrew its sponsorship in 1946.

The new provincial legislation included licensing and inspection requirements and provided for a 50-50 cost-sharing plan with municipalities (Krashinsky, 1977; Truelove, 1986). Other child-related programmes developed during this period in response to increased calls for adoption and increases in child neglect (Williams, 1984:43).

The full employment which characterised the war economy witnessed a strengthening and expansion of the organised labour movement. However, government maintained a "laissez-faire" stance, claiming that to support collective bargaining would be to impose compulsion in industrial relations (Roberts and Bullen, 1984:113). The state intervened, however, by way of compulsory wage and price controls, and legislation was passed governing the certification of unions.

The late forties marked the beginning of a peace-time boom in the economy. Full employment meant that money previously allocated to income-maintenance programmes could be shifted elsewhere. The growth of the economy translated into a maturing of the welfare system; perhaps somewhat paradoxically, state social programmes flourished when public assistance was not so desperately sought. One indication of the expansion of the state's welfare apparatus at this time is the growth in expenditure and staff of the

Ontario Department of Public Welfare. In 1953, department expenditures amounted to \$27 million with a staff of 403. By 1968/69, staff numbers had tripled to 1302 and expenditures had increased nine-fold to \$242 million (Williams, 1984:70).

4.4.3 The Post-war Boom in Welfare

The post-war expansion of the welfare state had to accommodate to a changing society. Demographically, Ontario was undergoing changes which would, in time, have important consequences for the social service network. At the same time that the over-60 age group began to grow as a proportion of total population, the Province experienced the post-war "baby boom". The dependent age groups were expanding, and there would be in the future an increased demand for schools for children, and services for the elderly. Money was also shifted into low-income housing and hospitals.

Anticipating future demands (created by these changing demographic characteristics and the growing affluence of the Canadian society), the Canadian welfare state, operating at various levels, committed itself to a period of capital expenditures to put in place the infrastructure that would be needed in the future. For

example, in 1948 the federal government introduced the National Health Grants programme. Ontario took advantage of this during the nineteen-fifties to expand the number of hospital beds available in the Province (Lang, 1974; Ministry of Health, 1981/82). The expansion of physical infrastructure continued through the sixties and included the opening of several new universities and community colleges. While there was some decentralisation, the nature of the demand for hospitals and post-secondary education meant that these services were generally located in the urban centres, further concentrating the geographical expression of the welfare state.

Non-institutional forms of welfare also shared in the growth of the economy. A federal insurance scheme had been introduced in 1940 to cover unemployed people who had contributed to the fund while working. The provinces however, were responsible for delivering assistance to the "unemployable". In 1958 The General Welfare Assistance Act was passed in Ontario. It provided short-term financial assistance to the elderly, disabled, blind, and single parents. While municipalities and Indian bands administer the programme, 80% of the funds come from the two senior levels of government.

In 1958, Ontario passed a Homemakers and Visiting

Nurses Services Act. Municipalities were empowered to provide home-based assistance, a necessary element in later attempts to reduce the length of stay in hospitals and to rationalise the use of expensive hospital beds. This was an important and early innovation which clearly had implications for what can be seen as the "domestication" of care. Another significant advance in the late fifties was the implementation of the Ontario Hospital Insurance Plan, a comprehensive state medical insurance scheme which is funded by user premiums and the provincial government. Organised labour had been advocating a government-sponsored health insurance plan for several decades. Strong opposition was expressed by private insurance companies and medical professionals. Although a federal report of the nineteen-sixties recommended a comprehensive state insurance programme, the insurance lobby in Ontario was successful in having private companies accepted as non-profit carriers for the Province's insurance package (Guest, 1980:160-162). It was not until 1972 that this scheme included non-hospital medical expenses but, together with the federal grants which had accelerated the building of new hospitals, this insurance programme marked the move from the almost totally privately-delivered health system of the nineteenth century to a system that was almost completely under the auspices of

the state.

The decade of the nineteen-sixties continued the expansion and consolidation of the welfare state. The Canada Assistance Plan was introduced in 1966 and provided for the federal government to contribute 50% of the monies spent on persons in need. Such cost-sharing arrangements provided a significant impetus to the growth of the welfare state (Lang, 1974; Armitage, 1975; Guest, 1980). Ontario used these funds to expand its non-institutional services in children's day care, services for the elderly and mentally retarded. The money is also used to purchase services (e.g., prescription glasses, clothing, etc.) for recipients of income-maintenance payments.

In summary, from the nineteen-thirties, but particularly after the close of the Second World War, Ontario's welfare state expanded, in terms of both monetary expenditures and programmes. During this period, first the Great Depression, then the Second World War, and finally the post war-economic and demographic boom, caused significant changes to the welfare apparatus of the state. Federal cost-sharing programmes were instrumental in the growth of social expenditures at the provincial level. Not only did more public money find its way into the maturing social services, but there was also more and more legislation

proclaimed to regulate the operations of these services. This legislation not only had an important regulatory function, but it was also responsible for a gradual shift away from the institutionally-based delivery of welfare which had dominated since the late nineteenth century.

4.4.4 Deinstitutionalisation and Privatisation: Recreating the Geography of the Welfare State

During the nineteen-sixties the first early attempts at deinstitutionalisation were initiated. Simultaneously, privatisation became an increasingly important element of the policies of the welfare state. In most cases, legislation that promoted community-based alternatives to the institutional model which had dominated Ontario's welfare state also encouraged the participation of private service-providers. The private sector has entered the field of community-based care via a number of routes. During the sixties and early seventies concern was being expressed by several groups about the environments in which Ontario's dependent groups were being cared for (Roberts, 1963; Zarfas, 1970; Anglin and Braaten, 1978; OAMR, 1972). Both professional and patient advocate groups were calling for a reconsideration of the institutional model of care. The

desirability of a more "humane" treatment setting which would promote the integration of these previously-isolated groups into the community was becoming a dominant theme in the new treatment philosophy. It was argued that the alienation and stigma experienced by inmates of large institutions could be avoided in community settings (Chan and Ericson, 1981). The principle of "normalisation" (Wolfensburger, 1972) was adopted by Ontario's mental retardation professionals and this was soon adopted, and adapted, by various other groups including those working in the areas of children's services, corrections, care for the elderly and for the mentally ill and physically handicapped (Simmons, 1982; Chan and Ericson, 1981).

At the same time, a conservative political climate encouraged the minimising of public expenditures. Deinstitutionalisation promised substantial reductions in costs because of the lower per diem rates that the state would be responsible for in a system that relied on community-based services operated by the private sector (Table 4.3). These data suggest on first examination that it is cheaper to house people in the community. However, it must be recalled that in an institution, a variety of ancillary services are offered. The costs of these support services are taken into account in the institutional per

TABLE 4.3

**COMPARATIVE COSTS OF INSTITUTIONAL
AND COMMUNITY-BASED CARE**

Lodging Home (Hamilton, 1986) ¹	25.00
Home for Special Care ²	
Residential	20.88
Nursing	49.16
Group Home (Hamilton, 1984) ³	45.00
Nursing Home ⁴	49.16
Prison ⁵	60.00
Hamilton Psychiatric Hospital (Dec, 1985) ²	239.13
General Hospital (1984) ⁶	
Chedoke-McMaster	439.40
Provincial Average	289.52

Sources: 1. Hamilton-Wentworth Regional Social Services Department; 2. Hamilton Psychiatric Hospital; 3. Elliott (1985); 4. Ministry of Health; 5. Hamilton Detention Centre; 6. Hospital Statistics (1985)

diem rate. This is not the case in the community-based services, where the ancillary services are provided elsewhere, or not at all. In either case, they usually go unaccounted. It is therefore difficult to make direct comparisons of the costs of institutional and community-based care. The costs of community care have risen, the number of clients served continues to grow, and institutional costs continue to climb.

Heseltine (1983:22) notes that "While the number of psychiatric hospital beds has been reduced, the psychiatric hospitals' budgets has not". This is not a particularly surprising conclusion given the much higher rates of admissions, particularly readmissions, that now characterise the Provinces's mental hospitals (Table 4.4). Total mental health expenditures increased significantly throughout the 1970s. In the early eighties there has been some decline which may be a function of the restraint policies introduced in the face of the recession which hit the province in 1981 (Table 4.5). Deinstitutionalisation may therefore have contributed to the expansion of welfare expenditures, rather than amounting to any significant savings.

The conservative political climate also nurtured another source of pressure for the deinstitutionalisation of certain groups. There was growing pressure to lessen the

TABLE 4.4
ADMISSIONS AND DISCHARGES
ONTARIO PSYCHIATRIC FACILITIES
1960 AND 1976

	Public Mental Hospitals		Public Hospital Psychiatric Units	
	1960	1976	1960	1976
First Admissions	4575	5433	3041	16670
Readmissions	3664	8886	1396	13332
Total Admissions	8239	14319	4784	31427
Discharges	6426	14319	4386	28920
Deaths	1629	341	19	32
Total Separations	8055	14706	4405	28952
Bed Capacity	15141	5314	431	1946

Source: Heseltine, 1983: Tables 11-1 and 11-2.

TABLE 4.5
TOTAL MENTAL HEALTH EXPENDITURES IN ONTARIO
1970/71 TO 1981/82
(1971 CONSTANT DOLLARS)

Year	Amount \$millions
1970/71	281.6
1978/79	411.2
1980/81	421.1
1981/82	415.7

Source: After Heseltine, 1983: Table III-1

role of government and to promote the role of the private sector. This involved both commercial and non-profit organisations that felt they could more efficiently provide care in smaller facilities. Pressure to alter policies was exerted by groups external to the government; such demands amounted to calls for the privatisation of social services.

These processes of deinstitutionalisation and privatisation gained momentum during the early 1970s (see section 4.5 below). In 1964 the Homes for Special Care Act and the Homes for Retarded Persons Act were passed. These resulted in the transfer of psychiatric inpatients from hospitals to community-based residences, including Nursing Homes and private homes. This was the beginnings of a process of "reprivatisation", a return to the private sector of the responsibility for caring for dependent groups. However, the mentally ill and retarded were not returned to the charitable institutions that had cared for them in the nineteenth and early twentieth centuries. Patients were being placed in commercially-operated homes, the owners of which received a per diem payment from Ontario's Department of Health. These homes received 15,000 patients between 1965 and 1981 (Heseltine, 1983:22-23). The innovations in deinstitutionalisation began in the Ministry of Health during the early nineteen-sixties, but the Ministry of

Community and Social Services was created during the early seventies with an explicit mandate to promote community-based care. It was therefore logical that this ministry should take responsibility for services that were to be delivered to the mentally ill and retarded who had been returned to the community (Simmons, 1982; Williams, 1984). These transfers occurred largely after 1974 with the passage of the Developmental Services Act. Table 4.6 shows the growth in the budget of Community and Social Services as greater emphasis was put on the community-based programmes. There was a noticeable increase in expenditure after the 1966 introduction of the Canada Assistance Plan, and again in 1972 when the Ministry of Community and Family Services was re-organised into the Ministry of Community and Social Services.

Some organisations, such as Nursing Homes, have a long history of involvement in the operation of residential care facilities. The fact that their infrastructure was in place meant that they were prime candidates for government contracts when programmes like the Homes for Special Care were introduced. In this case it was largely commercial operators who benefitted. As more and more community-based programmes were developed, the provincial government increasingly awarded purchase of service contracts to both

TABLE 4.6

EXPENDITURES BY THE DEPARTMENT OF FAMILY SERVICES
AND THE MINISTRY OF COMMUNITY AND SOCIAL SERVICES
1965-1982

Year	Expenditures (1971 millions of dollars)
1965	87.1
1966	103.7
1967	105.7
1968	115.5
1970	133.3
1972	366.2
1974	389.0
1976	613.4
1978	674.7
1980	676.4
1982	727.5

Source: Public Accounts of Ontario, various years.

commercial and voluntary agencies. For example, Ontario's Ministry of Correctional Services awards contracts to the John Howard and Elizabeth Fry Societies and the Salvation Army, each of which has been involved with offenders for many decades. These agencies administer many of the community programmes and residences that the Ministry funds (Davies, 1980). The Ministry of Community and Social Services contracts with the voluntary Children's Aid Societies to provide care and protection for the Province's neglected and abused children. The Ministry of Health contracts with voluntary, and to a lesser extent, commercial agencies for the delivery of nursing and homemaker services under its Homecare programme which has grown rapidly over the last decade (Table 4.7). Such contracts have acted as a stimulus to the growth of the private sector. At the same time, however, the increasing reliance on the government for funds has resulted in some loss of autonomy for these private organisations as they are obliged to meet certain regulations governing the receipt of the funds. This means that privatisation, in this form, is extending the scope of the welfare state into previously independent areas; it is not causing the dismantling of the welfare state.

The private sector has also become a more active participant in the social services by "default". Changes in

TABLE 4.7
PROVINCIAL EXPENDITURES ON HOME CARE ASSISTANCE
1978-1985 (CURRENT DOLLARS)

Year	Expenditures
1978	20,715,725
1979	25,844,104
1980	34,833,312
1981	46,990,462
1982	67,313,248
1983	85,735,300
1984	102,458,492
1985	104,480,467

Source: Unpublished Data provided by the Ministry of Health, October, 1986.

state policy have resulted in demands for new types of services but the state has not responded. This has led to criticisms of the state's policies by the private sector. For example, the Ontario Welfare Council (1981:2-3) strongly criticised the provincial government's policy. According to the Council:

The province has initiated a process of movement to community based care without providing the comprehensive enabling legislation, policy guidelines, technical assistance and adequate funding that could permit the implementation of a coherent, caring system.

We believe that the province has placed too high a priority on the short-term objective of reducing government expenditure on institutional care. This has not only created confusion around the concept and practice of community based care, but we fear that the short term "solution" will be more expensive in the long run.

In 1972, the Ontario Association for the Mentally Retarded expressed its concern over the need for improved community-based services to the Provincial Task Force on Mental Retardation:

We believe that mental retardation is not primarily a health problem...We believe that community services must be broadened and expanded in order to have a viable system to carry out the philosophy of returning to the community wherever possible every retarded

person who does not require a health facility (OAMR, 1972).

The private sector has therefore stepped in to fill the "gap" created by the state's failure to provide those elements necessary to a "coherent" system. A case in point is the growing demand for emergency shelters in many urban centres in Ontario. The high costs of rent, the difficulties in finding paid employment and the inadequacies of Ontario's income maintenance programmes, have together resulted in an increasing number of homeless people (MCSD/PPD, 1983; City of Toronto, 1986). Currently, it is estimated that there are about 10,000 homeless people in Ontario (TFRBL, 1986a). The voluntary sector is the main source of accommodation for these people. Similarly, the emergence of foodbanks in Canadian cities is a voluntary response to the problems of hunger experienced by the unemployed and the working poor (EGA, n.d.; SPARC, 1986; Patterson, 1986).

Commercial operators have also established homes for people who are without permanent shelter because of shifts in state policy. Deinstitutionalisation has meant that people have to find accommodation in the community in which they can find the aftercare service on which they rely. The lodging home industry now serves a significant proportion of

these people (MTFDPP, 1984; DSSHW, 1986). The growth of commercial activity in other fields (including children's day care and homemaker services (SPCMT, 1984)) has resulted from the fact that the supply of publically-provided services simply does not meet the demand.

Deinstitutionalisation and privatisation were key components of the huge increases in welfare expenditure that were occurring throughout the sixties and early seventies. This highlights the fact that these processes were at work prior to the onset of the state's fiscal problems, and so arguments that emphasise the role of the fiscal crisis need to be questioned. In fact this trend also suggests that, far from superseding the private sector, the development of the welfare state has in fact encouraged the growth of private activity in the provision of the welfare services (Mishra, Laws and Harding, forthcoming).

4.5 RESTRUCTURING THE WELFARE STATE IN A PERIOD OF RESTRAINT, 1975 TO THE PRESENT

In the early seventies the first manifestations of the global recession became apparent in Ontario and its welfare apparatus. The repercussions of this recession have been felt throughout Ontario and its communities. Of interest to this thesis are the ways in which the recession

and subsequent pressures on the state have imposed massive stresses on the burgeoning, yet rudimentary, community-based system of welfare state delivery. In this section, I will first present a brief overview of the socio-economic climate which provides the backdrop for the onset of the crisis in the welfare state. To understand the consequences of this crisis the programmatic changes that took place before and after the onset of the recession are examined. Finally, in anticipation of chapters five and six, the consequences of these trends for urban areas are discussed.

4.5.1 The Historical Context

Since the early nineteen seventies, the Ontario government has adopted an explicit policy of restructuring. Pointing especially to a growing provincial deficit, the government has attempted to curb public spending and, because of their largely "unproductive" nature, the social and welfare services have been under greatest scrutiny. This is a trend which has been common in most western industrialised nations. Figure 4.4 and Table 4.8 show that OECD countries enjoyed a period of relatively rapid growth in social expenditure between 1960 and 1975. Gross domestic product in these economies was growing at around 4.7% per annum. Social expenditures were growing at a much faster

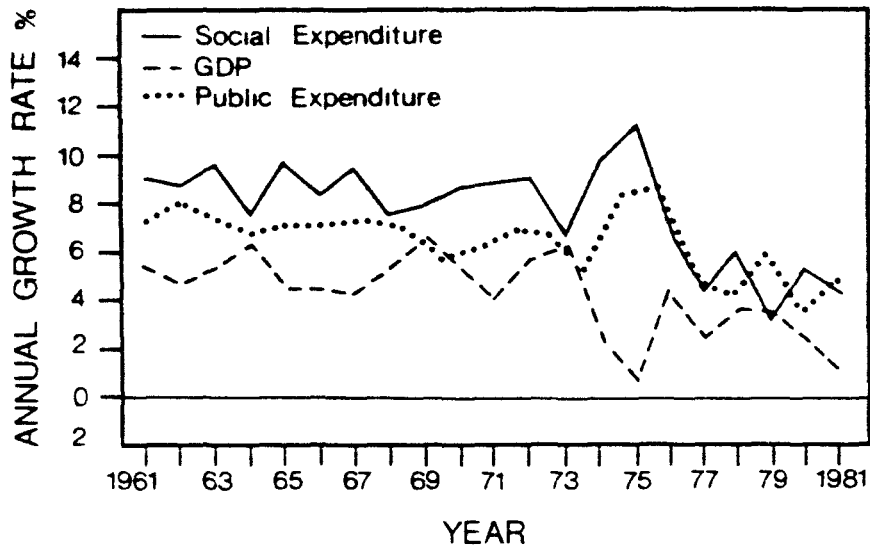


Figure 4.4 Annual Growth Rate of GDP, Public Expenditure and Social Expenditure in the OECD Area 1960-81.

SOURCE: OECD, 1985 Charts 1.2.4

TABLE 4.8

SOCIAL EXPENDITURES COMPARED WITH GROSS DOMESTIC PRODUCT
7 MAJOR OECD COUNTRIES 1960-1981

	Social Expenditure as of GDP			Annual Growth Rate of real GDP (%)		Annual Growth Rate of Deflated Social Expenditure (%)	
	1960	1975	1981	1960-75	1975-81	1960-75	1975-81
Canada	12.1	21.8	21.5	5.1	3.3	9.3	3.1
France	13.4	23.9	29.5	5.0	2.8	7.3	6.2
Germany	20.5	32.6	31.5	3.8	3.0	7.0	2.4
Italy	16.8	26.0	29.1	4.6	3.2	7.7	5.1
Japan	8.0	14.2	17.5	8.6	4.7	12.8	8.4
U.K.	13.9	22.5	23.7	2.6	1.0	5.9	1.8
U.S.A.	10.9	20.8	20.8	3.4	3.2	8.0	3.2
Average	13.7	23.1	24.8	4.7	3.0	8.3	4.3
OECD average	13.1		25.6	4.6	2.6	8.4	4.8

Source: OECD, 1985.

rate of 8.3%. While social expenditures have generally continued to increase, their growth rate has slowed substantially to 4.3% in the period 1975-1981.

The economic circumstances of this period provide the context in which restructuring has occurred. The long wave of post WWII economic development was drawing to a close in Ontario by the beginning of the nineteen-seventies. The province was hit by a recession throughout that decade and this has deepened since 1981. The effects of the recession are indicated by the following:

- *Entering the seventies the provincial unemployment rate was almost 5.5%; by 1983 it had reached 10.4%.

- *After rising in the mid-seventies real average weekly earnings have declined since 1977.

- *The provincial debt climbed throughout the nineteen-seventies (in constant dollars). As a proportion of Gross Provincial Product, the debt rose from a little over 21% in 1971 to 26.5% in 1979. Between 1979 and 1981 there was a slight decline in the size of the debt relative to Gross Provincial Product (Table 4.9).

- *Business bankruptcies increased dramatically between 1978 and 1982 from 2141 to 3067 with businesses involved in trade being the most severely hit (Ontario, 1984: 390).

Given this climate of recession, the demand for

TABLE 4.9
 PROVINCIAL DEBT AS A PROPORTION OF
 PROVINCIAL GROSS DOMESTIC PRODUCT,
 ONTARIO 1971-1982

Year	Amount \$m (1971)	Debt as Percentage of GDP
1971	8229	25.2
1972	9331	22.4
1973	10385	22.6
1974	10696	21.6
1975	11101	22.8
1976	12006	25.1
1977	14263	25.6
1978	14857	26.3
1979	14881	26.5
1980	14543	26.4
1981	14743	25.2

Source: After Ontario, 1984: Tables 10.1 and 27.13

social services may be expected to increase. In Ontario, this increase in demand is indicated by the growth in the number of people who must turn to the state for assistance. Deinstitutionalisation has meant that there was a large number of people already in the community who may not have had the economic resources to live entirely independent of public assistance. Added to this group, in the nineteen-seventies, was a population of chronically mentally-ill people who had never been institutionalised but who, because of their disability and the lack of community supports, lived a marginal existence. Together these populations account for a significant proportion of the growing number of homeless people who live in Canadian cities. In a time of economic recession these groups who might be thought of as chronically-dependent upon the state are joined by the increasing numbers of unemployed and the working poor in their demands upon the resources of the welfare state. What has been happening to the welfare state in Ontario as a result of these mounting pressures?

4.5.2 The Expansion of Welfare Legislation and the State Apparatus

To answer this question it is necessary to step outside the periodisation established in the early part of

this chapter. That periodisation showed that the welfare state continued on an expansionary path throughout the nineteen-sixties and early seventies. The preceding section showed that there were also significant shifts in the nature of the programmes being sponsored by the state during this period. The state was encouraging the growth of private-sector, community-based agencies in the delivery of care. A more insightful history of the "boom and bust" sequences in the welfare state over the last three decades can be gained by focussing on the programmes of the state, rather than simply on expenditures. Programmatic changes are not simply a response to rising public expenditures. They also find their origins in pressures from changing community attitudes towards, and demands for, social services.

Table 4.10 outlines the key developments in the post-war period, focussing on those reports, programmes and legislation that promoted deinstitutionalisation and/or privatisation. The entries under "local responses" draw mainly on the experiences of Toronto and Hamilton, although other municipalities also had to deal with the developments of the sixties and seventies. This chapter will not focus on the local experiences of welfare state development in particular localities since this is the task of chapters 5 and 6.

TABLE 4.10
CHANGES IN ONTARIO'S WELFARE POLICY AND PROGRAMMES
1945-1985

YEAR	FEDERAL GOVERNMENT	PROVINCIAL	LOCAL	COMMUNITY
1948	National Health Grants announced			Parents Council for mentally retarded children
1949		Homes for the Aged Act		
1955		Special Home Care for the Elderly		Ontario Association for Retarded Children
1957		Children's Boarding Homes Act		
1958		General Welfare Assistance Act		
		Homemakers and Visiting Nurses Services Act		
1959		Ontario Hospital Insurance Plan		
1960		<u>Robert's Report on Mental Health in Ontario</u>		
1961			Wentworth County begins first county welfare unit	St. Leonards House Windsor
1962				
1963		Homes for Retarded Children's Act	Hamilton's First Lodging Home Licensing By-law	CNRA releases <u>More for the Mind</u>
		Children's Institutions Act		
1964		Homes for Special Care Act		
1965		Child Welfare Act	First children's treatment home in Toronto residential neighbourhood	Ontario Association for the Mentally Retarded

TABLE 4.10 (cont'd)

YEAR	FEDERAL GOVERNMENT	PROVINCIAL	LOCAL	COMMUNITY
1966	Canada Assistance Plan	Homecare Elderly Persons Centres Act Family Benefits Assistance Act		
1967		Dept. of Community and Family Services		
1968		Department of Correctional Services		
1969	Duimet report on Canadian Corrections	Committee on Government Productivity established	Assessment and Placement Services begins in Hamilton	
1971		Williston report on mentally retarded Children's Mental Health Centres Act Private home day-care becomes subsidisable		
1972		Juvenile Correctional Group Homes begin operation Ontario Health Insurance Program Nursing Homes Act Ministry of Community and Social Services		
1973		COGP final reports Welch Report	Barrie court announces that children's treatment homes can locate in residential areas	

TABLE 4.10 (cont'd)

YEAR	FEDERAL GOVERNMENT	PROVINCIAL	LOCAL	COMMUNITY
1974		Developmental Services Act COMSOC takes responsibility for mentally retarded MCS begins Community Resource Centres		
1975		Special Programmes Review Committee COMSOC announces 5 year plan for community residences	City of Toronto Report on Neighbourhood Services	
1977	Report on the Role of the Private Sector in Criminal Justice	MCS Workload Management Committee reports		Minkley report on group homes SPRCHO on group homes Community Opposition to group homes in Hamilton
1978		Province recommends as of right zoning for group homes	City of Toronto passes As-of-Right by-law City of Hamilton passes lodging home and residential care facilities by-laws Studies of First Foodbank in Toronto Reports re: Homelessness (Toronto)	OPSEU criticism of Deinstitutionalisation
1984		Study of Homes for Special Care Programme	OMB decision re: group homes in Toronto	SPCHT calls for moratorium on

TABLE 4.10 (cont'd)

YEAR	FEDERAL GOVERNMENT	PROVINCIAL	LOCAL	COMMUNITY
1985		Task Force on Roomers, Boarders and Lodgers Liberal Government announces inquiry into privatisation	Foodshare announced in Toronto	National Conference on Hunger
1986		Social Assistance Review	City of Hamilton revises lodging home by-laws	Community opposition to Hamilton's social housing SPRCHD recommends as of right zoning for social housing Survey of homelessness in Canada

In 1955, the Department of Public Welfare introduced a programme of "Special Home Care" designed to keep elderly persons, in need of some assistance, out of institutions. This programme differed greatly from the later Ministry of Health Homecare programme. The Department of Public Welfare gave administrators of Homes for the Aged the power to arrange placements for elderly people in private homes. The "foster parents" would receive financial compensation. However, this early attempt at deinstitutionalisation and privatisation was not very successful and few private homes offered to adopt an old person (Williams, 1984: 109-110). The passage of the Homemakers and Nursing Services Act in 1958 gave municipalities the authority to purchase assistance, mainly for the elderly, from private agencies. The Red Cross and Visiting Homemakers Association, for example, had long been involved in providing assistance in the home for convalescents. In the late fifties, the state began to enter into arrangements with private providers of care in a way that would delay, or shorten, institutionalisation.

Children's residential services also became more closely monitored by the state during this period. In 1956 the discovery of a foster home with 67 children and inadequate adult supervision resulted in community debate

around appropriate accommodation for dependent children and caused the Department of Public Welfare to introduce new regulations. Privately-operated, but state-funded, Children's Aid Societies placed children into foster care. It became clear though that some of the homes receiving children were not providing adequate care. With the passing of the Children's Boarding Homes Act in 1957, homes with more than 5 children had to meet government regulations that covered health and safety standards, the keeping of records, registering the home, and staff-children ratios. The homes received payments not directly from the Province, but via the Children's Aid Society that had placed the children under care (Ministry of Community and Social Services, 1983:19). After this legislation was passed some homes were forced to close because of their inability to meet the new standards but the the number of homes grew significantly (Table 4.11). Again, the development of the welfare state marked an extension of the state's apparatus as well as an encouragement of private sector activity. In 1963 the Children's Institutions Act provided for direct payment from the state to the operator. Private operators became increasingly dependent on the state as the proportion of operating costs that would be subsidised moved from 50 to 75 per cent in 1965, and then to 80% in 1966.

TABLE 4.11
CAPACITY OF CHILDREN'S BOARDING HOMES,
ONTARIO, 1957-1980

YEAR	NO. OF HOMES	CAPACITY
1957	15	N/A
1965	9	117
1970	37	380
1975	120	1200
1980	269	2012

Source: Ministry of Community and Social Services, 1983:
Table 12

The Ontario Association for Retarded Children fromed in 1955. The origins of this group lay in the organisation of parents and friends of retarded chidren. In 1948, a letter to the editor of the Toronto Daily Star heralded the beginnings of an active lobby group:

Sir: May I say a few words on behalf of our backward children, and their bewildered mothers. There is no school for such children, no place where they could get a little training to be of some use in the world, only Orillia which is always full....I think it is time something was done for parents who from a sense of faith and hope in merciful providence want to keep them at home living a normal life....,may the Ontario government help [the parents] and their children who might still be made something of. living a normal life and with perfect love, understanding and guidance of such parents. (Toronto Daily Star, September 29, 1948).

The Association targetted its early efforts at lobbying the provincial government for day-programmes for the education of retarded children. During the late fifties, the Toronto Social Planning Council and the Children's Aid Society also began to lobby for better services for retarded children (Anglin and Braaten, 1978:21). Simmons' (1982) analysis of mental retardation policy in Ontario clearly shows that external forces such as these played a critical role in restructuring provincial mental health policy in the post-

war decade. In 1963 the Report on Mental Health in Ontario (Roberts, 1963) criticised the institutional model of care that was dominant in the province. Pressures of this type, combined with the opinions of professionals and other patient advocate groups (e.g. Canadian Mental Health Association), resulted in the first post-war attempts to deinstitutionalise certain populations. In 1962/63 the Homes for Retarded Children's Act became legislation; in 1964 the Homes for Special Care Act was passed; and in 1966 the Homes for Retarded Persons Act was proclaimed. In each case the community-based homes would be private residences, either operated by voluntary or commercial agencies, or by families which had rooms available.

Funds from the Canada Assistance Plan (CAP) became available in 1966 and, according to one observer, were as good as "a blank cheque for half the cost of anything the provinces might wish to do" (Lang, 1974:44). Ontario has used these funds to finance its expansion of welfare services. The federal government would subsidise 50% of the costs of institutional care for a person who met the requirements of a needs test. Initially, non-institutional care was not subject to a means test, but the escalating costs forced the provinces to introduce means tests as a means of restricting eligibility (Bellamy, 1983). Under CAP,

the federal government will cost-share the purchase of non-institutional "items of assistance" (e.g. food, shelter, clothes, drugs) for persons in need. Alternatively, services can be delivered to persons in need or "likely to be in need" by an approved agency. In the first case a needs test is used; in the second, an income test. Importantly, the first method allows an item of assistance to be purchased from any provider, including individuals, proprietary organisations, public or voluntary agencies. In the other case, only voluntary organisations are considered "approved" agencies (Ministry of Community and Social Services, 1981). That is, CAP explicitly promotes the privatisation of social service delivery. The provincial government can enter into a contract with a private agency and recover half the costs from the federal government. In some cases, a further 20% can be recovered from municipalities.

The provincial Ministry of Health introduced a Home Care programme in 1966 to provide assistance for people recovering after some illness. There were strict regulations including the need for professional services, such as nursing or physiotherapy, and the programme was designed only for acute care. Again private agencies played an important part in this programme. The Victorian Order of

Nurses (VON), for instance, administers the programme in Hamilton (see chapter 6 below). In 1975 the programme was reorganised to include chronic care, after service-providers such as the VON and Visiting Homemakers Association alerted provincial officials to the shortcomings of the time-limited programme.

In 1967 the Department of Public Welfare was renamed the Department of Community and Family Services to reflect the growing community-based orientation of its programmes. The late sixties saw the reorganisation of other Ministries. For example, the Ministry of Correctional Services evolved out of the consolidation of a number of pieces of legislation. Changes to the Ontario Health Insurance Plan (OHIP) were introduced in 1971. But, while such programmes and policies were being introduced and expanded, the Province's debt deepened.

4.5.3 The Impact of Economic Crises on Welfare Programmes

The Province had to introduce measures to curb its debt. At the same time, these measures had to accommodate the demands of the community. The document which most explicitly outlines these debt-curbing measures is the 1975 Report of the Special Projects Review Committee. An earlier committee (on Government Productivity) had begun the task of

reorganising the provincial government between 1969 and 1973, during which period some 10 reports were produced as well as many working papers. This earlier committee had announced that

The province has moved out of a period when funds were relatively plentiful and when demand for new programs was not as great as it is today. For the foreseeable future, the problem will be how to allocate limited resources to existing and new program demands. This means setting new priorities, which in turn, could involve the termination of some programs (COGP., 1971 vol.3: 11).

Privatisation was explicitly identified as one mechanism by which the state could utilise community resources:

In future, selective reprivatisation of program delivery could tap community skills and resources needed to meet policy objectives. These skills may be found in non-profit organisations, in private, profit-oriented corporations, or in community corporations organised by special interest groups (COGP., 1971 vol.3: 51).

Government reports of the early seventies promoted a strengthening of the alliance between the public and private (both commercial and non-profit) sectors in the delivery of state services. Further, the use of semi-autonomous agencies was advocated because it "reduces the need for additional portfolios and ministries; it thereby acts as a

brake on the unrestricted growth of big government" (COGP.,1973, vol.9).

The Special Program Review Committee built on the recommendations of the Committee on Government Productivity. In general its recommendations took three forms: cutbacks, shiftbacks and throwbacks. These strategies have since continued to guide policy development and implementation in Ontario. Cutbacks involved reducing the public service wage bill and reducing services. After 1975 when these measures were first formally introduced, there was a substantial decline in the proportion of provincial expenditures that was allocated to welfare state activities (Fig. 4.3). But we should also note that this trend had begun in 1973, and so the introduction of these policies may have been more a matter of formality than of any new strategy. Any reductions in the public sector wage bill was nominal as the number of public servants continued to grow, especially at the local level (Ontario,1984).

The use of Federal cost-sharing programmes (such as the Canada Assistance Plan) or the decentralisation of programmes to the local level are exemplary of shiftback measures. The object of these was to call upon other levels of government, wherever possible, to participate in service delivery. It had been argued that locally-based programmes

were advantageous for three reasons. First, they were seen as "more sensitive to the needs of particular areas". Second, decentralised services, it was argued, provided "more opportunities for citizen participation". Third, service delivery could be co-ordinated more efficiently at the local level (COGP., 1971, vol.3: 52). But local municipalities did not always agree with these views and many have opposed attempts to decentralise responsibility for social service delivery (OPSEU, 1984).

The Special Programs Review Committee report also recommended that, via throwback measures, responsibility for welfare be passed back to the individual. Included in this was the imposition of user fees, or the return to the family responsibility for care. Home-based delivery of care is another way in which responsibility for welfare is passed back to families. For example, the Ministry of Community and Social Services operates the Special Services at Home Program which provides support for families who care for their developmentally-handicapped children at home. The Ministry also offers a Home Support Program for the elderly. But such services do not generally provide 24-hour support. So for a great period of time the responsibility for care falls on parents, siblings and spouses.

Reviews of this type afforded a formal opportunity

for community groups to express their concerns regarding social service delivery and thus influence the development of social policy. For example, the Visiting Homemakers' Association of Hamilton-Wentworth presented a brief to the Special Programmes Review Committee arguing for increased services under the Visiting Homemakers and Nursing Services Act:

The Home Care Program of the Ministry of Health has recently limited Homemaker Services to a patient to 80 hours. Not only does this appear to contradict the Government's policy to extend care-in-the-home services, but it puts pressure on Homemaker Services to respond to needs in situations in which the Government has abdicated responsibility (VHAHW, 1973: 4).

The state did not respond immediately to such calls. Lobbying around this issue continued through the seventies and in 1986 the province's New Agenda for seniors' services consolidated changes that had been being made in a piecemeal fashion to the Homemakers' programme. Now both the Ministries of Health and Community and Social Services are involved (Van Horne, 1986).

