SPACE, STATE AND CRISIS: TOWARDS A THEORY OF THE PUBLIC CITY IN NORTH AMERICA

by

Cecil Beamish

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AUTHOR: Cecil Beamish B.A. (MoD) (Trinity College, Dublin)

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ABSTRACT

This thesis examines the development of the public city (the increasing concentration of service-dependent populations and their helping agencies in the inner city) in North America, during the last decade. A historical materialist explanation of public city development is provided. The welfare state and the suburban form of the city are derived as structural solutions to previous impediments of the accumulation process. Inherent contradictions in these solutions are examined and the ways in which they have intensified have been outlined. The public city is then viewed as an emerging structural solution to the inherent contradictions of the welfare state and the suburban form of the city. The central city is the focus of public city development because of the characteristic features which it attained as the developing corollary of the suburban city during the suburbanization process. The gradual intensification of contradictions in the suburban form of the city made it an increasingly unsuitable and hostile environment for the service-dependent, forcing them to increasingly concentrate in the inner city. Simultaneously, the specific processes of restructuring the welfare state during the period of crisis have led to a marked intensification of public city development.

Historical analysis of the process of restructuring the Canadian Welfare State in Ontario highlighted the links between the economic crisis, the process of restructuring and the development of the public city. Service-dependent populations examined in this thesis include ex-psychiatric patients, mentally retarded, physically disabled, elderly, probationers and parolees. The results of the analysis of each of these populations indicated that restructuring of the welfare state had increasingly concentrated these populations in the inner city, leading to a rapid intensification of public city development.
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CHAPTER 1

INTRODUCTION

The concentration of the needy and disadvantaged classes in the core area of the city has long been a characteristic feature of the North American urban scene. However, the recent addition of large masses of service-dependent poor among the larger indigent group adds complexity to this traditional urban phenomenon. While the concentration of the working poor and the transient in the urban core has been an object of research for decades (e.g. Park, Burgess and McKenzie (1925)), the increasing concentration of the service-dependent in a similar geographic location is poorly understood.

At the most general level it is clear that the 'independent' working poor and the 'service-dependent' poor are located in the deteriorated urban core because of their common distinguishing feature: poverty. In an inherently unequal class-structured society, inequality in access to resources is the fundamental factor determining the common residential location of the urban poor. This was all made abundantly clear as long ago as 1844 by Frederick Engels in his analysis of the location of the urban poor in Manchester and it remains equally true today. However, if we proceed beyond this indispensable, yet general, level of explanation it becomes apparent that there are important distinctions between the 'independent' working poor and the 'service-dependent' poor. It is even reasonable to assume that the ways in
which they are bound to their common residential location are significantly different.

The 'service-dependent' poor include the large and growing population of more or less permanently non-working poor, including such groups as the elderly, the mentally and physically disabled and the chronically unemployed. These groups are characterized by their reliance on publicly provided cash-transfers and services in-kind e.g. Physical and Mental Health Care, Housing and Social Services. Their common reliance on welfare measures binds the service-dependent to the state in a subsistence relationship which in many ways is similar, but different, to that between the low-wage earner and the capitalist. Service-dependency stands in contrast to the reliance of the working poor on incomes from employment. Whereas the working poor are subject to the vagaries of labour markets and the determining capitalist accumulation process, the service-dependent poor are subject to the caprice of politics, public policy and the welfare state. For the working poor the workplace and the location of cheap rental accommodation may be the primary determinants of residential location, while for the service-dependent, such multifarious factors as the location of suitable subsidized or institutional accommodation, the degree of community exclusion, access to service facilities or even the mode of service delivery may be the primary determinants. Indeed Wolch (1978) has been able to show, quite rigorously, that the factors affecting the residential location of the working poor and the service-dependent poor are quite different.
Over the past decade the development of the public city, defined as the tendency for an increasing number of service-dependent populations and their helping agencies to concentrate in the inner city, has been observed in a wide range of North American cities. Research on such geographically diverse cities as New York, Washington, Detroit, Chicago, San Jose (California) and Hamilton (Ontario) has unearthed this tendency, which is now felt to represent a significant structural change in many North American cities (See Chapter 2). The extent of this development is shown by a recent estimate that up to one third of the population of many U.S. cities is made up of the service-dependent (Wolch 1978).

Despite the historical specificity and extent of this phenomenon, the notion that a 'public city' is developing has received little attention.

It is clear that there is empirical evidence to support the assertion that the public city is rapidly developing. On the other hand it is equally clear that existing explanations for the public city are varied, confusing and inadequate as the basis for a general theory of public city development. Because of the fact that existing explanations are based on differing research traditions, have different research objectives and focus on different aspects of this general process, they have not provided an encompassing general theory. This judgement is based on the criterion that the theory should be internally consistent and linked to a broader theory of societal development, which will enable the public city to be explained both in terms of its temporal specificity and societal generality.
It is the provision of such a theory of public city development which is the primary research goal of this thesis: to provide an embedded theoretical explanation of the relevance and specificity of the development of these 'public cities', dominated by public sector dependents and their helpers. To fulfill this research goal the thesis adopts the historical materialist method as the 'science' of history, enabling a theoretically consistent explanation to be provided. The historical materialist method with its inherent perspicacity and generality is well suited to the purpose of this thesis, enabling the analysis to get past the eclecticism and arbitrary empiricism of many of the existing explanations. While it is beyond the scope of this introduction to provide an adequate definition of historical materialism (See Walker 1977, p15-63), it can be briefly described as "the theoretical corpus based on Marx's fundamental theses that the material economic base of society determines the superstructure of social, legal and political institutions, rather than vice versa and that each historical society is characterized by struggles between the opposing social classes arising from the particular process of production within it" (Pickvance 1976 p1).

Having adopted the historical materialist method and accepting the central epistemological premise of Marxist theory - that there is a distinction between the 'levels of appearances' and the underlying social reality which produces these appearances - this thesis attempts to elucidate the structural mechanisms which generate the appearances of the public city, currently being observed. As Godalier (1972, p336)
states, "structures should not be confused with visible 'social relations' but constitute a level of reality invisible but present behind the visible social relations." Structures therefore do not refer to the concrete social institutions that make up a society, but rather to the systematic functional interrelationships among these institutions (See Gold, Lo and Wright, 1975). In this way the analysis of particular structures of advanced capitalist societies carried out in this thesis is the analysis of the functional relationship of various institutions to the process of surplus value production and appropriation.

The historical materialist method stresses that it is necessary to investigate the historical conditions leading to present day appearances and to elucidate the links between underlying structural causes and the empirical encountered reality of the public city, at the levels of appearances. This historical investigation implies an investigation into "the dynamics of social change, not simply an investigation into the past... to analyze a problem historically is to study contradictions and changes, not simply to uncover origins." (Wright 1978, p13). For these reasons the thesis attempts to logically derive a historical materialist theory of public city development through an analysis of the inherent contradictions and processes of dialectical and dynamic change which have lead to the increasing concentration of the service-dependent in the North American inner city in recent years. In this way a general theoretical framework can be derived within which particular aspects of public city development can be located and
analyzed. This theoretical framework for understanding public city
development, raises a number of important research questions which
come to form the second research objective of this thesis.

The theoretical links between the welfare state, economic
(accumulation) crises and spatial structure are posited as fundamental
determining forces in the creation of the public city. However,
because this particular nexus of relations is only partially understood,
concrete historical analysis is required to explicate the importance
of these changing relations in the creation of the public city. The
process of restructuring the welfare state in response to the economic
crisis of the early and mid-1970's and the gradual emergence of what
is already being called 'the post-welfare state' are examined in depth.
The effects of these changes on the residential location of the service-
dependent and the rapid intensification of public city development
can then be analyzed.

These are the research goals which guide the following four
chapters. Chapter 2 reviews the existing empirical evidence of public
city development and provides a brief critique of the theoretical
explanations currently being postulated. Chapter 3 outlines a historical
materialist explanation of public city development. Chapter 4 attempts to
examine particular aspects of this theoretical framework through a
concrete historical analysis of the process of restructuring the welfare
state in Ontario and its links to the development of the public city
in Hamilton. Chapter 5, as the concluding chapter of this thesis,
summarizes the findings of this thesis by linking the theoretical assertions about restructuring the welfare state (Chapter 3) and the historical empirical evidence (Chapter 4) of how the restructuring of the welfare state has been carried out in Ontario over the past ten years. Similarly, the links between the restructuring of the welfare state in Ontario and the creation of the public city in Hamilton are re-interpreted in the light of the theoretical explanation presented in chapter 3. The thesis then concludes with a very brief statement on the political significance of the findings of this research and the suggested direction of future historical materialist research on the subject.
CHAPTER 2

THE PUBLIC CITY: A PROBLEM IN THEORY AND PRACTICE

2.1 Introduction

The tendency toward a "public city", a spatial concentration of service dependent populations and helping agencies in the inner-city, has only recently become a focus of attention (Dear, 1980). Its meaning and indeed its very existence have been the subject of dispute but there now seems to be sufficient evidence to warrant a comprehensive analysis of the phenomenon. This chapter will provide a brief review of the existing literature on the subject. The findings of an analysis of a number of major Canadian cities will then be presented indicating the spatial coincidence and concentration of a number of service-dependent groups in the inner-city. This chapter will conclude by providing a review and critique of the existing explanations of public city development emphasizing their partial validity but highlighting their limitations.

2.2 Literature Review

While the literature dealing with the development of the public city can hardly be described as voluminous, there is nevertheless a growing body of evidence to indicate that this is a widespread tendency, involving a myriad of service-dependent groups. Though much of the earlier work on the ghettoization of the service-dependent was carried out on psychiatric patients discharged from mental hospitals, in recent
years research on a wide range of groups from the elderly to criminals and delinquents has found similar developing spatial distributions.

In an early paper Wolpert and Wolpert (1974) argued that tens of thousands of mentally disabled people who had been discharged from state institutions in the last decade had added a new indigent group to the inner city of large metropolitan areas. They argued that the mentally disabled had become ghettoized in those sections of the cities which had run down boarding homes and 'seedy' residential hospitals, the traditional dumping grounds for the disadvantaged and their caretakers. Wolpert and Wolpert (1974) observed this process in New York, Washington D.C., Detroit and San Jose, California. In their analysis of a ghetto of over 1000 ex-patients in San Jose, they related its creation to the 'dumping syndrome' associated with the accelerated rush to close down specific hospitals without the creation of the necessary pre-requisites for the proper re-integration of ex-patients into the community. However, in addition to the facilities for the discharged patients there were also half-way houses and board and care facilities for ex-convicts, ex-drug addicts, ex-alcoholics and a job corps centre. As was later noted, "the 'community' is very non-representative. It is composed of the stigmatized..." (Wolpert, Dear and Crawford, 1975, p32).