4.5.4 The Example of the Ministry of Correctional Services

The example of the Ministry of Correctional Services shows the way in which the welfare state has evolved

recently. Correctional services had been one of the earliest responsibilities of municipalities. Over the century and a half since the passing of the first legislation authorising the establishment of local gaols, a plethora of legislation has developed. In the mid-sixties both the province and the federal government began reviewing their correctional programmes. In 1968 the province consolidated much of its legislation in the creation of the Department of Correctional Services. In the following year the federal government released an extensive report on the state of Canadian corrections. Its conclusions pointed the way for the deinstitutionalisation of the prison population:

unless there are valid reasons to the contrary, the correction of the offender should take place in the community where acceptance of the treatment relationship is more natural, where social and family relationships can be most efficiently marshalled and where the offender can productively discharge his [sic] responsibility as a citizen (CCC, 1969).

What emerged from such recommendations was a growing emphasis on probation and parole (Table 4.12), and innovative programmes such as the Temporary Absence Programme, Victim -Offender Reconciliation, Fine Option Programme and the Community Service Order. Beginning in 1974, the Ministry of Correctional Services developed

programmes based around Community Resource Centres (CRCs). Offenders sentenced to up to two years less a day could be placed in one of these residences. Administered by non-profit agencies such as the Salvation Army and the St. Leonards Society, these homes operate under a contractual agreement with the Ministry. As of January 1983 there were 32 CRCs operating across the province.

In 1977 a federal task force reported on the role of the private sector in Canadian corrections (TFRPSCJ, 1977). The Workload Management Committee of the provincial Ministry of Correctional Services reported in the same year. Both recommended greater use of the private sector. The heavy use by the Ministry of Correctional Services of contracts with private service-providers is documented by Davies (1980). Contracting became a more significant part of the Ministry's programmes as it turned increasingly to community-based programmes. In 1978 the Ministry was re-organised and a separate Community Programs Branch was established. The growth in the value of contracts with private agencies is shown in Table 4.13.

The 1980 Report of the Ministry of Correctional Services assessed its experience with contracting thus:

over the last five years the
Ministry has increasingly entered

TABLE 4.12
RATES OF PROBATION, ONTARIO
1975-1984

Year	Rate per 100 Criminal Code Offences
1975	6.3
1976	6.6
1977	5.8
1978	6.3
1979	8.0
1980	8.2
1981	8.1
1982	8.4
1983	9.8
1984	10.1

Source: Provincial Secretariat for Justice, 1984

into fee-for-service contracts with various private individuals, boards and agencies for the provision of certain correctional and rehabilitative services in the community. This has had the dual effect of curtailing annual expenditure increasesand generating work in the private sector which formerly would have been carried out by public servants.

While these strategies were announced by the state as measures to overcome some of its fiscal problems, it is incorrect to suggest that they were solely the prerogative of the state. The Elizabeth Fry Society presented a brief to the 1977 federal task force arguing that:

We feel that private agencies can meet a greater diversity of needs in individual communities because of these influential factors: a) smaller size; b) community closeness; c) use of volunteers; d) cost-saving advantage; e) humanitarian orientation. Because of their size and other unique characteristics private agencies can more easily implement and evaluate innovative programs, and if such programs are not "successful" the program can be stopped (TFRPSCJ, 1977, vol.3).

The John Howard Society reviewed its operations in the early seventies and reasserted its "position as a private voluntary, non-governmental agency, established to assist in the prevention of crime, to study and reduce the social costs and incidence of crime in communities". Further, the

TABLE 4.13

VALUE OF CONTRACTS¹, MINISTRY OF CORRECTIONAL SERVICES
1975/76 TO 1980/81

YEAR	VALUE
1975/76	116,416
1976/77	138,579
1977/78	146,415
1979/80	836,134
1980/81	2,384,000

Note: 1. These figures do not include contracts with Community Resource Centres. In 1980/81 almost \$4million was spent in contracts with CRCs. In total about \$7 million went to the private sector during 1980/81.

Source: Daniels, 1980:2

the agency adopted the stance that it was necessary "to press for and develop correctional services that will serve to divert people from institutions into community programs" (Cited in Canadian Criminology and Corrections Association, 1973:31). The Society continues to underscore the significance of the private voluntary sector in the fields of corrections (Gandy, 1984).

Other ministries have similarly developed close liaisons with the private sector throughout the seventies when the Ontario government introduced its restraint package (Mishra, Laws and Harding, forthcoming). And these policies have also been shaped by the actions of groups outside of the sphere of the state. For instance, commercial operators recently appeared before the provincial Task Force on Roomers, Boarders and Lodgers, arguing the importance of their role in the provision of residential accommodation, especially for ex-psychiatric patients. These various pressures from outside, together with pressures internal to, Ontario's welfare state have been translated into the state's policy response of encouraging community-based activities. That is, some of the external pressures for changes in social welfare programmes coincided (but with different motivations) with the needs of the state bureaucracy to reduce its deficit.

4.5.5 Implications for Localities

Privatisation and deinstitutionalisation have caused the state to respond to developments in the spatial form of the welfare state (see chapters five and six for details). The restraint programmes that have been in place since the mid-seventies have shifted the responsibility for welfare both "vertically", between the different levels of government, and "horizontally", between and within urban areas. The vertical shifts mean that responsibility has been transferred between different geographic scales. For example, the introduction of CAP in 1966 meant that municipalities that wanted to draw upon the resources of the programme had to compete on a national level. During the current crisis, the decentralisation of programmes to the local level has imposed stresses upon cities which have limited revenue-raising capabilities. The province has therefore made many of the municipally-based programmes "discretionary" rather than mandatory. Municipalities that do not have the resources (or choose to apply them to non-welfare programmes) need not participate in such activities (e.g., homemaker services). This partly explains the uneven development of the local welfare state throughout the Province. Local conditions (e.g., the availability of fiscal resources, the demand for services) can affect what

programmes will be available in any community.

This is related to the horizontal shift in service provision that has occurred during the recent period of restructuring. Certain localities are "service-rich" while others are "service-poor" (Geiger and Wolch, 1986). People in need are likely to be concentrated in areas where services are available. This pattern tends to breed its own perpetuation. For example, Hamilton Psychiatric Hospital (HPH) has catchment area that covers several municipalities in the Niagara Peninsula. However, for patients who are discharged from the hospital, the City of Hamilton is service "rich" in the post-discharge support services they require. Consequently, a large proportion of the people discharged from HPH remain within the City of Hamilton. Thus, there has been a horizontal shift in the locus of care from the home community to the service-rich neighbourhoods. This creates further demand in these places and thus more services locate there, and these continue to attract more people from other geographic areas.

4.6 SUMMARY

History unfolds as people react to, and act to change, the social structures within which they live. That is, everyday practices as well as more long-term processes

work together to shape the social history and geography of our cities. Ontario's welfare state has evolved in response to the changes that have occurred as the province has moved from a rural-based agricultural economy to an urban-based industrial society. Initially families, churches and private philanthropists tended to the needs of the poor and ill. But industrialisation resulted in urbanisation, and problems of unemployment, public health, crime and poverty were concentrated in urban places. The state in Ontario maintained a laissez-faire stance and the private sector continued to be the primary source of care in the late nineteenth century.

But the site of care had already begun to move away from the family and immediate community. Large institutions for children, the poor and mentally disabled became the dominant model of private care, with some outdoor relief as well. As these institutions grew the state began to take on a regulatory and funding role as well as a direct service role; this pattern has continued throughout the twentieth century.

The Great Depression of the nineteen thirties resulted in unprecedented demands for assistance, and it is at this time that the state's role in welfare begins to grow significantly. A new era in the development of Ontario's

social-service network was marked by the emergence of a welfare state, a phenomenon observed in many industrial societies. This growth in state activity occurred throughout the post-war period. This chapter has shown that one key direction in the growth of public expenditures on welfare was toward the private delivery of community-based care. Privatisation has not been simply a recent response to the state's fiscal crisis. It has a long and continuous history in Ontario.

Furthermore, it occurred demonstrably in response to the demands of an active private sector, as operators and owners plus clients and their advocates sought greater state support for their activities. The state provided financial support at the same time as developing legislation to control the activities of the private sector. That is, the period of deinstitutionalisation in Ontario's social services has been accompanied by an expansion of a shadow state apparatus. This trend has continued during the recent period of economic restraint being imposed by the state in response to the recession of the mid seventies.

At the local level, structural economic changes, and social policy confront local land-use policy, community attitudes, the limited resources of the local governments, and the inertia of the built environment, to produce local

geographic manifestations of the welfare state. The task of the following two chapters is to elucidate our understanding of the development of these local forms of the welfare state.

CHAPTER FIVE

THE LOCAL IMPACTS OF RESTRUCTURING

5.1 INTRODUCTION

The restructuring of the welfare state is a social process; it is the outcome of the interaction of human actors with the structures of capitalist society. By outlining this process as it has occurred in Ontario, the last chapter highlighted the fact that the development of the welfare state is not a linear process. There are variations over time and space, leading to an uneven development of the state. This chapter focusses on the development of the welfare state in one place (Toronto, Ontario), in order to examine the local determinants and outcomes of state policy. The objectives of the chapter are threefold: first, to identify the demands created in a single locality by changing social and economic conditions; second, to identify the private sector response to these demands, and the implications of this for the geography of the welfare state; and third, to consider the ways in which the local state has reacted to these changes.

Significant economic and social changes have occurred

in Toronto in the last two decades. As the province's largest city, it illustrates many of the processes that have occurred in other urban areas. Also, by virtue of its size and importance, it has unique problems and characteristics. A multitude of studies of the region and its social and economic base have emerged. This chapter draws on these studies rather than attempting to construct any new data base. Using existing data sets presents particular methodological problems, but it is the interpretation and synthesis of these data which constitute the contribution of this chapter.

An overview of the economic and demographic changes occurring in Toronto is provided in section 5.2. The next section (5.3) outlines the resultant demands which are made upon the welfare state as these changes proceed. In section 5.4 the local response to these demands is investigated in two stages. First, what has been the private sector response? Second, what are the geographic manifestations of these responses? Sections 5.5 then examines the local state's response to the local evolution of social services. The chapter closes with a summary presented in section 5.6.

5.2 A PROFILE OF METROPOLITAN TORONTO

The Municipality of Metropolitan Toronto is an urban

area of 2,137,000 people located on the North shore of Lake Ontario. The regional municipality includes six local municipalities: The City of Toronto, Scarborough, Etobicoke, York, North York and East York. A leading manufacturing centre, Toronto is increasingly characterised by its service and financial sectors as it undergoes a process of deindustrialisation. Not only is the economic base of the city undergoing dramatic changes but there are related changes occurring in the social and demographic features of the city. This section provides a brief overview of these changes in order to provide a context for the following discussion of the changing character of the welfare state in Toronto.

One of the most significant changes to occur in Metro in the last two decades is the suburbanisation of its population and commercial activity (Table 5.1). In 1951 almost two thirds of the population resided in the City of Toronto. Three decades later, this proportion had declined to almost one quarter, with almost 61% of the population in 1981 living in the municipalities of Etobicoke, North York and Scarborough. (This has led to particular problems in the development of the welfare state, since variations within the locale give rise to competing pressures on the resources of the state as well as varying responses to state

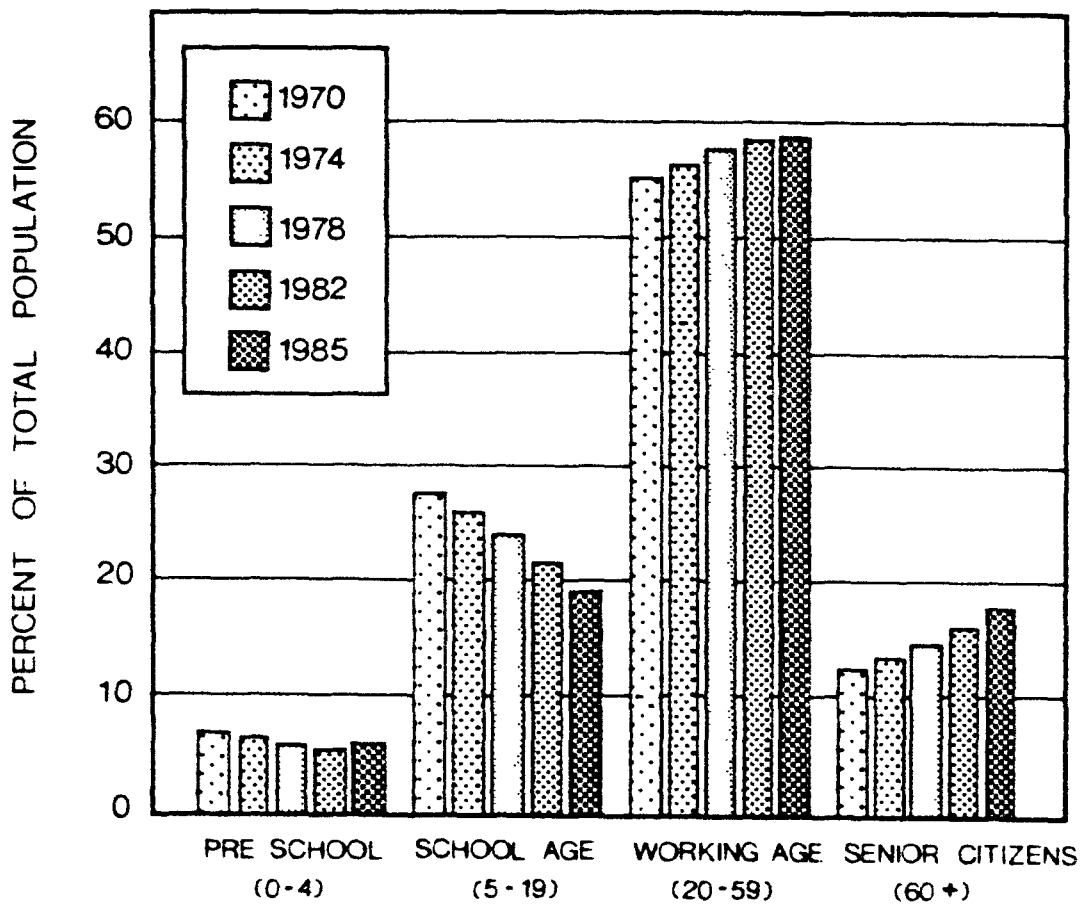


Figure 5.1 Population Percentage by Age, Metropolitan Toronto 1970, 1974, 1978, 1982 and 1985.

policy.)

Other studies have documented some of the consequences of the depopulation of the older inner cores of North American cities (Tabb, 1978). Of central concern has been the fact that, while the population may be declining, there has not been a comparable decline in the demand for services located in the central city. A decline in the revenue base (from taxes) has been matched by rising expenditures associated with providing public facilities. This can have implications for both social and economic infrastructure.

While the number of persons in the inner city has been declining there has been an increase in the number of households. The data in table 5.2 show the massive increase in the number of households in Metro between 1961 and 1971. The number of households in the City of Toronto generally grew more slowly than the Metro average as new suburban developments saw rapid growth at the region's outskirts. However, in the years for which most recent data are available, the City has been experiencing a growth in the number of households that is slightly faster than the Metro rate.

TABLE 5.1
POPULATION GROWTH IN METROPOLITAN TORONTO
1951-1981

000s (%)

	1951	1961	1971	1976	1981
City of Toronto	699 (62.6)	703 (60.5)	713 (34.2)	633 (29.8)	599 (28.0)
Inner Three¹	890 (79.7)	933 (57.6)	965 (46.3)	882 (41.5)	836 (39.1)
Outer Three²	227 (20.3)	686 (42.4)	1121 (53.7)	1243 (58.5)	1302 (60.9)
Metro Total	1117 (100)	1619 (100)	2086 (100)	2124 (100)	2137 (100)

Notes: 1. Inner Three includes the Cities of Toronto, York and East York.

2. Outer Three includes Etobicoke, North York and Scarborough.

Source: Research Bulletin #25 "The Toronto Region: Population Trends and Projections", City of Toronto Planning and Development Department, Research and Information Section. After Tables 1 and 2.

TABLE 5.2
OCCUPIED DWELLING UNITS
METROPOLITAN TORONTO AND CITY OF TORONTO,
1961-1984

	Metro		City of Toronto	
	#	Average Annual %	#	Average Annual %
		Change		Change
1961	430093		182731	
1971	629685	4.6	224440	2.3
1976	712970	2.6	230395	.5
1981	776385	1.8	241270	.9
1984	813595	1.6	254890	1.8

Sources: City of Toronto, 1984: Table 2.5
 SPCMT, 1984b: Table 4.1
 MTPD, 1986: Table 3.2

In part, this increase in the number of households, at a time when population growth is slowing or stagnating, can be attributed to the tendency for single persons to establish independent households (Table 5.3). There are a variety of reasons for this (marital breakdowns, elderly persons remaining by themselves when the spouse dies, etc.) but, in general this trend points to the breakdown of the traditional model focussed on the nuclear family. In the City of Toronto, in 1961, less than 14% of all households were made up of single-person units. Twenty years later, this figure has reached 37.5%. Such households are likely to rely on one income to cover the costs of food and accommodation and other basics.

At the same time that this growth in single-person households has occurred, there has been a growth in the proportion of housing in both the City of Toronto and Metro that is tenant-occupied as opposed to owner-occupied (Table 5.4). In 1961, 43.7% of all dwelling units in the City were rental units. By 1984 this had risen to almost 62%. In the last decade, for Metro as a whole, there has been some stagnation in the growth of rental accommodation largely due to the opening of new suburban sub-divisions. The growth in the supply of rental accommodation has not matched the increasing demand for rental units and the City of Toronto

TABLE 5.3
GROWTH IN SINGLE PERSON HOUSEHOLDS
METROPOLITAN TORONTO AND CITY OF TORONTO,
1961-1981

	Metro		City	
	#	% of all households	#	% of all households
1961	38047	8.8	25142	13.8
1971	94565	15.0	52335	23.3
1976	145835	20.5	71335	31.0
1981	196155	25.3	90505	37.5

Source: After City of Toronto, 1984: Table 2.1
SPCMT, 1984b: Table 4.1

TABLE 5.4
TENANT OCCUPIED UNITS AS A PERCENTAGE
OF TOTAL DWELLING UNITS,
CITY OF TORONTO AND METROPOLITAN TORONTO
1961-1984

Year	City	Metro
1961	43.7	34.2
1971	49.5	49.0
1976	58.2	48.9
1981	59.3	49.0
1984	61.7	50.5

Sources: City of Toronto, 1984: Table
 SPCMT, 1984b: Table 4.1
 MTPD, 1986: Table 3.2

has a very low rental vacancy rate, currently around 0.1%. Further, this growth in rental units has not been accompanied by an increase in units available at the low-end of market rents. There has, therefore, been a relative decline in affordable accommodation for those who live below or near poverty levels.

There have also been expressed concerns that this loss in low-income housing has been absolute. In 1983 the Province undertook a Study of Residential Intensification and Rental Housing Conservation (Ministry of Municipal Affairs and Housing and the Association of Municipalities of Ontario, 1983). This report identified some of the pressures at work to reduce the stock of affordable houses across the province, but especially in large cities. Of particular importance are: (1) the sale of small investment properties, that have traditionally provided low-rent accommodation, to large developers who consolidate such properties and convert them either to other uses or to rental units aimed at higher income tenants; and (2) the process of gentrification that occurs as inner city areas become increasingly attractive to more affluent households. These forces have tightened the rental market in Toronto to the point of crisis for those low-income people who traditionally rely on rental accommodation.

In common with many western industrialised societies, Metro's population is showing an increase in the number of elderly (i.e., over 65) and a proportional decrease in the number of younger people. The aging of the population will continue as the baby boom generation moves through the later age cohorts (Fig 5.1). Not surprisingly, this aging population makes demands on social services unlike those exerted by a younger population. The need for more Nursing Homes, Homes for the Aged, visiting homemakers and the like is associated with the aging of the population.

Another significant factor in the changing context of the welfare state in Toronto is the process of deindustrialisation which is taking place within Toronto's manufacturing sector (Table 5.5). This phenomenon has far reaching implications for the future of Metro and its communities. Almost 42,000 manufacturing jobs were lost in Metro between 1981 and 1984. This number represents about 19% of all manufacturing jobs in the region (SPCMT, 1985a: 9). In terms of the immediate effects of the 1981 recession Toronto fared slightly better than Ontario and Canada, but since 1982 Toronto has continued to lose jobs while the province and country as a whole have experienced slight gains in the number of jobs in the manufacturing sector. Within Metro Toronto, deindustrialisation has not had

TABLE 5.5
MANUFACTURING EMPLOYMENT
METROPOLITAN TORONTO, ONTARIO AND CANADA
1976-1984
(000s)

	Metro		Ontario		Canada	
	#	% Change	#	% Change	#	% Change
1976	185.8		909		1921	
1977	188.0	1.2	906	-0.3	1888	-1.7
1978	192.5	2.4	940	3.7	1956	3.6
1978	211.4	9.8	1007	7.1	2071	5.9
1980	205.7	-2.6	1009	0.2	2111	1.9
1981	213.0	3.5	1036	2.7	2122	0.5
1982	196.0	-8.0	951	-8.2	1930	-9.0
1983	187.1	-4.6	935	-1.7	1886	-2.3
1984	184.6	-1.3	1018	8.9	1952	3.5

Source: After SPCMT, 1985a: Table 1

uniform impacts. A recent report by the Social Planning Council of Metropolitan Toronto describes the process:

Urban deindustrialisation is most pronounced in the centre of the urban area, in the City of Toronto, and it is more than a recent phenomenon related simply to the economic recession of 1981-83. Between 1971 and 1981, the City of Toronto actually lost 27.9% of its total manufacturing employment with every major industry sector but one, knitting mills, experiencing substantial declines. Moreover, on an industry specific basis, major losses were suffered at the Metro level in primary metal, machinery, and non-metallic mineral manufacturing. In addition, paper and allied industries grew by a meagre 1.9 percent. The pattern of urban deindustrialisation that emerges is one that began initially in the core of the urban area, the City of Toronto, but which now has spread to the rest of Metro as well (SPCMT, 1985a:12).

Only half of the cases cited a decline in business as a reason for deciding to lay off workers either temporarily or permanently. Corporate priorities, including the shifting of operations to overseas locations, seemed to be of major significance in the decision to close a plant.

Concomitant with this loss of manufacturing jobs has been the rise in importance of Toronto's service sector. In the Toronto Census Metropolitan Area (an area larger than

Metropolitan Toronto), employment in the service sector has increased from just under 10% to almost 20% of employment in the six major employment categories. Real estate and trade have also slightly increased. In the City of Toronto, the large growth of employment in office activity has been matched by a decline in the importance of manufacturing jobs (Table 5.6). Jobs in the "service-producing" and "commercial business and personal services" categories have consistently received lower-than-average wages, while those in the manufacturing and construction sectors have been above average (see MTPD, 1986: Table 2.12). Thus the trend to less jobs in the manufacturing sector suggests a parallel trend toward lower paying jobs in Metro. With job loss comes a multitude of problems including poverty, dependency on the welfare state, difficulties in maintaining interpersonal relationships, all of which increase the demands being made upon the welfare state. Industrial restructuring, in turn, results in the restructuring of the welfare state.

5.3 DEMANDS UPON THE WELFARE STATE IN TORONTO

Toronto's changing demographic and economic structures have led to new demands on the local welfare state. At the same time, the restructuring of

TABLE 5.6
EMPLOYMENT BY TYPE, CITY OF TORONTO,
1970-1983
(% OF TOTAL EMPLOYEES)

	Office	Retail	Factory and Warehouse	Other	N
1970	38.1	10.0	25.0	26.9	468845
1981	54.9	9.4	13.4	22.3	473004
1982	56.1	9.2	12.5	22.2	456496
1983	57.0	9.0	11.3	22.7	444170

Source: City of Toronto, 1984: Table 4.2.

the provincial welfare state has created new pressures on the local welfare state (cf. chapter four). I argued in chapter three that it was the net effect of all these changes in individual localities which was the most significant (yet unstudied) indicator of welfare state restructuring. In this section, I examine three crucial indicators in Toronto. These will show how the trend toward privatisation has a cumulative effect (in the one locality) which goes far beyond the simple adjustment within any single component of the welfare state apparatus (e.g., a change from custodial to community-based treatment settings for the mentally ill). These indicators are (1) the shift in the incidence of poverty from the city centre to the suburbs; and (2) the appearance of an increasingly large homeless population which includes families, unemployed youth and single women as well as the more traditional "skid row" populations.

5.3.1 The Geography of Poverty in Metropolitan Toronto

In 1980, 13.2% of all families in Metropolitan Toronto were living below the Statistics Canada "low-income cut-off" line, a conservative estimate of poverty in Canada (cf. Ross, 1986). Poor families are not evenly distributed throughout the metropolitan region, and the spatial

incidence of poverty has been changing over the last decade or so (Table 5.7). The most significant change has been the "suburbanisation" of poverty. In 1970, 47.4% of Metro's poor families lived in the City of Toronto; by 1980, this figure had dropped to 32.3%. And, whereas in 1970 more than 20% of the City of Toronto's families were classified as living in poverty, this proportion had dropped to 17.2% in 1980. While these trends toward "reduced" poverty have been evident in the City (and paralleled to some extent in the inner suburbs of York and East York), the outer suburbs of North York and Scarborough have witnessed trends in the opposite direction. By 1980, almost 45% of Metro's poor families lived in North York and Scarborough, compared with 31% a decade earlier. Some 13% of North York families, and 11% of Scarborough families, were classed as poor in 1980.

Even with this "shift in poverty" from the inner municipalities to the outer suburbs, the City of Toronto has more than its "fair share" of poor families; it houses 24.8% of all families but 32% of all poor families. In contrast, Etobicoke (with 15% of all economic families in the Metropolitan region) has only 10% of the poor families. There has also been a slight drop in the incidence of poverty in Metro. In 1970, Metro Toronto was below the province-wide figure of 13.7%, but by 1980 it was above the

TABLE 5.7

FAMILIES LIVING BELOW
THE STATISTICS CANADA POVERTY LINE
METROPOLITAN TORONTO, 1970-1980.

	Incidence of Poverty		Distribution of Metro's poor families	
	1970	1980	1970	1980
City of Toronto	20.4	17.2	47.4	32.3
York	14.8	15.8	8.1	7.7
East York	11.0	11.1	4.8	4.3
North York	9.9	12.9	18.6	26.6
Scarborough	10.1	11.2	12.2	18.3
Etobicoke	8.4	9.5	8.9	9.5
Metro	13.4	13.2	100	100

Source: SPCMT, 1985b: Table 2

provincial incidence of poverty of 11.4% (SPCMT, 1985b). So, while there was a decline in the incidence of poverty Metro has not shared proportionately in this decline. This can partly be explained by the loss of manufacturing jobs and the changing structure of Toronto's households (section 5.2 above).

Individuals and families who live in poverty are potential clients of the welfare state; they make demands upon subsidised housing, subsidised day care, medical services and the like. Included in this group of potential users of welfare services are the so-called "working poor", persons not dependent upon government transfer payments but whose incomes nonetheless fall below official poverty lines. However, it is often the case that persons live in poverty because they are clients of the state. For example, in 1985, a single person could receive \$4,416 per year from the Ontario government via social assistance payments. Poverty lines at that time ranged between \$9,411 (Canadian Council on Social Development estimate) to \$10,238 (Statistics Canada estimate for a person living in a metropolitan area) (Ross, 1986:11). The number of people dependent upon General Welfare Assistance in Metropolitan Toronto has been increasing since the early 1980s (Table 5.8). By far the largest proportion of this increase is accounted for by

TABLE 5.8
GENERAL WELFARE ASSISTANCE BENEFICIARIES
METROPOLITAN TORONTO, 1976-1983

Year	Number
1976	41105
1979	40667
1980	38326
1981	37992
1982	37963
1983	50470

Source: Ontario Ministry of Community and Social Services, Statistical Supplement to the Annual Report, various years.

employable women in family units, who in 1977, accounted for only 1.2% of the total employable caseload of GWA. By 1983, they comprised 12%. Generally, the so-called "employable" category has grown most rapidly. This may be expected because people who lose their jobs and use up their 12-month unemployment benefits turn next to welfare as a form of financial assistance. General Welfare Assistance is meant to be a short-term benefit, and so is not ideally suited to the long-term "unemployables" who are better served by Family Benefits Assistance (FBA). The number of people receiving FBA has also been increasing since 1979, and this may account for the relatively constant growth in the number of "unemployables" served by GWA (Table 5.9).

In 1985 the Social Planning Council of Metropolitan Toronto identified areas in Metro where a high proportion of individuals and/or families with "high social needs" were concentrated (Table 5.10). Using the Statistics Canada Low Income Cut Off and 1981 census data, they found 16 areas, eight of which are wholly in the City of Toronto, three each in North York and Scarborough, one in Etobicoke and one which crosses the boundary between York and the City of Toronto. East York had no areas that displayed the high needs characteristics (Fig. 5.2). The total population of these 16 areas is 459,469, of which 47.7% live within the

TABLE 5.9
FAMILY BENEFITS CASELOAD, MARCH, 1977-85
METROPOLITAN TORONTO

Year	Number
1977	26264
1979	25926
1980	26973
1981	28927
1982	29117
1983	30774
1984	34398
1985	37892

Sources: Ministry of Community and Social Services, Statistical Supplement to the Annual Report, various years; Unpublished data provided by the Ministry of Community and Social Services.

Table 5.10

CHARACTERISTICS OF THE RESIDENTS OF SIXTEEN DESIGNATED AREAS
IN METROPOLITAN TORONTO

	1		2		3		4		5		6		7	
	TOTAL	%	TOTAL	%	TOTAL	%	TOTAL	%	TOTAL	%	TOTAL	%	TOTAL	%
Population	30,832	1.45	28,596	1.34	31,155	1.46	25,895	1.21	10,946	.51	15,363	.72	42,495	1.99
Age 0 - 4	2,125	6.9	980	3.4	2,265	7.3	2,005	7.7	990	9.0	685	4.4	2,510	5.9
5 - 14	3,140	10.2	1,275	4.5	5,080	16.3	4,265	16.5	2,080	19.0	1,655	10.8	6,710	15.8
15 - 19	2,070	6.7	1,260	4.4	3,135	10.1	2,435	9.4	1,385	12.7	1,340	8.7	3,845	9.0
65+	3,695	11.9	3,635	12.7	2,585	8.3	2,410	9.3	885	8.1	2,130	13.9	4,775	11.2
Population Age 15+	24,790	80.1	25,950	90.7	23,810	76.4	19,560	75.5	7,790	71.2	12,615	82.1	33,847	79.6
Less than Grade 9 Education	6,315	25.5	4,675	18.0	9,845	41.3	6,715	34.3	2,275	29.2	3,790	30.1	8,470	25.0
In Labour Force	16,490	66.5	17,430	67.2	16,080	67.5	12,490	63.9	3,785	48.6	7,930	62.9	22,286	65.8
Unemployed	945	5.7	1,185	6.8	830	5.2	715	5.7	420	11.1	380	4.8	1,285	5.8
Census Families	6,835	1.23	4,690	.85	7,460	1.35	6,430	1.16	2,536	.46	2,860	.52	10,250	1.85
Families living with other families	570	8.3	130	2.8	1,155	15.5	455	7.1	95	3.7	430	15.0	1,025	10.0
No one in Labour Force	920	13.5	960	20.5	785	10.5	760	11.8	830	32.7	550	19.2	1,545	15.1
1 in Labour Force	2,300	33.7	1,335	28.5	2,150	28.8	1,885	29.3	870	34.3	765	26.7	3,065	29.8
2+ in Labour Force	3,610	52.8	2,400	51.2	4,520	60.6	3,805	59.2	820	32.3	1,555	54.4	4,715	46.0
Lone Parent Families	1,165	17.0	1,125	24.0	840	11.3	950	14.8	1,280	50.5	490	17.1	1,995	19.5
Average Family Income (\$)	19,039	62.8	18,371	60.6	21,046	69.4	22,709	74.9	13,925	45.9	19,102	63.0	21,939	72.4
Households	12,795	1.65	15,250	1.96	9,150	1.18	8,475	1.09	3,715	.48	5,425	.70	14,205	1.83
Households with No Family	4,975	38.9	10,645	69.8	2,285	25.0	2,260	26.7	1,230	33.1	2,795	51.5	4,465	31.4
Rented	10,270	80.3	14,120	92.6	3,400	37.2	4,055	47.8	3,375	90.8	4,310	79.4	5,415	38.1
Economic Families														
Below LICO	1,800	26.0	1,705	33.8	1,480	20.4	1,440	22.3	1,695	65.8	1,015	36.3	2,380	23.1
Unattached Individuals														
Below LICO	3,400	45.5	5,570	45.4	1,475	47.7	1,615	62.6	950	70.4	2,110	51.2	2,600	41.7

Source: SPCMT, 1985b: Table 25

(Cont...)

Table 5.10 (Cont'd)

	8		9		10		11		12		13		14		15		16		METRO
	TOTAL	%	TOTAL	%	TOTAL	%	TOTAL	%	TOTAL	%	TOTAL	%	TOTAL	%	TOTAL	%	TOTAL	%	%
Population	15,502	.7	18,255	.85	51,162	2.39	78,733	3.68	15,262	.71	22,694	1.06	28,007	1.31	29,250	1.37	15,322	.72	100.0
Age 0 - 4	875	5.6	1,220	6.7	3,030	5.9	5,820	7.4	965	6.3	2,050	9.0	1,790	6.4	2,385	8.2	1,150	7.5	5.9
5 - 14	2,470	15.9	2,465	13.5	5,695	11.1	14,285	18.1	1,940	12.7	3,220	14.2	3,665	13.1	4,635	15.8	2,015	13.2	12.6
15 - 19	1,410	9.1	1,465	8.0	3,970	7.8	8,925	11.3	1,525	10.0	1,690	7.4	2,415	8.6	2,920	10.0	1,290	8.4	8.5
65+	1,525	9.8	2,250	12.3	5,895	11.5	3,900	5.0	2,535	16.6	1,670	7.4	3,080	11.0	2,940	10.1	1,575	10.3	10.6
Population Age 15+	11,940	77.0	14,460	79.2	42,295	82.7	58,385	74.2	11,645	76.3	17,435	76.8	22,555	80.5	22,215	75.9	11,446	74.7	80.7
Less than Grade 9 Education	3,155	26.4	3,965	27.4	9,015	21.3	16,815	28.8	2,170	23.3	2,440	14.0	5,380	23.9	3,830	17.2	1,690	14.8	18.1
In Labour Force	7,945	66.5	9,550	66.0	29,540	69.8	41,515	71.1	7,370	63.3	12,625	72.4	14,775	65.5	14,315	64.4	8,440	73.7	70.0
Unemployed	465	5.9	506	5.3	1,315	4.5	1,955	4.7	385	5.2	610	4.8	705	4.8	600	4.2	360	4.3	4.1
Census Families	3,790	.68	4,440	.80	13,990	2.52	20,300	3.66	3,895	.70	6,110	1.10	7,585	1.37	7,820	1.41	4,070	.73	100.0
Families living with other families	445	11.7	395	8.9	665	4.7	1,790	8.8	195	5.0	440	7.2	590	7.8	315	4.3	225	5.5	6.3
No one in Labour Force	600	15.8	525	11.8	1,700	12.2	1,675	8.3	595	15.3	570	9.3	1,105	14.6	1,165	15.9	390	9.6	10.6
1 in Labour Force	1,115	29.4	1,220	27.5	3,870	27.7	5,780	28.5	1,340	34.4	1,780	29.1	2,250	29.7	2,405	32.9	1,080	26.5	28.4
2+ in Labour Force	2,065	54.5	2,710	61.0	8,400	60.0	12,845	63.3	1,965	50.4	3,760	61.5	4,220	55.6	4,255	58.2	2,605	64.0	61.0
One Parent Families	790	20.8	575	13.0	1,860	13.2	3,115	15.3	910	23.4	1,255	20.5	1,425	18.8	1,670	22.9	600	14.7	13.2
Average Family Income (\$)	21,956	72.4	23,824	78.6	25,836	85.2	23,879	78.8	22,188	73.2	22,122	73.0	22,845	75.4	24,527	80.9	24,616	81.2	\$30,310
Households	4,920	.63	6,065	.78	20,255	2.61	22,870	2.95	5,120	.66	8,220	1.06	10,455	1.35	10,385	1.34	5,000	.64	100.0
Households with No Family	1,360	27.6	1,400	23.1	6,586	32.5	3,470	15.2	1,325	25.9	2,345	28.5	3,150	30.2	2,720	26.2	1,030	20.6	30.9
Rented	1,815	36.9	1,860	30.7	10,035	49.5	11,675	51.0	3,195	62.4	5,290	64.4	5,685	54.4	6,130	59.0	2,605	52.1	49.0
Economic Families																			
Below LICO	955	25.9	860	19.3	1,730	12.2	4,075	20.6	1,160	29.6	1,295	21.2	1,535	20.6	1,855	23.6	685	16.7	13.2
Unattached Individuals																			
Below LICO	970	45.0	1,105	43.8	2,655	35.9	1,890	43.5	575	38.7	870	34.1	1,940	53.2	1,730	58.5	485	40.1	33.6

Source: SPCMT, 1985b: Table 25

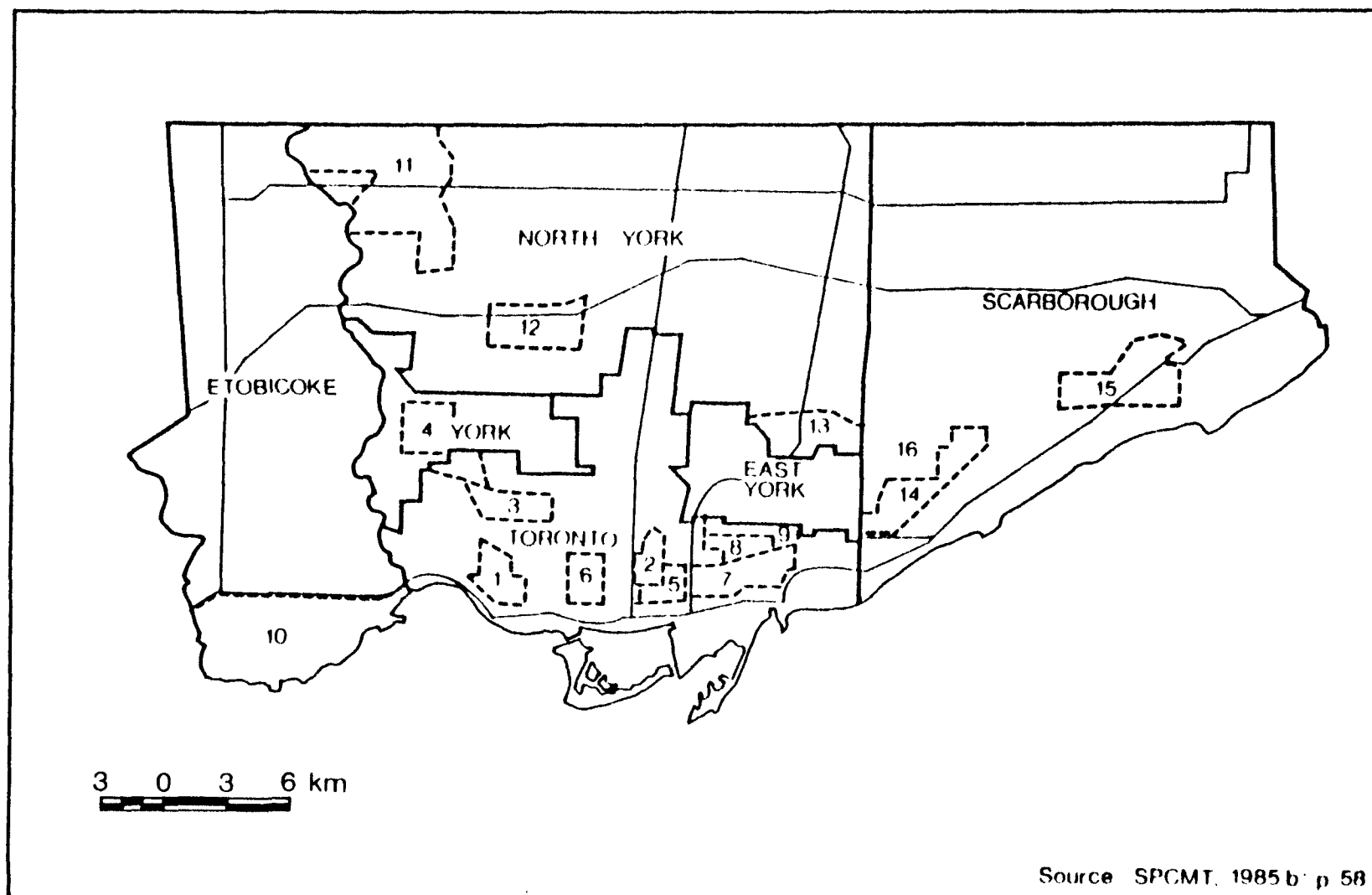


Figure 5.2 Geographic Location of Sixteen Designated Areas in Metropolitan Toronto.

City of Toronto. These areas are characterised by family incomes which tend to be lower than the Metro average; higher than average proportions of families and unattached individuals who live below the Statistics Canada Low-Income Cut Off line; higher rates of unemployment than Metro as a whole; 8 of the areas have a higher than average proportion of people aged over 65; and only 2 of the regions have a lower proportion of lone parent families than Metro.

These data illustrate the uneven nature of potential demands upon the welfare state. Within Metro, certain areas are populated by people with greater needs than others. However, even between these 16 areas there is a high degree of variability. For example, area 5, just east of the downtown area of the City of Toronto, has indicators that vary significantly from the Metro average and from the other 15 "designated" areas. In Metro, the average number of families with no-one in the labour force is 10.6%; in area 5 this figure stands at 32.7%; 91% of residents in this area rent, compared with a Metro average of 49%; 70% of individuals and 65% of families live below the poverty line; and the average family income in this area is only 46% of the Metro average.

Given the uneven distribution of demand, it is reasonable to anticipate a geographically-uneven development

of the welfare state. Resources available to the state are limited and are distributed among a variety of interests. Even if the state were to respond only to areas of high need, such as those just identified, there would be a spatially-uneven development of the welfare state. But, responses are not always based upon need, and often the more organised and vociferous have their demands answered more quickly. Hence, there are temporal and political dimensions to the development of the welfare state which overlay the spatial manifestations of demand. The local welfare state will then be a product of demands, levels of community organisation, availability of resources, and the timing of local demands compared with other demands.

5.3.2 No Place to Call Home

(a) Dimensions of Homelessness

There is little doubt that one of the most serious consequences of restructuring, of both the welfare state and the economy in Toronto, has been the problem of the provision of affordable (low-income) housing. At its most extreme, the failure to provide such shelter has resulted in an alarming rise in the number of homeless people in Toronto, estimated in 1982 at about 3,400 (MCSD/PPI, 1983). Shelters which were established to provide short-term,

emergency accommodation are now increasingly serving a more "permanent" population, who tend to stay much longer than was previously the case.

According to a recent report released by Metropolitan Toronto's Sub-Committee on the Housing Needs of the Homeless Population, there are three categories of homeless people in Toronto. There are (1) those, who due to lifestyle preferences, will continue to be regular and long-term users of the hostel system; (2) people who are able and willing to live in the community if affordable long-term accommodation were available; and (3) people, who because of physical and/or mental disabilities, require supportive housing (MMT, 1986:2). The difficulties in obtaining data on the homeless are obvious, given their transient nature. Data on the homeless in Toronto have been most extensively documented by the Policy and Planning Division of Metro Toronto's Community Services Department (MCSS/PPD, 1983). Reporting primarily on data obtained in a June 1982 survey of hostels and social service agencies, their report also draws some comparisons with the results of a 1981 survey (conducted by the Ministry of Community and Social Services) of hostels which received provincial funding. Although the data are not entirely comparable they can provide some basis for identifying apparent trends in the problem of homelessness

in Toronto.

There were approximately 3,400 persons known to be homeless in Toronto in June 1982 (Table 5.11). This figure is derived from surveys of hostels and social service agencies which reported on clients who had "no fixed address". The estimate of 3,440 incorporates data from two shelters that are only open during the winter. Thus some account is taken for the greater demands on shelters in winter. Because the survey was conducted during the summer, this figure may underestimate the number of homeless people in the city.

Tables 5.12 and 5.13 provide information on agency clients and users of hostels. Of the 2,000 people with no fixed address seen by the agencies at the time of the survey, 31% are classified as youth; a further 17% are former offenders and 15.5% have some history of mental illness. The data on hostel users do not use entirely comparable categories. By far the largest group is that described as "Homeless, Transient or Unemployed" and this descriptor hides details of psychiatric histories, etc.

The largest single user group of the hostel system is comprised of people aged 18-24 years (Table 5.14). In the

TABLE 5.11

SURVEYED NUMBER OF HOMELESS AND HOSTEL CAPACITY,
METROPOLITAN TORONTO,
JUNE 1982

	Hostels			Social Service Agencies Interviewed	
	# of Residents	# Turned Away ¹	Available Beds		
June 1982	1351	93	1343	Clients with NFA	2134
Temporary Hostels ²	205	5	186	Less Clients in Hostels	348
Total	1556	98	1529		1786

Total Surveyed Homeless

Hostels	1556
Turned Away	98
Social Service Clients	1786
TOTAL	<u>3440</u>

Notes: 1. This figure represents the number of people turned away the evening prior to the survey.

2. Two hostels are open only during the winter months. Data for the evening prior to their closure in Spring 1982 was included to ensure that the "seasonally" homeless were included.

Source: MCSD/PPD, 1983:Table 1.

TABLE 5.12
 SOCIAL SERVICE AGENCIES CLIENTS
 WITH NO FIXED ADDRESS,
 JUNE 1982

Agency	# without fixed address	% of all NFA	% o f agency caseload
Youth	614	32	16
Ex-Offenders	344	18	41
Mental Health	309	16	17
Alcohol and Drug Abuse	128	7	85
General Population	502	26	N/A
Total	1897	99	

Source: MCSD/PPD, 1983: table 2

TABLE 5.13
HOSTEL RESIDENTS,
JUNE 1982

Client Type	#	%
Homeless, Transient or Unemployed	603	60
Abused women and/or their children/ Family Conflict	82	8
Alcohol/Drug Abuse	94	9
Post Psychiatric	63	6
Ex-Offenders	49	5
Native	34	3
Elderly	28	3
Physically Disabled	13	1
Other	49	5
Total Known	1015	100
Unknown	541	
TOTAL	1556	

Source: MCSD/PPD, 1983: Table 4a

TABLE 5.14

AGE OF HOSTEL RESIDENTS AND AGENCY
CLIENTS WITH NO FIXED ADDRESS

	Hostel		Agency		Total	
	#	%	#	%	#	%
Under 18	203	13	440	21	643	17
18-24	438	28	658	31	1096	30
25-34	219	14	391	18	610	16
35-44	226	14	305	14	531	14
45-54	265	17	84	4	349	9
55-64	149	10	62	3	211	6
65+	38	2	16	1	54	1
Unknown	18	1	178	8	186	5
Total	1556	99	2134	99	3690	99

Source: MCSD/PPD, 1983: Tables 1A and 3A

case of two youth hostels, with a total capacity of 31 beds, 81 young people were accommodated on the night of the survey; the operating capacity of these hostels was two and one half times their bed capacity (Table 5.15). The severe shortage of emergency accommodation for this group is highlighted by this figure.

Homelessness in Toronto is not confined to the older male alcoholic, often associated with transient lifestyles, although hostels for this population are still the largest providers of beds (Table 5.15). Some of the "new" homeless are young people who have been described as "internal refugees" (Globe and Mail, Feb 21, 1987): persons who come to Toronto, from other regions of Canada, in search of work. With a current (Feb. 1987) unemployment rate of 4.8%, Toronto is well below the national average, and the promise of jobs attracts people. The number of young people who are living in shelters has increased significantly. Between 1981 and 1982 the number of hostel users in the 18-24 years age group increased from 18% to 28% (Table 5.16).

The occupancy rates of the hostels have increased from 84% in 1980 to 94% in 1982 (Table 5.17). Some types of hostels are exceeding their capacity. The largest increase in demand has been experienced by hostels serving families and the co-ed hostels. Even though four new co-ed hostels,

TABLE 5.15
HOSTEL OCCUPANCY FIGURES FOR
SINGLE NIGHT, JUNE 1982

Hostel Type	No Accommodated	Bed Capacity	% Capacity
Single Mens'	913	949	96
Single Womens'	108	113	96
Single parent with children	75	81	93
Families	157	152	103
Co-ed	17	17	100
Youth	81	31	261
Sub Total	1351	1343	100
Temporary Winter Hostels	205	186	110
Total	1556	1529	102

Source: MCSD/PPD, 1983: table 1

TABLE 5.16
COMPARISON OF HOSTEL RESIDENTS' AGES
1981 AND 1982

	August 1981 ¹		June 1982 ²		% Change
	#	% of known	#	% of known	
Under 18	138	15	203	13	-2
18-24	190	18	438	28	+10
25-34	220	20	219	14	-6
35-44	133	13	226	15	+2
45-54	163	16	265	17	+1
55+	160	16	187	12	-4
Unknown	259		18		
Total	1263	98	1556	99	

Notes: 1. Survey conducted by the provincial Ministry of Community and Social Services.

2. Survey conducted by Metropolitan Community Services Department.

Source: MCSD/PPD, 1983:Table 9A

Table 5.17

Average Daily Hostel Occupancy Rates 1980 and 1982

Hostel Type	1980 Average Daily Occupants	Average Annual Capacity %	1982 Average Daily Occupants	Average Annual Capacity %	Percentage Increase
Single Men's	1025	86	1115	88	2
Single Women's	67	87	107	95	8
Single Parents with Children	74	94	75	95	1
Families	81	57	136	96	39
Co-ed	15	88	184	129	41
Youth	1	N/A	71	229	N/A

Source: NCSD/PPD, 1983: Table 8A

were opened during 1980 and 1982 they are unable to meet the demand.

(b) Causes of Homelessness in Toronto

Those who are homeless are in that state largely because of the restructuring of Toronto's industrial and social service sectors. People are not homeless by choice. The lack of community-based facilities for the patient discharged from a psychiatric programme, the difficulty in finding jobs if you are young, uneducated or a women, the high cost of rent, the conversion of rental accommodation into owner-occupied dwellings and the restrictive nature of income maintenance plans are examples of restructuring and its consequences. They are also causes of homelessness. And in Toronto these problems have been magnified to an extent not seen in other Canadian cities.

i. Deinstitutionalisation There is no doubt that Ontario's policy of deinstitutionalisation, a major strategy in the recent restructuring of the welfare state has contributed significantly to the number of homeless people in Toronto. A growing literature from the United States (Appleby and Desai, 1985; Dear and Wolch, 1987) shows that many of the homeless have psychiatric histories. One estimate suggests that, of the 10,000 single people who annually use Toronto's hostels, about one third have some psychiatric disability.

Another 2,000 former psychiatric patients are living in lodging homes in Toronto (MMT, 1986:3). Prior to the move away from the institutional model of care, many of these people would have been accommodated in psychiatric hospitals. Not surprisingly, the implications of being homeless are profound. In 1984, the City of Toronto's Public Health Department noted that

involuntary homelessness affects both physical and mental health adversely.... Persons who recently have become homeless have a host of profound stresses to deal with... (CTPHD, 1984).

Local government in Toronto has been very critical of the process of deinstitutionalisation, largely because of the lack of community supports:

While it may be inappropriate for general hospitals to provide long-term accommodation for patients whose condition has "stabilized" and the Ministry of Health's mandate is to de-institutionalize patients of psychiatric hospitals, it is inappropriate for these individuals to be discharged without ensuring the availability of appropriate community services (MCSHC, 1985:11).

This same report pointedly claims that "In the case of some ex-psychiatric patients, hostels have become the 'end of the line' in the deinstitutionalization process, with few community supports" (MCSHC, 1985:19). The range of services that are meant to help such people is not working. The

recent death of one homeless person in Toronto caused a Coroner's Jury to conclude:

Clearly, the bureaucracy designed to help the most disadvantaged among us has become unresponsive to the need of people it was created to serve. It is fragmented and inefficient. We the taxpayers of Toronto, who pay a good deal for this system, deserve a healthy system that will be more successful in achieving its objectives (cited in TFRBL, 1986b: 54).

ii. Poverty Income problems plague the homeless. Poverty is both a cause and a consequence of homelessness. A survey of 16 homeless men in Toronto (in 1985) found that over 55% were living on less than \$400 per month and only 20% had any income from full-time employment (City of Toronto, 1985). An annual income of less than \$4,800 is less than half the Statistics Canada Low-Income Cut Off for a single person (NCW, 1986). The income-maintenance programmes that are in place in Ontario have often been criticised as inadequate (SPCMT, 1986; SPRCHD, 1986; MMT, 1986). There are cases where the homeless person is able and willing to work but the lack of work is as much an issue as is the inadequacy of income maintenance payments. For women, who often have responsibility for caring for children, this is even more of a problem as they face discrimination in their attempts to

enter the workforce, receive lower wages when they do, and then receive less in their unemployment cheques when they lose their jobs.

iii. Problems in the Supply of Shelter Another dimension of the homelessness crisis is the nature of the production of housing. As noted earlier, there are pressures at work to reduce the stock of affordable houses across the province, especially in large cities. The extent of this problem is captured in the following statement from a recent City of Toronto report entitled Off the Streets:

The expense to conform to new housing by-laws, together with the possibilities of enormous gains in the wave of gentrification, caused the disappearance of 7000 rooms and bed units between 1971 and 1985 (City of Toronto, 1985:2).

Efforts to provide supportive housing in group homes and co-operative housing arrangements in Toronto have met with limited success. The major obstacle for community groups interested in providing accommodation is the lack of finances. While provincial and federal monies are available, the time required to gain approval for a proposal makes it difficult to obtain suitable properties as they become available. In an attempt to overcome this problem, Metro Council is considering a proposal to provide a \$10 million fund for groups to draw upon until long-term

financing is secured (Globe and Mail, Jan 23, 1987). The Task Force on Roomers, Boarders and Lodgers has recently urged the province to develop similar initiatives:

The Ministry of Housing should develop a capital-financing program to support non-profit charitable and municipal hostel renovation and construction, with physical criteria that facilitate successive changes of use as local needs change (TFRBL, 1986b:232).

The major alternative to non-profit community-based homes is provided by the proprietary sector which operates boarding and lodging homes. There are about 700 licensed lodging homes in Metropolitan Toronto and an estimated 330 unlicensed homes (TFRBL, 1986a:19). Even so, there are about 3,500 people living on the streets. Some ex-psychiatric patients with "assured" incomes (via long-term income-assistance programmes) may have displaced some other people (e.g., the elderly, the unemployed etc.) who may have previously occupied the City's network of hostels and boarding homes. Thus the demand for low-income housing in Toronto continues to exceed the supply.

(d) The State's Response

The Province of Ontario has recently made some attempt to address this problem. The final report of the Roomers, Boarders and Lodgers Task Force (1986b) has

outlined a series of recommendations to deal with the problem of homelessness, including addressing the problems associated with not being able to find work. But recent announcements to boost the availability of rental accommodation are minimal: they stimulate the private sector and are aimed as much at "moderate" income families as to the poor and homeless. In its policy statement Assured Housing for Ontario. Reforms to Rent Review, the Ministry of Housing (1985:19) claims:

The new rent review system has been designed to create a climate of investor confidence in the private sector rental market, while at the same time extending tenant protection. The proposed new rules regarding the phased elimination of economic losses and return on invested equity, provides the opportunity for new construction.

In a summary document the Ministry outlines strategies for promoting a "dynamic building industry", including the simplification and improvement of the administration of those provincial regulations and building standards that regulate this industry (Ministry of Housing, 1986). "Renterprise" is a programme under which \$75 million in interest free loans will be made available to produce 5,000 new market rental units. New units will clearly command high rents and only 40% of these units have been designated as rent geared to income, designed to serve low to moderate-

income groups. Over the next 5 years \$200 million will be available to subsidise municipal and co-operative housing groups.

5.3.3 Hunger in Toronto

One determinant of homelessness is poverty; another outcome of poverty is hunger. People in Toronto are not starving to death, but there are, nonetheless, many families and individuals who find it difficult to purchase adequate supplies of nutritional food. These include people in receipt of income assistance and the working poor. As with homelessness it is difficult to obtain precise figures on the extent of this problem. However, one estimate suggests that in 1983 about 100,000 people in Toronto were suffering from some degree of hunger (Toronto Star, 25 Jun 1984). There are indicators that this is a problem that is increasing in magnitude. For example the Daily Bread Foodbank distributed 2,000 pounds of food in January 1984. In September 1985 it distributed 112,000 pounds. Stop 103, a church-based centre in the City of Toronto, has noted "a phenomenal rise in demand" for food. In the summer of 1982, it served about 300 people per month; in September 1985, 1,200 people received food from Stop 103. While this centre primarily serves young men between 21 and 34 years of

age, the director has noted an increasing number of families, including many single mothers. The Salvation Army reports that it receives up to 600 new cases each month. Six years ago, that figure would have been closer to 20. And the Scott Mission, a large downtown agency which serves males, notes an ever-increasing number of former psychiatric patients (Sunday Star, Oct 20, 1985).

During February 1986, the Toronto Star surveyed 70 agencies which distributed food to Toronto's poor during that month. A total of 15,113 people received assistance from 43 agencies that provided groceries. When account is taken of the families of these people, it is estimated that 37,087 people were assisted by these food provisions. The 27 agencies that directly provide meals served 168,289 free meals (Toronto Star, Mar 31, 1986). The survey did not include the hostels that serve alcoholic males or battered women, so these figures provide only a conservative estimate of the extent of hunger in Toronto.

The "suburbanisation" of poverty has been accompanied by a growth in the demand for assistance with food in the suburbs. In 1986, about 110 households in the relatively affluent City of Etobicoke relied on agencies for food or food vouchers each month. One agency reported an increase in the number of people it assisted from 850 in 1984 to

2,000 in 1985. According to the Etobicoke Social Development Council "About half of the people using foodbanks are on some form of assistance...., while others receive or are awaiting unemployment insurance benefits, or are the working poor" (Globe and Mail, Feb 21, 1986).

5.3.4 Summary

Poverty, homelessness and hunger are now conspicuous elements in Toronto's social geography. While such problems are causes of the restructuring of the welfare state, they are also outcomes of that restructuring. Thus, a shift to community-based care has been associated with a rise in the number of homeless people in Toronto. As resources are shifted between different sectors of the welfare state less money is available to ensure that people dependent on public sources for their income are not forced to live below the poverty line. Limited financial resources of Toronto's service-dependent and working poor have created a demand for a new form of welfare as illustrated by the opening of a number of foodbanks.

The process of "privatisation by default" is at work in Toronto as the voluntary sector steps in to provide food and shelter. Commercial lodging home operators also provide shelter. More explicit forms of privatisation are also at

work. The state's policy response to Toronto's housing crisis, for example, has been to suggest that monies be made available to private organisations which will provide low-income housing units.

5.4 LOCAL RESPONSES

These three indicators (poverty, homelessness and hunger) are outcomes of a variety of pressures currently at work in Toronto. Deindustrialisation, changing demographic structures, pressures on the housing market and the restructured welfare programmes have all contributed to a growing crisis in local welfare. What kind of responses have emerged given these changes that are occurring in Toronto? This section will focus on two dimensions to these responses: (1) how the private sector has responded; and (2) the geographical manifestations of these responses.

5.4.1 The Commercial Sector Responds

The private sector has intervened in Toronto's social services to provide a variety of services including children's day-care; residential facilities for the elderly, disabled etc.; and community-based counselling services for a variety of groups including battered women and the mentally ill. As was suggested in chapter three, it is

possible to identify several different types of private activity in Toronto's social services.

The report Caring for Profit, prepared by the Social Planning Council of Metropolitan Toronto, estimated that in the decade 1974-1984, the number of commercial homemaker services operating in Metro tripled. Home Care, the provincially-funded programme to provide assistance to people convalescing in their homes, contracts with 11 homemaker agencies in Metro Toronto. Of these, 7 are commercially-operating ventures and together they receive \$1.6 million from Home Care monies (SPCMT, 1984a:40).

These programmes primarily serve the elderly population, and their demands are likely to continue as their numbers increase. Table 5.18 shows the growth of Nursing Homes and Homes for the Aged in Toronto over the last decade. There has been a decline in the number of facilities at the same time there has been an increase in the number of beds serving the elderly. This implies that the facilities are becoming larger, and may signal the growth of "mini-institutions". For the years reported here, the municipal and charitable Homes for the Aged have grown most rapidly (9.2% from 1976-86, compared with 7% for nursing homes); but it is interesting to note that during the early eighties, Homes for the Aged lost some 256 beds at

TABLE 5.18
NURSING HOMES AND HOMES FOR THE AGED,
METROPOLITAN TORONTO, 1976-86

Year	Nursing Homes		Homes for the Aged		Total Beds
	#	Beds	#	Beds	
1976	44	5419	39	5834	11253
1977	43	5409	n/a	n/a	n/a
1978	43	5481	n/a	n/a	n/a
1979	43	5481	35	6059	11540
1980	42	5481	37	6059	11540
1981	41	5529	37	6721	12250
1982	40	5527	37	6480	12007
1983	38	5527	36	6465	11992
1984	36	5621	35	6465	12086
1985	34	5741	35	6689	12430
1986	35	5801	34	6369	12170

Source: Unpublished data provided by The Ministry of Health,
December, 1986.

a time when Nursing Homes were expanding. Between 1984 and 1985 there was a slight increase in the number of beds in Homes for the Aged, but this dropped again in 1986. Recently, the provincial government announced that another 100 Nursing Home beds would be allocated to the Metro total.

The elderly are not the only group being served by the commercial sector. Services for young children also have a high level of commercial activity. For example, in 1981, two-thirds of children in protective group facilities in Toronto were in homes that were operated for profit (SPCMT, 1984b:51). Some 42% of all licensed day-care spaces were provided by the commercial sector in 1983 (Table 5.19). Commercial operators are also involved in the local Homes for Special Care programme which provides accommodation for persons discharged from a psychiatric hospital who are in need of a supportive living environment. A private medical services firm was awarded a contract by the provincial Ministry of Health to manage a new chronic care hospital in Etobicoke. Privatisation, via the promotion of the commercial sector, is one way in which the state is dealing with the pressures experienced by demands for welfare in Toronto.

TABLE 5.19

LICENSED CAPACITY OF DAY CARE CENTRES BY OPERATOR
TYPE, ONTARIO AND METRO TORONTO, 1979 AND 1983

Operator Type	Ontario		Metro Toronto	
	1979	1983	1979	1983
Municipal	8359 (16%)	9007 (14%)	2282 (14%)	2531 (11%)
Non- Profit	16712 (33%)	25488 (39%)	5839 (35%)	11156 (47%)
For- Profit	25827 (51%)	30603 (47%)	8338 (51%)	10040 (42%)
TOTAL	50898	65098	16459	23727

Source: SPCMT (1984a): Table 5

5.4.2 The Voluntary Response

The voluntary sector has responded to the problems of poverty, homelessness and hunger by providing counselling, emergency and long-term housing, and food. All but three of the 26 emergency hostels operating in Metro are operated by the not-for-profit sector. On average, they are not operating at full capacity, although some actually exceed their capacity (see Table 5.17). Together the hostels provide some 2387 beds, 175 of which are available only during the winter in temporary hostels for single men. The size of the voluntary hostels range from 3 to 269 beds. The largest hostel is operated by the Salvation Army for paying residents.

Many of these hostels have a long history in Toronto. A more recent history is associated with the emergence of voluntary foodbanks in Toronto. Historically, shelters and missions have offered free meals to persons in need. Sometimes churches would offer food to parishioners who were confronted by some short-term crisis. The distribution of food has become increasingly popular as more and more social service agencies face the demands of Toronto's hungry. Donated groceries, mainly non-perishable foods, are distributed to individuals and families. As the problem of hunger has increased, so too has the demand for this kind of

assistance. As indicated above, agencies in Toronto have seen significant increases in the number of people they serve. At least one agency attempted to limit to one the number of times a person can receive food each month, but often people return in need of more food (Sunday Star, Oct 20, 1985).

The growth in the number of hungry persons has caused the development of foodbanks. The objective of these organisations is to distribute surplus food, not so much directly to consumers, but to agencies that will then distribute it to their clients. Food is collected from retailers, wholesalers, restaurants, as well as donations from individuals. The first foodbank of this type in North America was opened in Phoenix, Arizona in 1966; in Canada the first foodbank opened in Winnipeg in 1981. The first move to open a foodbank in Toronto began in November 1982 when the Daily Bread Foodbank Foundation was established. Together with the Provincial Ministry of Community and Social Services and the Metropolitan level of government, Daily Bread commissioned Oliphant and White Consultants to assess the need and viability of a foodbank in Metro.

The consultants' report (Oliphant and White, 1983) noted that there were at least 45 agencies providing meals to at least 3,000 people in Metro. Between them these

agencies were felt to have adequate storage space. The major problem identified by the consultants was the need for greater co-ordination of the current system. Their report therefore did not support the need for the creation of a new foodbank.

Nevertheless, the board of the Daily Bread Foodbank Foundation proceeded to establish a foodbank which became operational in January 1984. By March 1986 it was distributing food to 49 agencies. In addition two more foodbanks opened during 1985. In January Second Harvest began, and later in the year the suburban-based North York Harvest opened. In spite of the consultants' report three new operations opened to serve Toronto's hungry.

By September 1985 it was becoming clear that there was indeed a need for the co-ordinating element suggested by Oliphant and White. Mayor Eggleton, of the City of Toronto, announced the formation of such a co-ordinating apparatus:

I am introducing, with those already involved in fighting the problem [of hunger], a concept called Foodshare Toronto. It will be an information service and clearing house designed to direct people in need, as well as co-ordinate offers of donations and services from the community (Eggleton, 1985).

With this announcement Eggleton recommended that the City Council provide \$20,000 for the first three months operating

expenditures. A steering committee comprising a number of representatives from the voluntary sector, local government and the food industry was established to manage the operation of Foodshare. By January 1986, however, the organisation was in need of more funds. This time it was the regional level of government that was forthcoming with another \$20,000. According to the Metropolitan Community Services Department:

...a Metropolitan-wide foodbank co-ordinating committee would assist in dealing with the immediate day-to-day problem of individuals and families who lack sufficient money for food. It is anticipated that such a structure would assist in ensuring ready access and effective delivery to those in need (MCSS, 1986: 4).

While food was initially distributed by agencies with mandates that involved a range of services, the recent deepening of the problem of hunger in Toronto has led to the development of agencies which deal exclusively with this problem. For the most part the state has been very hesitant to become directly involved. Foodshare is the most explicit example of state intervention around this issue. People involved in these services have been active lobbyists of the welfare state and, to date, their main success has been in gaining much media coverage, such that representatives of the state have at various times been forced to address the

issue. The main target of attack is the income maintenance programmes in Ontario. One often-expressed concern of operators of foodbanks is that as long as they provide food, the state will not feel any pressure to improve public programmes. The voluntary sector thus becomes a substitute for state services rather than a complement to them. According to one service provider in Toronto "We're just becoming an arm that supports the government" (Toronto Star, 27 Jun, 1984).

5.4.3 The Geography of the Local Welfare State

The spatial form of Toronto's welfare state is highlighted by the concentration of certain services, and thus certain populations, in the areas immediately surrounding the downtown core. The City of Toronto has more than its "fair share" of social services. Some 27 of the 31 emergency shelters in the Metropolitan municipality are located in the City of Toronto (Fig 5.3). Agencies that provide free or cheap clothing, food, etc., are also concentrated in certain parts of the city (Fig 5.4). Of 34 programmes that distribute food (either as meals or groceries), 27 are found in the City of Toronto. East York, a suburban municipality, has very few services that serve the transient or homeless. This means that it is unlikely

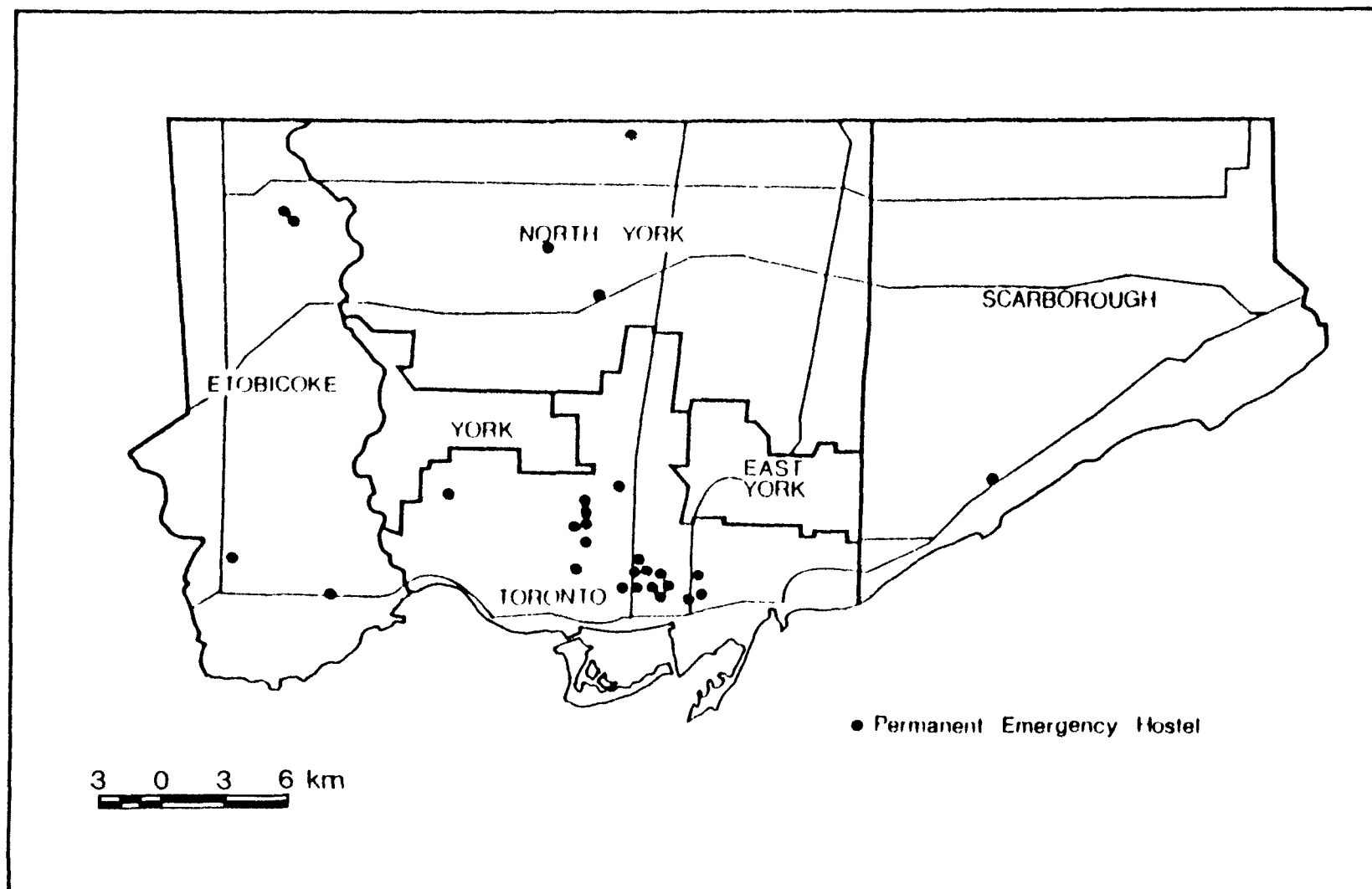


Figure 5.3 Permanent Emergency Hostels, Metropolitan Toronto, 1986.