In a separate work Smith (1975) also documented the tendency for ex-psychiatric patients to congregate in the transient areas of the inner city core. A follow-up study of 169 ex-psychiatric patients in Hamilton, Ontario, by Dear (1977) found that a significant proportion of the discharged patients tended to congregate in geographically
limited areas of the city, particularly the inner core. In this instance the ghettoization process was divided into two components. Firstly, the formal assignment of patients to institutional after-care facilities which tend to proliferate in the inner-city core and secondly, an informal process of spatial filtering encompassing a volatile minority of mobile patients who gravitate toward the transient inner areas of rental accommodation. A second follow-up study of 495 discharged psychiatric patients in Hamilton, (Dear, 1980) found that 70% moved to destinations in the core area of the city, in particular to a nine tract area close to the central business district.

Over the last five years it has become clear that the mentally ill have become joined in the public city by many other service-dependent groups, including the needy elderly (Golant 1975, Wiseman 1978) and ex-convicts and delinquents (Scull 1977). Wolch (1978, 1979, 1980) in her research on Philadelphia has carried out the most extensive work on the public city, to date. She analyzed the residential location of a heterogeneous group of service-dependent (non-working) poor. This population included the elderly, the mentally and physically disabled and the chronically unemployed, most of whom depended on cash incomes and human services provided by governments and voluntary groups. Noting the ghettoization of the non-working poor in Philadelphia, Wolch argued that the minimal cash incomes of service-dependent households and budget limitations of the service agencies constrain the service dependents and their facilities to the oldest and most deteriorated neighbourhoods. It was recently suggested that one quarter of the
population in declining U.S. central cities was dependent upon public sector programs of one kind or another (Wolch 1979). Moreover Wolpert (1978) estimated that 61 service facilities in New Brunswick, New Jersey attracted over 6000 people daily to the city core, exceeding the number of daily shoppers and private sector work trips to the C.B.D.

While there is a variety of other research dealing with specific aspects of the public city (see Dear 1980, Wolch 1979), to date most of the work has been limited to the United States. With the exception of Dear (1977, 1980) and Hughes (1980), there has been little specific work on the public city in the Canadian context. It is therefore appropriate that the question of whether or not the public city exists in Canada be addressed, before proceeding to discuss its meaning.

2.3 Does the Public City exist in Canada?

There is very little known about the residential location of service dependent populations in Canadian cities and, apart from the work of Dear (1977, 1980) and Hughes (1980), there are only fragmentary indications from official statistics, that the public city may be developing in Canada.

In a study of Canadian inner-cities, the Canadian Mortgage and Housing Corporation (CHMC 1979) found that the elderly, the poor and non-family households were over represented in Canadian inner-cities in 1976. They also found that between 1971 and 1976 Canadian inner-cities on average experienced a 22% decline in the number of people aged 20
or less and a 3% increase in the number aged 65 and over. As well as the ageing of the inner city population it was found that there was a 7% decline in the number of family households and a 21% increase in the number of non-family households. In addition a more detailed analysis of the three largest Canadian cities by Statistics Canada, found that almost half of the inner city population in 1970 was classified as being low income (Montreal 51.3%, Toronto 46.6%, Vancouver 41.7%) (Perspectives Canada III, 1980, p232). The same study also found the inner city population in these large Canadian cities contained a markedly higher percentage of people over sixty five years of age and higher unemployment rates than the suburban areas of these cities.

In a detailed study of socio-geographic changes in metropolitan Toronto, one of the most significant findings was the high concentration of social service facilities in the core area of the city and their marked absence in suburban areas where significant levels of need were generated (Social Planning Council of Metropolitan Toronto, 1979, 1980).

However, while these official findings do provide some indication that there may be a concentration of service-dependent populations and their helping agencies in Canadian inner cities, they are hardly a sufficient basis for claiming the existence of the public city in Canada. In an attempt to provide this basis an analysis of six major Canadian cities was carried out. This analysis used the official census data from 1971 in order to develop a static picture of the probable location of the service dependent population in this range of cities. Because the census does not collect data on specific service-
dependent groups a number of large umbrella categories, consisting mainly of service-dependent people, were used as proxy. The umbrella categories or social indicators used were the percentage of the population greater than seventy years of age (elderly), the percentage of the population who are unemployed and finally the percentage who are classified as 'low-income' recipients (less than $6000). The elderly were defined as greater than seventy years of age rather than the more conventional sixty-five, because the probability of elderly persons being service-dependent increases markedly once they are over seventy (Pavies 1968). These three social indicators were then combined to form a service-dependent index specifically designed to show the spatial coincidence of old-age, poverty and unemployment and to indicate in this way probable areas of high service-dependence in the city. When the service dependence index score (SDI$_i$) for each census tract is mapped it provides a visual indication of the probable location of service-dependent populations within the city.

The Service Dependence Index (SDI) was constructed in the following manner:

\[
SDI_i = \frac{1}{K} \sum_{J=1}^{K} \frac{(x_{iJ} - \bar{x}_J)}{S_J}
\]

Where:

\[
S_J = \frac{\sum_{i=1}^{n} (x_{iJ} - \bar{x}_{iJ})^2}{n}
\]

and

\[
\bar{x}_J = \frac{1}{n} \sum_{i=1}^{n} x_{iJ}
\]
$K =$ Number of Social Indicators

$i =$ Census Tract Number

$n =$ Number of Census Tracts

$J = 1 =$ % of population over 70 years of age

$J = 2 =$ % of families with income less than $6000

$J = 3 =$ % of population unemployed

Using this method maps were produced for each of the individual social indicators for each of the cities (See Appendix 1 for the case of Hamilton). The Service Dependence Index score for each census tract ($SDI_i$) for six major Canadian cities was then mapped (see Maps 1 - 6). The areal extent of the concentration of service-dependence in these cities was roughly proportionate to the size of the city and in none of these cities was there an absence of this marked concentration. In particular census tracts close to the core, the Service Dependence Index score ($SDI_i$) was often four or five times larger than the average, indicating very high localized concentrations of service-dependence in the core area.

In the exceptional instances where a census tract outside the core area exhibited high service-dependence, logical explanations can be provided. In the case of the lone census tract in North West Montreal (Map 2) the high level of service-dependence reflects a proliferation of ex-patients around the adjacent large hospital of St Jean-De Dieu. Similarly on the map of Vancouver (Map 3) the high
MAP 1. Distribution of the Service-Dependent Population in Toronto (1971)

SERVICE DEPENDENCE INDEX (SDI)

- **SDI ≥ 4**
- **1 > SDI > 0**
- **SDI ≤ 0**

0 1 2 3 4 miles
0 1 2 3 4 km
MAP 2: Distribution of the Service-Dependent Population in Montreal (1971)

SERVICE DEPENDENCE INDEX (SDI)
- SDIi ≥ 1
- 1 > SDIi > 0
- SDIi ≤ 0

Legend:

- Dark shade: SDIi ≥ 1
- Medium shade: 1 > SDIi > 0
- Light shade: SDIi ≤ 0

Scale:
- 0 1 2 3 miles
- 0 1 2 3 km

Orientation: North indicator
MAP 4. Distribution of the Service-Dependent Population in Edmonton (1971)

SERVICE DEPENDENCE INDEX (SDI)
- SDI \geq 1
- 1 > SDI > 0
- SDI \leq 0

0 1 2 3 4 km
0 1 2 3 4 miles
MAP 6. Distribution of the Service-Dependent Population in Hamilton (1971)
level of service-dependence in a census tract to the north-east of the map indicates the old industrial core area of the city of Burnaby. In the case of Edmonton, Winnipeg and Hamilton, nowhere outside of the core area is there any indication of a significant concentration of service-dependence.

The evidence of this analysis of the probable distributions of service-dependent populations in 1971 combined with the earlier official evidence that the inner city population is increasingly aging, indicates that the Canadian inner city contains the majority of the service-dependent population. Evidence from various studies of individual cities (eg. Social Planning Council Metro Toronto 1979, 1980) indicates that service facilities are also highly concentrated in the inner city. In conclusion there is reasonable evidence that the public city exists in Canada and that it may even be as widespread a phenomenon in Canadian cities as it is in the United States.

2.4 Why is the Public City developing?

There are many explanations for the development of the public city but they are at best partial and fragmented visions of this wide ranging process. Many focussed and detailed explanations of specific aspects of this process have been presented but to date a general theory allowing for the societal generality and temporal specificity of public city development, has not been presented. The following section will attempt to outline the valid insights, but inherent limitations, of existing explanations in order that the theoretical tasks which must be overcome may be specified before attaining a comprehensive theory.
of public city development.

Within the orbit of geographical research explanations of the public city have stressed the locational interdependence of service-dependent populations and their helping agencies, abandonment of the inner city, de-institutionalization of service-dependent populations and locational conflict over the siting of service facilities in the city. Wolch (1978) in her work on the service-dependent poor was able to stress and highlight the locational interdependence between service-dependent populations and their helping agencies. Thus, Wolch could show the way in which the process of spatially concentrating service-dependent populations and their agencies could be mutually re-inforcing, resulting in the development of stable or growing service delivery 'hubs' in the city. This research was conceived within a limited framework of conventional microeconomic modelling of urban residential location behaviour and within this framework Wolpert (1978) suggested that the journey-to-service facility may replace the journey-to-work in traditional models, while Wolch (1979) rewrote conventional utility functions to include receipt of 'in kind' income and the costs of community opposition. However as Wolch (1979) pointed out, residential choice is severely constrained by client service needs, service opportunities and the exclusionary practises of state and community. Therefore it seems as if the conventional approach to choice behaviour in residential location is not valid for the majority of the service-dependent populations in the public city. Dear (1980 p230) has presented at least five reasons in support of this assertion: (1) Service-
dependence is generally involuntary and unpredictable; the decision
to become dependent is usually taken on one’s behalf by some other
person. (2) For clients to seek care themselves requires recognition
of symptoms and an acceptance of the "sick" role. (3) Except in a
minority of cases, clients are rarely required to make direct payment
for service; hence the concept of "purchasing" services is often
redundant. (4) Consumer behaviour in the market-place is essentially
irrational, due to the inability of the clients to assess the quality
of service received and their inability to choose service providers,
largely through lack of appropriate knowledge. (5) Finally, human
services have a wide range of external benefits which accrue to society
as a whole and as a consequence non-consumers have an important voice
in the kinds of services provided.

Apart from locational interdependence, three other factors,
or particular combinations of them, are prominent in the geographical
literature as explanations of public city development. These refer to:
(1) the distribution of need; (2) the availability of convertible
properties; and (3) the distribution of service facilities. It is
commonly argued that the distribution of facilities merely reflects
the distribution of need and that this is most prevalent in inner city
areas. In addition it may be argued that convertible properties and
service facilities for dependent populations are available only in certain
areas of the city, thereby necessitating the location of facilities
in these areas, irrespective of other factors.
Despite the inherent truths and the value of these explanations at a superficial level, they suffer severe limitations as deeper general explanations of public city development. Firstly, the relationship between the distributions of need and the distributions of facilities appears in these formulations as a chicken-and-egg problem. As with explanations based solely on locational interdependence we do not know if the distribution of need dictates the distribution of facilities, or is it the reverse? Secondly, we are not told why or how these factors are prevalent or are combining to form this particular outcome within a specific time period or societal context. Out of these criticisms have come explanations which attempt to integrate locational conflict perspectives.