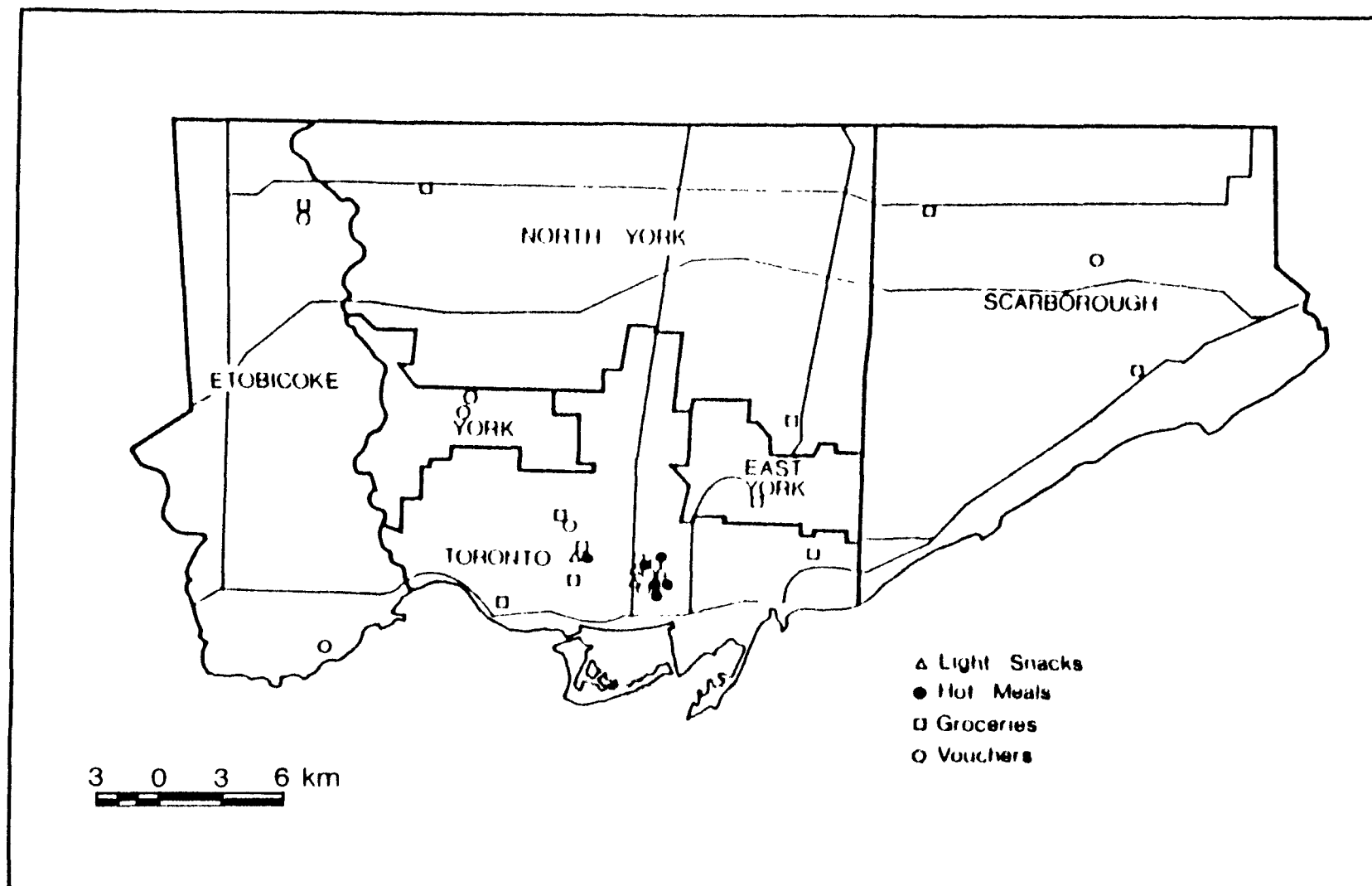


Figure 5.4 Food Programmes, Metropolitan Toronto, 1985.

that these people will be found in this suburb. Any East York residents in need of emergency services will be required to relocate, probably to the inner city.

Non-emergency services also tend to be geographically concentrated. For example, in January 1984, 61% of the region's group homes were found within the City of Toronto which houses 30% of the Metropolitan population (Dear and Laws, 1986a:15). The regional level of government has attempted to decentralise this concentration by implementing an "as-of-right" zoning by-law which states that group homes can be established in any residential neighbourhood. However, two years after the passage of this by-law, the concentration continues (fig 5.5 and see section 5.5.2 below).

The location of hospitals exhibits a concentrated pattern (Fig 5.6). Twenty of Metro's forty hospitals are found in the City, and within this jurisdiction there is a marked concentration around the downtown core. These twenty hospitals account for 7,632 beds or 48% of the total beds available in Metro. Figure 5.7 reveals a similar pattern in the distribution of Homes for the Aged within Metro. Forty-one percent of the Homes and the beds they provide are located in the City of Toronto, even though only 28% of the population was located in this area in 1981 (Table 5.20).

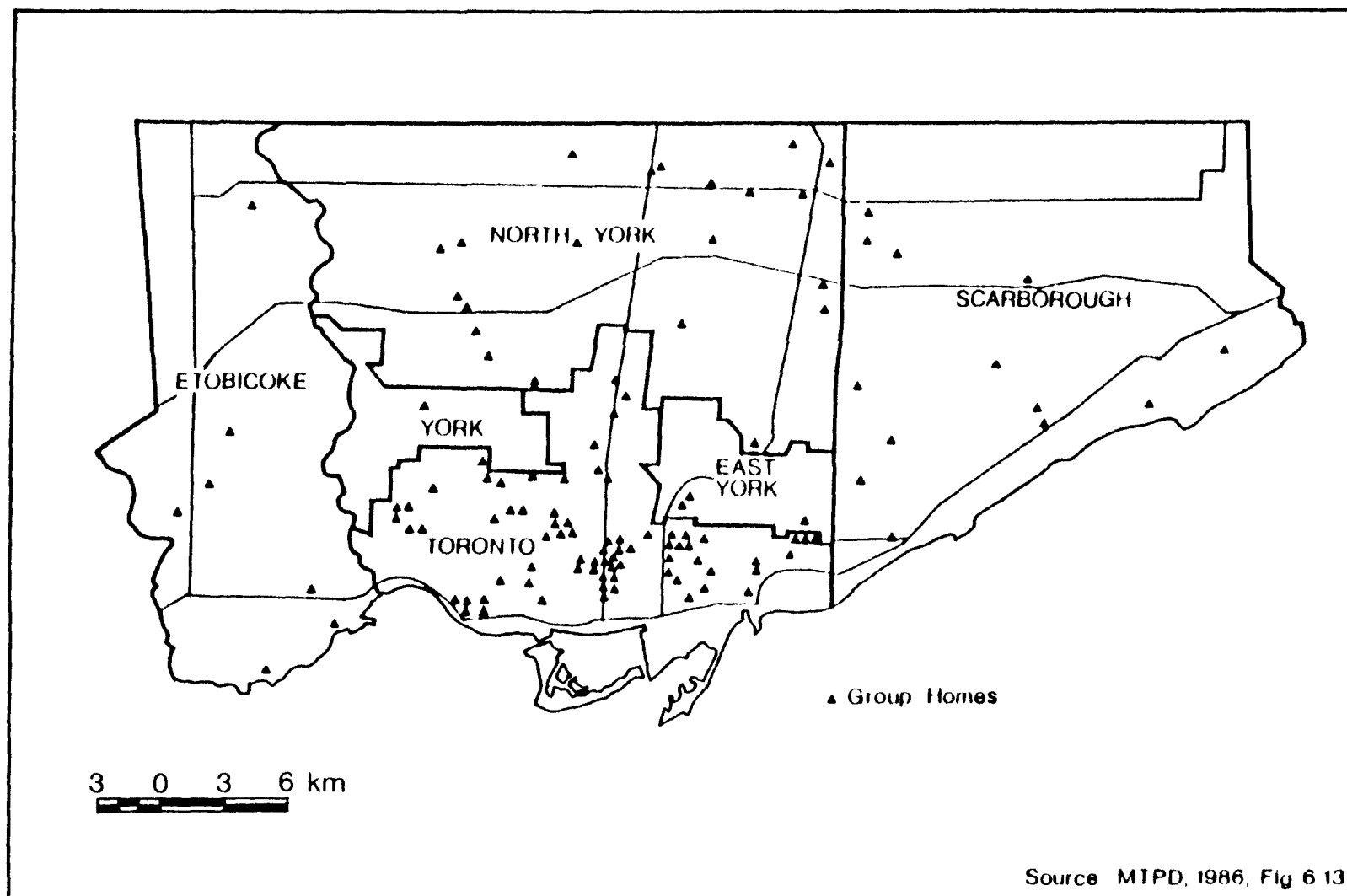


Figure 5.5 Group Homes, Metropolitan Toronto, 1986.

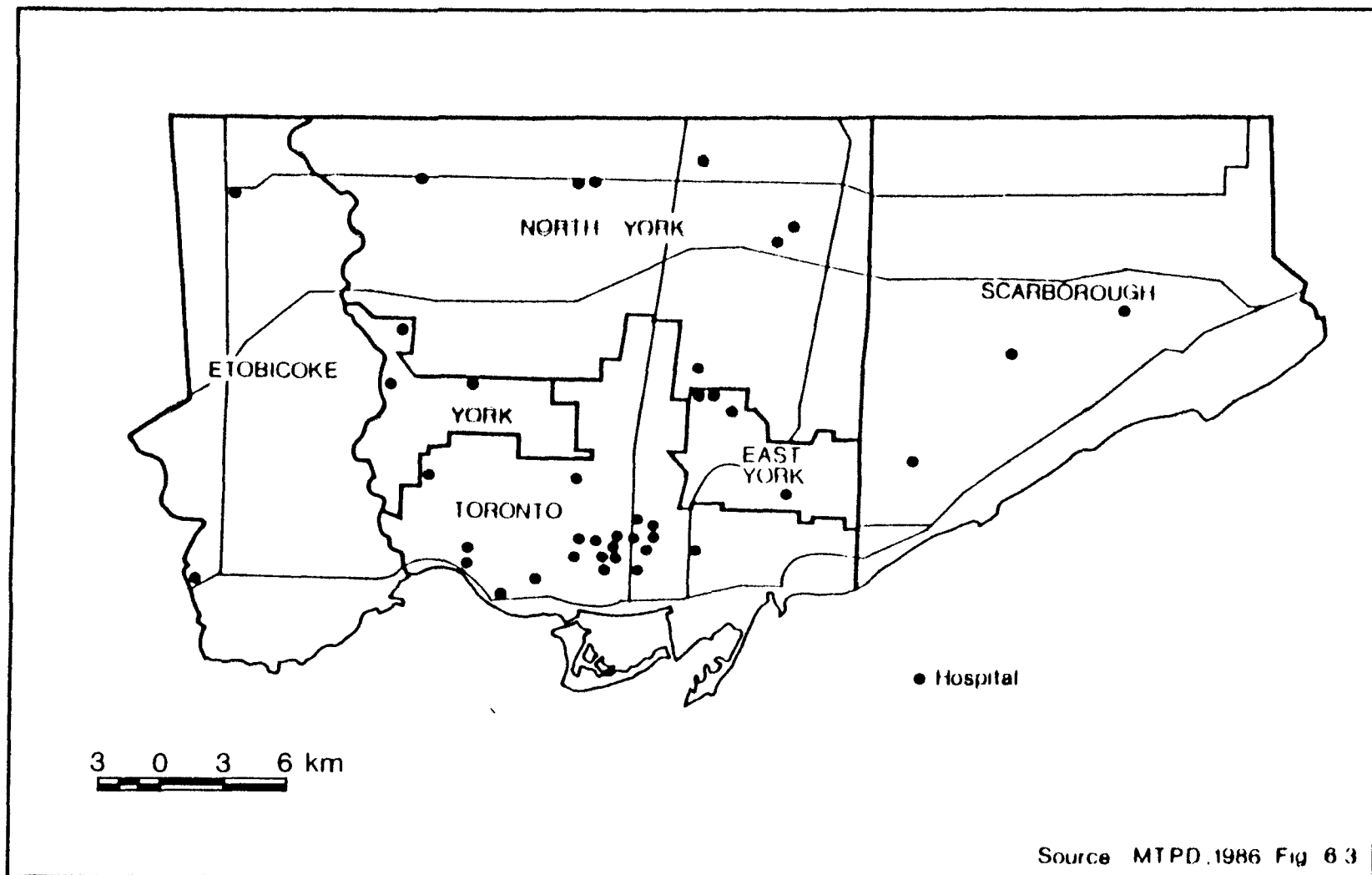


Figure 5.6 Hospitals, Metropolitan Toronto, 1986.

TABLE 5.20
HOMES FOR THE AGED, METROPOLITAN TORONTO
1986

Municipality	Homes		Beds	
	#	%	#	%
Toronto	16	41	3165	41
York	1	2	411	5
East York	2	5	402	5
Etobicoke	2	5	433	6
North York	9	23	1651	22
Scarborough	9	23	1488	20
Total	39	99	7550	99

Source: MTPD, 1986: Table 6.8

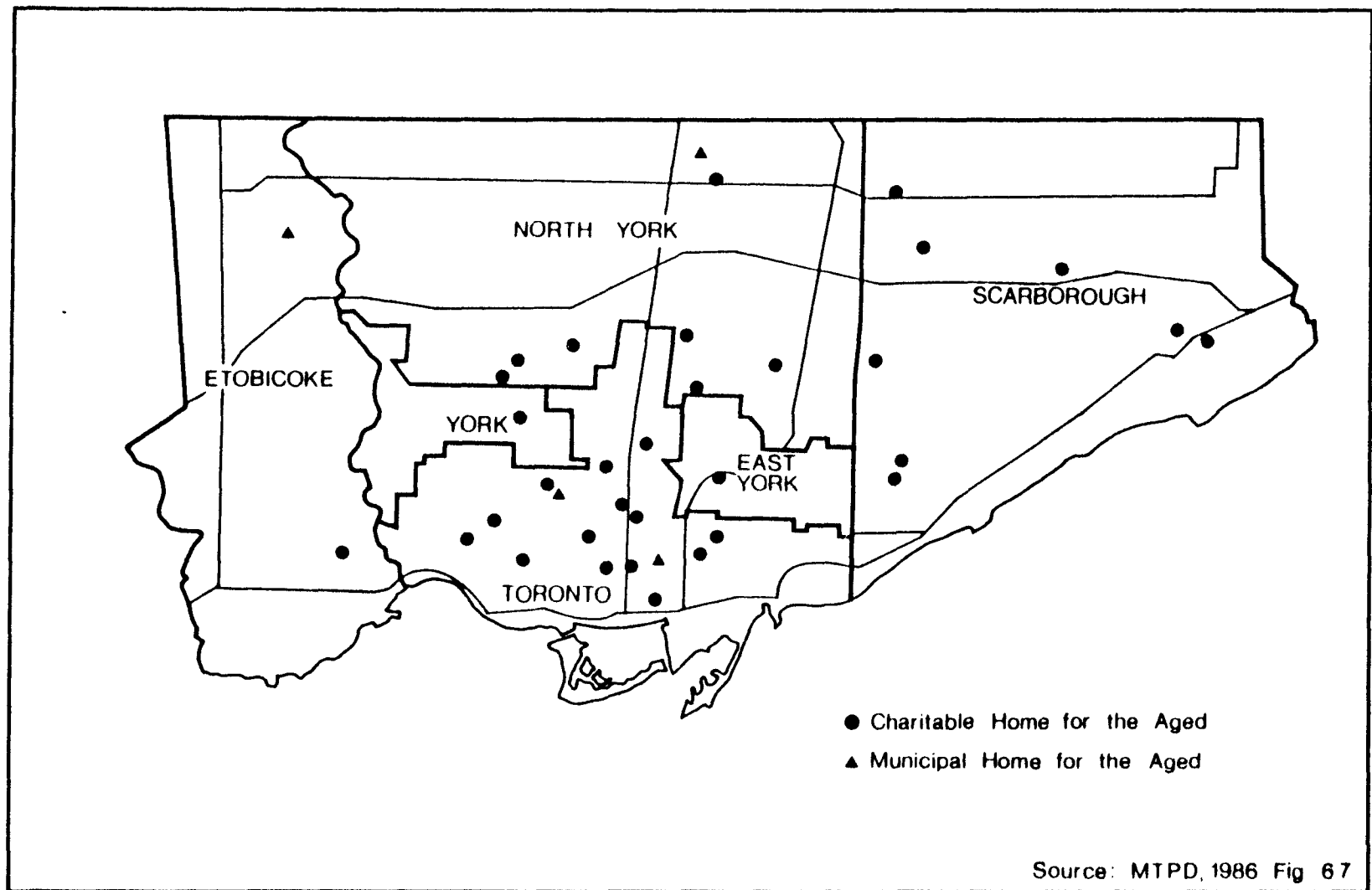


Figure 5.7 Homes for the Aged, Metropolitan Toronto, 1986.

5.5 THE LOCAL STATE'S RESPONSE

Several features characterise the restructuring of Toronto's welfare state. First, there has been the suburbanisation of people and economic activities, and subsequently, of social problems such as unemployment and poverty. Secondly, the extent of some social problems, such as homelessness and hunger, have developed to scales unprecedented during the post-war era. Third, despite the suburbanisation process, there are still spatial concentrations of service-dependent people and the services they rely upon. Finally, both commercial and voluntary organisations provide services which represent both substitutes for, and complements to, the traditional welfare state. How has the local state responded to these issues? In this section I use two cases to examine the local state's response to the changing nature of Toronto's welfare system. First, the relationships between the state and the voluntary sector are explored. Second, the ways in which the state has responded to the geographic form of the local welfare state are explored.

5.5.1 The Shadow State Emerges

One view of the relationship between the recent restructuring of the welfare state and developments in the

voluntary sector is that proposed by Wolch (1986) (see chapter three). She identifies the voluntary sector as a "shadow state apparatus", a sector increasingly involved in what have traditionally been public welfare responsibilities. Several points follow from this. First, in accepting greater responsibility for these functions the voluntary sector has been able to expand its political resources, and thereby influence the development of public policy. Second, voluntary agencies perform duties of the state without being directly accountable to the electorate. Third, the voluntary sector becomes increasingly accountable to the state. As was argued in chapters two and three, privatisation (including that involving the voluntary sector) may actually amount to greater state control over private agencies and their clients. By not providing adequate services directly, the state has promoted the development of private alternatives. For example, foodbanks and emergency shelters are a direct outcome of the "gaps" in the social safety net. These organisations then make demands upon the state, especially for financial assistance. In this section, I examine some of the changes that have occurred in the recent history of Toronto's voluntary sector in order to explore further the notion that privatisation may lead to greater degrees of state penetration. The

analysis thus provides evidence of the emergence of a shadow state.

The emergence of a voluntary organisation as a viable alternative to direct state intervention is closely tied to the availability of state grants. As these grants are restricted, so too are the activities of the voluntary sector. Tucker et al. (1983) have examined the "birth and death" of voluntary organisations in Metropolitan Toronto. They show that there is a significant relationship between state policies and the birth of new agencies (Fig 5.8). For instance, the introduction of the federal Opportunities for Youth programme was associated with an increase in the number of newly-emergent voluntary agencies; when it was withdrawn in 1975, fewer new agencies were able to establish operations. Between 1973 and 1977, this decrease in the number of new agencies was accompanied by an increase in the number of organisations that ceased operations (Tucker et al., 1983:Table 4.0). This may be accounted for by the restraint package, introduced by the Province in the mid-seventies, which placed limits on the amount of state support available for voluntary agencies and other organisations. Between 1972 and 1976, provincial government contributions to Metro's voluntary sector increased by approximately 30% annually. However, during the period 1976

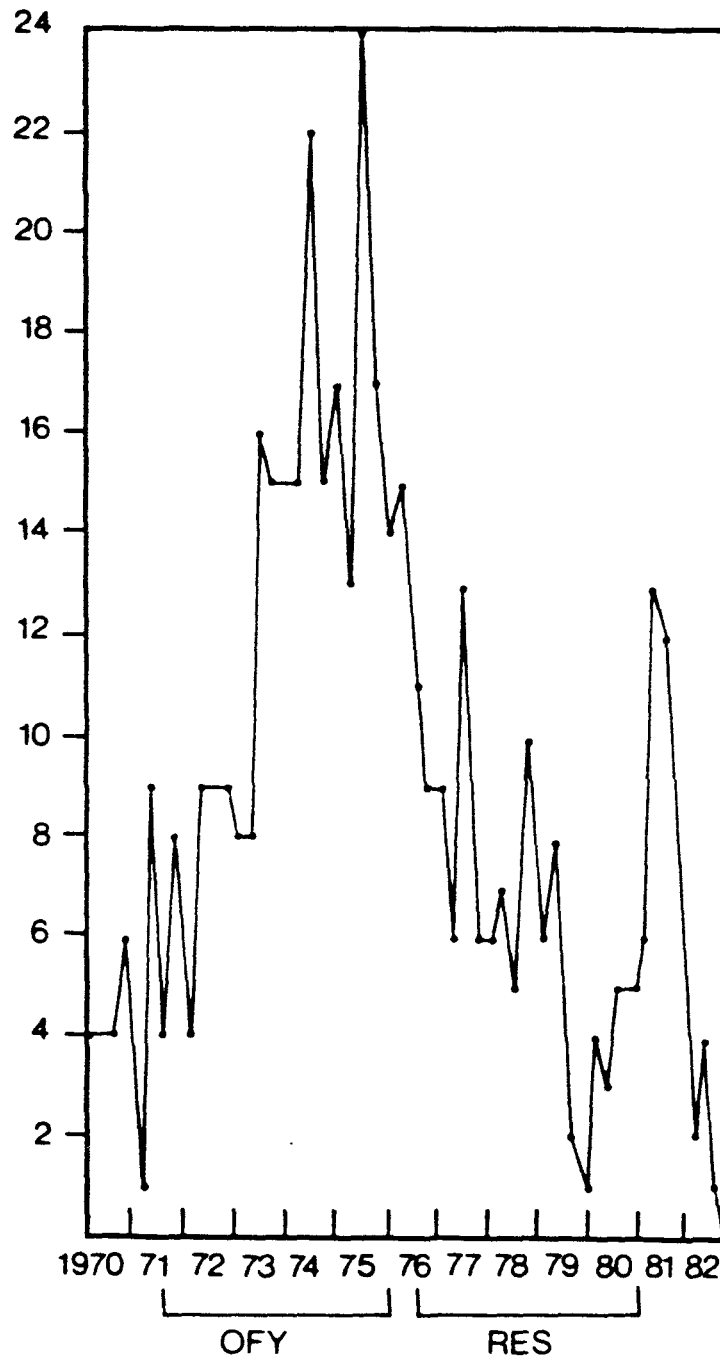


Figure 5.8 Births of Voluntary Social Service Organizations by Quarters from 1970 to 1982.

Source: Tucker, 1983: 36

to 1979, this annual increase had declined to 14.5% (Patterson, 1983: Table A1).

Another indication of the growing relationship between the state and the voluntary sector is the increasing proportion share of total revenues forthcoming from the state (Tables 5.21 to 5.23). The provincial government, in particular has increased its share of total revenues from less than 24% in 1972 to almost 38% in 1981 (Table 5.21). Charitable contributions, as indicated by the United Appeals' contributions to total revenue, have shown a significant decline, from more than a third in 1972 to about one fifth in 1981. At the same time, there has been an increase in the proportion derived from non-government fees.

Within the voluntary sector there have been other types of changes. A comparison between those agencies that are members of the various United Appeals that operate in Metropolitan Toronto and those that are "non-member" agencies is revealing (Tables 5.22 and 5.23). For the United Appeal agencies the state's share of total revenues has increased less than for the non-member agencies, even though in absolute dollar terms much more public money flows into the United Appeal agencies. But whereas in 1972 the

TABLE 5.21

SOURCES OF REVENUE FOR ALL VOLUNTARY AGENCIES
METROPOLITAN TORONTO, 1972-1981
PERCENTAGE OF TOTAL REVENUE
(N=30)

	1972	1976	1979	1980	1981
Municipalities	10.1	12.1	10.4	9.8	10.3
Province	23.8	31.7	32.9	33.7	35.7
Federal	2.3	2.3	2.6	2.1	2.3
Total Govt.	36.2	46.1	45.9	45.6	48.3
United Appeals¹	34.6	26.0	23.3	22.4	20.3
Non-Govt Fees	13.6	15.0	16.6	17.9	17.9
Other	15.6	12.9	14.1	14.0	13.5

Notes: 1. Includes United Way, United Jewish and United Catholic Appeals.

Source: From data presented in Patterson, 1983.

TABLE 5.23

SOURCES OF REVENUE FOR NON-UNITED APPEAL VOLUNTARY AGENCIES
 METROPOLITAN TORONTO, 1972-1981
 PERCENTAGE OF TOTAL REVENUE
 (N=10)

	1972	1976	1979	1980	1981
Municipalities	7.3	20.4	16.7	15.0	16.3
Province	31.1	34.1	32.4	32.4	33.0
Federal	6.2	0.9	0.7	0.2	0.0
Total Govt.	44.5	55.5	50.8	47.6	49.3
United Appeals¹	0.0	0.2	0.1	0.0	0.0
Non-Govt Fees	26.4	20.3	21.4	27.8	25.8
Other	29.0	24.0	27.6	24.5	24.8

Notes: 1. Includes United Way, United Jewish Appeal and United Catholics Appeal.

Source: From data presented in Patterson, 1983.

TABLE 5.23

SOURCES OF REVENUE FOR UNITED APPEAL VOLUNTARY AGENCIES
 METROPOLITAN TORONTO, 1972-1981
 PERCENTAGE OF TOTAL REVENUE
 (N=20)

	1972	1976	1979	1980	1981
Municipalities	10.5	10.8	9.2	9.0	9.4
Province	22.8	31.3	33.0	33.8	36.1
Federal	1.8	2.5	2.9	2.4	2.6
Total Govt.	35.1	44.6	45.1	45.3	48.1
United Appeals ¹	39.3	30.1	27.2	26.0	23.4
Non-Govt Fees	11.9	14.2	15.8	16.3	16.7
Other	13.8	11.1	11.8	12.4	11.8

Notes: 1. Includes United Way, United Jewish Appeal and United Catholics Appeal.

Source: From data presented in Patterson, 1983.

difference between the governments' contributions to the two types of agencies differed significantly by 1981, for both agency types, government contributions now comprise almost half of total revenues. For those agencies that are members, the United Appeals have been contributing less and less toward the revenues. To make up for this erosion of revenues these agencies have been increasing fee-for-service programmes. In 1981 some 17% of their revenue was generated by non-government fees.

A second set of comparisons can be made by analysing the different services offered by agencies. Patterson (1983: 14) concludes that those agencies in Metropolitan Toronto which deal with the health sector "seem to have been blessed by continued growth of both government and non-government revenues". This has implications for the level of staffing that can be maintained. Between 1979 and 1981, for example, voluntary health service were able to increase their staff numbers by 13%. In contrast, the non-health services experienced a decline in staff numbers of 4% (Patterson, 1983:14). A loss of staff may result in a deterioration in the quality and intensity of service that can be delivered. This is a primary concern of the voluntary sector.

These data provide evidence of the changing

partnership between the state and the voluntary sector. The state is playing a larger and larger role in maintaining the viability of the voluntary sector. Serious questions about the autonomy of the not-for-profit sector must therefore be considered. If (as the Ontario state has announced on several occasions) the aim of state policy is to promote the private sector, we have to ask what form this promotion takes. It would appear that the state is in fact expanding its role as it penetrates those components of the social service delivery system that were previously autonomous. Privatisation then is not a simple case of the withdrawal of the welfare state. It in fact, is major impetus for the development of a shadow state apparatus within Metropolitan Toronto. For example, contracts awarded to private research agencies by local government often include requests for particular projects to be completed. Thus, these agencies are performing an important role in the implementation of the state's policy.

5.5.2 The Geographical Reconfiguration of the Local Welfare State Apparatus

One outcome of privatisation and deinstitutionalisation in Toronto has been the formation of geographic concentrations or "ghettos" of services and

residential facilities for service-dependent groups. How has the state responded to this concentration? The local state has several alternatives: it can leave the problem as it is, and let the "free market" solve any problems that arise; it can attempt to pass the problem "horizontally" to other arms of the local state; or it can pass the problem "vertically" to some other level of the state hierarchy. Chapter four argued that this shifting of responsibility has been a common practice in the evolution of Ontario's social policy (see section 4.5.3 above). This has certainly been a problem in providing care for Toronto's service-dependent groups. The last two chapters have suggested that the privatisation of services has been responsible for an increasing alliance between the public and private sectors, typical of the increasing corporatist practices in the organisation of the state. This section will explore state intervention in the conflicts around the location of group homes in Toronto; this issue has been very visible and well illustrates the idea of shifting the responsibility of the outcomes of state policy between various arms of the state apparatus.

(a) Local Opposition

Just as the local community reacted to the concentration of residential care facilities in Hamilton, so

too did residents and other interest groups in Toronto. The City of Toronto, by the early 1970s, was "over-supplied" with group homes, yet suburban municipalities would not accept these homes within their jurisdiction. Opposition to the homes was first expressed in the mid-sixties but became more frequent and more organised through the nineteen seventies, a time when citizens' groups in Toronto became much more vocal in their protests over the form of urban development.

Several issues were at stake in the debates over the location of group homes. Firstly, and the most conspicuous (at least in terms of media coverage), was the question of the spatial concentration of group homes: why should some neighbourhoods be saturated with these facilities, while others had none? This issue was addressed by several different groups: residents with concerns about their neighbourhood, who felt that this concentration was not leading to a reintegration of service-dependent persons into the community. For example, residents in Rosedale, a high income area of the City, opposed group homes on the basis that their property values would be devalued (Toronto Star, Oct 15, 1982; Globe and Mail, Apr 21, 1984). Other neighbours of group homes have "complained about rowdy behaviour, vandalism and noise" (Toronto Star, Feb 14, 1984;

see also Toronto Star, Sep 16, 1980, Feb 10, 1982). In May 1983 an announcement by the Anglican Church that it would sponsor a home for about 50 disadvantaged persons met with strong objections from parents concerned with the safety of their children. One parent, cited by the media, expressed concerns that residents would frighten children. Other parents "feared their children would be lured away with candy and molested" (Toronto Star, Jun 1, 1983). Other concerns expressed by residents in the vicinity of group homes include the potential traffic problems generated by a multi-resident facility (Upper Yonge Town Crier, Nov 12, 1982); "the deterioration of the neighbourhood" (Toronto Star, Feb 10, 1982); and the general overconcentration of homes in some neighbourhoods (Toronto Star, Aug 18, 1982).

A second issue focussed attention on the respective roles of the municipal and senior levels of government in regulating group homes. Recall that deinstitutionalisation was introduced by the provincial government partly as a policy response to its fiscal problems. But even though the provincial government was, at one level, jettisoning its responsibility for residential care, it maintained a strong degree of control over these homes by way of funding and regulatory legislation. Municipalities were therefore assigned a "residual" role (Chouinard, 1980) in which their

main source of authority was their power to implement zoning by-laws to control the location of group homes. And yet, it seemed, that the locational issue was the major, and most immediate, problem with the group homes. The municipalities were being asked to resolve a problem that had been created by a provincial policy. According to the Interministerial Working Group on group homes:

In order to be effective in the long term, and adequately meet the objectives of all group home programs, municipalities must be convinced that group homes are a responsibility of the municipality and an asset to the provision of services in their municipality. The province is dependent upon the municipalities working with residents of that municipality to convince them of the importance of having group homes in their community (IWGGH, 1978:4).

But local municipalities were not convinced by the province's argument:

A good recent example of a case where several non-City providers of services which have a direct impact on a neighbourhood failed to consult with either the City or area residents is the proposal to continue operating a group home in the annex.... The Federal government, which provided \$100,000 through CMHC, and the Provincial government, which licensed the home, as well as the private operator of the home, all neglected to consult the City and residents. If they had, they would have discovered that

the City is in the process of amending its zoning bylaw to prevent overconcentration of such facilities (City of Toronto, 1976:86).

Local municipalities wanted greater control over what was happening in their jurisdictions. Planners also resisted the province's idea that the controversy over group homes is one that can easily be resolved at the local level. The limited powers of the local planning apparatus means that it is not equipped to address problems which cross the boundary between physical and social planning. One planning department objected to the fact that the province was forcing planners to

deal not only with land use aspects of group homes (e.g. dwelling type, size, etc.), but also with the social aspects of the problem, thereby branching into topics such as group home program function, the "normalisation" aspect of group home theory, and even the costs and benefits of the concept of deinstitutionalisation. Areas of concern such as these are not traditionally within the land use planner's jurisdiction. Clearly, land use planners are being asked to solve what is essentially a social policy problem; this matter is further complicated by the fact that planners must work within the practical limits of traditional land use planning tools, those being the Official Plan and Zoning By-Law. This has placed severe limits on what can be done at the municipal level (Borough of Etobicoke, 1980:6-7).

(b) The Politics of Shelter: Attempting to Resolve the Issue

Initially state response was from the local municipalities which could only respond via zoning by-laws. The suburban municipalities of North York and Scarborough passed exclusionary by-laws which discriminated against certain client groups. The North York by-law excluded homes for criminal offenders or substance abusers, while the Scarborough by-law excluded all homes except for those for retarded children. The City of Etobicoke insisted that each application for a group home be considered on a site-specific basis, and require a zoning variance as a legal non-conforming land use. Such discriminatory practices have been challenged by groups which advocate that group homes should be treated as any other residential land use (e.g. SPCMT, 1980:6).

In 1978, the City of Toronto passed a by-law which allowed the establishment of group homes in all areas zoned for residential land use within its jurisdiction. This formalised the notion that group homes could locate "as of right" in residential neighbourhoods, and would no longer need to go through the lengthy process of being granted a zoning variance. In September, 1978, the provincial government announced a policy based on this as-of-right

principle. But, the policy never became legislation and was designed rather to "encourage" municipalities to be more permissive in their zoning practices with respect to group homes. There was no mechanism to cause this approach to be adopted by the local areas. The provincial government left it to the discretion of the local government to formulate methods for dealing with controversies over the siting of group homes. This was in keeping with provincial rhetoric at the time about the need for community involvement in the administration of social services (see chapter four above). But, always the province maintained the senior position in terms of control.

In Toronto there are two levels of local government: the regional Municipality of Metropolitan Toronto, and the six member local municipalities. The Metro council adopted the as-of-right policy in June 1979, and announced that it would challenge any local municipality which did not conform with the policy. The first target of this challenge was the North York by-law which did not permit group homes (other than those for mentally-retarded children) to locate in residential neighbourhoods. The Metropolitan position was formalised in 1981 in a new Metroplan, a master planning document for the entire metropolitan area and to which local municipalities must conform. Opposition to the plan had

been expressed by the suburban municipalities prior to it being approved by the Ministry of Municipal Affairs and Housing, and continued after approval.

When there is a dispute over land-use practices in Ontario, that conflict can be adjudicated by the Ontario Municipal Board (OMB), a quasi-legal agency of appointed officials. The Board stands independently of the Ontario Supreme Court, and the decisions passed by the Ontario Municipal Board are meant to be final. Cabinet should only be involved in a "last resort" appeal against OMB rulings. In the early eighties a number of cases dealing with the location of group homes in Metropolitan Toronto were being dealt with by the OMB. Finally, in November 1983, it was decided that

all matters relating to group homes [would be] consolidated so that the Board might dispose of all matters relating to group homes in one hearing. To facilitate the calling of evidence in this matter it was decided that the Board would deal with the main ammendment being proposed to Metroplan relating to group homes. Following the evidence on the basic issue of "as of right" Group Homes, the Board will render it [sic] decision. The hearing will then resume to deal with the remaining outstanding issues as they relate to each individual municipality, should that be necessary (Letter dated November 24, 1983, to Etobicoke Council from John H. Reble, Solicitor for the City of

Etobicoke; read at Council meeting
November 28, 1983).

The OMB began its hearings in the Winter of 1984. The intervention of the OMB amounted to a "shifting" of the problem back "up" the state hierarchy, as a provincial arm of the state apparatus was being asked to adjudicate a conflict between the local municipalities. While the hearing did attend to the concerns of local residents, it was as much a hearing about the rights of extra-local powers (be it regional or provincial government) to dictate the form of local land-use practices, since local government has little power to argue about the provincial policy of deinstitutionalisation.

At the hearing, several groups debated the issue: the municipality of Metropolitan Toronto, the provincial Secretariat of Social Development, welfare agencies and some citizens groups argued in favour of as of right zoning. The suburban municipalities of Etobicoke, York and East York, the South Rosedale Ratepayers' Association and some individuals opposed the by-law (see Dear and Laws, 1986a for details). On November 1, 1984, the Ontario Municipal Board announced its decision: all group homes, with the exception of correctional facilities, are permissible land uses in all Metropolitan Toronto residential districts. Municipalities

have discretion to restrict correctional facilities to arterial roads. The location of group homes can further be restricted by the distance between two facilities, and the number of residents in each home.

In announcing its decision, the OMB noted that the policy of deinstitutionalisation was well established in Ontario. Moreover, the province was committed to a policy that encouraged municipalities to permit group homes in residential neighbourhoods. The uneven implementation of the provincial policy was of some concern to Board members:

[The] scarcity of group homes in some of the [Toronto] area municipalities violates a principle, which we suppose is only a matter of ordinary fairness, that it should be possible for people brought up in one of the area municipalities who require group home accommodation to find that accommodation in the municipality with which they are familiar (Ontario Municipal Board Decision, 1984:10).

Such principles of "geographical" or "spatial" justice did not, however, extend to the case of correctional group homes. The compromise around the correctional homes was necessary if the move toward a more uniform zoning policy within Metro was to be expedited. Homes for offenders and substance abusers could still be dealt with on a site-specific basis but the OMB decision assures that any "unreasonable" siting decision is likely to be appealed to

the Board.

Although the decision by the OMB theoretically promotes a decentralisation of group homes there are three major constraints to this potential diffusion. The first of these is the limited availability of properties suitable for conversion. Suburban architecture does not always lend itself to housing large numbers of unrelated people, and houses that are of the appropriate size are often too expensive to be purchased as a group home. Second, the dependence of group home residents upon public transit and aftercare services means that they need to live close to the geographic concentrations of these facilities, which continue to be found close to downtown Toronto. Finally, it will be the "rejecting" neighbourhoods (Dear and Taylor, 1982) which will be asked to accept group homes and so community opposition is likely to continue. However, the OMB decision may facilitate the process of acceptance in these hitherto recalcitrant jurisdictions.

5.6 SUMMARY

Changing patterns of urban and economic development in Toronto have had pronounced consequences on the local development of the welfare state. The suburbanisation of the population, for example, has been accompanied by the

suburbanisation of social problems such as poverty. One implication of this process is that there will be a subsequent shift in demand for social services. At the same time that this spatial shift in poverty has occurred, there have developed new manifestations of the problem. Individuals and families are increasingly finding it difficult to feed and house themselves adequately. The plight of the hungry and the homeless in Toronto has captured the attention of the media, politicians and planners.

The causes of these problems lie in the continuing economic recession, the subsequent restructuring of the Canadian economy, and the related fiscal problems and restructuring of the state. Cutbacks in the area of social service expenditure translate into inadequate income-maintenance programmes, a deficit of quality, low-income housing and general underfunding of the social services. This chapter outlined some of the responses by commercial and voluntary service providers to these problems in Toronto. The voluntary sector has reacted by attempting to supplement the deficiencies of the state-provided services. Foodbanks and emerging shelters are operated by various charitable agencies and serve those people whose income (whether publically- or privately-earned) does not cover the

costs of basic food and shelter. These have been part of Toronto's experiences of privatisation.

But, these voluntary organisations are not passively accepting the role of making up for deficiencies in the state's services. They have actively lobbied the state to make significant changes in policy. Although no major changes have emerged, the local state in Toronto has reacted to such pressures, for example, by funding an organisation to co-ordinate the activities of foodbanks, and providing some money for housing projects. A number of reports, with policy recommendations, concerning homelessness have been produced within Toronto's local welfare state. It is yet to be seen what the results of these actions by the government will be.

State financing has increased substantially as a proportion of the voluntary sectors' total revenues. So, on the one hand, there is an apparant withdrawal of the state from service provision; on the other, there is an increase in state control over the ostensibly autonomous non-profit sector. Thus, the emerging form of the local welfare state in Toronto appears to be one of a "shadow state". This raises questions about the degree to which this new form of the state is accountable to society.

While this shadow state appears to be developing,

more orthodox forms of the state (e.g., local government) continue to develop in Toronto. Local government in Toronto has limited powers to deal with social issues. In response to pressures originating externally (e.g., the provincial policy of deinstitutionalisation) and locally (e.g., community opposition to group homes), the local government has been forced to deal (partly) with the housing of service-dependent groups. The debate between Metro Toronto's member municipalities about the admissability of group homes as residential land-uses has been technically resolved by local legislation that defines group homes as permissible in residential neighbourhoods; this does not necessarily lead to a greater supply of homes because of other forces, such as real estate costs.

This chapter has provided a view of the aggregate outcomes of restructuring in one place, and some examples of responses to these changes. The restructuring of Toronto's welfare state demonstrates the importance of both structures and agents. It also illustrates the ways in which the local state mediates these forces of change within a locality, by responding to pressures as they are manifest in these places. In the next chapter, the thesis focusses on one sector in one locality to provide a more detailed analysis of the restructuring of the local welfare state.

CHAPTER SIX
THE PROCESS OF PRIVATISATION
OF HAMILTON'S RESIDENTIAL CARE FACILITIES

6.1 INTRODUCTION

Chapter three argued that privatisation can result in a variety of forms which offer services in a more or less decommodified way. But, it was suggested, local conditions affect the apparent forms of these services and the degree to which the state is or is not involved in service provision. It is therefore necessary to explain the local processes which determine the consequences, and forms, of state policy.

This chapter concentrates on the process of privatisation in the case of residential care facilities in Hamilton. The objective of the chapter is to illustrate how a policy like privatisation is translated into practice in a particular locality. Recall that a locality is the unique expression of the interaction of structures and agents in a particular time-space context. Even though a state policy (e.g. deinstitutionalisation) aimed at overcoming the fiscal crisis of the state may be seen as a structural condition, it is the way that people interpret, implement, and modify the policy which creates the local landscapes. By focussing

on a single sector (residential care), this chapter can illustrate how these processes are played out in Hamilton.

The relatively small role played by the voluntary sector in providing residential care in Hamilton, compared with the rapid growth of the for-profit facilities, must be seen in the context of a state policy that has been encouraging commodified forms of social service provision. However, the actions of the commercial operators have been constrained, at least nominally, by the local state and its reactions to local concerns. This chapter traces the evolution of different forms of residential care and the relationships between the providers and the local state. It shows that the processes of privatisation may indeed promote an increasing "statisation" of everyday life (that is, an increase in the level of dependency among service-providers and consumers), and a change in the form of the welfare state.

The chapter has the following plan. Section 6.2 provides an overview of the structure of Hamilton's residential care sector by outlining (1) its composition, in terms of the different auspices under which residential care is provided; (2) the demographic characteristics of the major client groups served by this sector; and (3) a brief history of the evolution of the sector in Hamilton. Sections

6.3, 6.4 and 6.5 deal with the role of the commercial, voluntary and domestic sectors respectively in the privatisation of residential care. The overall dynamics of the ongoing restructuring of the provision of residential care are examined in section 6.6. A summary is presented in section 6.7.

6.2 RESIDENTIAL CARE IN HAMILTON

6.2.1 The Structure of Residential Care

Residential care in Hamilton is provided both within specific facilities, such as Nursing Homes and lodging homes, and within an individual's home with the assistance of some outside agency. **Residential care** facilities are defined in this chapter as those facilities that provide some level of **assistance in the activities of daily living** in a **non-institutional, community-based form of care**. Emergency shelters are not included in this discussion. The precise definitions of the different types of residential care facilities are provided in the glossary in appendix c.

The division proposed in chapter three, between commercial, voluntary and domestic sectors is a useful way of describing the private sector's involvement in residential care. First, commercial proprietary operators are involved in the provision of care in Nursing Homes,

Homes for Special Care, boarding homes and lodging homes. Second, the voluntary sector operates a small but important number of group homes and Homes for the Aged. The domestic sector is responsible for care within the client's home; for the most part, this is delivered by a member of the household, and thus it is difficult to gauge the precise contribution of this sector. One surrogate indicator however, is the growth in homemaker services. These offer limited assistance to those who are being cared for in their home.

Table 6.1 shows a breakdown of the number of beds provided by the different types of residential care facilities. In all, some 4177 beds are available within the Hamilton-Wentworth Region, 63% of which are provided in the commercially-operated Nursing Homes, lodging homes and Homes for Special Care. Group homes, which are usually operated by the voluntary sector, provide less than 10% of the community-based accommodation. The remaining 27% is provided by Homes for the Aged.

6.2.2 The Populations Served

The Hamilton residential care facilities serve a diversity of populations, although there tends to be some specialisation within the different types of facilities.

TABLE 6.1
NUMBER OF ADULT RESIDENTIAL CARE FACILITIES IN
HAMILTON-WENTWORTH
1986

Type	Number	%
Lodging Homes ¹	1141	27.5
Nursing Homes ²	1344	32.4
Homes for Special Care ³	144	3.5
Total Commercial Sector	2629	63.4
Homes for the Aged ²	1132	27.3
Group Homes ⁴	384	9.3
Total Non-Commercial	1518	36.6
TOTAL	4147	100.0

Sources: 1. Hamilton-Wentworth Department of Social Services; 2. Ontario Ministry of Health; 3. Hamilton Wentworth Regional Social Services Department 4. Author's estimate December, 1986

Nursing Homes and Homes for the Aged serve primarily the elderly population, although old people are also found in lodging homes. Almost 60% of the beds available in community-based residences in Hamilton-Wentworth are allocated to the elderly who reside in Nursing Homes and Homes for the Aged (Table 6.1). The lodging home sector serves a mixed clientele, although there is a large proportion of old people and the mentally ill in these homes (Tables 6.2 and 6.3). Group homes, operated by the voluntary sector, serve client groups that seem not to "fit" in other settings. These include alcoholics, drug abusers, former offenders and those serving community-based sentences, and **adolescents with problems that prevent them from living independently**. Group homes also house the mentally retarded and some ex-psychiatric patients. The Homes for Special Care provide accommodation exclusively for people who have stayed in a psychiatric hospital but who are no longer in need of the institutional setting.

The growth in residential care facilities which serve the elderly and the ex-psychiatric in Hamilton is a function of local conditions. The population is aging: in 1976 people over 65 accounted for 9.9% of the region's population. In 1982, this proportion had increased to 11.3%; by the turn of the century it is expected that the

TABLE 6.2
AGE DISTRIBUTION OF LODGING HOME CLIENTS
MARCH 1983

AGE	CONTRACT ¹ HOME		NON-CONTRACT HOME		TOTAL	
	#	%	#	%	#	%
0-15	0	0	0	0	0	0
16-25	55	14.8	9	3.8	64	10.5
26-35	69	18.6	14	6.0	83	13.7
36-45	48	12.9	4	1.7	52	8.5
46-55	60	16.2	8	3.4	68	11.2
56-65	79	21.3	15	6.4	94	15.5
66-75	32	8.6	29	12.3	61	10.1
76-85	21	5.7	70	29.8	91	15.0
85-95	6	1.6	65	27.7	71	11.7
95+	1	.3	21	8.9	22	3.6
TOTAL	371	100.00	235	100.00	606	100.00

Note: 1. Refers to homes that have a contract with the Regional Department of Social Services.

Source: Unpublished data collected by the Public Nursing Unit of Hamilton-Wentworth Regional Health Unit, 1983.

TABLE 6.3
MEDICAL HISTORIES OF LODGING HOME
POPULATION, MARCH 1983

	CONTRACT HOMES ¹		NON-CONTRACT HOMES		TOTAL	
	#	%	#	%	#	%
MEDICAL HISTORY	71	19.4	113	48.1	184	30.4
PSYCHIATRIC HISTORY	234	63.1	23	9.8	257	42.2
COMBINED MED/PSYCH	39	10.5	3	1.3	42	6.9
MENTALLY RETARDED	14	3.8	15	6.4	29	4.8
MR/PSYCH MEDICAL	6	1.6	6	2.5	12	2.0
NONE OF ABOVE	7	1.9	75	31.9	82	13.5
TOTAL	371	100.00	235	100.00	606	100.00

Note: 1. Refers to homes with acontract with the Regional Department of Social Services.

Source: Unpublished data collected by the Public Nursing Unit of Hamilton-Wentworth Regional Health Unit, 1983.

over 65s will make up 14% of the region's population. Conditions typically associated with aging, such as cerebral disfunctions (including confusion and senility) and physical disorders, require that elderly people have access to nursing care and/or supervised living arrangements (Bayne and Caygill, 1977).

The tables reveal a significant difference between the populations residing in the contract as opposed to non-contract homes. Contract homes tend to serve a younger population and house a greater proportion of patients with a history of psychiatric disorders. This is an artefact of the contract arrangement. Many post-psychiatric clients are recipients of General Welfare Assistance. The Regional Social Services Department will use a person's GWA payments to cover the costs of accommodation in lodging homes with which the Region contracts.

The deinstitutionalisation of patients from Hamilton Psychiatric Hospital has also played a significant role in the need for accommodation for the mentally ill. It is estimated that there are around 2,500 chronically mentally-ill individuals in Hamilton-Wentworth. About 37,000 people suffer from an acute psychiatric problem each year, representing about 9% of the population. Of these, some 90% are treated by family practitioners; the other 10%

are treated within an institutional setting (perhaps for only a brief contact) or come into contact with a community-service agency (HWDHC, 1984:7). Table 6.4 shows the trends that have been evident since Hamilton Psychiatric Hospital began to discharge people into community-based settings. In 1969, the capacity of the Hospital was 1451 beds. Since 1980 this figure has been reduced to 502 beds; the current in-patient population is about 325 people. This shift in policy has created a demand for cheap accommodation relatively close to the services for which the mentally ill have a continuing need. It is interesting to note the rise in readmissions and the shortened average length of stay in the community since 1977. These trends have been manifest at a time when there has been a recession in the city's economy, and people may have faced additional stresses.

Recent discharge patterns from Hamilton Psychiatric Hospital illustrate the types of accommodation available to ex-patients (Table 6.5). Most clients (60%) are discharged to private homes. After this, the greatest number are placed in Hamilton's lodging homes. The shift of these people into the community does not mean that they are ready to live entirely independent of some form of support. Many remain dependent on various forms of drugs which help stabilise their behaviour after discharge, but

TABLE 6.4
HAMILTON PSYCHIATRIC HOSPITAL STATISTICS
1969-1985

	ADMISSIONS			DISCHARGES		ON BOOKS	AVERAGE LENGTH OF STAY IN COMMUNITY
	FIRST	READMISSIONS ¹	TOTAL ²	TOTAL	DUE TO DEATH		
1969		2078	2101	2050	78	1063	n/a
1970	749	1050 (57.0)	1842	2030	108	858	n/a
1971	561	731 (53.5)	1367	1415	59	810	655
1972	492	590 (45.7)	1290	1308	35	792	695
1973	502	595 (44.7)	1329	1362	38	759	742
1974	398	452 (43.0)	1052	1176	35	635	737
1975	403	463 (44.0)	1052	1153	18	534	776
1976	283	366 (43.7)	837	898	26	473	856
1977	216	324 (44.0)	736	746	18	534	776
1978	271	469 (51.2)	916	956	16	423	981
1979	239	424 (50.1)	845	853	20	415	817
1980	313	444 (46.9)	947	967	22	395	1077
1981	336	541 (51.4)	1051	1046	11	400	974
1982	342	629 (53.3)	1180	1163	14	417	880
1983	342	592 (52.4)	1130	1170	13	377	751
1984	356	648 (54.5)	1189	1210	15	356	824
1985	279	643 (59.6)	1079	1045	9	390	

Notes: 1. Number in brackets shows readmissions as a percentage of total admissions

2. Includes transfers

Source: Unpublished data provided by Hamilton Psychiatric Hospital.

TABLE 6.5

PATIENT DISPOSITION ON DISCHARGE FROM
HAMILTON PSYCHIATRIC HOSPITAL
JULY-NOVEMBER, 1986

	Outpatient		Inpatient		Total	
	#	%	#	%	#	%
Private Home/Apt	56	55.4	162	62.3	218	60.4
Private Room	1	1.0	5	1.9	6	1.7
Private Bdg House	22	21.8	36	13.8	58	16.1
Domiciliary Hostel	6	5.9	5	1.9	11	3.0
HSC-residential	1	1.0	1	0.4	2	0.5
Co-op Home	1	1.0	0	0	1	0.3
Group Home	7	6.9	6	2.3	13	3.6
Nursing Home -Ext Care	1	1.0	1	0.4	2	0.5
Home for the Aged	1	1.0	0	0	1	0.3
Hostel	2	2.0	7	2.7	9	2.5
Correctional Instit	0	0	2	0.8	2	0.5
COMSOC Facil	0	0	3	1.2	3	0.8
Other ¹	3	3.0	32	12.3	35	9.6
TOTAL	101	100.0	260	100.0	361	100.0

1. Includes no fixed address, not elsewhere classified, and unknown.

Source: Unpublished data provided by Hamilton Psychiatric Hospital

many still require some assistance in the activities of daily living.

Both the elderly and ex-psychiatric patients, as well as other service-dependent groups, have limited incomes and continuing service needs. From these have evolved a demand for relatively low-cost accommodation which provides some levels of assistance.

6.2.3 The Growth of Residential Care

Two important pieces of legislation which would have significant impacts upon the development of residential care in Hamilton were passed by the Province in 1958. First, the Visiting Homemakers and Nurses Services Act marked the beginning of provincial funding for the delivery of care within a person's home. Second, the General Welfare Assistance Act provided for the purchase of services, including residential care, from private providers. Both acts were legislated as "discretionary"; a municipality could choose to adopt these programmes (or not) and the local municipality would be responsible for 20% of the costs. Hamilton became involved in both. Each of the Acts was important for deinstitutionalising both the elderly and the ex-psychiatric patient. The Homemakers Act assured some level of care, albeit minimal, for old people who were

house-bound. The General Welfare Assistance Act not only provided services, but it had an important income-maintenance component. General Welfare Assistance (GWA) was to provide short-term financial assistance. However, it is now increasingly used on a long-term basis by persons not eligible for payments from other sources. Ex-psychiatric patients draw heavily on this programme.

Homes for Special Care, Nursing Homes, lodging homes and group homes increasingly became a part of Hamilton's landscape during the sixties and seventies as they emerged in response to the new demand being created by the provincial policy of deinstitutionalisation. In 1962, Hamilton established its first by-law which was designed to regulate these homes. This by-law also licensed Nursing Homes which were operating in the City at the time. This trend had been occurring across the Province. Conditions in Nursing Homes were of particular concern and in 1972 the Province proclaimed the Nursing Homes Act. This new legislation took responsibility for licensing these facilities away from municipalities and placed it under the Ministry of Health. In 1975, the Province announced a freeze on the licensing of new Nursing Homes. This actually amounted to a consolidation of some of the smaller Homes into fewer, larger, more economically-viable Homes. In

Hamilton, some of the smaller Homes were converted into lodging homes that did not have to meet the costly regulations of the Nursing Homes Act.

These various forms of accommodation were becoming increasingly concentrated in the inner city for the reasons noted in chapter four. Community opposition to this concentration resulted in the City of Hamilton passing a by-law in 1981 that attempted to disperse the concentration of residential care facilities by imposing a distance-separation requirement. This was designed to prevent several residential care facilities from locating side by side. In theory, it would diminish the ghettoisation of people with special needs, and it would appease community fears that neighbourhoods were being saturated with more than their "fair share" of facilities. We will see later that, for the most part, these ideals have not been realised.

A second by-law, specifically regulating lodging homes, was passed at about the same time. A new category of lodging home was created under the by-law. A "Second-Level Lodging Home" was defined as a home

- i) which accommodates four or more residents;
- ii) where, for a fee, the Operator offers to residents guidance in the activities of daily living, and advice and information;

iii)where, 24 hours a day, at least the Operator, is on duty in the House and able to furnish such guidance. (By-Law No. 80-259 (81-93), City of Hamilton).

This marked a formal recognition on the part of the local state that these commercial enterprises were serving a "special needs" group. The state had become fully involved with the provision of residential care. Against this backdrop of local state involvement, the structure of the residential care sector evolved differently in the three distinct branches of privatised care.

6.3 THE COMMERCIAL SECTOR AND THE PROVISION OF RESIDENTIAL CARE

In Hamilton, commercial operators provide residential care in lodging homes, nursing homes and homes for special care. In this section I shall be concerned to explore exactly how each of these three sectors has evolved in response to the privatisation impetus.

6.3.1 Lodging Homes

It is difficult to ascertain the exact number of lodging homes within Hamilton-Wentworth since regulations governing their operations differ from municipality to municipality. However, within the City of Hamilton there exists a two-tiered system: those homes with a license to

operate as ordinary lodging homes, and those with a license that designates them as second-level lodging homes. Beamish (1981) has used available licensing records to trace the early development of the lodging home industry within the City of Hamilton. In 1976 there were 33 homes. By 1977 this figure had doubled to 68, and by 1979 there were 91 homes. In 1985, 100 lodging homes were licensed by the City, of which 67 were designated as second-level, i.e. the operator agrees to provide 24-hour supervision for their residents, to meet certain requirements in terms of the educational level of the operator, and to comply with building and safety codes (Table 6.6). This latter category is of special concern in this discussion since homes which are designated "second level" fit the definition of a residential care facility. In 1986, there was a capacity of 1774 lodging home beds, of which 1141 were in the second-level homes, in Hamilton.

A major impetus to the growth of the lodging home sector was the realisation that over half the residents in lodging homes had previously been in a psychiatric or general hospital. Table 6.5 showed that about 16% of patients discharged from Hamilton Psychiatric Hospital between July and November 1986 moved into lodging homes. In 1981, Hamilton's Second-Level By-Law legitimised lodging

TABLE 6.6
THE GROWTH OF SECOND LEVEL LODGING HOMES
IN HAMILTON, 1981-86

YEAR	NUMBER
1981	34
1982	40
1983	54
1984	63
1985	67
1986(until July)	72

Source: City of Hamiton Licensing records.

homes as providers of needed supervised accommodation for ex-psychiatric patients. Since the passing of the Second-Level Lodging House By-Law in 1981, there has been a rapid growth in the number of homes which have received the second-level license. Their number has more than doubled since 1981 (Table 6.6). This does not imply that they are all new homes; rather it simply shows that the increasing number of homes which have met the requirements of this by-law. It is in the interest of the operators to obtain this license because they then become eligible for a contract with the Regional Department of Social Services.

However, the impetus toward privatisation in the lodging home industry goes back further than the 1981 local by-law in Hamilton. Provincial legislation has also provided a context for the industry's growth. Under Ontario's 1958 General Welfare Assistance Act (GWA), lodging homes are referred to as Domiciliary Hostels. Such hostels can receive a per diem payment on behalf of the client. Money under the Canada Assistance Plan (CAP) finds its way to the municipality by way of the GWA. CAP can also be interpreted in such a way that money can be paid to commercial operators. If the hostel meets fire and health inspections, and a contract is drawn up between the operator and the region, then the subsidy can be paid via the

Regional Department of Social Services. This subsidy was in operation long before the passing of the local Hamilton by-law.

Some idea of the recent history of the partnership between lodging homes and the state can be gleaned from the fact that in 1979, \$403,333 was spent by the region in subsidising accommodation in lodging homes; by 1983, the regional budget allocated \$800,000 for the lodging home contracts. In 1986 the budget for these contracts was \$2,663,000. Now, such a partnership does not operate everywhere in the province, but it is certainly indicative of a significant transfer of state funds to the proprietary sector in the Hamilton-Wentworth region. Of the 1100 or so second-level beds licensed by the City, only about 540 are currently subsidised (Table 6.7). This is because the Region has certain rules which may exclude some homes. For example, the Region's criteria for awarding contracts to lodging home operators states that subsidy contracts will not be awarded to homes with more than 24 beds. In May, 1986 the Region had contracts with 47 homes accounting for 789 beds.

In response to provincial and local moves, the lodging home "industry" has mobilised its resources and increased its activities. For example, currently, in

TABLE 6.7
MONTHLY AVERAGES FOR LODGING HOME SUBSIDIES
HAMILTON-WENTWORTH
1984-1986

	1984	1985	1986*
# OF PERSONS SUSIDISED	429	502	543
FULL SUSIDIES	80	75	60
PARTIAL SUBSIDIES	349	426	483
PRIVATE PAYERS	117	138	133
VACANCIES	100	89	101

* 1986 data are derived from January to May figures.

Source: Unpublished data provided by Regional Social Services, Division of Services for the Elderly.

Hamilton-Wentworth, licensed operators can receive a maximum of \$25 per day per subsidised client. This figure was agreed upon after active lobbying by the operators' Association. This rate represents the maximum payment permitted by the province for any domiciliary hostel in the province. It is the first year that Hamilton operators have been able to receive the maximum. Given that operating costs are likely to be more expensive elsewhere (e.g., in Toronto) it would appear that local operators have been very successful at lobbying. Their current per diem rate represents an increase of over 10% on the previous year's at a time when the Regional Social Services Department budget was held to a 3.8% increase. Clearly some other component of the Social Services' budget was held or cut back while public funds were used to support proprietary homes.

One other recent development is likely to channel more state money into the local lodging homes. It has been announced that provincial money will be available at low interest to those operators who need to upgrade the physical infrastructure of their homes. This proposal has been met with mixed reactions in the local community. A condition of the low-interest loan is that a representative of the Canadian Mental Health Association shall be allowed to enter the home and undertake some programming (e.g., counselling,

recreational therapy) with residents. Representatives of both the local operators association and the regional social services department question the programme on the grounds that, to receive a license in Hamilton, the homes must already be in reasonably good physical condition. Hamilton does not have the same problems as other cities, such as Toronto, where a large proportion of the housing is in poor physical condition. The announcement of the grant has been met with enthusiasm by some operators who can use such a loan and there will undoubtedly be benefits for people in those homes. The Canadian Mental Health Association is only now (December 1986) beginning to put in place the programming that will accompany the physical improvements. Hence, no assessment of the success or otherwise of the programme can be made.

6.3.2 Nursing Homes in Hamilton

Nursing Homes are proprietary facilities offering residential care primarily, though not exclusively, for people over 65 years of age. Under the 1972 Nursing Homes Act and its regulations, this responsibility can include either "intermediate" care (i.e., less than an hour and a half per day), or "extended care" (more than an hour and a half) "given by or under the supervision of a registered

nurse or registered nursing assistant under the direction of a physician" (Nursing Homes Act). A minimum of 75% of the licensed bed capacity must be given over to extended care beds, which are paid for by the state's health insurance plan (OHIP). The Nursing Home industry has become closely tied to the state via this system of co-payments for extended care beds.

Under this system, proprietary Nursing Home beds have been allowed to grow rapidly while the publicly-operated Homes for the Aged have grown at a much slower rate (Table 6.8). For a short period in the early seventies, the Ontario government placed a freeze on the issuing of new licenses, and there was some consolidation within the industry. There was a decline in the number of Homes but an increase in the number of beds so that fewer, larger, more economically-efficient operations developed at the expense of the smaller Homes. In the fall of 1986 the Provincial government announced an expansion of the number of Nursing Home beds throughout the province. However, by early 1987 various community groups began to express their concern with this policy, both on the grounds that it is promoting the proprietary sector and that it places emphasis upon "institutional" models of care (Globe and Mail, January 23, 1987).

TABLE 6.8
NUMBER OF EXTENDED CARE BEDS, ONTARIO
1974-1983

YEAR	HOMES FOR THE AGED		NURSING HOMES		TOTAL
	#	%	#	%	#
1974	12290	34.4	23479	65.6	35769
1975	12920	34.2	24887	65.8	37807
1976	12518	32.5	25993	67.5	38511
1977	12794	31.9	27308	68.1	40102
1978	13026	31.9	27847	68.1	40873
1979	13094	31.8	28079	68.2	41173
1980	13088	31.7	28208	68.3	41296
1981	13118	31.7	28295	68.3	41413
1982	12911	31.4	28686	68.6	41597
1983	13104	30.9	29215	69.1	42319

Sources: 1973-1982: Kane and Kane, 1985: Tables 3.7 and 3.8; 1983 SPCMT, 1984: Tables 1 and 2

Within the Nursing Home industry in Hamilton-Wentworth over the last 10 years, similar to the provincial trend, there has been some rationalisation of the industry. Several homes closed, while the number of beds has increased (Table 6.9). In some cases, the Ministry awarded licenses to smaller institutions in an effort to increase their capacity and the efficiency of their operations. It is also important to note that, while the proprietary sector has expanded, there has been almost no growth in the non-profit Homes for the Aged (Table 6.10).

The structure of state incentives which promote the private sector have clearly had a major impact on the growth of the local commercial Nursing Home sector. In 1986 there were 1,340 Nursing Home beds in Hamilton-Wentworth (Table 6.9). For each extended care bed an operator could receive a monthly subsidy from the Ministry of Health of \$892.19. This means that some \$14,346,415 of state funds was transferred into Hamilton's Nursing Home industry last year.

6.3.3 Homes for Special Care

The third element of for-profit provision of residential care, the Homes for Special Care and Approved Family Homes, are both licensed and funded by the Ministry of Health under the Homes for Special Care Act and the

TABLE 6.9
SELECTED NURSING HOMES
STATISTICS, HAMILTON-WENTWORTH
1976-1986

Year	Nursing Homes #	Licensed Beds #	Monthly Subsidy ¹ \$
1976	18	1226	398.35
1977	18	1226	375.20
1978	18	1237	447.20
1979	17	1220	556.00
1980	17	1220	534.02
1981	17	1236	575.15
1982	17	1260	777.12
1983	17	1279	831.88
1984	15	1327	881.42
1985	14	1340	782.39
1986	14	1340	892.19

Notes: 1. Refers to extended care subsidy effective Feb 1 except 1976 (Jan 1) and 1979 (April 1).

Source: Prepared by the Ministry of Health, Information, Resources and Services Branch, August 1986.

TABLE 6.10
HOMES FOR THE AGED STATISTICS
HAMILTON-WENTWORTH, 1976-1986

Year	Homes #	Number of Beds	
		Extended Care	Residential
1976	6	441	693
1977	6	441	N/A
1978	6	441	707
1979	6	441	691
1980	6	441	691
1981	6	441	691
1982	6	441	691
1983	6	441	691
1984	6	441	691
1985	6	441	691
1986	6	474	658

Source: Prepared by the Ministry of Health, Information Resources and Services Branch, August 1986.

Mental Hospitals Act. Under these Acts, patients from psychiatric hospitals are cared for in return for a per diem payment. All expenses incurred by the client (e.g., clothing, cigarettes, recreational expenses) are paid for by the Ministry of Health. While the Homes offer a structured environment, residents are encouraged to participate in outside community activities.

In August 1985, there were 144 clients in the Homes for Special Care programme in Hamilton-Wentworth. Of this number, 60 lived in nursing homes, and the remaining 84 lived in 12 residential homes (DS5HW, 1985). The current per diem is \$20.88 for room, board and supervision (i.e., less than that paid for second level lodging homes). The per diem for nursing beds is the same as the extended care payment for other residents of Nursing Homes (\$49.16). The total cost of this programme to the Ministry of Health was \$1,716,784 in 1985. On top of this, the Ministry also pays all other expenses labelled as "essential needs". Data made available by the Ministry of Health to provincial psychiatric hospitals in July 1986 show the amount spent on the essential needs programme by Hamilton Psychiatric Hospital in 1984 and 1985. Assuming that the client population in Hamilton-Wentworth has the same proportional composition as that for the entire catchment area of the

Hospital, the amount of money directed to this programme was calculated at about \$201,000 for 1985. Thus, almost \$2 million comes into the region via the Homes for Special Care programme.

The former Conservative government in Ontario initiated a report on the operation of the Homes for Special Care programme in 1984. It estimated that in 1982/83 the programme, across the province, had cost \$92 million, \$10 million of which was funded by the Canada Assistance Plan. The report found that

Almost 70% of the residents in the Program require care in a nursing home setting. Past studies undertaken by the Ministry have indicated that HSC residents in nursing homes receive essentially the same care as their non-HSC counterparts and that the program offers them minimal additional services (Touche-Ross and Partners, 1984:1).

Little action has been taken on the report, but it has been strongly suggested that the programme offers little to support its continued existence. Discussions with a representative of the Ministry of Health revealed that there is generally a trend toward decreasing the number of people who are being served by Homes for Special Care. Data presented in Table 6.5 show that this programme received only a nominal proportion of discharges from Hamilton

Psychiatric Hospital in 1986 (0.5%). This may be because bed space is simply not available. Whatever the reason, the data suggest that Homes for Special Care are not the most important source of residential care for ex-psychiatric patients in Hamilton.

6.4 THE VOLUNTARY SECTOR AND THE RESIDENTIAL CARE PROCESS

Voluntary agencies have been active in Hamilton since the mid-nineteenth century when private charities began to provide services such as refuges for the poor and children. In 1927 the United Way mounted its first local campaign and raised \$106,640 which was distributed among 19 voluntary agencies. In 1985 over \$5 million was raised, and \$4.3 million was distributed among 54 member and 14 non-member agencies. Of course, the United Way is not the only indicator of local voluntary activity. The Directory of Community Services (published by the Community Information Service of Hamilton-Wentworth) listed over 170 non-profit social service organisations in Hamilton-Wentworth in 1985/1986. Some of these agencies are local branches of larger provincial or national organisations (e.g., the local branch of the Canadian Mental Health Association) while others have evolved to meet needs in the local community (e.g., the Citizen's Action Group provides an "alternative"

employment counselling service).

In Hamilton-Wentworth, twenty-four organisations provide some form of long-term adult residential care. There are many pieces of provincial legislation which allow the participation of non-profit agencies in the provision of residential care. The Ministries of Correctional Services, Community and Social Services, and Health each subsidise the operation of homes which are administered by voluntary and charitable agencies. Variously referred to as group homes, lodges etc., these facilities are intended to provide a relatively home-like atmosphere that allows residents to be integrated into community living. In Hamilton, the voluntary sector provides only about 10% of all residential care facilities (Table 6.1), but it provides all the facilities that offer supervised living, for instance, for persons under the control of the criminal justice system. Thus, the voluntary sector's participation in residential care is limited but it provides a critical minimum of housing that provides full-support services.

In order to obtain a perspective of the current state of voluntary activity in Hamilton's adult residential care sector, a survey questionnaire was mailed to the 24 homes that operate in the city. This was necessary because of the almost complete lack of data on the structure and

composition of this sector. The 24 homes were identified through the Directory of Community Services published by the local Community Information Service (CIS, 1986). Emergency shelters were excluded from the survey. A total of 16 homes replied, giving a response rate of 66%. The primary purpose of the survey was to collect some descriptive data on the growth of the voluntary sector under the policy climate that was promoting privatisation throughout the Province's social service sectors (see Appendix B for survey instrument).

Respondents to the survey provided information on the size of 18 homes. In total, 667 beds were offered by these homes. This figure includes one large Home For the Aged with 370 beds, and another with 42 beds. If these homes are excluded, the remaining 16 homes provided 255 beds. Using this as a base we could estimate that the average size of these homes is 16 beds. It is reasonable to estimate then that the voluntary sector provides 384 beds (excluding Homes for the Aged) in the region. Including the Homes for the Aged gives a total of 798 beds. Table 6.11 shows the breakdown of the sizes of these homes. The majority of the homes have less than 20 beds, but it is interesting to note that the two large private Homes for the Aged (which together have 412 beds) provide more than 51% of total voluntarily-operated beds.

The primary client groups served by the homes are shown in Table 6.12. Five of the responding homes accommodate alcoholics and substance abusers, some of whom are also clients of the criminal justice system. Another three homes house offenders or parolees. These groups are those that might find it particularly difficult to find accommodation in the "market place" given that they may not be able readily to obtain the type of references that property owners find desirable.

This might account for the fact that half the respondents reported having waiting lists. One reported that the home did not keep a waiting list so that emergency cases would receive priority considerations. Another respondent noted that, even though the home maintained a waiting list, emergency cases would be considered independently of that list. One respondent, whose home did not keep a waiting list, commented that often telephone requests were turned down because of the lack of available spaces. These comments suggest that the demands on these homes exceeds the supply. When asked about changes in clients, 4 of the homes that served people with alcohol-related problems reported that the population was becoming younger. One centre that a decade ago served men between 65 and 85 now serves those with an average age of 58.