Some evidence exists to indicate that a significant proportion of service-dependent ghetto inhabitants may be there primarily because their attempts to live elsewhere have failed (Aviram and Segal 1973). Building on this, Hughes (1980) has argued that the ghettoization of facilities is a product of a complex interaction of social and political forces that are intrinsically associated with the many dimensions of locational conflict. He argued that the nature of the community response and the exercise of political power are the key elements of this process, claiming that service facilities were ghettoized in areas with little political power where community opposition was less successful. However, the limitations of this approach are that while it may outline the process of spatial filtering which ghettoizes facilities, it takes for granted, both in their temporal and societal context, the structure of space;
the nature of the service delivery (welfare) system; the political/planning process and the social relations between the classes. Through failing to locate and explain these factors it merely isolates particular visible correlates and variables of a specific aspect of the more general process of public city development.

Recognizing many of these criticisms and arguing that the origin of the "ghetto" of service-dependent in the public city must lie somewhere in the people's status as service-dependent, Dear (1980) has attempted to provide a more general theory of public city development locating it within a specific temporal and societal context. He argues that the public city is a structural feature which is both functional and convenient in contemporary urbanization. To support this assertion he examines three different elements: first, the significance of the historical coincidence of abandonment and deinstitutionalization; second, the functional utility of residential differentiation in capitalist cities; and third, the alliance between community and state in creating the public city. He argues that while the inner cities have long been the "host" of deviant populations and the poor, this has been aggravated by the continued suburbanization of residential and employment opportunities and the concomitant process of commercial and residential abandonment. It is then claimed that at this point two historical trends intersect to create a totally new dynamic for structural change (Dear 1980 p232). With the absence of migration to older industrial cities the continued process of abandonment is resulting in a vacuum only partially being filled by the movement of
quasi-governmental institutions into the abandoned core areas. Secondly, Dear suggests that a major change has occurred in the care of service-dependent populations during the past two decades with a strong move away from institution-based care and toward community-based care. The essential argument is that a vacuum has been created in the inner city and the movement towards de-institutionalization has created a population ready to fill it. Dear (1980 pp233-238) then proceeds to outline a theory of residential differentiation in advanced capitalist societies and argues that the service-dependent populations enter the public city through residential forces of community exclusion and through state intervention in the form of urban planning policy.

While this explanation of public city development represents a highly important step forward, it nevertheless remains as Dear himself acknowledged, an exploratory and speculative thesis. There are a number of serious weaknesses and inherent limitations to this explanation. Firstly, there is no theoretical explanation of the capitalist urbanization process and its relation to the process of suburbanization and abandonment. Secondly, a theoretical explanation of the specific welfare functions of the capitalist state is advanced capitalism and the underlying reasons for the changes in the mode of delivery to service-dependent populations are not provided. Thirdly, as a result of the fact that the explanation is not derived from an internally consistent theoretical framework, there is no theoretical explanation of the underlying reasons for the 'historical coincidence' of de-institutionalization and abandonment. Although Dear in subsequent
work (Dear 1981a, Dear and Clark 1981) has addressed some of these areas, they have not as yet been integrated into a coherent theory of the public city.

Another important and integrative attempt to provide a 'macro-sociological' and historical explanation of aspects of public city development has been provided by Andrew Scull (1977) in his provocative book on decarceration. Although he limits his analysis to the decarceration of the 'mad and the bad' (Psychiatric Patients, Mentally Retarded, Criminals and delinquents) in the United States, he nevertheless provides important insights into the process of public city development. Grounding his explanation in an understanding of the internal dynamics of capitalist societies, he focuses on the historically specific role of the welfare state in advanced capitalist societies. His essential view of the de-institutionalization process is captured in the statement that "the attempt to manage an increasing proportion of the 'deviant' within the community (or rather a geographically or socially limited sector of the community), will be seen as a response to the changing exigencies of domestic pacification and control under welfare capitalism" (Scull 1977, p134). In an intriguing argument he claims that with the coming of the welfare state segregative modes of social control become in relative terms far more costly and difficult to justify. With the advent of a wide range of welfare programs, it was possible for the chronically disabled to subsist in the outside world and therefore "the opportunity cost of neglecting community care in favour of asylum treatment - inevitably far more costly than the most
generous scheme of welfare payments rose sharply" (Scull 1977 p135). Simultaneously the growing socialization of production costs by the state, of which welfare measures are but an important part, was leading to the growing 'fiscal crisis of the state'. Then as Scull (1977 p135) neatly argues "In combination, a focus on the interplay of these factors enables us to resolve what at first sight is a paradox - namely the emergence and persistence of efforts to curtail expenditures for the control of 'problem populations' at a time when general expenditures on welfare items were expanding rapidly. For it is precisely the expansion of the one which made both possible and desirable the contraction of the other".

This argument offers many appealing insights. Firstly, it provides a temporally specific material explanation for state action while simultaneously emphasizing the highly important social control functions of welfare and the welfare state. Secondly, Scull (pp 141-142) has neatly introduced the importance of space in social control by arguing that "the problem populations have increasingly been dealt with by a resort to their ecological separation and isolation in areas where they may be safely left to prey on one another." Clearly the links between social control, state policies and spatial outcomes must be analyzed and taken into account. However, while Scull's thesis is important in linking the nature of welfare delivery systems, the welfare functions of the state and the fiscal crisis of the state, particular aspects of the argument are left undeveloped or are overly simplistic. Precisely, Scull is weak in theorizing on the meaning of spatial structure.
and its links to the internal dynamics of capitalist development.

An important advance in attempting to clarify the links between social process and geographic process in the ghettoization phenomenon has been made byDear (1981a). Dear (1981a, p482) claims that "the answers to these questions lie in the theory of social reproduction and in the way space acts to mediate the reproduction of social relations."

Focusing on the social and spatial reproduction of the mentally ill, Dear claims that there are a number of specific ways in which the political, legal and other institutions in support of the economic order as well as the key relations in the economy itself are perpetuated.

Arguing that he is explicitly attempting to explain the status and reproduction of 'non-economic' agents in society, Dear (p486) following Cutler et al (1977 Vol. 1, p314), argues for the displacement of mode of production as a primary object of Marxist conceptualization in favour of social formation conceived as a definite set of relations of production together with the economic, political, legal and cultural forms in which their conditions of existence are secured. Building upon this, Dear (p486) outlines his three basic assumptions: (1) that the form of the reproduction process is determined by the structure of the social formation, which is itself not fully pre-conditioned by the primacy of the economic; (2) that the non-economic forces in the social formation condition the division of social relations, including those among mental health professionals, mental health clients and the community; (3) that the social process defining the relationships among professionals, clients and community are necessarily mediated by and constituted through space.
Developing this argument, Dear concludes that the problems associated with the ghettoization of the mentally ill are a manifestation of the requirements of reproduction in the social formation. It is argued that the fundamental class relations are non-economic in character in the sense that they are only indirectly related to the economic mode of production. The relationship between the professional and client is both authoritarian and exploitative; that between community and client is exclusionary. Finally in both of these cases it is stated that space is an integral force through which social relations are constituted and mediated.

The theory of social and spatial reproduction of mental illness proposed by Dear represents a significant advance especially in its treatment of professionalization and the professional-client relationship. Also the flexible conception of a 'social formation' allows for the integration of important aspects of the reproduction process which many Marxists have all too readily neglected. However before invoking this explanation of the social and spatial reproduction of mental illness as the basis of a general theory of public city development, it must be recognized that there are a number of inherent problems and limitations to the argument presented.

Setting aside the general issue of whether the Cutler et al. (1977) thesis represents heterodoxy or outright revisionism in Marxist analysis, there are a number of more specific questions which must be raised. Firstly, while a theory of reproduction is an indispensable element of the theory of production and "every social process of
production is, at the same time a process of reproduction" (Marx 1971, Vol. 3: p855); why is the theory of reproduction not more rigorously grounded in a theory of production? In this conception reproduction is viewed as a dynamic concept but production is presented as a static one. Therefore it seems that there is an urgent need to integrate these concepts of reproduction with those of production in order to provide a materialist basis for the explanation provided. Secondly, the rise of a welfare class as a historically specific outcome of the process of production/reproduction in advanced capitalist societies, needs to be outlined (see Nicolaus, 1967). The origin, meaning and changing nature of the welfare state in advanced capitalism (factors which Coulil (1977) began to address) need to be integrated into a theory of the public city. Similarly, the genesis, structure and meaning of created space in advanced capitalist cities, needs further explanation. Finally, instead of uncritical acceptance, materialist explanations of non-marxist concepts such as 'professionals' and 'community' are required in order to locate these factors within a general theoretical understanding of advanced capitalist societies. Notwithstanding these criticisms, Dear has outlined the need for an explanation of the public city in terms of a general theory of production/reproduction in advanced capitalist societies.

2.5 Research Agenda

This review of the existing explanations for public city development has moved from the most limited and conventional to the most provocative and wide ranging. Quite obviously in all of the
explanations, there are grains of truth and in most cases the limitations of the explanations were pre-set by the specific research objectives. Given the current research objective, to provide a general explanation of public city development which both captures the temporal specificity of this phenomenon while locating it within its societal context, it is clear that we will at once have to synthesize yet go beyond current explanations. This simple progression however, pre-determines an important regression. In keeping with the adopted historical materialist method it is necessary to derive, from the fundamentally determining relations of production, an internally consistent theoretical explanation of state structure and spatial structure. It is felt that it is the interplay of these two institutional and material expressions of the social relations affecting the service-dependent population which are most important in explaining the development of the public city. If this internally consistent theoretical framework for linking reproduction and production and state and space can be provided then it will be possible in later work to integrate such important factors as ideology, social control, professionalization etc. in a logically consistent general theory of public city development. The next chapter will be solely devoted towards deriving this theoretical framework as a necessary pre-requisite and addition to the existing theoretical explanations of public city development.
CHAPTER 3

TOWARDS A THEORY OF THE PUBLIC CITY

3.1 Introduction

The previous analysis of existing theories of public city development based on locational conflict, abandonment, de-institutionalization and locational interdependence indicated that they are all basically correct, yet they are all singularly inadequate. They repeatedly fail to provide a general embedded theoretical understanding of why the public city should be developing in a wide range of North American cities during the 1970's. They fail primarily because of their a-historical nature and their academically restricted and fragmented focus. They grasp in a very real sense moments in the totality of social development without ever rising above that totality to grasp its more general movement. This chapter attempts the arduous task of providing the basis for a general theory of public city development, which will enable an understanding of the historical specificity of the public city while simultaneously locating it within a more general conception of societal development. This theoretical framework does not negate previous explanations, but conversely, it attempts to integrate them into a coherent whole within which we can begin to analyze specific aspects of public city development.

In keeping, with these overall aims the chapter moves slowly from very abstract conceptions of the nature of structural causality in the social system as a whole, to a more general discussion of the dialectical nature of development in capitalist societies. Within
this framework it derives the nature and meaning of the spatial structure and state structure in North America since 1945. This chapter attempts to elucidate the process of dialectical development within the spatial structure and state structure, by highlighting the development of inherent contradictions. These contradictions, which are part causes of the general accumulation crisis, begin to resolve themselves during the period of crisis through a process of re-structuring. The public city is then viewed as a developing 'structural solution' to inherent contradictions in the welfare state and the suburban form of the city.

3.2 The Socio-Spatial Dialectic

The public city is both a representation of social relations mediated through the state structure and a set of social relations mediated through spatial structure. A theoretical framework is needed within which to analyze, simultaneously, state structure and spatial structure. To affect this theoretical unity a theoretical understanding of these two forms of social relations must be derived from a fundamental determining force, which is common to both. Therefore the theoretical task is to develop a unifying theory of socio-spatial relationships.

In keeping with the central epistemological premise of this thesis, that distinguishes 'levels of appearances' and the underlying social reality which produces these appearances, the underlying social reality is first derived in order to explain the phenomenon which is observed at the 'levels of appearances', that is, the public city. This derivation uses Louis Althusser's (1970) conceptions of 'structural totalities' and elaborates a differential schema of structural causality
compatible with Marxist theory. The heuristic devices developed by Erik Olin Wright (1978) are employed in order to explicate linkages among categories which are either vague or implicit in theoretical statements. Wright (1978, Ch 1) has organized the diverse 'modes of determination' outlined by Althusser into 'models of determination', which are schematic representations of complex interconnections of the various modes of determination involved in given structural processes. Though these modes cannot be determined mechanistically, because history develops dialectically, they do offer a way of representing the structural constraints and contradictions present in a society, which make development a non-random process.

Wright's (1978) six basic modes of determination are as follows:

1. Structural Limitation - constitutes a pattern of determination in which the social structure establishes limits within which some other structure or process can vary and establishes probabilities for the specific structures or processes that are possible within those limits.

2. Selection - constitutes those social mechanisms that determine ranges of outcomes, or in the extreme case specific outcomes, within a structurally limited range of possibilities. Selection can be seen as a form of second order limitation; the setting of limits within limits.

3. Reproduction/Non-Reproduction - A reproducing structure prevents the reproduced structure from changing in fundamental ways within
certain limits of variation. Reproduction/non-reproduction is a variable mode of determination and it implies that the determined structure (eg. economic) will necessarily change in the absence of the determining structure (eg. State).

4. Limits of Functional Compatibility - these determine what the effects of the determining structure (eg. the state) will be upon the determined structure (eg. the economic). The limits of functional compatibility are not intrinsically co-ordinated with the limits of structural variation. This is what makes it possible for structural contradictions (see 3.4.6) to exist, which can be actualized through the class struggle or else the structures will be re-aligned to be in harmony again (Chapter 4).

5. Transformation - refers to a mode of determination by which class struggle directly effects the process of structural limitation, selection and reproduction/non-reproduction. Transformation is therefore fundamental to the dialectical character of patterns of determination as understood in Marxist theory. It is through relations of transformation that contradictions can be actualized through the class struggle (see Wright 1978).

6. Mediation - is a mode of determination in which a given social process shapes the consequences of other social processes. Eg. the effects of class struggle (CUPE Strike 1980) on the process of restructuring the welfare state in Ontario.
Using these six basic modes of determination, Wright (1978) has explained how these differing modes of determination are expressed in the particular nexus of relations that exist between economic structure, state structure, state intervention and class struggle. What is developed here is a model (Fig. 1) which accepts and integrates Wright's work but also incorporates spatial structure into this abstract 'structured totality'. The model which results from this is of importance to this research because it allows for the development of a more formal conception of the socio-spatial dialectic (see Soja 1980). By explicating the nature of the determinacy which exists between these structures the model provides this research with a structural framework from which to develop a unifying theory of state structure and spatial structure.

The 'model of determination' being presented (Fig. 1) claims that the economic structure (structure of economic relations) sets particular limits within which the spatial structure can vary (See 3.3). However, the spatial structure (social relations embodied in the material form of created space) plays an important role in the reproduction of economic relations (3.3.8). Similarly the spatial structure in a society can effect the level of consciousness and thus mediate the class struggle (3.3.6). Finally, and most importantly for this study, the spatial structure can concretely determine, through selection, the specific policies and outcomes of state action (Chapter 4). Conversely, the state structure and state policy determines a range of spatial outcomes (Chapter 4). Based on these relations of determination; clearly
Fig. 1. Combined Model of Determination of Economic Structure, State Structure, Spatial Structure and Class Struggle.
spatial structure is a dialectically related segment of the totality of the social structure and is not, as is more commonly held, a passive receptor of social change and development, occurring at a more abstract level i.e. space is not an epiphenomenon.

Nevertheless, it must be made explicit that this 'model of determination' is not an end product of investigation, it is merely a design to lay out the logic of relations to be explored in this particular historical investigation. While the model helps to chart the course of the investigation, it does not provide the answers. Actual historical research is still the essential pre-requisite to attaining an understanding of the historical development of the public city.

3.3 The Dynamics of Development in Capitalist Societies

The previous section presented a model of how various relations may be mediated or transformed and it shows the dialectical logic of the analysis being presented, however it remains indeterminate in a basic sense. There are no 'laws of motion' no tendencies of development or dynamics of systemic structural change. The whole schema thus far remains suspended abstractly and in Wrights (1978 p111) view it is "a logic of historical materialism, without the history". It is towards providing the historical analysis from which to deduce the desired theoretical framework, that this chapter must now be addressed.

Understanding the particular dynamics of capitalist development and the particular direction which this development takes, necessitates
deciphering the logic of the capitalist accumulation process. Marx (1953 p217) said that "the dialectical process of generation and growth is nothing but the ideal expression of the real movement of capital."

The 'real movement of capital' occurs through the capitalist accumulation process in which capitalist social relations are reproduced on an ever-expanding scale, through the conversion of surplus value into new constant (buildings and machinery) and variable capital (labour power).

By analyzing the capitalist accumulation process the essential proposition, that at different stages of capitalist development the accumulation process faces different dominant constraints or impediments, can be derived. The impediments are not exogenous factors, but conversely, they are generated by the accumulation process itself. For capitalist production to continue, these impediments and constraints must be overcome but the systemic solutions developed at a given stage of capitalist development generate new impediments which constrain the accumulation process in the subsequent stage. It is in this sense that the impediments can be considered 'contradictions' in accumulation rather than merely 'obstacles' to accumulation. They are 'contradictions' because the 'solutions' to a particular impediment become themselves impediments to later accumulation. By analyzing the contradictions in and impediments to the accumulation process, it is possible to begin to understand the kinds of institutional re-orderings that are likely to be attempted in the efforts to counteract these conditions. These periods of institutional re-ordering are what are referred to as 'economic crises', where in order for the accumulation process to
continue large scale social restructuring processes are necessary (Hirsch 1981). The crisis tendency in capitalist society is cyclical but there is an overarching tendency for cycles to become progressively more severe (Wright 1978). Each successive crisis occurs at a higher level of accumulation and as a result the problems of restoring conditions for renewed profitable accumulation tend to become more difficult in each successive crisis. Clearly an analysis of the process of accumulation and crisis must be provided before attempting to understand the development of the contemporary state structure and spatial structure, currently combining to form the public city.

The capitalist process of reproduction is necessarily reproduction on an expanded scale - a process of accumulation. This permanent re-conversion of surplus value into capital is imposed on the individual capitalist as an external coercive law (deriving from the fundamental capital-labour relation) through competition. "It compels him to keep constantly extending his capital in order to preserve it, but extend it he cannot except by means of progressive accumulation" (Marx 1967 Vol. 1 p555). Hirsch (1978 p67) argues that what determines the process of accumulation and according to Marx constitutes the essential point of analysis, are the transformations in the composition of capital, which inevitably come about in the course of the accumulation process. The development of the productive forces advanced through this process necessitates "the transformations in the relation of objectified and living labour in the productive process, the results of which culminate in a tendency of the rate of profit to
fall" Hirsch (1978, p68). For Marx (1973, p748) the "law of the
tendency of the rate of profit to fall is in every respect the most
important law of modern political economy and the most essential for
understanding the most difficult relations. It is the expression of
the tendency inherent in capital itself towards the progressive
development of the productive forces".

Hirsch (1978, p62-63) derives the necessity of changes in
the value composition of capital, which brings about the tendency for
the rate of profit to fall, from the fundamental class contradictions
of the capitalist mode of production. He then concludes that in
"the tendency for the rate of profit to fall lies the absolute
necessity of that which is contained only as a possibility in the
circulation of money: the manifest crisis of capitalism" (1978, p70).

Hirsch then proceeds (p70-71) to clarify the fact that the
inevitability and nature of crisis can be deduced from the fundamental
relation of exploitation, that between capital and labour. He argues
that ....

"The accumulation process of capital as a process
of exploitation contains the constant feature of open
or latent class struggle and must therefore be analysed
basically as a social process of crisis. The open outbreak
of economic crisis can therefore not be looked upon as
a 'deviation' from 'the normal course' of accumulation.
Rather, it signifies the sharpening and manifestation
of a fundamental contradiction propelled by the accum-
ulation of capital. It can be deduced from the law of
the tendency for the rate of profit to fall that this
contradiction cannot remain dormant but that the latent
crisis of capital must repeatedly be transformed through
the disruption of the accumulation process into open
crisis. Then at the latest, however, the objective sharpening of class contradictions makes itself openly felt: the ability of living labour to maintain a capital value which constantly swells as accumulation proceeds and the productive power of labour develops and thus to produce a growing mass of use values is at the same time the basis of its own permanent over-production, of masses of workers being continually replaced and displaced, of the production of an industrial reserve army. With the growth of capital (of total capital) its variable constituent increases too, but in constantly decreasing proportion. Therefore, with the development of the capitalist mode of production, an ever greater amount of capital is required to employ the same or an increasing number of workers.

In this way the reserve army, present but latent in a period of rapid accumulation, comes openly to the fore only when the accumulation process slackens and stagnates. It is thus only with the slackening or with the breakdown of the accumulation process that the contradiction of the development of the productive forces under capitalist conditions is manifested and the intensifying class antagonism comes into view. Progressive accumulation or 'steady growth' therefore constitutes a decisive and at the same time an increasingly unattainable prerequisite for the latency of class conflict."

(Hirsch 1978 pp.70-71)

But if capitalism embodies these dynamic tendencies towards crisis and collapse, the difficult question is why has the collapse not occurred?

Marx argued that "the same influences which produce a tendency in the general rate of profit to fall also call forth counter-tendencies which hamper retard and partly paralyze this fall" Marx (1967, Vol. 3 p233). Hirsch (1978, p71) claims that "the principal basis of these counter-effects is on the one hand the fact that the growth in the productive power of labour itself cannot leave the value composition of capital and the rate of surplus-value unaffected and on the other hand, the possibility of concentrating increasing masses of surplus in the industrial centres."
It will become apparent in the later analysis that counteracting tendencies are prime motive forces behind the process of capitalist urbanization and the development of specific state functions.