TABLE 6.11
SIZE OF VOLUNTARY SECTOR
RESIDENTIAL CARE FACILITIES IN HAMILTON,
NOVEMBER, 1986

# of Beds	# of Homes	%
1-10	4	22.2
11-20	9	50.0
21-40	3	16.7
> 40	2	11.0
TOTAL	18 ¹	100.0

1. The total is greater than the number of responses because for this question one respondent gave information on the three homes that the agency operates

TABLE 6.12
PRIMARY CLIENT GROUPS SERVED BY
VOLUNTARILY-OPERATED RESIDENTIAL CARE
FACILITIES IN HAMILTON-WENTWORTH
NOVEMBER, 1986

CLIENT GROUP	# OF HOMES SERVING	%
Alcoholic and Substance Abusers	5	31.2
Seniors	3	18.6
Offenders/Parolees	3	18.6
Pregnant women/ Single mothers	2	12.5
Physically Disabled	1	6.2
Mentally Retarded	1	6.2
Ex-Psychiatric	1	6.2
TOTAL	16	100.0

Most of these homes have been established since the provincial government implemented its deinstitutionalisation programme in the mid-sixties. Table 6.13 shows that 9 of the 16 homes opened between 1970 and 1980, with another 3 beginning operation since then. Only 3 homes opened before 1970. One of these was the House of Providence which was established in 1879 during the period when the voluntary sector accepted almost total responsibility for most social services.

Indicating further the relationship between state policy and the evolution of the voluntary residential care sector is the fact that the provincial government is the primary funder of 6 of the responding homes, the federal government is the primary funder of 2 and the region is the main source of revenue for 3 (Table 6.14). Residents fees are the most important source of income for 2 homes, and donations are the main source of another two. In 6 cases resident's fees comprise more than one-fifth of total income. Two of the homes reported that they did not obtain any government funding. It is interesting to note that the local United Way does not fund any voluntary activities in the area of residential care facilities. Of the 14 homes that receive government funding none reported a decline in the level of government support; six noted an

TABLE 6.13
YEAR OF OPENING OF VOLUNTARILY-OPERATED
RESIDENTIAL CARE FACILITIES,
HAMILTON-WENTWORTH

YEAR	#	%
PRE 1970	3	18.7
1970 -75	5	31.2
1975 -80	4	25.0
> 1981	4	25.0
TOTAL	16	100.0

TABLE 6.14
PRIMARY SOURCE OF FUNDING FOR RESIDENTIAL
CARE FACILITIES, HAMILTON-WENTWORTH, NOVEMBER, 1986

SOURCE	# OF HOMES	%
Provincial Government	6	40.0
Region	3	20.0
Federal Government	2	13.3
Resident's Fees	2	13.3
Donations	2	13.3
Total	15 ¹	100.0

1. One home did not provide this information.

an increase in the level of government funding since they opened. Five homes however, noted that residents' fees were becoming a more important source of revenue. Again, this is evidence of the process of privatisation.

While these data report some descriptive data on only a small number of voluntary sector homes, they indicate that the growth of the voluntary sector in Hamilton's residential care sector has been closely tied to the policies of the state and the availability of state funds. The sector has grown only slowly, representing only 10% of all residential care facilities in the region. Commercially-operated Nursing Homes and Lodging Homes are growing much more rapidly than the non-profit homes. This difference is directly attributable to a state policy which has elected to channel money toward the commercial sector. However, while the state has not encouraged the rapid expansion of the voluntary sector, it is important to note that this sector serves a particularly vulnerable group in the housing market.

6.5 THE DOMESTIC SPHERE AND THE RESIDENTIAL CARE PROCESS

The growth of the commercial and voluntary sectors are the main forms of privatisation of residential care facilities in Hamilton. But domestication, is also an

important dimension. Residential care in a person's home is desirable from a number of perspectives. For many clients, it is probably better to remain in familiar surroundings for as long as possible. Many health professionals feel that the home is a more appropriate placement setting for many people. From the perspective of the state, home-based care is a means of saving money and more efficiently utilising the resources of institutional beds. It is difficult to estimate the numbers of people who are being cared for in the home with the support of various services such as Meals On Wheels, Homemakers and Homecare services. Many would probably have been institutionalised had these services not become available. Therefore, in this section, data on the development of "homemaker-type" services that allow people to stay in their homes, even though they may require support services, are used as the basis for discussion.

(a) Homecare

The Ministry of Health's Homecare programme was introduced in Hamilton on a pilot basis in 1966. A patient whose condition had not yet stabilised but who no longer required the ongoing support of a hospital could be discharged to the Homecare programme. Professionals (such as nurses and physiotherapists) visited the patient's home

to provide the continuing services required to maintain the person's health. As long as this professional service was continued, the Ministry of Health also paid a homemaker to visit for a maximum of 80 hours to assist with day-to-day chores such as cleaning, food preparation and laundry. The homemaking component was clearly a secondary element of the programme which emphasises the need for medical treatment before a client is deemed eligible. Once the professional contact was terminated, the Ministry ceased to pay for the services of a homemaker.

Most of the Homecare clients are frail elderly. For example, in 1974/75, 34% of the 2,446 clients discharged by the local Homecare programme were over the age of 70 years. Objections to the acute nature of the programme were raised because, in many cases old people needed assistance beyond the 80-hour limit. The costs of private homemakers meant that only those old people with financial reserves are able to obtain the service. For the majority of the elderly who live in poverty, being at home without assistance was very difficult. Responding to this situation, the Province introduced a Chronic Homecare programme in 1974. Again Hamilton was one of the pilot locations, and in October 1975 the Hamilton-Wentworth Homecare service introduced its chronic programme. A client requiring at least three

professional visits a month on an ongoing basis could obtain the services of a Homemaker paid for by the Ministry of Health. In the first month up to 80 hours of homemaking could be received; after this it was 40 hours per month. Again, there remained a medical component.

Figure 6.1 documents the growth of the Hamilton-Wentworth Homecare programme (administered by the Victorian Order of Nurses), as measured by the number of admissions, since its inception in 1966. Clearly, the introduction of the chronic programme in 1975 has been responsible for the increase in number of admissions since that time. Figure 6.2 uses a different indicator, the size of the total caseload. Unfortunately these data are only available for the last decade. The graph shows that there has been a tenfold increase in the total caseload in that period. These changes have been accompanied by a significant growth in the amount of money allocated into the local area Homecare programme. In the first ten months of operation (1966) the local Homecare programme had a budget of \$35,759. By 1984/85, this had grown to \$10,267,044 (HWHC, 1966/67 and 1984/85).

It is also worth noting that the Homecare programme provides an example of a state-funded and -regulated programme in which the service is administered, produced and

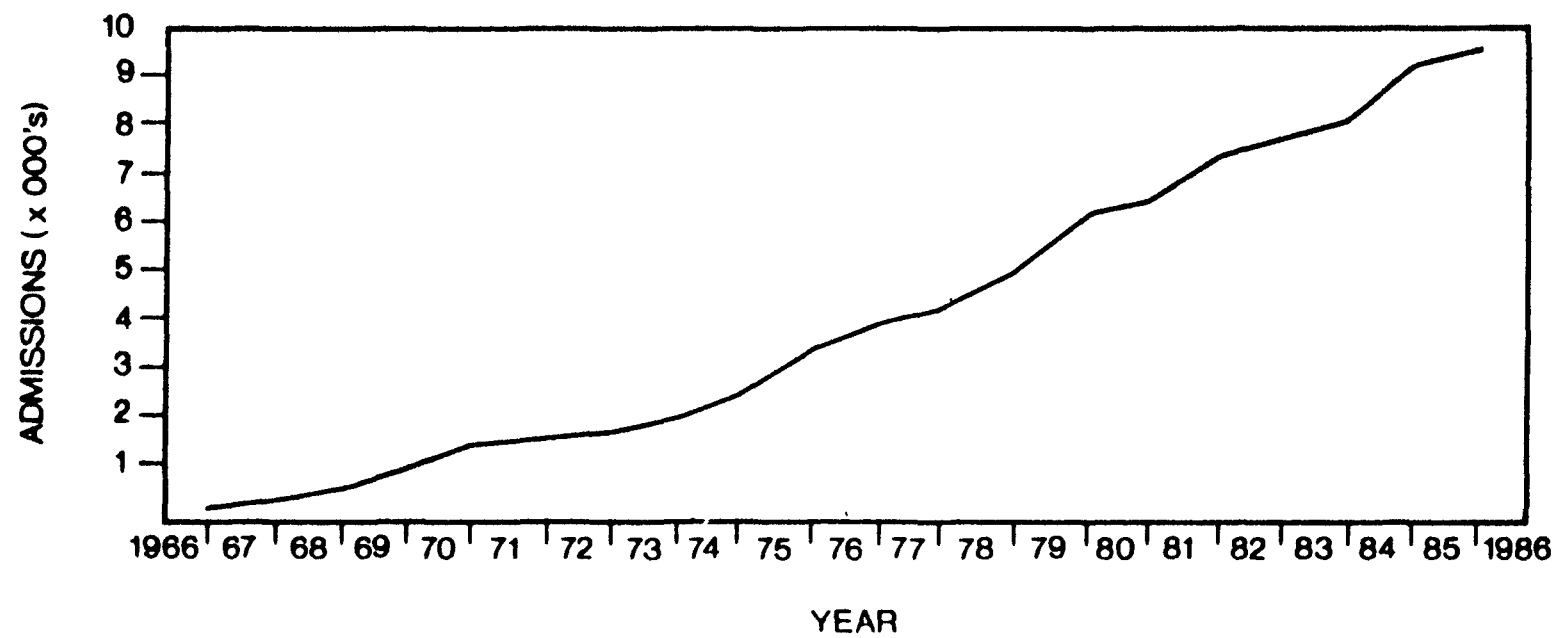


Figure 6.1 Hamilton-Wentworth Home Care Program, Total Admissions (Acute and Chronic)

Source: Hamilton-Wentworth Homecare, Unpublished Data

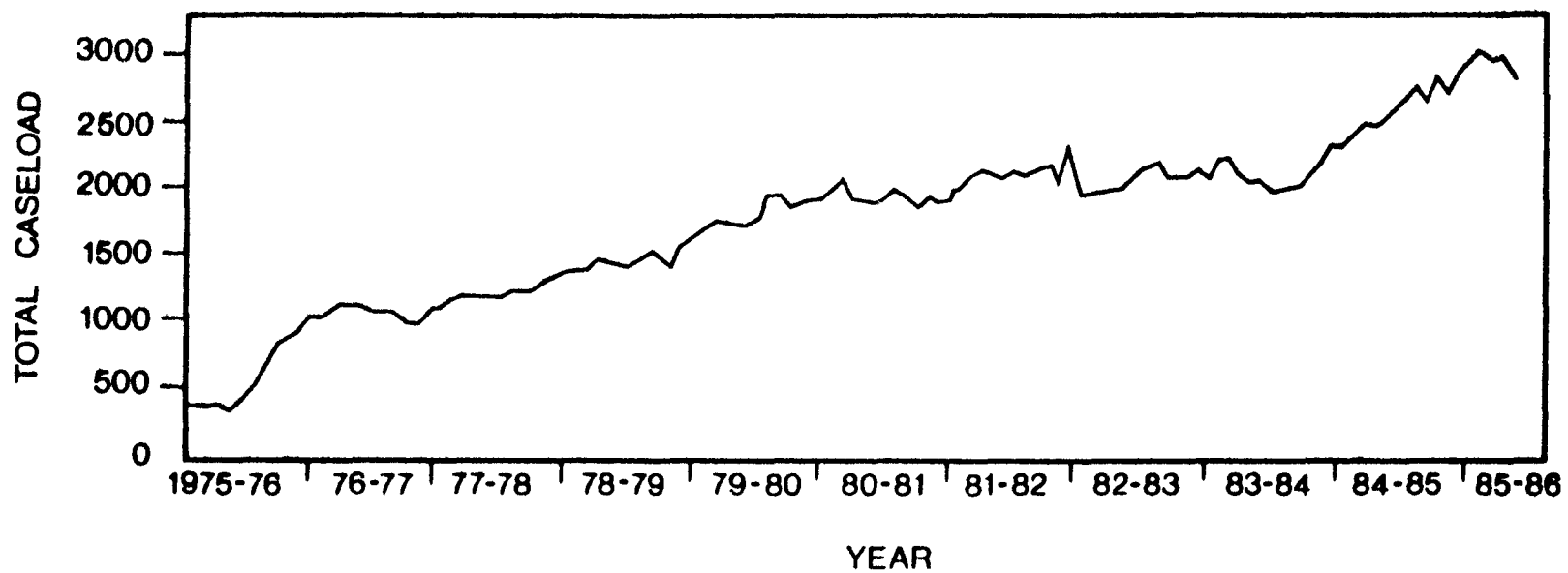


Figure 6.2 Hamilton Wentworth Home Care Program Total Caseload (acute and chronic).

Source: Hamilton-Wentworth Homecare, Unpublished Data

delivered by a private sector organisation (cf. fig. 3.1). The Province has privatised only part of the provision of Homecare and maintained a crucial element of control in its operation. So, even though there have long been objections to, first, the acute nature of the programme in general, and second, to the continued acute nature of the Homemaker component, the state has been slow to respond to these objections. The Special Programmes Review Committee of 1975 had received briefs about the need to extend the availability of the Homemaker services, but it was not until the mid-eighties that significant changes were made to the programme (see chapter 4).

(b) Visiting Homemakers

The Visiting Homemakers' Association of Hamilton-Wentworth is a private non-profit organisation which began operation in 1928, under the auspice of the Red Cross, by providing a service primarily for families of women recently discharged from hospital after the birth of a child. Until 1958 the Association was funded entirely by voluntary dollars. The passing of the Homemakers and Nurses' Services Act in that year saw the beginning of provincial funding of Homemakers' Services. Under the Act, for the first time there was explicit recognition that the

elderly were eligible for these services.

To be recognised as eligible for subsidised services a client must be financially investigated. Both income and assets (excluding home and car) are taken into account. The Act is a permissive one, i.e., a municipality does not have to provide the subsidised service. Because of the limited revenue base of local government in Ontario (primarily the property tax), many municipalities across the province have elected not to participate. Until 1966 the costs of the service were split between the Province (80%) and the municipality. But with the introduction of the Canada Assistance Plan in 1966 the Province's share was reduced to 30%. From its completely voluntary funding basis prior to 1958, the local Homemakers' Association quickly found itself funded by the three levels of government in less than 10 years. In 1958 the Department of Public Welfare (now the Ministry of Community and Social Services) was responsible for funding the programme.

The impacts of the privatisation process on the Visiting Homemakers Association of Hamilton-Wentworth are seen in Tables 6.15 and 6.16. Table 6.15 reports the number of hours of service delivered by the Visiting Homemakers Association of Hamilton-Wentworth and shows the different auspices under which these services are purchased.

TABLE 6.15
HOURS OF SERVICE DELIVERED BY THE VISITING HOMEMAKERS'
ASSOCIATION OF HAMILTON-WENTWORTH
1975-1984

Year	THOUSANDS OF HOURS OF SERVICE DELIVERED TO						
	Region		Paying Clients		Homecare		Total
	#	%	#	%	#	%	#
1975	97.3	60	39.1	24	25.5	16	162.0
1976	61.4	35	28.1	16	84.7	49	174.2
1977	51.8	30	25.4	15	96.2	55	173.5
1978	44.4	23	17.0	9	131.8	69	193.8
1979	35.5	16	10.9	5	175.8	79	222.2
1980	34.0	15	10.5	5	177.2	80	222.0
1981	33.1	15	10.4	5	177.2	80	220.9
1982	29.5	15	12.5	6	158.8	79	200.8
1983	35.7	17	15.0	7	155.2	76	205.9
1984	28.9	13	13.5	6	187.7	82	230.1

Source: Visiting Homemakers' Association of Hamilton-Wentworth, Annual Reports, 1975-1984.

TABLE 6.16
REVENUES OF THE VISITING HOMEMAKERS' ASSOCIATION
OF HAMILTON-WENTWORTH (\$ '000)
1975-1984

Year	Region		Clients		Home Care		United Way		Misc	Total
	\$	%	\$	%	\$	%	\$	%	\$	\$
1975	358.6	58	135.0	22	96.9	16	23.2	4	0.2	204.1
1976	244.9	32	103.4	14	331.0	44	71.9	10	0.2	751.5
1977	216.3	28	96.2	8	414.9	53	45.8	6	2.7	776.0
1978	200.2	23	69.6	8	573.4	65	49.2	6	1.2	884.8
1979	164.6	15	46.9	4	867.1	78	33.3	3	0.7	111.2
1980	169.4	15	41.9	4	881.5	78	34.5	3	0.2	112.7
1981	183.9	14	49.9	4	1061.1	81	16.5	1	0.1	131.2
1982	185.3	14	67.5	5	1020.4	79	16.8	1	0.4	129.0
1983	237.1	17	89.8	6	1055.5	75	15.6	1	-	139.8
1984	204.1	12	82.6	5	1354.9	81	16.5	1	3.1	166.1

Source: Visiting Homemakers' Association of Hamilton-Wentworth, Annual Report, 1975-1984

Three funding sources are available: the Regional municipality via its Social Services Department, user fees and the provincial Homecare programme. The most obvious trend in these data is the rapid growth in importance of the provincial government's Homecare programme. The total number of hours of service provided by the agency has increased by 42% over the decade 1975-84. However, the Homecare component of the service total has increased by over 600%. In 1975, the provincial programme accounted for only 16% of the total hours provided, but by 1984 it purchased 82% of total hours of service. The most rapid increase occurred after the 1975 introduction of the chronic component of Homecare. As the province has increased its purchase of Homemaker services, so the hours provided to fee-for-service clients and purchased by the Region (under the Visiting Homemaker and Nursing Services Act) have declined both in absolute and relative terms.

These trends are reflected in the sources of revenues of the organisation (Table 6.16). In 1975, only 16% of the agency's revenue originated in the Province's Homecare programme. In 1984, 81% of funds were obtained from this programme. Individual-user fees and contributions from the United Way have diminished from more than 25% of total revenues in 1975 to about 6% a decade later.

(c) Implications for the Domestic Sector

The growth in importance of the Homecare programme has several implications. State purchase-of-services is often described as privatisation. Yet there is little doubt that, in this instance, the autonomy of the private agency is being eroded as it has become more financially dependent upon the state. Increased state funding has been accompanied by a withdrawal of support, in both absolute and relative terms, from the United Way. The voluntary Homemaker service has therefore acceded being more answerable to the state than to the voluntary sector.

Such changes also have wider implications for the domestic sector as a whole. Those requiring the assistance of a visiting homemaker are now more likely to be a Homecare client, i.e., there will be some medical reason for the request for assistance and the state will pay for the purchase of service. This means that there is a degree of dependence upon the state among service recipients. So, even though the client may not be institutionalised, there are requirements that a physician approve the service, and that medical need be demonstrated homemaking assistance can be provided. These conditions imply that assistance with day-to-day activities is not deemed to be worthy of state assistance. Homecare clients (i.e., those that meet these

medical requirements) now use up so much of the time of the Visiting Homemakers Association that there may be some difficulty in obtaining service unless one is in need of some medical assistance. For example, some frail elderly people who cannot afford the services of a commercial homemaker, but are not in need of ongoing medical treatment may not have access to the service.

Assistance within the home is becoming an increasingly popular method of care in Hamilton. However, this care is for limited time periods only, and households are being asked to be responsible for their members at times when the assistance is not available. This trend reinforces the "residual" view of welfare that has permeated Ontario's history. A sub-committee on Home Care Service of the Ontario Hospital Association noted in 1979 that

The philosophy of the program is to meet the individual health needs of the patient on a short term basis while encouraging both the family and the patients to take greater responsibility for the health care of their members. (OHA, 1979:7; emphasis added).

The state has not hidden the fact that the promotion of home-based care has been one of its cost-cutting measures. A statement from the Ministry of Health in 1976 listed two objectives of the Homecare programme. The first concerned

the provision of care in the home setting "where this location is appropriate and in the best interest of the patient's well-being". The second focussed on the economic efficiency of this programme:

The avoidance or reduction of costs of patient care by avoiding the need for admission to hospital or other institutions or by reducing this length of hospital stay through earlier discharge to Homecare (Ministry of Health, 1976).

The promotion of domestic responsibility for care, with the aid of homemaker services, has therefore been an important element of the recent restructuring of the welfare state in Ontario.

6.6 RESTRUCTURING RESIDENTIAL CARE: PEOPLE AND PLACES

Through the privatisation of residential care, the state has developed a close relation with the private sector. The restructuring of the state has led to its penetration into areas that previously operated with a much greater degree of autonomy. In this section I explore in welfare state restructuring as an extension of the regulatory function of the state. First, section 6.6.1 focusses on attempts to co-ordinate the placement of clients into appropriate residential care settings. In section 6.6.2 I examine the use of local by-laws in controlling the

geographical development the lodging home industry in Hamilton. That is, this section investigates the relationships between the state and client groups, and between the state and place.

6.6.1 State and People: The Co-ordination of Residential Care

Accompanying deinstitutionalisation has been the need to ensure that when a person is recommended to a community care programme, the chosen facility is appropriate to that person's needs. Matching clients and treatment settings has, however, not proved an easy task. Residential and non-residential programmes alike have experienced problems. The closure of psychiatric hospitals, the general reduction in the number of beds in acute care hospitals, and their occupancy by people who could better be treated elsewhere, has led to some questioning of the co-ordination of the institutional and community care system. This has added further impetus to the privatisation of care. Private organisations could provide domiciliary care and support services that would keep people out of acute care beds, but the problems of matching clients with the range of services had to be addressed.

(a) The Birth of an Assessment and Placement Service

Given the diversity of elements in any social service network it is clear that there is some need for co-ordination of activity, not only to minimise duplication but also in order to maximise the number of clients served, and served to their best end. Attempts at co-ordination have however, not been the result of planners' foresight; rather it has been hindsight which has been responsible for the introduction of a co-ordinating infrastructure. In 1970 a report to Hamilton's District Health Council (DHC) noted the "inappropriate utilisation" of the region's long-term care facilities. Beds were being occupied by people who could be cared for in another setting. The report concluded that

some mechanism is required to aid in assessment and placement of patients whose medical care will likely proceed beyond the average active hospital stay (DHC, 1970:8).

Such a mechanism was to include

A system of patient assessment and definition of re-established goals not confined to the active hospital bed structure, and with transfer of patients to the services best suited to their needs (DHC, 1970:10)

Hamilton's Assessment and Placement Service (APS) was established in 1971 as an arm of the District Health

Council; it was initially funded by a Ministry of Health demonstration grant (Bayne and Caygill, 1979). In this sense it was an extension of the state's apparatus, but the nature of the grant meant it exercised some autonomy. The purpose of the agency was defined as follows:

(a) to help physicians and other health professionals assess the social, economic, health characteristics and needs of people of any age who are disabled by on-going physical or psychological problems, using the referral form which obtains a broad range of information;

(b) to identify treatment or support programmes that can meet these needs and recommend their use to the referring professionals, the applicant and his [sic] family;

(c) to identify gaps or deficiencies in health care delivery to disabled or handicapped people; to work with staff in existing programmes, and to assist in policy development by referral to Health Council;

(d) to provide a means of transmitting information about programmes or an applicant's needs so that health professionals are better informed, and resources are used appropriately;

(e) to collect data necessary to facilitate health planning;

(f) to provide information on the needs of disabled people for further study and research (APS, 1973:1-2).

The assessment service deals mainly with elderly people

although its mandate does not exclude others. In part this could be because of a general lack of recognition, in the early years of the agency's operation, of the problems of people being discharged from Hamilton Psychiatric Hospital as they looked for accommodation.

(b) Growth of Placement Co-ordination Services

In November of 1982 the Honourable Larry Grossman, then Minister of Health, made a statement before the provincial committee on social development in which he pointed to the need to co-ordinate privately-operated agencies. He said that it was necessary to address the issue of the private sector's (i.e. nursing homes) right

to pick and choose their patients because a profit-motivated system appears to have a built-in preference for patients who need the least attention.

The result is not rational in terms of the effectiveness of the health care system. And, in broader terms, I question whether such freedom of choice is proper for institutions which are publicly funded.

One option could be to establish an honest broker within the long-term care system - an agency with access to all needed expertise and which would assume a case management role (Grossman, 1982:23).

In the early eighties, the Ontario government began

promoting the establishment of local-level co-ordinating bodies across the province. In keeping with the policy of privatisation (which is implicit in the Ministry of Health's actions), the guidelines announced that the newly-named Placement Co-ordination Services were to be disaffiliated from the District Health Councils and brought under the auspices of some other agency. Of the 12 PCS operating in 1984, five were operating under the auspices of some private organisation, each managed by a community board. The severing of direct relations with the District Health Councils is further evidence of the partial privatisation of service provision. District Health Councils are local planning arms of the Ministry of Health. The administration of the co-ordinating agencies was being privatised while other stages were still being managed by the state. Hamilton's APS became Placement Co-ordination Services in 1981, administered by the local (private) Victorian Order of Nurses and funded entirely by the Ministry of Health. While administered by a voluntary agency, it is clear that PCS is in reality an extension of the Ministry of Health, and as such is a local arm of the provincial state. Its autonomy from the Ministry is minimal and the extent to which it is a truly "private" sector operation is probably more apparent than real.

(c) PCS as State Penetration

The change in title and auspices has had little affect on the operations of PCS. Chronic hospitals and nursing homes are the locations of the most frequent placements (Table 6.17). Lodging homes are becoming increasingly likely as a location for the elderly but there has been only a slight increase in their relative importance since the passing of Hamilton's Second-Level Lodging Home by-law in 1981. Even though this by-law offers some regulation and ensures some level of care, provincially-regulated facilities are still the most likely location for placement. It must be remembered that many of the beds in the second-level lodging homes are occupied by the ex-psychiatric population, and this group has minimal, if any, contact with PCS.

Tables 6.18 and 6.19 compare recommended and actual placements over a five-year period. Recommended placements are those that the PCS staff feel would best meet the needs of the client. The fact that only about half the recommended placements can be made in any one year suggests that there is a shortage of beds in the Hamilton-Wentworth area. Less than half of those people in need of care in a chronic hospital can be placed. In 1980, 35 new chronic beds were introduced and subsequently there was a small

TABLE 6.17
LOCATION OF PLACEMENTS AS A PERCENTAGE
OF TOTAL PLACEMENTS, 1975-1983/84

	1975	1976	1977	1978/79	1979/80	1980/81	1981/82	1982/83	1983/84
Rehab Facility	9.7	7.7	4.4	0.8					
Chronic Hospital ¹	18.0	13.0	15.6	10.0	23.0	22.4	23.2	17.8	16.8
Family Assistance						5.1	9.5	19.4	10.7
Nursing Home	28.1	26.3	23.6	27.1	37.6	36.4	34.7	34.2	42.6
Homes for the Aged	4.1	7.4	6.4	7.8	13.1	10.4	9.2	11.2	7.6
Lodging Home	5.8	7.1	6.9	8.4	9.6	8.8	8.7	8.0	9.6
Private Residence	15.4	14.6	10.8	15.6					
Day Care	2.3	3.0	4.2	7.0	8.9	7.4	5.5	8.0	5.4
Home Care	5.6	8.1	9.7	4.4	5.0	7.1	7.3	8.0	6.3
Active Treat Hosp	10.6	12.1	17.9	18.3					
Other	.4	.8	.4	.6	2.1	2.3	1.8	2.5	1.2

Notes: 1. Includes respite beds for family assistance and life support beds

Source: APS/FCS Annual Report various years.

TABLE 6.18
RECOMMENDED AND ACTUAL PLACEMENTS
1979/80 TO 1983/84

	1978/79		1980/81		1981/82		1982/83		1983/84	
	REC	ACTUAL	REC	ACTUAL	REC	ACTUAL	REC	ACTUAL	REC	ACTUAL
Chronic	470	205	500	241	495	235	413	191	418	188
Family Assist			65	55	109	96	137	101	170	119
Nursing Homes	727	335	849	391	696	352	787	366	836	475
Homes for the										
Aged	335	117	510	112	413	93	613	120	496	85
Lodging Homes	38	86	54	95	49	88	73	86	65	107
Home Care and										
Other Home Support	21	45	24	76	20	74	29	85	27	71
Day Care	121	79	146	80	117	57	159	85	163	60
Other	50	24	51	24	46	19	35	27	16	11
Total	1762	891	2199	1074	1940	1014	2246	1071	2201	1116

Source: APS/ PCS Annual Report various years

TABLE 6.19
ACTUAL PLACEMENTS AS A PERCENTAGE
OF RECOMMENDED PLACEMENTS, 1979/80-1983/84

	1979/80	1980/81	1981/82	1982/83	1983/84
Chronic	43.6	48.2	47.5	46.2	45.0
Family Assistance		84.6	88.1	73.7	70.0
Nursing Homes	46.1	46.1	50.6	46.5	56.8
Homes for the Aged	34.9	22.0	22.5	19.6	17.1
Lodging Homes	226.3	175.9	179.6	117.8	164.6
Homework and other					
Home Support	214.2	316.7	370.0	293.1	262.9
Day Care	65.3	54.8	48.7	53.4	36.8
Other	48.0	47.0	41.3	check	68.7
Total	50.6	48.8	53.6	47.6	50.7

Source: Calculated from data in PCS Annual Report various years.

increase in the proportion of patients who were able to be placed. However, since 1980/81 this figure has declined, even though the number of persons recommended to chronic facilities has also declined. Family assistance has possibly been the most successful in terms of matching recommended and actual placements. This can be attributed to the fact that it involves short-term placements which provide respite for families caring for dependent persons. But, in absolute terms the demand for this type of service has increased and the proportion of recommended placements which have been achieved has declined from 85% in 1980/81 to 70% in 1983/84. Nursing Homes and Homes for the Aged maintain waiting lists, and PCS is unable to place the number of persons that are suitable for this type of accommodation (Table 6.20). The data suggest that it is increasingly difficult to find openings in the Homes for the Aged. This is not surprising given the reluctance of the provincial government to extend the number of beds in these homes, despite calls from the community.

Commercially-operated lodging homes are able to accept many more people than PCS deems appropriate for this type of residence. PCS recommends only a very small number of clients to lodging homes. Yet, given the inability of other sectors to receive placements the lodging homes are

TABLE 6.20
COMPARISON OF NOVEMBER WAITING LISTS

Facility Required		1974	1975	1976	1977	1978	1979	1980	1981	1982	1983
Nursing Home	#	156	131	231	265	268	327	227	187	257	201
	%	44	33	40	43	39	44	39	32	42	31
Chronic Hospital	#	59	93	137	118	156	166	113	116	127	184
	%	17	23	24	19	23	22	19	20	21	28
Family Assistance	#								20	10	25
	%								3	2	4
Homes for the Aged	#	83	74	99	149	163	169	178	192	131	182
	%	24	19	17	24	24	22	31	32	22	28
Rehabilitation Units	#	6	18	9	5	6	5	2	-	-	-
	%	2	4	2	1	1	1	.3	-	-	-
Community Services	#	38	82	23	39	57	45	41	49	30	29
	%	11	21	4	6	8	6	7	8	5	4
Other	#	-	-	-	37	28	38	19	28	61	17
	%	-	-	-	6	4	5	3	5	10	3
Total		352	397	579	613	678	750	580	591	606	638
% Waiting in Institutions		38	44	43	51	42	38	41	34	33	39
% Waiting in Community		62	55	57	49	58	62	59	66	67	61

Source: PCS Annual Report, various years.

accepting about one-and-a-half times as many people as are recommended. This must be interpreted as an indicator of "misassignment" of clients, given the fact that these people are often recommended for highly structured forms of care, such as nursing homes.

The two non-residential assignments, day care and home support programmes, exhibit very different trends. Day Care involves community programmes that clients (primarily seniors but also physically handicapped) attend for one or more days a week, but they return to their own home at the end of the day. In 1979/80, 65% of those people who were recommended to this programme were able to be placed; by 1983/84, only 37% could find a placement (Table 6.19). The local programme has experienced some problems in that the "well-elderly" who are mobile may maintain their attendance, but people who are not ambulatory may find it difficult to get to and from the day-care centre. This problem is compounded by the fact that the local transit service for the elderly and disabled has a mandate that states that priority must be given to passengers who are being transported to or from work and educational services. Day care is not a priority in transit services, so (unless private transport arrangements can be made) an elderly person may have difficulty in attending these programmes.

Home support programmes, according to these data, are receiving many more people than PCS staff feel can be optimally served by such services. Again, it is not entirely clear whether this is a case of people being placed in programmes that are above or below their needs; the data imply that persons in need of more structured chronic hospital and nursing home care are remaining in their homes with the partial assistance of home support services (including medical and homemaker services). Such a situation places stress upon the homecare network and on the household which must provide care for their frail elderly. Homecare is a service of limited hours and cannot provide the care that would be given in a nursing home or chronic hospital.

Nursing Homes and Homes for the Aged are two of the most frequently-recommended locations. There are always long waiting lists to these places (Table 6.20). As a percentage of the total waiting list, Nursing Homes have declined from 44% to 31% over the ten years reported in the table. However, the trend has not been one of continuous decline, but of an unevenness in the relative importance of the Nursing Homes sector. The growth in the Nursing Home waiting list after 1975 corresponds with the provincial decision to slow the growth of Nursing Homes;

also recall that during this period there was some decline in the number of beds in Hamilton's nursing homes. With the relaxation of this restraint policy, the waiting lists have been reduced somewhat.

The waiting lists for chronic hospitals have grown threefold since 1974. This is indicative of the restraint policy of the state--funds have not been available to meet the growing demands being made upon these state-operated hospitals. In 1983, Homes for the Aged had waiting lists more than twice the size of 1974, although as a proportion of the total waiting list they have changed little. Again, there is a fair degree of fluctuation in the relative size of the homes for the aged waiting lists.

The growth in the size of the waiting lists can partly be accounted for by the growing number of old people in the region. It also reveals the fact that services are not able to meet demand. State support of residential care facilities has not been to the point that private-sector supply can meet demand. Several reasons for this can be proffered. First, there are state regulations that limit the possibility of private entrepreneurs entering certain areas of social service delivery. The relatively unregulated lodging home industry has been growing rapidly, while the more regulated areas of service provision have

experienced restricted growth. Second, private capital will flow to where it can produce the greatest profits. Social services in Canada have not been historically a profitable venture. However, this might change given the increasingly commodified forms of service which are developing. Commercial homemaker services, for example, are now a "growth" industry.

The Placement Co-ordination Services case study provides an example of the way in which privatisation occurs only partially within the provision of social services; in this case privatisation represents privatisation at the administration, production and distribution stages. It also illustrates the fact that the state has used this "partial" privatisation as a means of extending state control over the private sector. The programme represents an attempt at ensuring appropriate placement of individuals in need of supportive housing. At the same time however, it represents a means by which the state seeks to organise and rationalise the operation of private service providers.

6.6.2 State and Place: The Geography of Residential Care

It is not only the provincial state that has entered into a partnership with private providers of residential care facilities. The local level of the state in Hamilton

has also increased its regulatory capacity over the operation of these homes. It is at this level that the geography of residential care is determined.

Lodging homes, rest homes and boarding homes operate across the Province. More often than not, the only regulations they must observe are those concerned with building codes and fire safety standards. They must also meet zoning requirements with respect to the maximum number of residents permissible under local planning guidelines. The Province makes no attempt to regulate the operations of these homes. The City of Hamilton was probably the first in the Province to attempt to regulate the lodging home industry. Elsewhere in the region, not all municipalities have passed similar legislation, although there are currently discussions about developing a by-law for a neighbouring municipality. In this section the history of the relationship between the state and the geography of the lodging home industry will be traced.

Two separate pieces of local legislation govern the operation of Hamilton's lodging homes. Each found its impetus in different sources within the local community. First, there is legislation which governs the location of all residential care facilities. Second, there is a local by-law which explicitly controls the local lodging home

industry.