Hirsch (1978 p7) argues that it is not possible to do more than to determine these "counteracting tendencies" and their mode of operation from the concrete development of the accumulation process, because they change their significance according to the phase of capitalist development. However, he does not make clear that from a more precise understanding of the re-organization of the conditions of production, one can objectively determine various strategies of capital for the organization of complex 'counter-effects' (Chapter 4 can be regarded as just such an attempt). At the most general level of world-capitalism, Hirsch divides these strategies into three. Firstly, changes in the form of capital itself, including; monopolies, transformation in the nature of property relations, changes in the relations of control (Joint-stock companies) and the extension of the credit system. Secondly, the expansion of capital on the world market (associated with the export of capital and the concomitant peripheralization of capital and labour). Thirdly, the forced development of the productive forces and the acceleration of scientific-technical progress. It is these 'counter effects' to the tendency for the average rate of profit to fall which Hirsch claims are the motive forces to the constant re-structuring and development of world capitalism.

To conclude this section it can be stated that the logic of the accumulation process can be derived from the fundamental class contradictions inherent in the capital-labour relation. There are external
laws of motion peculiar to the capitalist mode of production, which result in an inherent tendency to crisis. The result is a set of counter-acting tendencies which attempt to hamper or retard the fundamental tendency for the rate of profit to fall. These counter-tendencies embody the inherent contradictions of capitalism and are themselves ultimately crisis provoking.

Using this brief and elementary understanding of the dynamics of development in capitalist societies an attempt will be made to derive in a similar manner the logic of spatial structure and state structure from the fundamental process of capitalist accumulation/class struggle. This is the fundamental determining force, common to both, which this chapter (Section 1) set out to derive.

3.4 The Role and Production Of Spatial Structure In Advanced Capitalism

3.4.1 Introduction

This section will argue that the logic of capitalist accumulation and the resulting "tendencies" and counter-tendencies form the structural basis of large cities. The development of this particular spatial structure through the dual process of accumulation and class struggle has not only been necessitated by the particular social structure of society, but rather, the success of the particular spatial structure has been an important factor in enabling the social structure to reproduce itself so successfully for the past four decades.

3.4.2 Background to the Development of the North American city since 1945

It can be argued that the specificity of the North American
Urban Structure since World War II results from the historical articulation of the processes of Metropolitanization and Suburbanization (See Castells, 1978). (a) Metropolitanization is understood as the concentration of population and activities in some major areas at an accelerated rate. It is becoming increasingly clear that this concentration follows from the process of uneven development and from the concentration of capital (means of production and labour) in the advanced stages of capitalism. (b) Suburbanization is understood as the process of relative decentralization and spatial sprawl of population and activities within the metropolitan areas. The process is marked by a double differentiation of economic activity: on the one hand business activities and major administrative services remain in the urban core while manufacturing and retail trade tend to decentralize their location. On the other hand within the industrial and commercial sectors large scale monopolistic plants and shopping centres go to the suburbs leaving in the central cities two very different types of firms, a small number of technologically advanced activities and luxury shops, the mainstream of industrial and service activities of the so-called 'competitive sector' as well as a number of marginal activities.

The suburbanization process has been facilitated by major technical changes in transportation, in the mass production of housing and in the increasing spatial freedom of plants and services in terms of the functional requirements for their location.

At the 'levels of appearances' these are the processes which have resulted in the specific urban structure which currently exists in
North America. At this level of explanation it is not immediately possible to provide a coherent theory of urbanization which links the development of this specific spatial form with the other important changes occurring in the social structure. Neither can a meaningful explanation of the particular set of social relations embodied in the spatial structure be provided. Without an understanding of this set of social relations the attempt to provide an explanation of the social relations embodied in the development of the public city will flounder.

3.4.3 A Theoretical Framework for Understanding Urbanization

Upon grasping the elementary premise that the organization of space is a social product arising out of purposeful social practice, it becomes necessary to understand space in relation to the mode of production and the totality of the social structure (see Section 1). As Lefebvre (1970) writes, "the reality of urbanism modifies the relations of production without being sufficient to transform them. Space and the political organization of space expresses social relationships but also reacts back upon them." Later Lefebvre (1976, p21) has stated that "capitalism has found itself able to attenuate its internal contradictions for a century and consequently in the 100 years since the writing of Capital, it has succeeded in achieving 'growth'. We cannot evaluate at what price, but we do know the means: by occupying space, by producing space."

Harvey (1977,1981) has begun to develop a framework within which one can begin to understand the process of 'occupying space; producing
space', the process of urbanization under capitalism. His interpretation of the urban process under capitalism is based on the twin themes of accumulation and class struggle. These themes he argues are inseparable and have to be regarded as different sides of the same coin or different perspectives from which to view the totality of the urban process.

Using this as a beginning point it is possible to derive spatial form and its broad lineaments from the fundamental social relation under capitalism - the exploitative relation between capital and labour.

3.4.4 Urbanization and the Process of Capitalist Accumulation

Harvey (1981) and Walker (1981) have developed a number of propositions about the relationship between stages of accumulation and waves of urbanization. They have argued in a manner similar to that presented in Section 2, that the process of capitalist accumulation has inherent contradictions which lead to a pattern of development of growth, crises, rationalization, growth etc. This pattern they have argued divides up the history of capitalist development into distinct stages which can then be related to the process of urbanization.

Urbanization according to Walker (1981) is related to the pattern of accumulation, firstly because the city is a 'container' for the expanded reproduction of capital and capitalist social relations. Second, there is a particular spatial dimension to the general development of contradictions and crisis. Third, the rationalization process for overcoming crisis consists in re-organizing spatial relations; but this presents particular problems because the built environment 'literally
freezes the past and its contradictions in stone'. Fourth, based on Harvey's (1981) conception of the circuits of capital flows, it can be seen that the built environment comes into being through the movement of capital into the secondary circuit of fixed capital formation as overaccumulation of capital begins to afflict a period of growth. Finally the built environment is characterized by waves of growth which reflect the use-value ensemble of their period but they also contribute to the cycles of accumulation and crisis through the property circuit.

Using these links Harvey (1981) has shown the relationship between cycles of accumulation and waves of urbanization. Similarly, the process of urbanization in the United States can be broken down into four periods: mercantile (1780-1840), national industrial (1840-1890), early corporate (1890-1940) and advanced corporate (1940-1990?). Now combining this analysis of the cycles of accumulation with the developing counter-tendencies to the tendency for the average rate of profit to fall, and with the overall logic of the capitalist accumulation, one can begin to understand the nature of the specific urban form which has developed in Advanced Capitalist societies.

3.4.5 The Suburban Solution

The development of the suburban city in North America since the great depression and World War II can best be understood as one of the solutions or counter-acting tendencies which developed to enable
American capitalism to temporarily overcome the existing impediments to the process of accumulation. A particularly important contribution to developing this viewpoint has been made by Walker (1977) in his attempt to provide a Marxist historiography of the urban process and the development of the 'suburban solution' in the United States.

Walker has argued that it is difficult to see how American Capitalism could have been as successful as it has, if it had to make do with cities as they were in 1949, or even with the extension of the kind of city which existed then rather than with the much more expansive form which developed. He has argued that post war suburbanization has served as a vast outlet for capital in all its forms— as direct investment in factories, infrastructure and housing production and as consumer buying and credit creation. Walker sees the suburbs as vast conduits of concrete use-values through which value flowed and expanded. In this way progressive accumulation not only provided the means of supporting suburbanization but also to some extent demanded that the city keep pace in order to avoid a crisis of accumulation. Ullmann (1977) and his colleagues also judged that a more spatially concentrated form of urbanization could not very easily have accommodated the mass of consumer durables that the suburbs grew up around. Admittedly it can be argued that defence expenditures among other things also tend to stimulate accumulation and to temporarily counteract the tendency to crisis; but it is difficult not to conceive of suburbanization as an important factor in this respect.

The role of the suburbs in the process of capitalist accumulation was not limited only to providing outlets for the capital directly
invested in production. The whole suburban social form became an extremely effective apparatus of individualized commodity consumption. The suburban environment was designed towards consumption oriented leisure activities and more important, the suburban single-family house became the perfect design for maximizing capitalist consumption e.g. each house being fully equipped with electro-domestic equipment.

The suburban model of consumption has also had a very clear impact on the reproduction of the dominant social relationships. Because the (legally owned) domestic world is in fact largely borrowed, it can be kept only on the assumption of a permanent pre-programmed job situation. Therefore mass consumption also entails mass dependency upon the economic and cultural rules of the financial institutions. The social relationships in the suburban neighbourhood are resultingingly expressed as the values of individualism, conformism and social integration, reducing the world to the nuclear family and the social desires to the maximization of consumption.

The corollary of the development of the suburbs in the suburbanization process is the new role played by the central cities in the overall process of accumulation and in the reproduction of labour power. This new role will become increasingly apparent and the insight provided by the analysis of the suburban solution will highlight its role as the developing corollary to the inherent contradictions of the suburban process.

The analysis of the suburban solution so far is at best partial due to its sole focus on the process of accumulation, the
primary form of class struggle. As Harvey (1977) has stated, to get a complete understanding of spatial structure we must analyze class struggle around the built environment. Through this analysis it should be possible to see how the class structure of capitalist society and the form of spatial differentiation are related and how they combine to help in the reproduction of a capitalist class structured society. This understanding of the process of spatial differentiation is a vital pre-requisite to the creation of a theory of public city development (Dear 1980, 1981).

3.4.6 Class Struggle Around the Built Environment

Capitalist society must of necessity create a physical landscape broadly appropriate to the purposes of production and reproduction (See Section 1), but the process of creating this landscape is full of all the class contradictions and tensions inherent in capitalist society. Under capitalism there is a split between the place of work and the place of residence and this means that the struggle of labour to control the social conditions of its own existence splits into two seemingly independent struggles. The first is fought in the work place over the wage rate and the second fought in the place of residence against secondary forms of exploitation and appropriation. It is the latter which will be dealt with here.

Conflicts in the living space are reflections of the underlying tensions between capital and labour. But as Harvey (1977) shows this is hidden by the fact that particular fractions of capital
appropriators and construction capital) stand between capital and labour and shield the real source of tension from view. The dynamics of accumulation also affect class struggle and conflict in the place of residence because as capitalism increasingly operates at higher levels of accumulation it increasingly requires that rational consumption be ensured through the collectivization of consumption (Castells 1975). Because residential agglomerations constitute the units of consumption it can be argued that the factors which influence the nature of consumption are increasingly the factors which determine the changing spatial organization of the city. Advanced capitalist systems have moved more and more towards the collectivization of consumption because of the need, clearly understood in Keynesian fiscal policies, to manage consumption in the interests of accumulation. Advanced capitalism increasingly uses the built environment as a coercive tool over consumption, a factor which greatly influences class struggle and conflict around the built environment.

It is now necessary to outline the way in which the forces of class structuration in advanced capitalist societies affect the form of spatial differentiation in the city. This will then be related to the more specific issues of the growth of community consciousness and exclusionary behaviour in North American suburbia. A material explanation of these issues, outlining their historical and societal specificity is an important pre-requisite to understanding their role in public city development (See Dear 1980).
3.4.7. The Forces of Class Structuration in Advanced Capitalist Societies

In capitalist societies the power of the individual and access to resources is determined by one's relationship to the means of production. Inequality is inevitably produced under the normal operation of capitalist economies; it is functional to the system and is the inevitable product of a capitalist mode of production (Peet 1975). The existence of differential individual market capacities (based on the ownership of property, on educational or technical skills, or on manual labour-power) is the source of class structuration (Dear 1980). Giddens (1973) argues that there are two important factors in the structure of class relations: the mediate and the proximate. The mediate factors are governed by market capacities and the distribution of mobility chances in society, therefore the greater the limits on mobility the more likely are identifiable classes to form. The lack of intergenerational movement reproduces common life experiences and such homogenizing of experience is re-inforced by limitations of an individual's mobility within the labour market.

The effect of 'closure' generated by the mediate structures is accentuated by the proximate factors of class structuration, according to which the basic within and between class structures are formed. These more 'derivative' forces are generated by the need to preserve the processes of capital accumulation through technological innovation and shifts in social organization and consumption (Giddens 1973).

* The argument presented in this section is taken largely from Dear (1980).
There are three groups of proximate factors. (1) The division of labour within capitalism which is both a force for consolidation and for fragmentation of class relationships. It favours the formation of classes according to the extent to which it creates homogeneous groupings. On the other hand, the profit motivated drive for modernization and efficiency often implies a specialization of labour functions and hence a fragmentation within an otherwise homogenous group.

(2) Authority relations are a second force for class structuration. These may occur as a hierarchy of command within the productive enterprise, although as Harvey (1975) emphasizes, it is equally important that the non-market elements in society be so ordered that they sustain the system of production, circulation and distribution. (3) The third source of the proximate structuration of classes, distributive grouping, is an aspect of consumption rather than production but as we have seen earlier these are interrelated moments of one process. Distributive groupings are those relationships (and their concomitant status implications) which involve common patterns of consumption of economic goods. They act to reinforce the separation initiated by differential market capacity but as Giddens (1973 p 109) has argued "The most significant distributive groupings...are those formed through the tendency toward community or neighbourhood segregation".

3.4.8. The Forces of Spatial Structuration in a Class Structured Society

How does the continued fragmentation of the social structure by the forces of class structuration affect the individual in his/hers
particular lifeworld? To answer this the specific links between social theory and spatial structure must be examined. These links have been usefully outlined by Peet (1975) who has shown how spatial structure plays a significant role in the reproduction of social relations.

Peet claims that an individual's struggle to earn income takes place in a certain social and economic environment. This environment is seen as a set of resource/service contacts and opportunities with which the individual interacts. The eventual result of this interaction is the production of goods and services for society and income for the individual. The most important components of the physical environment are house and neighbourhood, school, colleges, and other labour training facilities are the most important social institutional influences, although a wide variety of other institutions play a role in readying the individual for work. All these factors may be thought of as determinants of a person's theoretical income earning potential, given unlimited economic opportunity. But before this earning potential can be realized, the individual must have some connection with economic activities. It is their social network which provides both the information about economic activity and a gateway to this opportunity. Background institutions and information networks together form the social resources available to an individual, income is then produced by interaction with economic activities and the amount of this income in turn influences access to social resources.

This idea of the temporal functioning of the individuals lifeworld is based on the concept that a person may only exploit the social resources of a limited section of space in preparing
themselves for the labour market. Peet (1975) uses Hagerstrand’s (1970) 
time-space model which describes a 'daily life environment' around a 
person's place of residence, the limits of which vary for each group, 
social class, social group and sex. Each social group therefore 
operates within a typical daily 'prism', which as Peet (1975, p.568) 
argues, for the disadvantaged closes into a 'prison' of space and 
resources. Deficiencies in the environment...limitations on mobility 
and the density and quality of social resources...most clearly limit 
an individual's potential, or market capacity; similarly, low income 
limits access to more favourable environments. Therefore a self-
reinforcing process of class maintenance and class structuration sets 
in and it is easy to understand how an individual can carry an 'imprint' 
of a given environment and how the daily-life environment can act 
to 'transmit' inequality.

In reproducing the ensemble of socio-spatial inequality and 
poverty, capitalism typically produces a class-differentiated society, 
each stratum of which is allowed to reproduce itself, using varying 
proportions of its income to raise the next generation (Engels 1972) 
Since the amount of money spent by each stratum varies, unequal resource 
environments, which perpetuate the class system, are produced. The 
city is thus composed of a differentiated hierarchy of resource envir-
onments which reflect the different hierarchical labour demands of 
the capitalist economy, (Peet 1975, p.569); and is not as is more 
typically construed) simply a product of the aggregate of individual 
consumer choices (See Harvey 1975).
3.4.9 Community Consciousness and Exclusion in the Built Environment

The process of spatial differentiation has developed to such an extent in many North American suburbs that the use of collective action in space is now an exceedingly important mechanism for the maintenance of intra-urban spatial inequality. The pervasive externality effects and the collective use of many items in the built environment means that it is in the self interest of individuals to pursue modest levels of collective action (Harvey 1976).

Workers who are home-owners are acutely aware that the exchange value of their house is largely dependent on the actions of others. In this way it is in their common interest to collectively curb the entry into the area of what might be termed 'deviant populations'. Many service dependent populations such as ex-psychiatric patients, the mentally retarded and ex-offenders are deemed worthy of this label and are systematically excluded from the residential environment (Hughes, 1980). The most effective ways in which these populations can be excluded is through collective action to avoid the location of suitable residential facilities in the area. This collective action is often effectively channelled through the political system so that individual conflicts are resolved in favour of the residents or on the other hand exclusionary zoning laws are created which protect the advantage of the already advantaged classes.

This collectivization of action may go well beyond that required out of pure individual self-interest. The consciousness of place
which develops becomes a powerful force that spawns competition between communities for scarce public funds. Community control enables those in control to erect barriers to investment in the built environment (Ashton 1978). These barriers may be selective or indeed they may be general resulting in a ban on all forms of growth. Also the power of local governments to control investment through the myriad of legal and planning devices at its disposal results in the creation of 'legal' islands within which monopoly rents are appropriated by one fraction of labour at the expense of the other (Harvey 1975).

Capitalism created in the sururban environment a spatial form which was appropriate to its needs. It encouraged consumption and aided the reproduction of a class structured society. Yet this spatial form embodied all the class contradictions and tensions of capitalist society. These contradictions have grown increasingly severe through time so that increasingly 'no growth' stable suburbs are becoming impediments to accumulation and highly exclusionary behaviours are resulting in problems for many suburban residents (e.g. aging residents in areas where community homes have been excluded). The appearance and intensification of these contradictions will be returned to in section 5.

3.5 The Theory of the Capitalist State and the State in Capitalism

3.5.1 Introduction

It is evident that the nature of the capitalist state and state action must be understood before beginning to formulate a theory of public city development. To understand what is meant by the term the state,
a central distinction will be made between the form of the state and the functions of the state.

To explain the concept of the form of the state one can ask the question, why is the capitalist state capitalist? This question of what distinguishes the capitalist state from all previous forms of the exercise of power and domination is a question of the specific social form of the state and not of the content of its activity. The functions of the state are the actual concrete activities of the state in capitalism, but as Max Weber (1964) correctly pointed out the 'state' cannot be fully defined from the particular content of its activity. Therefore it is a pre-requisite to our analysis that the form of the state should be defined before analyzing its functions in the particular period of advanced capitalism.

3.5.2 The form of the Capitalist State

In many class structured societies one can witness the presence of the state as an abstract representation of the particular form of domination inherent in that society. As a consequence when it comes to an analysis of the state it is not sufficient to indicate the class nature of the state, but instead, the state must be analyzed as a specific form of class domination. The problem of the form of the capitalist state was posed more clearly by Eugene Pashukanis (1953) in his essay on 'the General Theory of Law and Marxism'. Having traced the emergence of the separation of public and private, state and society, with the growth of capitalist production, he criticizes Engels'
characterization of the state which related the state simply to class conflict. He then continues:

"Behind all these controversies one problem lies concealed: why does the dominance of a class not continue to be that which it is - that is to say, the subordination in fact of one part of the population to another part? Why does it take on the form of official state domination? Or which is the same thing, why is not the mechanism of state constraint created as the private mechanism of the dominant classes? Why is it dissociated from the dominant class - taking the form of an impersonal mechanism of public authority isolated from society?" (Pashukanis, 1953, p185)

This is the question tackled by the recent 'state derivation debate' (Holloway & Picciotto 1978) in West Germany. It is the materialist theory of the state derived from that debate which will be presented here.

Hirsch (1978) begins his attempt to answer the questions posed by Pashukanis by focusing on the nature of the fundamental capital relation, the relation of exploitation of labour by capital. Hirsch argues that the particular form of the state must be derived not from the necessity of establishing the general interest in an anarchic society, but from the nature of the social relations of domination in capitalist society. Holloway & Picciotto (1978 p24) state that the specific form which exploitation takes under capitalism does not depend on the direct use of force but primarily on the unrecognized laws of reproduction. The particular form of the appropriation of surplus product in capitalism requires that relations of force should be abstracted from the immediate process of production and located apart from the...
producers. As Pashukanis (1953 p186) stated, "the principle of competition which is dominant in the bourgeois capitalist world provides no possibility of associating political authority with an individual enterprise."
The establishment of the capitalist process of production is accompanied by the abstraction of relations of force from the immediate process of production, thereby creating discrete 'political' and 'economic' spheres. The state is not conceived of simply as an instrument of class rule but rather as a specific and historically conditioned form of the social relations of exploitation and cannot therefore be simply identified with the economic form.

Resulting from this we can no longer see the state as representing the 'general interest' of capital (Altwater 1978) as there are strict limits to the extent of state activity. As Hirsch (1978, p64) states, "the social process of production and reproduction cannot be the direct object of state activity; on the contrary, it is the latter which is determined by the laws and the development of the reproduction process."

Clearly there are limits to the importance of the links between the laws of motion of capital and the actual content of state policies. The state cannot be derived completely from the logic of capital accumulation.

Notwithstanding these statements, it follows from the derivation of the capitalist state from the relation of capitalist exploitation that its continued existence as a particular form of social relations depends on the reproduction of the capital relation, depends ultimately on accumulation. The contradictions inherent in the capitalist process
of reproduction in which the capitalist state apparatus has its source and continuing basis, give rise to the apparent inconsistencies in its mode of appearance and activity. Hirsch (1978 p65) expresses this aspect of the state clearly, "As the authority guaranteeing the rules of equal exchange and of commodity circulation, and autonomous from the social process of reproduction and the social classes, it acquires a particular form of mystification of capital - the appearance of class neutrality free from force, which however can and must be transformed into an overt use of force, both internally and externally, if at any time the foundations of the reproduction and self-expansion of capital and of exploitation are threatened."