(a) Locating Residential Care Facilities

In the late seventies, Hamilton witnessed a growth in the number of residential care facilities that were locating in and around the central city. In 1977, residents in one neighbourhood immediately to the east of the city core began to complain about the concentration of residential care facilities in their neighbourhood (Fig. 6.3). The availability of large old Victorian style homes in this area provided a reservoir of properties suitable for conversion to accommodation for large groups of people. Zoning regulations also made this part of the city most acceptable for this type of use. The reaction to this concentration was led by Councillor B. Hinkley who produced a report which purportedly expressed the concerns of his constituents about the concentration of certain facilities in particular neighbourhoods. He criticised this trend on the grounds that it was socially unacceptable and that the physical structures housing many of these "special care" homes were less than satisfactory for the purpose for which they were being used. He cited problems such as vandalism, increased traffic and the poor maintenance of the buildings. In concluding Hinkley went as far as to suggest that

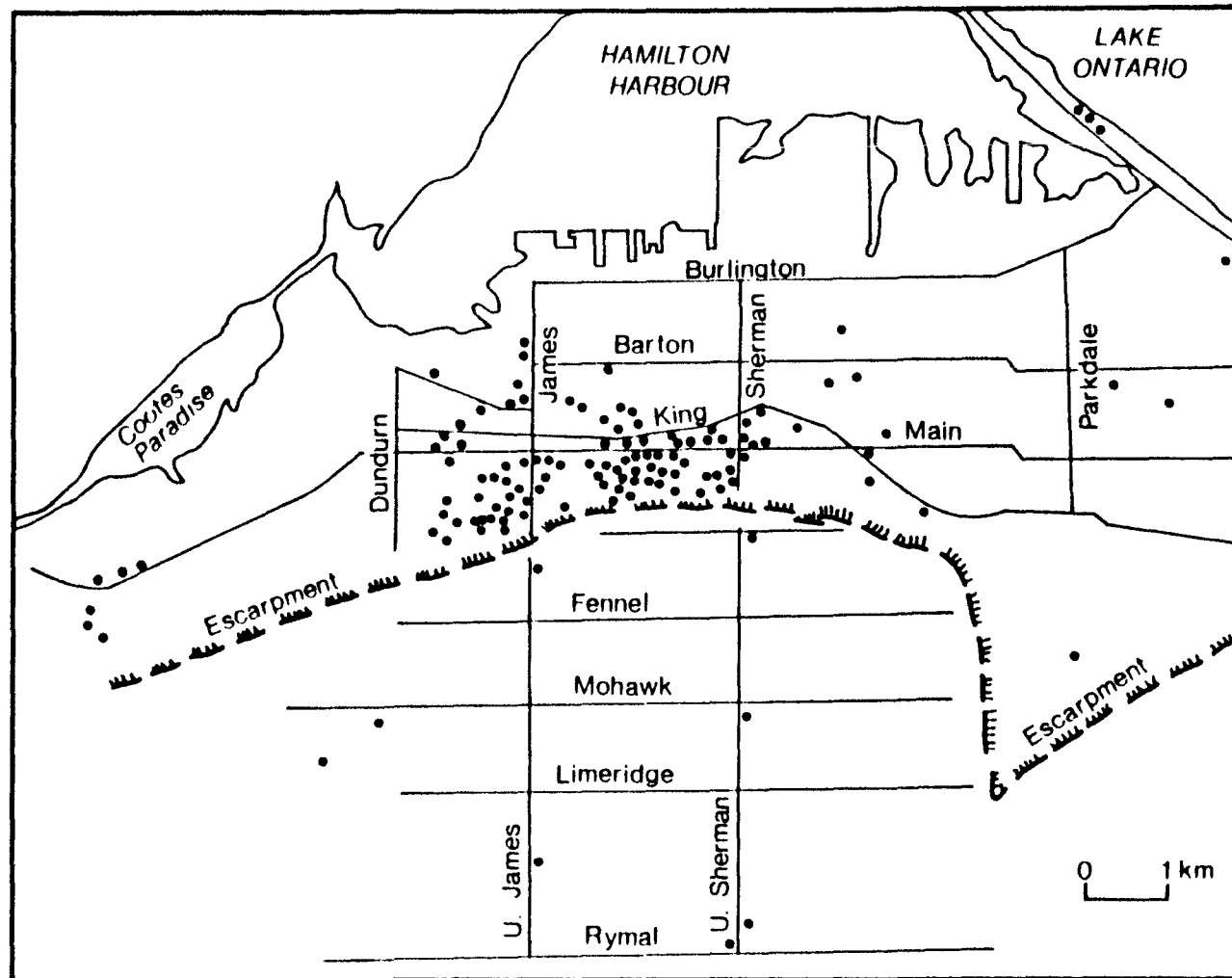


Figure 6.3 Licensed Lodging Homes, Hamilton

Source: Demopolis, 1984

residential care facilities (some of which he equated with "mini-institutions") should not be permitted in residential neighbourhoods (Hinkley, 1977), although this was clearly antithetical to the goals of community-based residences.

The report itself incited further community response, led in part by the local Social Planning and Research Council. City Council reacted by calling on the Planning and Development Committee to prepare a report on the issue. When it was presented in November 1977, the report expressed concern over the possibility of restrictive zoning practices. In January 1978, a conference on "Politics and Community Residential Services" was held in Hamilton, sponsored by various service agencies in the local area. Criticisms of the Hinkley report combined with a general concern over the possible "ghettoisation" of special needs groups resulted in the formation of a Citizen's Residential Care Sub-Committee (SPRC, 1978).

In 1978 the Social Planning and Research Council of Hamilton and District released its own report (SPRC, 1978) which recommended that the City of Hamilton adopt the recently passed City of Toronto By-Law as a local model. This allowed residential care facilities to be located in any residential neighbourhood as long as a distance separation factor was complied with. The report

acknowledged that group homes and the like were providing residences for dependent groups, and that as such these homes should be treated as any other residence. Further, the recommendations included a distance-separation clause in an attempt to prevent an undue clustering of these homes in any one neighbourhood.

The local state had to respond to these community reactions to the growth of the residential care sector. In June 1978, the City of Hamilton amended its by-law in such a way that: (1) definitions were provided for all those facilities which might be generically referred to as residential care facilities; (2) capacity limits were established; and (3) a clear distance-separation factor was incorporated. It was not until 1981 that this by-law was implemented as a by-law concerning "Residential Care Facilities, Short-Term Care Facilities and Lodging Homes" (SPRC, 1981a).

(b) Local Responses to Privatisation of Residential Care

At the same time as this concern for residential care in general was being articulated in the community, there was growing debate about the emergence of a commercially-operated lodging home industry. In 1977, the local Board of Health observed the disparate needs of the populations

residing in commercial residential facilities. First, there were those people in need of nursing care. Provincial legislation under the Nursing Homes Act offered protection to this group. There was a second group of individuals who, while choosing not to live independently, could look after themselves. The City's building licensing by-law (as opposed to the zoning by-law discussed above) provided that the homes in which such people lived should meet some minimal building requirements. Finally, there was a growing population of people who, although not requiring extended nursing care in an institutional setting, still required some assistance in the activities of daily living. The Board of Health argued that this third group was not adequately protected by existing legislation. They recommended that some by-law be passed to offer this protection. The matter was referred to the Regional Department of Social Services which established a Domiciliary Care Committee to look into the issue. Local groups expressed their concerns to this Committee over the quality of care being delivered in lodging homes and over the concentration of the homes in the inner city.

A draft by-law was prepared. This proposed that the City establish two levels of licenses for lodging home operators. The main difference was that the newly-created

"second level" designation would require the operator to provide 24-hour assistance with the activities of daily living. Reacting to the proposed state intervention, lodging-home operators organised themselves into the "Hamilton-Wentworth Lodging Home Association". With the assistance of a lawyer, they began to lobby City Hall. The Association was particularly concerned about the costs related to meeting the requirements of the Second-Level by-law because there were many safety measures incorporated into the by-law (including stricter fire safety standards).

There was also some questioning of the City's legal right to regulate certain activities within the homes, such as the supervision of medication. This is an interesting issue. Local municipalities must operate within the limits of the provincial Municipal Act. They have no independent powers of their own. It seemed that on certain points, the City of Hamilton may have been overstepping its powers. To address this issue the City solicitor's department began to lobby the province to have either: (1) The Municipalities Act altered so that the City had more powers; or (2) The Nursing Homes Act changed so that these lodging homes would be covered. Neither move has proved successful.

In response to the Second Level Lodging Homes By-law, the Operators' Association presented a brief that constantly

referred to what they perceived as parallels between the requirements of the local Hamilton legislation and the provincial Nursing Homes Act. They noted the differentials between the remunerations received by lodging home operators and those paid to the operators of nursing homes. They did not acknowledge the fact that provincial legislation requires that nursing homes have qualified staff on hand. The concern over costs was expressed by the Association which asked the Social Planning and Research Council to prepare a report on the appropriateness of the per diem that operators received from the Region under the General Welfare Assistance Act (see section 6.3.1 above) (SPRC, 1980).

A new licensing by-law was ultimately passed in April 1981. Other than the requirements regarding 24-hour supervision, the by-law standards are minimal. First, the house (as any other commercial operation) must meet certain building and safety requirements. Second, an operator cannot manage more than two homes. Third, the zoning by-law passed at around the same time has a distance-separation requirement to prevent the spatial concentration of homes. These are the only restrictions on the growth of the lodging home industry. The "free market" is, in theory, responsible for containing their growth; supposedly demand will determine supply.

(c) The Emergent Local Welfare State

The passage of these two by-laws is indicative of local pressures which are creating new forms of the local state. But the local state also incorporates the actions of the provincial and federal governments in Hamilton. Many of the residential care facilities that are governed by the local zoning by-law are also licensed under provincial or federal regulations. It is these levels of government which inject state funds into the local area via the homes that they license. In short, the growth of privatisation in the provision of residential care has seen a change in the form of the local state and not a withdrawal of the welfare state apparatus.

In any event, provincial involvement in the lodging home sector has been minimal. The Province has taken a laissez-faire approach to this sector. On March 26, 1986 a provincial Task Force on Roomers, Boarders and Lodgers was established by the Minister of Housing. Its purpose was to explore the problems associated with the lack of regulation in lodging and boarding homes. The terms of reference of the Task Force were as follows:

To examine the issues related to both the supply and regulation of roomer, boarder and lodger accommodation in Ontario, and to propose measures to:

ensure an adequate supply of affordable, accessible accommodation for low-income single individuals, including those requiring or preferring rooming and boarding house-style accommodation;

develop and ensure adequate standards in accommodation and tenant protection;

repond to specific areas of need wherever they occur in Ontario including the burgeoning problem of the homeless. (TFRBL,1986a:i).

This task force was convened at an important time in the evolution of Hamilton's Lodging Home industry. It appears that at the moment, in Hamilton, there is no room for more operators. In simple numerical terms the supply of beds is exceeding demand. In July 1986 there was a vacancy rate of about 10% but, in some of the more expensive lodging homes in the area, there are in fact waiting lists. Moreover, this rate is equivalent to Ottawa, a city of similar size. Surveys in the early eighties (see tables 6.2 and 6.3 above; also Beamish, 1981) suggested that over half the Lodging Home client population were ex-psychiatric patients and about one third were over 65 years of age. In the opinion of most referral agencies, these people are better served in separate facilities; and certain residences tend to serve one group more or less to the exclusion of others. But with a situation of increasing vacancies, it is unlikely that an

operator is going to refuse any potential resident, and a much more mixed resident population is now emerging.

It is clear now that the elderly are becoming a more and more preponderant clientele. Their numbers are rising, and as they grow older, they are less likely to be able to live independently. The elderly seem to be the future source of demand for lodging home accommodation. Interestingly, the "Rest Homes Association of Ontario" has changed its title to the "Ontario Long Term Residential Care Association". While "Rest Homes" suggested the elderly, the change to "Residential Care" suggests an anticipation of the restructuring of the industry to include a population in need of support services. At the same time, the provincial government has been closely assessing the long-established Homes for Special Care Programme. One report has suggested that it will be phased out. Homes licensed under the HSC act in Hamilton will be reclassified as second-level Lodging Homes, thereby coming under local legislation and eligible for a regional contract.

Perhaps it will be the local operators who become the chief advocates of intervention by the provincial state. They will want protection from undue competition, especially in areas where it appears that the market has been saturated. If they do take on more care for the elderly,

they will be competing for provincial money which presently finds its way into the Nursing Homes and Homes for the Aged.

6.7 SUMMARY

One local outcome of the provincial policy of deinstitutionalisation has been the development of various forms of privately-operated community-based residential care. This sector is not a homogeneous one. In Hamilton, both private and voluntary organisations provide a range of different types of accommodation. The commercial sector (lodging homes, homes for special care and nursing homes) has been expanding significantly over the last decade or so. The Homes for Special Care, funded entirely by the province, is a programme that is growing at a much slower rate than the lodging home sector which enjoys some autonomy from the state. Nursing Home operators have been organised for some time and negotiations with the state have seen a growth in the number of beds, and the per diem rates received from the Ministry of Health. It has only been recently that local lodging home operators have organised, and they are using their collective voice to negotiate increased per diems from the Regional Department of Social Services, the arm of the local state with which they have contact. These patterns of negotiation are indicative of the increasing corporatist

relations which characterise the actions of the state.

The voluntary sector has experienced more limited growth and serves a clientele not easily accommodated in other sectors. Most of the growth in this sector has occurred since the inception of deinstitutionalisation, and the homes are often, at least partly, dependent on state funding for their revenues. Several homes still rely on charitable donations.

Both the voluntary and commercial residential care facilities are regulated by various pieces of state legislation, and receive funding from various arms of Ontario's welfare state. Similarly, agencies providing care in a domestic setting are regulated and funded by the state. The case example of the Visiting Homemakers' Association illustrated the increasing dependence of agencies delivering care in a client's home upon the state as more and more hours of service were purchased by the provincial Home Care programme.

The provision of these different forms of residential care by private agencies illustrates how privatisation has been implemented in one locality. The analysis in this chapter has therefore provided evidence to support Wolch's (1986) contention that a shadow state is emerging, i.e., organisations that enjoy some autonomy from the state are

performing functions that would previously have been carried out by the state. Another element of Wolch's argument is the proposition that the shadow state apparatus is also able to influence the development of the state. This is because the state acts in reaction to external pressures. Corporatist patterns of negotiation provide an avenue for this pressure to be exercised.

With the change from an institutional model of care to one based in the community came the need to attempt to co-ordinate the placement of people into the new community facilities. In Hamilton Placement Co-ordination Services is responsible for the assignment of (mainly) elderly persons to the most appropriate residential setting. Limits imposed by community resources has resulted in the misassignment of many clients. For some other groups (e.g., discharged psychiatric patients) however, there exists no local agency to co-ordinate placements, especially for persons not directly in touch with a hospital (which generally has a discharge planner). This lack of co-ordination may in partly be responsible for the large number of psychiatric patients which are usually found in transient populations.

The Hamilton case has shown that changes in local by-laws regulating the activities of the local residential care facilities (especially lodging homes) were the outcome of

negotiations between service providers, local residents, operators of residential facilities and representatives of local arms of the state. State legislation, in the form of these by-laws, has been used in Hamilton to appease the conflicting interests that are expressed in these negotiations at the local level.

CHAPTER SEVEN
THE WELFARE PALIMPSEST AND THE
EMERGENCE OF A SHADOW STATE

7.1 SUMMARY

State social policies have impacted upon the urban built and social environments of Canadian cities. Currently, two processes are particularly important in the changing geography of the Canadian welfare state: privatisation and deinstitutionalisation. To understand how these policies have evolved and what their consequences have been for urban areas the thesis addressed a number of tasks. The general goals of the thesis were:

(1) to provide an account of privatisation that focussed on the roles of both structures and agents;

(2) to investigate the local determinants and outcomes of state policy; and,

(3) to use these theoretical considerations to enlighten our understanding of recent trends in the restructuring of the welfare state in Ontario.

There exists an extensive body of literature around the role of the welfare state in contemporary capitalism. Within this literature there is little consensus around the

definition of the welfare state, or in the interpretation of its role. The competing paradigms, however, each offer some insight into the evolution and function of the modern welfare state. Contributions to these debates have generally paid little attention to the uneven development of the welfare state over time and space, and the important fact that it is an institution which is fragmented internally according to the organisation of the state apparatus. This fragmentation also occurs over space as local forms of the state evolve in different places.

While deinstitutionalisation and privatisation have received attention in the literature, scant attention has been given to the local manifestations of these processes. Geographers have to some extent considered the question of deinstitutionalisation, but the spatial dimensions of privatisation have not been so clearly defined. This spatial element is more than simply a question of locational strategies. We need also to consider how local communities act and react to these policies. The social construction of space, and the local form that the welfare state takes as social relations within particular parcels of space are altered, are of primary importance, but have not been well articulated in analyses of social policy. The geography of the current restructuring of the local welfare state

remains, with some notable exceptions, an under-researched area.

The welfare structure of modern Canada is engraved upon a time-space palimpsest that demands that we do not separate the history and geography of social policy development. To incorporate both time and space, this thesis proposed that the sequence context-process-locale be used to guide analyses of the local forms of social policy.

Context refers to what Giddens has labelled the longue duree, i.e., the longer term, more enduring structures within which short-term and local variations develop. The processes that result in these variations (e.g., community opposition to some social policy recommendation; worker resistance to technological changes in the workplace) should be analysed as they are manifest in particular locations, the scale of which varies according to the processes at work. It is necessary to incorporate each of these elements if we are to provide a comprehensive analysis of the geography of the welfare state.

Privatisation is one process of restructuring. It implies a movement along a continuum of state involvement at one or more stages of service provision. It might, for example, involve a decline in the degree to which the state is involved in the delivery of a particular service, or it

might mean a deregulation of service provision. But caution must be exercised in assuming that this represents a withdrawal of the state. Decreasing state delivery of services might well be offset by increased regulation of the private agencies that do deliver services. The contradictory nature of privatisation means that it can simultaneously result in (1) a withdrawal of the state from certain stages of service provision; (2) an increase in the level of participation by consumers and private producers; and (3) an increasing extension of the state into sectors that previously exercised some autonomy from the state. Further, privatisation takes on a variety of forms. Commercial, voluntary, co-operative and domestic models of welfare delivery are equally representative of privatisation. The origins and outcomes of each might differ significantly, affecting the lives of the service-dependent and the development of the local welfare state.

The context for the recent restructuring of Ontario's welfare state includes the historical evolution of that state and the recent economic recession that has plagued the province. Two centuries of urbanisation, industrialisation, economic growth and decline, and changes in population have produced a dynamic geographic expression of the welfare state in Ontario. The onset of industrialisation in the

early towns in Ontario created an urban-based demand for social services. Subsequently, social policy encouraged the growth of urban-based responses, largely in the form of institutions. More recently, deinstitutionalisation has encouraged the growth of small privately-operated community-based centres of care. The local geography of urban areas has meant that concentrations of these services have appeared in central city locations. Patterns of urban development and service provision must therefore not only be seen as the product of social policy, but also as critical to the development of that policy. This is because local communities are not passive recipients of state policy, but are active in shaping that policy.

Deinstitutionalisation has stimulated the involvement of the private sector in service delivery. Privatisation and deinstitutionalisation are not recent responses to the state's fiscal crisis; they were set in motion during the economically-bouyant years of the nineteen-sixties. Explanations which focus on the role of the fiscal crisis therefore cannot explain this early re-orientation in policy. It is more useful to consider these changes in policies as evolving from two other sources. First, there were those pressures external to the state (e.g., patient advocate groups). Second, the welfare state is a capitalist

state and thus anticipates the "needs" of the capitalist social formation. The unchecked growth of a decommodified form of the welfare state can not be tolerated within the limits of that formation. Thus state policies that promote a relatively commodified form of service provision were introduced. To maintain its legitimacy in a period of fiscal conservatism (by advocating minimal-intervention policies) and still maintain a degree of social control, the Ontario state has encouraged the massive expansion of a shadow state apparatus.

Local problems emerge from the restructuring of the welfare state. In Toronto, for example, there are problems associated with inadequacies in welfare programmes. These include the inability of people dependent upon public income-maintenance programmes to feed and house themselves and their families. Demands upon the welfare state, and the responses to these, are not uniform over space. The Toronto case study showed that within an urban area the uneven spatial development of the welfare state is apparant. Foodbanks and emergency accommodations continue to be concentrated in the inner city even though increasingly the demand for such services is originating in the suburbs.

The relationship between the restructuring of the welfare state and local places is not unidirectional. The

actions of local residents who have resisted the decentralisation of certain facilities, for example, have been instrumental in determining the form of Toronto's local welfare state. The degree of politicisation of certain municipalities (e.g., the more affluent Etobicoke) has been important in excluding group homes. The role of human agency in determining the form of the welfare state cannot be ignored.

Patterns of service provision in residential facilities illustrate the marriage of the state and private sectors. Both for-profit and non-profit organisations are involved in providing accommodation for Hamilton's dependent populations. Thus the restructuring of the local residential care sector implies a shift from public to private auspices; in particular, small-scale business interests are asserting their presence as they organise to lobby the state in a collective fashion. The social implication of this restructuring is a move toward changing local social relations wherein commercial operators are taking on a greater degree of responsibility for the accommodation of service-dependent groups. However, the state maintains an element of control over both the consumers and providers of these services through financing and licensing regulations.

Reorganisation of Hamilton's residential care sector has also had spatial implications. The concentration of communal-type residences in particular localities has been referred to as "ghettoisation". Policies in Hamilton are attempting to promote greater integration of service-dependent groups into the community at large. However, other forces (such as the operation of the real estate market and community attitudes) are working against achieving the stated goal of integration. Restructuring, then, has not only resulted in a change in the locus of care for service-dependent groups. It is also having some effects upon patterns of residential segregation and land use. It is clear from the Hamilton example that the provincial policy of deinstitutionalisation has intersected with peoples' experiences of this policy to produce particular local land-use problems and responses.

Co-ordination of the assignment of persons into various forms of residential care is limited currently to the elderly population. The analysis of this process highlighted the fact that the resources of the local community are limited in that people cannot always be placed in the type of accommodation deemed most suitable to their needs. Deinstitutionalisation has not therefore been accompanied by an appropriate growth in the community

support system required for it to work effectively. This attempt to regulate the placement of persons into appropriate accommodation is indicative of one method in which the state regulates the development of the residential care sector. It is similar to the Toronto example of the increased reliance of the voluntary sector upon the state for revenue, in that both cases provide evidence of the growth of the shadow state.

7.2 EVALUATION

The research reported in this thesis makes several contributions to the growing body of literature around the geography of the welfare state. It has offered a framework, which incorporates the roles of both structures and agents, for understanding the local development of the welfare state. By understanding the context in which the welfare state develops; the processes at work to reproduce and change the welfare state; and the unique features of a local place that influence its development in a locality, we are in a position to understand the geographically-uneven development of the welfare state. Too often studies have focussed on one of these dimensions while ignoring the importance of the others. This thesis has attempted to address all three areas.

Several concepts were found to be useful in

understanding the recent restructuring of the welfare state. A stage model of service provision underscored the fact that while privatisation may be occurring at one stage of service provision this does not mean that the state is necessarily withdrawing entirely from the social services. State activity may well be increasing at another stage in the provision of a service. Empirical analysis supported this proposition as we noted increasing regulation of the private sector by the state at the same time as there was a decline in the level of direct service provision by the state apparatus in the field of residential care. It was noted that state activity occurs along a continuum ranging from total state responsibility for the provision of a service to minimal levels of state intervention. Thus, the notion of privatisation as a complete withdrawal of the welfare state was challenged.

The conceptual chapter also noted that there are both internal and external pressures at work to cause the state to reorganise its policies and programmes. And external pressures are not homogeneous. Different groups within civil society lobby the state to have their demands met. Given these different interests we can expect a variety of policy responses. Although privatisation is often referred to as though it were a singular process, the thesis argues

that there are in fact several manifest forms of this policy, and that these are the results of different internal and external pressures being exerted upon the state apparatus.

The growing partnership between the public and private sectors has been described by Wolch (1986) as a shadow state. This concept is a useful one for understanding the changing patterns of social service provision in Ontario. The historical evidence presented in this thesis provided empirical support for Wolch's concept which has thus far only been applied to the United States experience. Indeed Ontario has witnessed a massive growth in the shadow state apparatus as the policies of deinstitutionalisation and privatisation have been implemented.

The recent evolution of Ontario's welfare state apparatus and the shadow apparatus are indicative of the corporatist trends that analysts have noted in discussions of the contemporary state. Negotiation between elements of civil society and the state characterise the local development of the state. For example, lodging home operators have effectively lobbied the local state to have per diem rates increased. At the same time local residents have pressured the state into introducing regulations

governing the location of residential care facilities. In Toronto, operators of foodbanks and emergency shelters are targetting their efforts to have the state improve services and income programmes for the City's poor. These patterns of local negotiation have resulted in a changing geography of the welfare state.

The historical analysis presented in this thesis raises several questions. There is little doubt that an understanding of the respective roles of structures and agents must be gleaned if we are to unravel the historical geography of the welfare state. It is therefore important to uncover the ways in which people in local places interact with social structures (how they react to state policy; how they lobby the state to change these structures). This thesis has elucidated the details of some empirical manifestations of this interaction. However, the theoretical links between structures and agents need to be articulated more clearly than is currently the case. The thesis has made an initial attempt at this by focussing on the concepts of the state and the shadow state as points of intersection. This suggests the importance of an institutional level of analysis in social theory.

There is also need to clarify discussions around the degree of autonomy enjoyed by the state. This is a theme

which has permeated analyses of the state but is still unresolved. To what degree can the state set its own agenda? In an era of the "strong state" it would appear that the state operates with a marked level of autonomy. What factors are operating at any time to influence the degree of state autonomy? And if the state does operate with some autonomy, what are the limits set by the social formation?

Another remaining problem concerns the limits to restructuring and corporatism. Are all forms of reorganisation within the state apparatus examples of restructuring? And are all patterns of negotiations between the state and civil society examples of corporatism? Definitions of these terms must be refined if their analytical utility is to be maximised.

7.3 POLICY IMPLICATIONS

What are the planning problems that have emerged from the restructuring of Ontario's welfare state? Two broad problems need to be addressed: how are service-dependent groups optimally housed? and what criteria should be used to decide whether or not a service should be provided under private, state or mixed auspices?

The concentrations of service-dependent people, the

services they consume, and the homes in which they reside, have become problematic in both the urban built and social environments. Some residents (of neighbourhoods in which these concentrations have developed) have raised objections on the grounds of safety, property values and the saturation of their neighbourhoods with particular activities. Other opposition to these ghettos has been expressed by those people who seek true integration of dependent persons into the community. Often opposition originates in areas that do not have any residential care facilities. The political acumen of certain residents' groups allows them to continue to exclude such homes.

As-of-right zoning has been one attempt to ensure that group homes are more equitably distributed. However, the desired goal of dispersing these homes has not been achieved. And even in cities that apply this policy to some activities (e.g., group homes) other types of accommodation (e.g., social housing for low-income families) face resistance from the community and must comply with strict zoning regulations. It would appear then that there is need for an extensive public education programme that ensures that the community at large is made aware of (1) the necessity for "special" housing and (2) that this housing is in fact residential accommodation - it is not an

institutional form and the people residing in such facilities are not a threat to their neighbourhood.

A second implication of the problems of housing service-dependent groups is the inadequate supply of appropriately-priced residences. Ontario is struggling with how to provide low-income housing and this problem needs to be redressed immediately as the number of homeless people in our cities continues to grow. Planners must be cautious, however, of reproducing the ghetto phenomenon that has so often accompanied public housing projects.

The other general policy question that emerges from this thesis is concerned with deciding on the degree of acceptable state involvement in the provision of services. This obviously comes down to a value judgement. The argument presented in this thesis implies that the most important criteria is the degree to which the delivery of services under particular auspices lessens or promotes a dependency status among service recipients. This dependency may be upon the welfare state, or it may be on some service-provider over which the consumer has no control. Since at least some of the dependence experienced by certain groups in contemporary society is a product of the exchange relationship that promotes exchange value rather than use value, it seems important to advocate decommodified forms of

service. This does not mean simply subsidising commodified forms as this will maintain a system that still allows profit to be generated from the delivery of social services, and so longer-term patterns of dependence and dependence-inducing production relations will be promoted.

Social planners should investigate means of promoting greater consumer control over the services on which consumers depend. This may in fact mean promoting some form of privatisation, remembering that privatisation may occur at any one of the stages of service provision identified in chapter three. To completely minimise dependence it would be necessary to maximise consumer involvement at as many of these stages as possible.

7.4 FUTURE RESEARCH QUESTIONS

The research presented in this thesis poses several research challenges. First, there is need to continue with the theme of the geography of the welfare state. In particular, the notion of conflicts internal to the state needs to be explored in more detail. For example, what are the consequences of conflicts which occur "horizontally" between different forms of the state at the local level, and "vertically" between different levels of the state?

A second set of questions concerns the role of the "shadow state". Why have we witnessed the emergence of this phenomenon? Is it simply a means of dealing with a fiscal crisis in the state? Or does it have implications for the legitimacy of the state, by making the state apparatus seemingly more accessible? Or perhaps it is a means of extending state control.

Third, can the popular basis of some calls for privatisation provide a focus for programmes of community development? What are the outcomes of privatisation for service-dependent groups? A set of indicators needs to be developed so that we can measure changes in the level of dependency that arise from policy developments. These might include measures of financial, environmental, familial and professional dependency. In part, to answer this question it would be necessary to find agencies that keep continuous and consistent data.

Fourth, the emphasis on the reciprocal interactions between structures and agents begs the question of how to conceptualise the role of agents. Is it their individual or collective actions which determine the form of state policy? And how are these actions of agents constrained by the structures within which they operate?

Fifth, the proposition that local histories and

conditions influence the development of the local welfare state suggests the importance of pursuing comparative studies between different localities. It would be useful, in the Canadian case, for example, to study several cities within one province. This is because it is provincial legislation that provides the policy framework within which local variations might occur.

This thesis has attempted to identify some of the links between state social policy and outcomes in the urban built and social environments. It has focussed on the policy of deinstitutionalisation. Other social policies should also be investigated. Clearly there are a range of questions that can be raised about the spatial implications of welfare state policies. The research agenda proposed in this section raises questions which are rich in academic, human and political interest.

APPENDIX A
PERSONS INTERVIEWED

Ms. Sue Bridgehouse,
Department of Social Services,
Regional Municipality of Hamilton-Wentworth,
Hamilton.

Ms. Barbara Cambrige,
Executive Director,
Visiting Homemakers of Hamilton-Wentworth,
Hamilton.

Ms. Joyce Caygill,
Administrater,
Placement Co-ordination Services,
Hamilton.

Mr. Steve Dembe,
City of Hamilton Licensing Department,
Hamilton.

Ms. Christa Frieler,
Social Planning Council of Metropolitan Toronto,
Toronto.

Ms. Martha Friendly,
Day Care Information Centre,
Toronto.

Ms. Marilyn Jewell,
Canadian Mental Health Association,
Hamilton.

Mr. Brian Leckie,
Department of Social Work,
Hamilton Psychiatric Hospital,
Hamilton.

Ms. Jodi Orr,
Executive Director,
Social Planning Council of Hamilton and District,
Hamilton.

Mr. W.A. Powell,
Supervisor, Purchased Hostel Services,
Municipality of Metropolitan Toronto,
Toronto.

Mr. Carmen Salciocelli,
Department of Social Services,
Regional Municipality of Hamilton-Wentworth,
Hamilton.

Mr Don Slaboda,
Lodging Home Operator and President of Lodging Home
Operators Association,
Hamilton.

Ms. Jenni Street,
Department of Social Work,
Hamilton Psychiatric Hospital,
Hamilton.

Ms. Lois Walton,
Hamilton-Wentworth Homecare,
Hamilton.

Ms. Norma Walsh,
Department of Social Services,
Regional Municipality of Hamilton-Wentworth,
Hamilton.

Mr. Jim Ward,
Jim Ward and Associates,
Social Research and Community Development,
Toronto.

APPENDIX B
SURVEY INSTRUMENT

October 28, 1986

To all operators of Adult Residential Care Facilities in Hamilton

As part of our continuing work into the provision of social services in Hamilton, we are trying to compile an up to date inventory of residential services offered by the non-profit sector in this area.

I hope you will be able to take a few minutes to answer the enclosed questions. You'll see that we're interested in the number of beds in your home, and some idea of the client population that you serve. We are also interested in obtaining an historical picture of the growth of residential care services in Hamilton and so have asked you for the date on which your home first began operation. Finally, we would like to get some indication of the degree of government support for local homes and so there are a few questions which address this issue.

Please note that we do not need any information on individual clients, and please be assured that your responses will be kept in strictest confidence.

I hope that you will be able to complete this survey by November 12, 1986. A stamped self-addressed envelope is enclosed for your reply. If you have any questions please contact my assistant, Glenda Laws (525-9140, ext. 4081).

Thank you very much for your help in this matter. We hope that your response will provide information that will help us to plan more effectively to meet community needs in Hamilton.

Yours sincerely,

Michael Dear,
Professor.

SURVEY OF HAMILTON'S RESIDENTIAL CARE FACILITIES

Instructions

1. Please answer the questions in the spaces provided.
2. Return this survey in the enclosed envelope.
3. If you have any questions please contact Glenda Laws at 525-9140, ext.4081
4. All information provided will be kept in confidence, and only aggregate figures will be reported.

1. How many beds does your home have? _____
- 2.(a) Do you have a waiting list? Yes _____ No _____
 (b) If yes, how many people are on it? _____
3. How many staff do you have at the home?
 _____ (full-time)
 _____ (part-time; please indicate full-time equivalents)
4. (a) How many volunteer staff do you have? _____
 (b) How many hours a month, on average, do they work? _____
5. Please indicate the percentage of residents in each of the following categories?
 Physically Disabled _____
 Mentally Retarded _____
 Former Alcoholic _____
 Ex-Psychiatric _____
 Seniors _____
 Offender (serving sentence) _____
 Parolee/ Probationer _____
 Other (please specify) _____

6. Which month and year did your home begin operation at this address? _____

7. Please estimate the percentage of your revenues that come from the following sources. If possible use estimates for the last financial year.

Provincial Government _____
Federal Government _____
Hamilton-Wentworth _____
United Way _____
Residents' Fees _____
Other (please specify) _____

We would now like to ask some questions regarding changes that you may have experienced since the opening of this home.

8. Has the proportion of government support changed?

Increased _____
Decreased _____
Stayed the same _____

9. Has the proportion of residents fees changed?

Increased _____
Decreased _____
Stayed the same _____

10. Have you experienced any changes in staffing levels?

Increased _____
Decreased _____
Stayed the same _____

11. Has the number of volunteers changed?

Increased _____
Decreased _____
Stayed the same _____

12. Has there been any change in demand for your service?

Increased _____
Decreased _____
Stayed the same _____

13.(a) Has there been any change in the client group that you serve?

Yes _____ No _____

(b) If yes, please indicate in what ways it has changed

Age composition _____

Sex composition _____

Type of client served _____

Length of residence of clients _____

Other (please specify) _____

14. Could you outline any major difficulties you experience in providing a residential care service in Hamilton-Wentworth?

Thankyou for your help. Could you please provide the first or last name of the person completing this form, for verification purposes only _____

Date _____

I.D. # _____

APPENDIX C

GLOSSARY OF TERMS REFERRING TO RESIDENTIAL
CARE FACILITIES

Group Home: means a single housekeeping unit in a residential dwelling in which three to ten persons (excluding supervisory staff or receiving family) live as a family under responsible supervision consistent with the needs of its residents. The home is licensed or approved under provincial statutes and in compliance with municipal by-laws (SSD, 1983).

Homes for the Aged: are charitable or provincially-operated homes that provide accommodation for persons who are over sixty years of age; or who are under the age of sixty and who, because of special circumstances cannot be adequately cared for elsewhere (Homes for Special Care and Rest Homes Act).

Homes for Special Care: means a home for the care of a person requiring nursing, residential or sheltered care (Homes for Special Care Act) and who is regarded as an in-patient of a provincial psychiatric hospital.

Lodging Home: is a house primarily intended or used as a dwelling, where persons are harboured, received or lodged for hire by the week or more than a week, but not for any period of less than a week and are accommodated without any separate kitchen, kitchenette or kitchen sink but excepting a hotel, private hospital, public and private home for the aged, children's home or boarding school (City of Hamilton By-Law).

Nursing Home: means any premises maintained and operated for persons requiring nursing care or in which such care is provided to two or more unrelated persons (Nursing Homes Act). These facilities are licensed by The Ontario Ministry of Health.

Residential Care Facility: is any community-based group living arrangement for a specific maximum number of individuals, exclusive of staff, with social, legal, emotional, mental or physical handicaps or problems that is developed for the well-being of its residents through self-help and/or professional care, guidance, and supervision unavailable in the resident's own

family or in an independent living situation (SPRC#D, 1978: 47).