The state is essentially reacting to the results of the process of production and reproduction and the states activities and its individual functions (but not its form) develop through a process of mediated reaction to the development of the process of accumulation. Beyond these general determinations little more can be said about the concrete functions of the state, at this level of analysis. All we can conclude is that the form of the state attempts to ensure no interference with the foundations of the capitalist reproduction process, private property and the availability of free labour. The general necessity of state intervention results from the fact that the capitalist process of reproduction structurally presupposes social functions which cannot be fulfilled by individual capitals.

Though the content of state activity (i.e. the particular shape
which state intervention takes cannot be derived directly from the process of capital accumulation, Hirsch (1978 p66) makes it quite clear that the starting point for an analysis of the state and its limitations, must be the analysis of the process of accumulation and its contradictory development. It is this task which must now be addressed.

3.5.3 The Functions of the State in Advanced Capitalism

Investigation of the functions of the state must be based on the conceptual analysis of the historical course of the process of capitalist accumulation. This is not a question of a logical deduction from some abstract laws, it is the development of a conceptually informed understanding of a specific historical process. It is through the provision of such an analysis that one can understand the genesis and the nature of the welfare functions of the state in advanced capitalism. The following sections will provide a brief outline of the development of the capitalist accumulation process over the last four decades in North America. This helps in attempting to understand the nature of state intervention in this period.

Two of the most important aspects of advanced capitalist development are the growth of surplus capacity and surplus labour. Changes in the organization of economic activity in advanced capitalism resulted in two major outcomes. First, the production of a gigantic and growing economic surplus capacity which must be continually absorbed to maintain the process of capitalist accumulation (see 3.4). Second, the growth of a significant surplus population and obsolescent labour which must
be supported at some level in order to legitimate the system of production. Braverman (1974) has outlined this dual and contradictory process by building upon the initial explanation provided by Marx in his exposition of the general law of capitalist accumulation. Marx (1967, Vol. 1, p. 592-93) stated that:

"With accumulation and the development of the productiveness of labour that accompanies it, the power of the sudden expansion of capital grows also...the mass of social wealth overflowing with the advance of accumulation and transformable into additional capital thrusts itself frantically into old branches of production whose market suddenly expands or into newly formed branches... in all such cases there must be the possibility of throwing great masses of people suddenly on the decisive points without injury to the scale of production in other spheres... this increase is effected by the simple process that constantly sets free a part of the labourers by methods which lessen the number of labourers employed in proportion to the increased production."

As O'Connor (1973) has also pointed out, continued accumulation in advanced capitalist countries resulted in the generation of surplus capital in the form of surplus goods or surplus productive capacity and surplus population or obsolescent labour. In Section 3.4 the ways in which the development of capitalism has increasingly necessitated increased consumption in order to absorb surplus capital, was outlined; this was important in the development of the suburban solution and it was equally important as the basis of many of the classical Keynesian demand-maintenance state interventions. These issues will be returned to later in the analysis of the nature of state expenditure in advanced capitalism (3.5.4.) but first the effects of continued accumulation on the labour process must be briefly examined.

The increasing concentration and centralization of capital in
advanced capitalist societies was associated with a growth in the physical capital to labour ratio. On the one hand this reflected the accelerating replacement of 'raw' labour power by skilled technical labour power which as Gough (1975, p.67) pointed out, meant that "the quality of labour must necessarily be raised in all capitalist economies to match the increased sophistication of production and its attendant social processes". This in turn necessitated increased state intervention in the reproduction of labour power. The obverse of this growing market for highly skilled and 'internally motivated' forms of wage labour is a contracting market for unskilled workers who increasingly come to form an almost permanent surplus population at the margins of the economy (part of the more general peripheralization of labour). Nicolaus (1967, p.37) has shown how the continued accumulation and concentration of capital has resulted in "a constant stream of underemployed, prematurely used up, obsolete or unemployable individuals" who required various forms of welfare assistance to maintain them at subsistence level in the interests of social harmony. As accumulation continued increasingly important distinctions have developed between this group and the 'classical unemployed' which Marx referred to as the 'industrial reserve army' and which served to depress the level of wages in the competitive stage of capitalism. More and more this has ceased to be true in advanced capitalism, partly because "raw labour power does not compete with technical labour power in the context of capital intensive technology" O'Connor (1973,p.3). While "at the same time the greater volume of surplus makes it possible to support growing numbers of these people, however miserably...thus
a new class is generated consisting mainly of those who have lost even their competitive link to the labour market" and who constitute "a permanent welfare class" Nicolaus (1967p,37). The importance of this development in undermining crisis - management mechanisms and in weakening the reserve army of labour as a mechanism for disciplining the working class, has been pointed out by Wright (1978, p159) and will become evident later (See 4.4). For the present it is important to note that the growth of surplus productive capacity and surplus labour must be viewed as a single process or two sides of the process of accumulation in advanced capitalism. These outcomes of the contradictory process of capitalist accumulation, form the basis for an inherent contradiction in the developing state policies of the period.

3.5.4. State Expenditure in Advanced Capitalism

The analysis of the form of the capitalist state (3.5.2) revealed that it attempted to ensure the capitalist reproduction process through enabling the continuation of the process of capitalist accumulation and through the continued legitimation of capitalist social relations. These two objectives determine state intervention in advanced capitalism and can be used to analyze state expenditures. O'Connor (1973, Ch's 4 and 5) has outlined the two fold character of all state expenditures, dividing them into social capital expenditures and social expenses. Social capital expenditures in turn comprise two distinct sets of activities, social capital expenditures and social expenses, so that altogether three categories of state expenditure are distinguished:

1) Social Investment: Projects and services that increase
the productivity of capital (Eg. Transportation, Infrastructure, communications).

(II) Social Consumption: Projects and services that lower the reproduction cost of labour power (Eg. Medical care, Training and education).

(III) Social Expenses: Projects and services which are required to maintain social harmony (Eg. Welfare, income maintenance).

O'Connor (1973) argues that the first two (Social capital expenditures) are indirectly productive for capital and ceteris paribus they augment the rate of profit and accumulation in the economy. Social expenses on the other hand are not even indirectly productive for capital, but although unproductive, are a necessity for legitimation. This classification is not without problems because as O'Connor notes, nearly all state expenditure is part social investment, part social consumption and part social expense. Nevertheless, this classification proves invaluable in attempting to see the links between the welfare state and crisis (3.5.6.).

First however, the exact meaning of 'the welfare state' must be explained.

3.5.5. The Welfare State Solution

In most advanced capitalist societies public responsibility in the areas of health, education and social security has mushroomed since the second world war and it is for this reason that the period is often referred to as the era of the welfare state. The welfare
state (itself an ideological term) can usefully be understood as one of the integrated solutions which developed to the problems of capitalist accumulation during the 1930's. The welfare state was the necessary underwriter of many of the Keynesian policies implemented after the second world war. The development of the nuclear family (see Lasch 1979) and the suburban living environment required as a corollary the growth of an institution to care for the aged and the infirmed, who could no longer be cared for within the developing family structure. The increasing political and economic strength of the working class, which grew with the progressive extension of the capital relation, necessitated increasing welfare state intervention. In many ways the introduction of measures of social security (unemployment and old age insurance, social assistance, etc.) was a direct consequence of changes in the labour process (surplus labour) and the dissolution of traditional forms for reproducing and maintaining labour power (semiagrarian family structures, private charity and philanthropy).

A theoretical understanding of these changing state functions has until recently been poorly developed and has lead to many misleading conceptions of what the welfare state represents in advanced capitalist societies (see Gough 1980). Using the understanding of the capitalist state developed so far and the distinction between form and function, an attempt to provide an alternative interpretation of the welfare state will be made.

Gough's (1980, p.45) narrow definition of the welfare state as "the use of state power to modify the reproduction of labour
power and to maintain the non-working population in capitalist societies" is a useful point to begin at. According to this definition the welfare activities of the state can be divided into two. The first of these activities is the reproduction of labour power, but since labour power is the capacity of men and women to perform labour, the continual reproduction of this capacity is a necessary element of all societies. Yet the modern welfare state, in a myriad of ways, increasingly controls the level, distribution and pattern of consumption and thereby modifies both the daily reproduction and the generational reproduction of labour power in advanced capitalism. The second arm of the welfare state serves to maintain non-working groups in society. While it is true that all societies contain groups that are unable to work for their living, it is equally true that the boundaries between working and non-working groups are not fixed, but in reality are predominantly determined by the prevailing mode of production. Therefore the welfare state denotes state intervention in the process of reproducing labour power and maintaining non-working population and it represents a specific institutional response within advanced capitalist society, to these two requirements of all human societies.

The view that the capitalist state is an institution which attempts to fulfill two basic and contradictory functions has already been developed. The capitalist state tries to maintain conditions in which capital accumulation is possible while simultaneously trying to maintain or create conditions for social harmony. Similarly the 'welfare state solution' to the contradictions of capital accumulation contains within itself these very contradictions.
state exhibits positive and negative features within a contradictory unity, inevitably reflecting the root contradiction of capitalist society; that between the forces of production and the relations of production. As T.H. Marshall (1963) said it reveals the central paradox of capitalism, while the rights of citizenship are compatible with and developed alongside it they "are the foundation of equality on which the structure of inequality could be built".

What exactly is meant by this? The Welfare State it is claimed represents tendencies which are neither simply progressive, nor simply regressive, but rather are contradictory. These tendencies derive from the central contradiction between the forces of production, the increasing productive power of social labour on the one hand, and relations of production, the continued private appropriation of surplus value on the other. The welfare state as Gough (1980, p.12) argues "simultaneously embodies tendencies to enhance social welfare, to develop the powers of individuals, to exert social control over the blind play of market forces; and tendencies to repress and control people to adapt them to the requirements of the capitalist economy. Each tendency will generate counter-tendencies in the opposite direction; indeed this is why we refer to it as a contradictory process through time."

Developing this view of the welfare state as a contradictory institution arising out of the contradictory and crisis-provoking nature of capitalism one can begin to analyze the way in which the welfare functions of the state in advanced capitalism will respond to
changes in the process of capitalist accumulation. Conflicts continually occur with social policies between the function of reproducing labour power and that of maintaining other groups and securing social harmony. It can be concluded that there are endemic conflicts within the capitalist state and even within state social policy between the three goals of capital accumulation, reproduction of labour power and legitimation of the wider social system.