Second Level Lodging Home: means a house:

- i) which accommodates four or more residents;
- ii) where, for a fee, the Operator offers to Residents guidance in the activities of daily living [including advice on nutrition, hygiene, warmth and rest], and advice and information;
- iii) where, 24 hours a day, at least the Operator, or one adult employee of the Operator, is on duty in the House and able to furnish guidance (By-Law No. 80-259 (81-93), City of Hamilton).

REFERENCES CITED

Newspaper references are cited throughout the text.

Aglietta, M. (1979) A Theory of Capitalist Regulation. The U.S. Experience (London: New Left Books).

Alford, R. and Friedland, R. (1985) Powers Of Theory: Capitalism, the State and Democracy (Cambridge: Cambridge University Press).

Allen, R. (1973) The Social Passion. Religion and Reform in Canada 1914-1928 (Toronto and Buffalo: University of Toronto Press).

Althusser, L. (1971) Lenin and Philosophy and other Essays (London: New Left Books).

Anglin, B. and Braaten, J. (1978) Twenty-five years of growing together. A history of the Ontario Association for the Mentally Retarded (Downsview, Ontario: Ontario Association for the Mentally Retarded).

APS (various dates) Annual Report (Hamilton: Assessment and Placement Service).

Appleby, L. and Desai, P.N. (1985) "Documenting the Relationship Between Homelessness and Psychiatric Hospitalisation", Hospital and Community Psychiatry, 36(7): 732-737.

Armitage, A. (1975) Social Welfare in Canada. Ideals and Realities (Toronto: McLelland and Stewart).

Armstrong, P. (1984) Labour Pains: Women's Work in Crisis (Toronto: The Women's Educational Press).

Ashbaugh, J.W. and Bradley, V.J. (1979) "Linking Deinstitutionalisation of Patients with Hospital Phase-Down: The Difference between Success and

Failure", Hospital and Community Psychiatry, 30(2):105-110.

Bassuk, E. and Gerson, S. (1978) "Deinstitutionalisation and Mental Health Services", Scientific American, 238 (2): 46-53.

Bayne, R. and Caygill, J. (1977) "Identifying Needs and Services for the Aged", Journal of the American Geriatrics, 25(6):264-268.

Beamish, C. (1981) Space, State and Crisis: Towards a Theory of the Public City (McMaster University: Unpublished M.A. Thesis, Department of Geography).

Bellamy, D. (1983) "Social Policy in Ontario" in OSDC, The Province of Ontario: Its Social Services, Eleventh edition, (Toronto: Ontario Social Development Council): 30-51.

Block, W. (1983) "The Case for Selectivity" in Drover, G. (ed.) Canadian Social Work Review, 1983 (Ottawa: Canadian Association of Schools of Social Work).

Borough of Etobicoke (1980) Group Homes: Proposed Zoning By-laws and Official Plan Amendment, Unpublished Document, File 300.5 Borough of Etobicoke Planning Department.

Borus, J.F. (1981) "Deinstitutionalisation of the Chronically Mentally Ill", New England Journal of Medicine, 305: 339-342.

Canadian Criminology and Corrections Association (1973) Developments in the Corrections Field in Canada (Ottawa: Canadian Criminology and Corrections Association).

Careless, J.M.S. (1984) Toronto To 1918. An Illustrated History (Toronto: James Lorimer and Co.).

Cassidy, H.M. (1945) Public Health and Welfare Organisation in Canada (Toronto: Ryerson).

Cawson, A. (1982) Corporatism and Welfare (London: Heinemann Educational Books).

- CCC (1969) Report of the Canadian Committee on Corrections (Ottawa: Canadian Committee on Corrections).
- CCHS (1985) Homemaker Services in Canada Survey 1985 (Toronto: Canadian Council on Homemaker Services).
- Chan, J.B. and Ericson, R.V. (1981) Decarceration and the Economy of Penal Reform (University of Toronto: Centre of Criminology).
- Child and Family Welfare (1935): 11(1)
- Chouinard, V. (1980) A Structuralist Analysis of the Politics of Group Homes in Metropolitan Toronto: Towards a Political Economy of Residential Care (Toronto: Unpublished M.A. thesis, Department of Geography, University of Toronto).
- Chouinard, V., Fincher, R. and Webber, M. (1984) "Empirical Research in Scientific Human Geography", Progress in Human Geography, 8(3): 347-380.
- Chouinard, V. and Fincher, R. (1983) "A Critique of 'Structural Marxism and Human Geography'", Annals of the Association of American Geographers, 73(1):137-46.
- Chouinard, V. and Fincher, R. (1984) "Class Conflict and State Formation", Paper presented at the Annual Meetings of the Association of American Geographers, Washington, D.C., April.
- Chouinard, V. and Fincher, R. (1985) "Local Terrains of Conflict in the Canadian State", Paper presented at the Annual Meetings of the Association of American Geographers, Detroit, April.
- CIS (1986) The Directory of Community Services (Hamilton: Community Information Service of Hamilton-Wentworth).
- City of Toronto (1976) The Report of the Neighbourhood Services Work Group (Toronto: City Clerks Office).
- City of Toronto (1984) Toronto Statistics 1984 (Toronto: City of Toronto Planning and Development Department).

- City of Toronto (1985) Off the Streets: A Case for Long-Term Housing (Toronto: City of Toronto: Alternative Housing Sub-Committee).
- City of Toronto (1986) Draft Report of the Sub-Committee on the Housing Needs of the Homeless Population. (Toronto: Mayor's Office, City of Toronto).
- Clark, G. and Dear, M. (1984) State Apparatus: The Structures and Language of Legitimacy (London: George Allen and Unwin).
- CTDPH (1984) Housing and Health: Public Health Implications of the Affordable Housing Crisis (Toronto: City of Toronto Department of Public Health).
- Cockburn, C. (1977) The Local State (London: Pluto).
- COGP (1971) Report of the Committee on Government Productivity, vol.3 (Toronto: Committee on Government Productivity).
- COGP (1973) Report of the Committee on Government Productivity, vol.9 (Toronto: Committee on Government Productivity).
- Corrigan, P. and Leonard, P. (1978) Social Work Practice Under Capitalism (London: Macmillan).
- Cuneo, C. (1979) "Class Contradictions in Canada's International Setting", The Canadian Review of Sociology and Anthropology, 16(1), Reprinted in Grayson, J.P. (ed) (1980) Class, State, Ideology and Change. Marxist Perspectives on Canada (Toronto: Holt, Rhinehart and Winston): 83-102.
- Dahl, R.A. (1956) Preface to Democratic Theory (Chicago: Chicago University Press).
- Dahl, R. A. (1963) Modern Political Analysis (Englewood Cliffs, N.J.: Prentice-Hall).
- Daniels, A.F (1980) "Privatisation- An Outline of Progress, Results and Goals", mimeo (Toronto: Ontario Ministry of Correctional Services).
- Davey, I. and Doucet, M. (1975) "The Social Geography of a Commercial City" in Katz, M. (ed) The People of

Hamilton, Canada West (Cambridge: Harvard University Press).

- Davies, S. (1980) Seduction of the Private Sector-Privatisation in Ontario's Corrections (Ottawa: Carlton University, unpublished MSW).
- Dean, S.W. (1914) "The Church and the Slum", Report of Addresses and Proceedings, Social Service Congress, Ottawa. Reprinted in Rutherford, P. (ed) (1974) Saving the Canadian City. The First Phase 1880-1920 (Toronto and Buffalo: University of Toronto Press): 155-163.
- Dear, M. (1980) "The Public City" in Clark, W. and Moore, E. (eds) Residential Mobility and Public Policy (Beverly Hills: Sage): 219- 241.
- Dear, M. (1981) "A Theory of the Local State" in Burnett, A.D. and Taylor, P.J. (eds) Political Studies from Spatial Perspectives (Chichester: Wiley).
- Dear, M. and Taylor, S. (1982) Not on our Street (London: Pion).
- Dear, M.J. and Laws, G. (1986a) "Anatomy of a Decision: Recent Land Use Zoning Appeals and their Effect on Group Home Locations in Ontario", Canadian Journal of Community Mental Health, 5(1): 5-17.
- Dear, M.J. and Laws, G. (1986b) "The Social Theory of Planning", Plan Canada, 26(9):246-251.
- Dear, M. and Wolch, J. (1987) Landscapes of Despair. From Deinstitutionalisation to Homelessness (London: Polity).
- Demopolis, C. (1984) "The Developpment of the Lodging Home Ghetto in Hamilton, Ontario" (McMaster University: Unpublished Undergraduate Research Paper).
- De Weaver, K.L. (1983) "Deinstitutionalisation of the Developmentally Disabled", Social Work, 28(6): 435-438.
- Department of Public Health (1954, 1961) Annual Report (Toronto: Ontario Department of Public Health).

- Djao, A. (1983) Inequality and Social Welfare (Toronto: Wiley).
- DHC (1970) Report of the Sub-Committee on Extended Care (Hamilton: District Health Council).
- DSSHW (1985) "The Impact of "A Review of the Homes for Special Care Programme- the Touche-Ross Report- on the Regional Department of Social Services" (Hamilton: Department of Social Services, Regional Municipality of Hamilton-Wentworth).
- DSSHW (1986) A Brief Prepared for the Provincial Social Assistance Review Committee (Hamilton: Department of Social Services, Regional Municipality of Hamilton-Wentworth).
- Drover, G. (1984) "Limits to Community Control", Paper presented at Improving the Delivery of Community-Based Health and Social Services, Conference sponsored by the Canadian Council on Social Development, Ottawa, November.
- Duncan, J. and Ley, D. (1982) "Structural Marxism and Human Geography: a Critical Assessment", Annals of the Association of American Geographers, 72(1):30-59.
- Eggleton, A. (1985) "A Statement by Mayor Art Eggleton Announcing Foodshare Toronto. A Concept of Community to Help Fight Hunger in Toronto" (City of Toronto, September 26, 1985).
- EGA (n.d) Hunger in our City. A Question of Responsibility (Edmonton: Edmonton Gleaners Association).
- Eichler, M. (1983) Families in Canada Today (Toronto: Gage).
- Elliott, S. (1985) Bless this House: Municipal Impediments to the Establishment of Group Homes for Ex-Offenders in Residential Neighbourhoods, UEST Working Paper No. 24 (Brock University: Institute of Urban and Environmental Studies).
- Esping-Anderson, G., Friedland, R. and Wright, E.O. (1976) "Modes of Class Struggle and the Capitalist State", Kapitalistate, 4-5: 186-220.
- Estes, C. (1982) "Dominant and Competing Paradigms in

Gerontology: Towards a Political Economy of Ageing", Ageing and Society, 2(2): 151-164.

Finch, J. (1984) "Community care: developing non-sexist alternatives", Critical Social Policy, 9: 6-18.

Fincher, R. (1979) The Local State and the Urban Built Environment: The Case of Boston in Late Capitalism (Clark University: Unpublished Ph.D. Dissertation, Graduate School of Geography).

Fincher, R. (1981) "Local Implementation Strategies in the Urban Built Environment", Environment and Planning D: Society and Space, 2: 309-327.

Findlay, P. (1983) "The Case for Universality" in Drover, G. (ed) Canadian Social Work Review (Ottawa: Canadian Associations of Schools of Social Work).

Fingard, J. (1974) "The Winter's Tale: The Seasonal Context of Pre-Industrial Poverty in British North America, 1815-60", Canadian Historical Association Historical Papers, 65-94.

Fisk, D., Kresling, H. and Mullen, T. (1978) Private Provision of Public Services: An Overview (Washington: The Urban Institute)

Friedman, M. (1962) Capitalism and Freedom (Chicago: University of Chicago Press).

Galper, J. (1975) The Politics of Social Services (Englewood Cliffs, N.J.: Prentice Hall).

Gandy, J. (1984) "Costs and Benefits of the Voluntary Sector. Privatisation in Corrections", The John Howard Society of Ontario Newsletter, Winter/Spring.

Gaylin, W., Glasser, I., Marcus, S. and Rothmen, D. (1978) Doing Good. The Limits of Benevolence (New York: Pantheon).

Geiger, R. K. and Wolch, J.R. (1986) "A Shadow State? Voluntarism in Metropolitan Los Angeles", Environment and Planning D. Society and Space, 4(3):351-366

George, V. and Wilding, P. (1976) Ideology and Social Welfare (London: Routledge and Keegan Paul).

- Giddens, A. (1979) Central Problems in Social Thoery: Action, Structure and Contradiction in Social Analysis (Berkeley and Los Angeles: University of California Press).
- Giddens, A. (1985) "Time, Space and Regionalisation" in Gregory, D. and Urry, J. (eds) Social Relations and Spatial Structures (London and Basingstoke: Macmillan): 265-295.
- Gilbert, N. (1983) Capitalism and the Welfare State: Dilemmas of Social Benevolence (New Haven: Yale University Press).
- Gold, D., Lo, C. and Wright, E.O. (1975) "Recent Developments in Marxist Theories of the Capitalist State", Monthly Review, 27(5):29-43; 27(6):36-51.
- Goldman, H., Adams, N. and Taube, C. (1983) "Deinstitutionalisation: The Data Demythologised", Hospital and Community Psychiatry, 34(2): 129-134.
- Gough, I. (1979) The Political Economy of the Welfare State (London: Macmillan).
- Gregory, D. and Urry, J. (eds) (1985) Social Relations and Spatial Structures (London and Basingstoke: Macmillan).
- Gregory, D. (1981) "Human Agency and Human Geography", Transactions of the Institute of British Geographers, 6: 1-18.
- Grossman, L. (1982) "Remarks by the Hon. Larry Grossman, Minister of Health to the Ontario Nursing Homes Association, September 16, 1982" (Toronto: Ministry of Health).
- Guest, D. (1980) The Emergence of Social Security in Canada (Vancouver: University fo British Columbia Press).
- Halpern, J., Sackett, K., Binner, P. and Mohr, C. (1980) The Myths of Deinstitutionalisation: Policies for the Mentally Disabled (Boulder: Westview).
- Hanlon, M.D. (1983) "The Public Sector Moves In: The Union Response", Social Policy, 13(4): 98-102.

- Harloe, M.. (1981) "The recommodification of Housing" in Harloe, M. and Lebas, E. (eds) City, Class and Capital (New York: Holmes and Meier): 17-50.
- Harris, R.C. and Warkentin, J. (1974) Canada Before Confederation. A Study in Historical Geography (Toronto: Oxford University Press).
- Harvey, D. (1978) "The Urban Process Under Capitalism", International Journal of Urban and Regional Research, 2(1):101-131.
- Held, D. and Kreiger, J. (1984) "Theories of the State: Some Competing Claims" in Borstein, S., Held, D. and Kreiger, J. (eds) The State in Capitalist Europe: A Casebook (Center for European Studies, Harvard University, Cambridge, Mass.: George Allen and Unwin).
- Heseltine, G.F. (1983) Towards a Blueprint for Change: A Mental Health Policy and Program Perspective. Discussion Paper (Toronto: Ministry of Health).
- Hinkley, B. (1977) "Report on Lodging Houses, Half-way Houses and Nursing Homes" (Hamilton: City Hall).
- Hurl, L. F. (1983) Social Services by Government Contract: the Bargain Basement of Welfare (Toronto: Unpublished Manuscript, University of Toronto, School of Social Work).
- HWDC (1984) Report of the Mental Health Task Force of the District Health Council (Hamilton: Hamilton-Wentworth District Health Council).
- HWHC (various dates) Annual Report (Hamilton: Hamilton-Wentworth Homecare Programme).
- Illich, I. et al. (1977) Disabling Professions (London: Marion Boyers).
- Ismael, J. (1984) "Trends in Service Delivery", University of Calgary: School of Social Work, mimeo.
- IWGGH (1978) Interministerial Working Group on Group Homes: Locational and Distribution Report (Toronto: Secretariat for Social Development).

- Jessop, B. (1982) The Capitalist State (New York: New York University Press).
- Johnston, R.J. (1983) Philosophy and Human Geography (Oxford: Edward Arnold).
- Judge, K. and Knapp, M. (1985) "Efficiency in the Production of Welfare: The Public and Private Sectors Compared" in Klein, R. and O'Higgins, M. (eds) The Future of Welfare (Oxford: Basil Blackwell): 131-149.
- Kammerman, S. (1983) "The New Mixed Economy of Welfare: Public and Private", Social Work, 28(1): 5-10.
- Kane, R.L. and Kane, R.A. (1985) A Will and A Way. What the United States Can Learn from Canada about Caring for the Elderly (New York: Columbia University Press).
- Kealey, G. (1982) "Toronto's Industrial Revolution, 1850-92" in Cross, M. and Kealey, G. (eds) Canada's Age of Industry 1849-96 Readings in Canadian Social History vol. 3 (Toronto: McLelland and Stewart): 20-61.
- Kealey, G. and Palmer, B. (1981) "The Bonds of Unity. The Knights of Labour in Ontario, 1880-1900", Histoire Sociale/ Social History, XIV(28): 369-411.
- Kearns, R. (1987) In the Shadow of Illness. A Social Geography of the Chronically Mentally Disabled in Hamilton (McMaster University: Ph.D. in progress).
- Kirby, A. (1982) "The external relations of the Local State in Britain: some empirical examples" in Cox, K.R. and Johnston, R.J. (eds) Conflicts, Politics and the Urban Scene (London: Longman): 88-104.
- Klein, R. and O'Higgins, M. (eds) The Future of Welfare (Oxford: Basil Blackwell).
- Klerman, G.L. (1977) "Better But Not Well: Social and Ethical Issues in the Deinstitutionalisation of the Mentally Ill", Schizophrenia Bulletin, 3(4): 617-631.
- Knowles, R. (1985) The Welfare State: Social and Spatial Implications for the Working Class Elderly (McMaster University: Unpublished M.A. thesis, Department of Geography).

- Krashinsky, M. (1977) Day Care and Public Policy in Ontario (Toronto: Ontario Economic Council).
- Lang, V. (1974) The Service State Emerges (Toronto: Ontario Economic Council).
- Langdon, S. (1975) The Emergence of the Canadian Working Class Movement, 1845-1875 (Toronto)
- Laws, G. and Dear, M.J. (forthcoming) "Coping in the Community: A Review of Factors Influencing the Lives of Ex-Psychiatric Patients" in Smith, C. and Giggs, J. (eds) Location and Stigma: Emerging Trends in the Study of Mental Health and Mental Illness (London: George Allen and Unwin).
- Le Grand, J (1982) The Strategy of Equality (London: George Allen and Unwin).
- Le Grand, J. and Robinson, R. (eds) (1984a) Privatisation and the Welfare State (London: George Allen and Unwin).
- Lemon, J. (1985) Toronto Since 1918. An Illustrated History (Toronto: James Lorimer and Co.).
- Lerman, P. (1982) Deinstitutionalisation and the Welfare State (New Brunswick, N.J.: Rutgers University Press).
- Ley, D. (1983) A Social Geography of the City (New York: Harper and Row).
- Mamula, R. and Newman, N. (1973) Community Placement for the Mentally Retarded: A Handbook for Community Agencies and Social Work Practitioners (Springfield, Il.: Charles C. Thomas).
- MTFDPP (1984) The Final Report of the Mayor's Task Force on Discharged Psychiatric Patients (Toronto: Toronto City Council).
- Massey, D. (1985) "New Directions in Space" in Gregory, D. and Urry, J. (eds) Social Relations and Spatial Structures (London: Macmillan): 9-19.
- Maynard, A. and Williams, A. (1984) "Privatisation and the National Health Service" in Le Grand, J. and

Robinson, R. (eds) Privatisation and the Welfare State (London: George Allen and Unwin): 95-115.

MCSHC (1985) Final Report of the Working Committee on Emergency and Short-Term Accommodation (Toronto: Metropolitan Community Services and Housing Committee).

Miliband, R. (1969) The State in Capitalist Society (New York: Basic Books).

Miliband, R. (1977) Marxism and Politics (Oxford: Oxford University Press).

Ministry of Community and Social Services (1981) Day Care Policy: Background Paper (Toronto: Ontario Ministry of Community and Social Services).

Ministry of Community and Social Services (1983) Three Decades of Change. The Evolution of Residential Care and Community Alternatives in Children's Services (Toronto: Ontario Ministry of Community and Social Services).

Ministry of Health (1976) "Homecare, Ontario", A Statement from the Ontario Ministry of Health (Toronto: Ontario Ministry of Health).

Ministry of Health (1981/82) Annual Report. A Century of Caring (Toronto: Ontario Ministry of Health).

Ministry of Health (1986) "Ministry of Health Presentations to the Select Committee on Health, August 25-26", Unpublished Document available from the Ontario Ministry of Health.

Ministry of Housing (1985) Assured Housing for Ontario. Reforms to Rent Review. (Toronto: Ontario Ministry of Housing).

Ministry of Housing (1986) Assured Housing for Ontario. A Summary, pamphlet, (Toronto: Ontario Ministry of Housing).

Ministry of Municipal Affairs and Housing and the Association of Municipalities of Ontario (1983) Study of Residential Intensification and Rental Housing

Conservation (Toronto: Ministry of Municipal Affairs and Housing).

Mishra, R. (1984) The Welfare State in Crisis: Social Thought and Social Change (Brighton: Wheatsheaf Books).

Mishra, R., Laws, G. and Harding, P. (forthcoming) "Privatisation: The Case of Ontario's Social Services" in Ismael, J. and Vaillencourt, Y. (eds) Privatisation and Provincial Social Services in Canada: Policy, Administration and Delivery (Calgary: University of Alberta).

MCSD/PPD (1983) A Study of Homelessness in Metropolitan Toronto: Characteristics, Trends and Potential Solutions (Toronto: Metropolitan Community Services Department, Policy and Planning Division).

Municipality of Metropolitan Toronto (1982) No Place to Go. A Study of Homelessness in Metropolitan Toronto: Characteristics, Trends and Potential Solutions (Toronto: Municipality of Metropolitan Toronto).

MMT (1986) Draft Report of the Sub-Committee on the Housing Needs of the Homeless Population (Toronto: Municipality of Metropolitan Toronto).

MTPD (1986) Key Facts...1986 (Toronto: Metropolitan Toronto Planning Department).

Myles, J. (1984) Old Age and the Welfare State: The Political Economy of Public Pensions (Toronto: Little, Brown and Company).

NCW (1986) 1986 Poverty Lines. Estimates by the National Council of Welfare (Ottawa: National Council of Welfare).

OAMR (1972) "We Believe", Submission to the Task Force on Mental Retardation (Secretariat for Social Development) by the Ontario Association for the Mentally Retarded.

O'Connor, J. (1973) The Fiscal Crisis of the State (New York: St. Martins Press).

- OECD (1985) Social Expenditure 1960-1990. Problems of Growth and Control (Paris: OECD).
- Offe, C. (1984) "Some Contradictions of the Modern Welfare State" in Offe, C. Contradictions of the Welfare State, John Keane editor (Cambridge, Mass.: MIT).
- OHA (1979) Subcommittee on Homecare Services Discussion Paper Part 1 (Toronto: Ontario Hospitals Association).
- Oliphant, P.F. and White, R.C. (consultants) (1983) Models for a Daily Bread Food Bank (Toronto: Oliphant and White in co-operation with Metropolitan Community Services Department and Ontario Ministry of Community and Social Services).
- Oliver, P. (1984) "From Jails to Penitentiary: the Demise of Community Corrections in Early Ontario", Correctional Options, 4: 1-10.
- Ontario (1984) Ontario Statistics 1984 (Toronto: Ministry of Treasury and Economics).
- OPSEU (1983) De-Institutionalisation: A Union Perspective (Toronto: Ontario Public Service Employees Union).
- OPSEU (1984) The Welfare Shell Game (Toronto: Ontario Public Service Employees Union).
- Ostrander, S. (1985) "Voluntary Social Service Agencies in the United States", Social Service Review, September: 434-454.
- Otto, S. and Orford, J. (1978) Not Quite Like Home: Small Hostels for Alcoholics and Others (Chichester: John Wiley and Sons).
- Pahl, R. (1977) "'Collective Consumption and the State in Capitalist and State Socialist Societies" in Scase, R. (ed) Industrial Society: Class, Cleavage and Conflict (London: Allen and Unwin).
- Palmer, B. (1982) "The Culture of Control" in Cross, M. and Kealey, M. (eds) Canada's Age of Industry, 1845-1875, Readings in Canadian Social History, vol. 3, (Toronto: McClelland and Stewart): 128-165.

- Panitch, L. (1980) "Recent theorisations of corporatism: reflections on a growth industry", British Journal of Sociology, 31(2): 159-185.
- Paris, C. (1983) "The Myth of Urban Politics", Environment and Planning D: Society and Space, 1: 89-108.
- Patterson, J. (1983) The Voluntary Sector at Risk Update (Toronto: Social Planning Council of Metropolitan Toronto).
- Patterson, J. (1986) "Income Security and Hunger", Background paper prepared for the National Conference on Hunger, Toronto. Sponsored by the Social Planning Council of Metropolitan Toronto.
- PCS (various dates) Annual Report (Hamilton: Placement Co-ordination Services).
- Pentland, H.C. (1981 edn) Labour and Capital in Canada 1650-1860. Edited by Paul Phillips (Toronto: Lorimer).
- Phillipson, C. (1982) Capitalism and the Construction of Old Age (London: Macmillan).
- Piva, M.J. (1975) "The Workmen's Compensation Movement in Ontario", Ontario History, 67: 39-56.
- Poulantzas, N. (1972) "The Problem of the Capitalist State" in Blackburn, R. (ed.) Ideology in Social Science (Glasgow: Fontana/Collins): 238-253.
- Pred, A. (1984) "Place as Historically Contingent Process: Structuration and the Time-Geography of Becoming Places", Annals, Association of American Geographers, 74(2): 279-297.
- Provincial Secretariat for Justice (1984) Justice Statistics (Toronto: Ontario Secretariat for Social Justice).
- Pruger, R. and Miller, L. (1973) "Competition and the Public Social Services", Public Welfare, 31(4): 16-25.
- Riches, G. (1986) Foodbanks and the Welfare Crisis (Ottawa: Canadian Council on Social Development)
- Roberts, C.A. (1963) A Report on Ontario's Mental Health Services (Toronto: Ontario Ministry of Health).

- Roberts, W. and Bullen, J. (1984) "A Heritage of Hope and Struggle: Workers, Unions and Politics in Canada, 1930-1982" in Cross, M. and Kealey, G. (eds) Modern Canada, 1930-1980s, Readings in Canadian Social History, vol.5 (Toronto: McLelland and Stewart): 105-140.
- Room, G. (1979) The Sociology of Welfare (Oxford: Basil Blackwell).
- Ross, D. (1986) Background Document on Income Security (Ottawa: Canadian Council on Social Development).
- Rubinstein, D., Mundy, R.E., and Rubinstein, M.L. (1979) "Proprietary Social Services", The Social Welfare Forum 1978, (New York: Columbia University Press): 120-140.
- Russell, P.A. (1983) "Wage Labour Rates in Upper Canada, 1818-1840", Histoire Sociale/ Social History, XVI(31): 61-80.
- Rutherford, P. (ed) (1974) Saving the Canadian City. The First Phase 1880-1920 (Toronto and Buffalo: University of Toronto Press).
- Sack, R. (1980) Conceptions of Space in Social Thought. A Geographical Perspective (Minneapolis: University of Minnesota Press).
- Saunders, P. (1979) Urban Politics: A Sociological Interpretation (London: Hutchinson).
- Saunders, P. (1981) Social Theory and the Urban Question (London: Hutchinson).
- Saunders, P. (1984) "Rethinking Local Politics" in Boddy, M. and Fudge, C. (eds) Local Socialism (London and Basingstoke: Macmillan): 22-48.
- Savas, F.S. (1982) Privatising the Public Sector: How to Shrink Government (Chatham, N.J.: Chatham House Publishers).
- Sayer, A. (1984) Methods in Social Science (London: Hutchinson).
- Sayer, A. (1985) "The Difference that Space Makes" in

- Gregory, D. and Urry, J. (eds) Social Relations and Spatial Structures (London: Macmillan): 49-66.
- Schlesinger, M. and Dorwat, R. (1984) "Ownership and Mental-Health Services. A Reappraisal of the Shift toward Privately Owned Facilities", The New England Journal of Medicine, 311(15): 959-965.
- Schmitter, P. (1974) "Still the Century of Corporatism", Review of Politics, 36: 85-131.
- Scull, A. (1977) Decarceration: Community Treatment and the Deviant. A Radical View (Englewood Cliffs, N.J.:Prentice Hall).
- Seley, J. (1983) The Politics of Public-Facility Planning (Lexington, Mass: D.C. Heath and Co.)
- Short, J.R. (1982) An Introduction to Poitical Geography (London: Routledge and Kegan Paul).
- Simmons, H.G. (1982) From Asylum to Welfare (Downsview, Ont.: National Institute on Mental Retardation).
- Sinclair, A.H. (1891) "Municipal Monopolies and Their Management" in Ashley, W.J. (ed) Toronto University Studies in Political Science First Series, No.11 (Toronto: Warwick and Sons). Reprinted in Rutherford, P. (ed) (1974) Saving the Canadian City. The First Phase 1880-1920 (Toronto and Buffalo: University of Toronto Press): 5-44.
- Smith, N. (1984) Uneven Development (Oxford: Basil Blackwell).
- Soja, E. (1985) "The Spatiality of Social Life: Towards a Transformative Retheorisation" in Gregory, D. and Urry, J. (eds) Social Relations and Spatial Structures (London and Basingstoke: Macmillan): 90-127.
- SPARC (1986) Food Bank Users. A Profile of the Hungry in B.C. (Vancouver: Social Planning and Research Council of British Columbia).
- SPCMT (1984a) Caring for Profit: The Commercialisation of Human Services in Ontario (Toronto: Social Planning

Council of Metropolitan Toronto).

SPCMT (1984b) Metropolitan Social Profile (Toronto: Social Planning Council of Metropolitan Toronto).

SPCMT (1985a) The Deindustrialization of Toronto. A Study of Plant Closures, Layoffs and Unemployment (Toronto: Social Planning Council of Metropolitan Toronto).

SPCMT (1985b) Social Report No. 1 (Toronto: Social Planning Council of Metropolitan Toronto).

SPCMT (1986) Living on the Margin. Welfare Reform For the Next Decade (Toronto: Social Planning Council of Metropolitan Toronto).

SPRC (1975) Report of the Special Programmes Review Committee (Toronto: Special Programmes Review Committee).

SPRCHD (1978) Zoning By-Laws and the Provision of Residential Care Facilities (Hamilton: Social Planning and Research Council of Hamilton and District).

SPRCHD (1981a) Report on the Zoning and Licensing of Residential Care Facilities in Hamilton-Wentworth (Hamilton: Social Planning and Research Council of Hamilton and District).

SPRCHD (1986) A Brief Submitted to the Social Assistance Review Committee (Hamilton: Social Planning and Research Council of Hamilton and District).

Splane, R.B. (1965) Social Welfare in Ontario 1791-1893. A Study of Public Welfare Administration (Toronto: University of Toronto).

SSD (1983) Ontario Group Homes. Resource Manual (Toronto: Ontario Secretariat of Social Development).

Stoddart, G. and LaBelle, R. (1985) Privatisation in the Canadian Health Care System: Assertions, Evidence, Ideology and Options (Ottawa: Health and Welfare Canada).

- Strong, M.K. (1930) Public Welfare Administration in Canada (Chicago: Chicago University Press).
- Tabb, W.K. (1978) "The New York City Fiscal Crisis" in Tabb, W.K. and Sawers, L. (eds) Marxism and the Metropolis: New Perspectives in Urban Political Economy (New York: Oxford):241-266.
- Tabb, W.K. and Sawers, L. (eds)(1978) Marxism and the Metropolis: New Perspectives in Urban Political Economy (New York: Oxford).
- Taylor-Gooby, P. and Dale, J. (1981) Social Theory and Social Welfare (London: Edward Arnold).
- TFRBL (1986a) Housing for Roomers, Boarders and Lodgers: The "State of Knowledge" (Toronto: Ontario Task Force on Roomers, Boarders and Lodgers).
- TFRBL (1986b) A Place to Call Home. Housing Solutions for Low-Income Singles in Ontario (Toronto: Task Force on Roomers, Boarders and Lodgers).
- TFRPSCJ (1977) Community Involvement in Criminal Justice. Report of the Task Force on the Role of the Private Sector in Criminal Justice, 3 vols. (Ottawa: Task Force on the Role of the Private Sector in Criminal Justice).
- Therborn, G. (1978) What does the Ruling Class do when it Rules? (London: New Left Books).
- Therborn, G. (1984) "The Prospects of Labour and the Transformation of Advanced Capitalism", New Left Review, 145: 5-38.
- Thrift, N. (1983) "On the Determination of Social Action in Space and Time", Environment and Planning D: Society and Space, 1(1): 23-58.
- Titmuss, R. (1973) The Gift Relationship (Harmondsworth: Penguin).
- Titmuss, R. (1974) Social Policy (London: George Allen and Unwin).
- Touche-Ross and Partners (1984) A Review of the Homes for Special Care Programme for the Mental Health

Division, Ontario Ministry of Health (Toronto: Touche-Ross and Partners).

- Truelove, M. (1986) "Trends in Day Care: Implications for Women", Paper presented at the Annual Meetings of the Association of American Geographers, Twin Cities, April.
- Tucker, D. and Associates (1984) An Ecological Analysis of Voluntary Social Service Organisations; Their Births, Growth and Deaths (McMaster University: Program for the Study of Human Services Organisations).
- Tuohy, C. (1976) "Pluralism and Corporatism in Ontario Medical Politics" in Rea, K.J. and McLeod, J.T. (eds) Business and Government in Canada: Selected Readings Second Edition, (Toronto: Methuen): 395-413.
- Urry, J. (1981) "Localities, Regions and Social Class", International Journal of Urban and Regional Research, 5(4): 455-74.
- Urry, J. (1985) "Social Relations, Space and Time" in Gregory, D. and Urry, J. (eds) Social Relations and Spatial Structures (London: Macmillan): 20-48.
- Van Horne, R. (1986) A New Agenda: Health and Social Service Strategies for Ontario's Seniors (Toronto: Minister for Senior Citizens' Affairs, Queens Park).
- VHAHW (1973) "Brief to the Hanson Task Force, Ministry of Community and Social Services, Regarding Homemaking Services and the Homemaker and Nurses Services Act of Ontario", Brief prepared by the Visiting Homemakers' Association of Hamilton-Wentworth.
- Walker, A. (1985) "Policies for Sharing the Job Shortage: Reducing or Redistributing Unemployment" in Klein, R. and O'Higgins, M. (eds) The Future of Welfare (Oxford: Basil Blackwell): 166-185.
- Wallace, E. (1950) "The Origin of the Social Welfare State in Canada, 1867-1900", Canadian Journal of Economics and Political Science, 16: 389-93.
- Weaver, J. (1983) "Elitism and the Corporate Ideal: Businessmen and Boosters in Canadian Civic Reform, 1890-1920" in Cross, M. and Kealey, M. (eds) The

Consolidation Of Capitalism, 1896-1929, Readings in Canadian Social History, vol. 4, (Toronto:McClelland and Stewart): 143-166.

Weaver, J. (1982) Hamilton: An Illustrated History (Toronto: Lorimer).

Williams, C. (1984) Decades of Service. A History of the Ontario Ministry of Community and Social Services 1930-1980 (Toronto: Ontario Ministry of Community and Social Services).

Winkler, J.T. (1976) "Corporatism", European Journal of Sociology, 17(1): 100-36.

Winkler, J.T. (1977) "The Corporate Economy: Theory and Administration" in Scase, R. (ed.) Industrial Society: class, cleavage and control (London: Allen and Unwin).

Wolch, J. (1986) "Voluntarism and the New American Political Economy", Paper presented at Independent Sector Conference, New York City, March.

Wolfe, D.A. (1984) "The Rise and Demise of the Keynesian Era in Canada: Economic Policy, 1930-82" in Cross, M. and Kealey, G. (eds) Modern Canada, 1930-1980s, Readings in Canadian Social History, vol.5, (Toronto: McLelland and Stewart): 46-80.

Wolfensberger, W. (1972) The Principle of Normalisation in Human Services (Toronto: National Institute on Mental Retardation).

Yeates, M. and Garner, B. (1980) The North American City (Toronto: Harper and Row).

Zarfas, D.E. (1970) "Moving Towards the Normalcy Principle in a Large Government Operated Facility for the Mentally Retarded", International Journal of Mental Retardation, 16: 84-92.