3.5.6. The Welfare State and Crisis in Advanced Capitalism

In the earlier analysis of the logic of capitalist accumulation (section two) it was shown that there is an inherent tendency towards crisis, which can be deduced from the tendency for the rate of profit to fall. The contradictions inherent in the accumulation process cannot remain dormant, but as Hirsch (1978, p. 70) pointed out, the latent crisis of capital must repeatedly be transformed into open crises. These crises erupt when the amount of produced surplus value appropriated by individual capitals is no longer sufficient to maintain the necessary rate of accumulation and hence the existing mass of surplus-value can no longer be profitably capitalized. This means "that accumulation has reached a point where the profits associated with it are no longer large enough to justify (for the average individual capital) further expansion. There is no incentive to invest and because there is no new investment the demand for all commodities declines" (Mattick 1969, p. 43). As Yaffe (1973) points out, it represents an overproduction of capital with respect to the degree of exploitation.
It has already been stated that at each stage of capitalist development there is a characteristic pattern of impediments to the accumulation process. Through a combination of class strategies by the capitalist state and individual strategies by individual capitalists attempting to maximize their profit, these impediments are overcome and the accumulation process continues in slightly changed forms. However, this chapter has tried to show that these solutions to the dominant impediments at each level of capitalist development, contain within themselves new contradictions which gradually emerge and ultimately result in structural crises within the accumulation process (eg. in this instance, the Suburban Solution and the Welfare State Solution). These structural solutions to the dominant impediments do not eliminate the problem but help them to recede to the background, temporarily. It is these solutions which define the essential character of the different stages of capitalist development (eg. in this instance, 'Welfare State Capitalism').

Wright (1979, p174) argues that, "the great social invention of state sponsored waste, academically legitimated as Keynesianism, constituted the major structural solution to the impediment of under-consumption" apparent in the Great Depression. However, he claims that Keynesian solutions become problematic as the growth of unproductive state expenditures (Social Expenses) tended to expand faster than the surplus absorbing requirements of the system. In addition "the organizational strength of the working class, especially at the economic level, further aggravated the situation by making it difficult for the
capitalist class to increase the rate of exploitation sufficiently to compensate for the overexpansion of unproductive expenses. To an important degree the institutional arrangements which underpinned Keynesian State policies - collective bargaining, economism, welfare policies, unemployment insurance etc. - all served to make it more difficult to adjust to new circumstances" (Wright, 1978 p176). Accepting this perspective, Hirsch's (1978, p76) comment that, "the historical concretization of state functions is essentially to be determined from the context of crisis so defined; and from the political movement to which crises give rise" can be more completely comprehended. The task is to determine the way in which the state is reacting so as to enable structural solutions to the current impediments of advanced capitalism to emerge.

From the previous analysis of the form of the capitalist state it can be concluded that it will react to maintain and protect the process of capital accumulation. Therefore during a period of accumulation crisis the state will actively attempt to re-establish conditions for profitable accumulation. Hirsch (1978, p103) argues that "even a slight intensification of the economic crisis of capitalism forces the state apparatus to take the side of capital openly while at the same time the permanent structure and intensifying shortage of state financial resources reduces very considerably the scope for 'welfare state' reforms". However, the state's response cannot be a simple process of economic restructuring, because the state must attempt at all times to fulfill its two basic and often mutually
contradictory functions, accumulation and legitimation. The importance of this factor is outlined clearly by O Connor (1973, p6) in his claim that, "the state must try to maintain or create the conditions in which profitable capital accumulation is possible. However, the state must also try to create the conditions of social harmony... The state must involve itself in the accumulation process, but it must either mystify its policies by calling them something they are not, or it must try to conceal them (eg. by making them into administrative, not political issues)."

Furthermore, as Hirsch (1981) has argued, the changing linkages between the production and reproduction spheres in advanced capitalist societies leads to a multiplication of the forms and levels in which an economic crisis manifests itself. The traditional distinction between 'political' and 'economic' crises is losing credibility so that "more and more directly, economic crises appear as political crises, and vice versa; political and economic crises overlap; and crises in limited sectors threaten to involve all society." (Hirsch 1981, p596). For these reasons economic crises in advanced capitalist societies require large scale complex social restructuring processes in order to enable the reproduction of capitalist social relations and the continued accumulation of capital. These social restructuring processes require to an increasing extent the intervention of the state which in advanced capitalism "does not merely react to socio-economic crises, but it also executes them under conditions which it cannot fundamentally influence, and through which capital creates surplus value on the world-market.
management and social restructuring in advanced capitalism must be looked at more closely.

The state in an attempt to enable renewed accumulation and to alleviate its own fiscal crisis must attempt to progressively shift the balance of its activities from unproductive to indirectly productive expenditures. However with decreasing economic growth rates (associated with the accumulation crisis) the fiscal crisis of the state deepens, while resource demands for restructuring and for capital subsidy increase. The result is "a tendency toward a restriction of the finance available to the State for 'social policy' (SOZIALPOLITIK) in the broadest sense, including 'social overhead capital', especially since this is labour-intensive and allows only limited rationalization. Increasing demands for compensatory action by the State are thus faced with diminished material means because of the same restructuring process which caused them to arise" Hirsh (1981 p603). These conjunctural demands encourage the state to simultaneously attempt to increase social capital expenditures and to minimize social expenses. Nevertheless, the work of Offe (1974,1975) and Wright (1978) shows that the state is by no means able to affect these changes without seriously endangering its legitimation function. The process of restructuring is inherently a process of class struggle as the state attempts to indirectly transfer value from the working class to the capitalist class so as to enable the process of capitalist accumulation to continue.

The state has developed a complicated series of responses to the accumulation crisis. Offe and Rongo (1975) have argued that the
state has embarked on a process of 'administrative re-commodification' whereby the state attempts to put the owners of capital and the owners of labour power, who had been 'de-commodified' under the welfare state strategy, back into the commodity form of value where they can again participate in exchange relationships. The strategy is not without problems, and as Offe and Ronge point out the attempts to stabilize and universalize the commodity form and exchange process by political and administrative means, leads to a number of specific structural contradictions in these emerging state capitalist societies. Specifically, the strategy of 'administrative re-commodification' becomes the focus of social conflict and political struggle oriented towards overcoming the obsolete commodity relationships as the organizing principle of social reproduction.

The process of restructuring has also resulted in important changes in intra-state relations. According to Cockburn (1977, p51-52) while the central state predominantly contributes to capitalist production, the local state essentially contributes to capitalist reproduction. While this classification is not exclusive and may indeed be historically and spatially contingent (see Boddy 1980, Fincher 1979) it is a significant issue because as Hirsch (1981) argues there has been a tendency in advanced capitalism to shift social crises into the reproduction sphere and therefore to intensify the crises of the local state and the 'fiscal crisis of the cities'. This argument has been developed by Dear and Clark (1980) who claim that by shifting the effects of structural
crises to community and local levels, the state is following a purposeful 'conflict-diversification' strategy. They argue that because the local state lacks the authority and jurisdiction to attack local crises, and is controlled at the central level in capital's interest "the financial, rationality and legitimacy crises are regionalized, thus temporarily removing the burden from the central state in the genesis of the crisis" (Dear and Clark, 1980, p8). Dear and Clark (1980, p9) go on to assert that the local state is strongly implicated in ideological hegemony and this is important because conflict over state outputs (rationality crises) are most likely focused at the local level. If state efforts fail to co-opt and control the population through expenditures on social consumption during a period of crisis/restructuring, then the state requires defensive mechanisms to avert conflict. Dear and Clark (1981, p8-10) argue that the proliferation of sub-national state bureaucracies serves "to obfuscate the system of authority and control in capitalist social relations"; while the "partition of class-based conflict into a conflict based on spatial units (as in urban social movements) consolidates the role of electoral politics" as a way of "containing and channeling social conflict and obtaining the consent of the governed." These factors enable state actions and policies during a period of crisis to be legitimated and facilitated. In addition as Cockburn (1977, Ch. 6) has pointed out an important ancillary benefit of social expenditures administered at the local level is that they tend to isolate social pathologies in the individual, the family, or the community, rather than in the wider social formation.
Various authors interested in the restructuring of the welfare state in response to the economic crisis have outlined a number of observed or prospective strategies being followed by the state in various countries (eg. O'Connor (1973) in the United States, Cough (1980) in Britain and Offe (1975) and Hirsch (1981) in West Germany). Accepting that one cannot examine one aspect of state action in isolation from the others, it is nevertheless necessary for the purposes of this research to outline in detail the effects of restructuring on the state social (welfare) policy. For our understanding of the relationships between the state and crisis we may reasonably expect to witness the following list of attempted strategies and developments emerging in state social policies during this period of restructuring.

(1) There will be a general shift in emphasis towards social capital expenditures and away from social expenses.

(2) There will be general cutbacks in the level of support for social policies.

(3) Throwback policies will be attempted; to increase user costs and reduce the state's burden in the area of social policy.

(4) Shiftback policies will be attempted; whereby the higher levels of the state will attempt to shift responsibility to the lower levels where the fiscal crisis is most severe.

(5) Pressure will develop for the re-privatization of parts of the welfare state and more specifically for expenditures to switch from direct provision of services to public subsidization and purchase of privately produced services.

(6) Attempts will be made to improve the efficiency of the social services, in which the needs of capital may come into conflict with those of the clients or other consumers.

(7) Education and social security policies in particular will be adjusted to adapt the labour force and potential labour force more effectively to the needs of the labour market.

(8) State policy will be least responsive to the needs of groups who
(9) There will be an increasing social control element in social policy. This may include overt repression and coercive activity but more commonly it would include; the use of more restrictive regulations in social policy, an increased ideological content in social policy and social legislation and the use of 'community police' (eg. voluntary agencies) in social service delivery and administration.

(10) There will be an increasing use of voluntary labour in the administration and delivery of social services, for purposes of both increased social control and fiscal saving.

(11) The state will make an overall attempt to create an increasingly fragmented and inaccessible welfare system so as to reduce social expenditures and to simultaneously obfuscate the nature of the restructuring process by locating social pathologies at the level of the individual, the family or the community.

It must be re-iterated that these are all strategies which, if the earlier analysis is correct, one would expect the state to implement during the period of crisis. But because the process of re-structuring during the period of crisis is essentially an attempt to re-establish the relations of domination on a new footing, it can be expected that the state actions will be met by opposing forces which will seek to develop the welfare state in quite different directions. The extent to which the state is successful in the re-structuring process can not be forecast. There is no adequate theory of class struggle, therefore results can only be determined through concrete analysis of the process of struggle as it develops.

3.6 A Theoretical Framework for understanding Public City Development

It is only at this stage of the analysis that enough insight into the dialectical process of capitalist development has been attained, to enable a theory of public city development to be proffered.
According to the objective criteria presented at the outset, this theory must capture the complex inter-relations embodied in the socio-spatial dialectic that is creating the public city. It must at once embody the temporal specificity of the outcome and the societal generality of the process. The analysis to date has attempted to provide the requisite generality, the task remaining is to sharpen and focus these insights.

At the most general level it is agreed with Dear (1981a) that the problems associated with the ghettoization of service-dependent groups are a manifestation of the requirements of reproduction in the social formation. However, the process of social reproduction is an extremely complex one, it is bound up in every social process of production so that concepts of production and reproduction are inseparable. Similarly, "it is important to realize that any explanation of how capitalism reproduces itself is at the same time (implicitly or explicitly) an answer to the question of how and why non-reproduction occurs, and vice versa: in other words, the analysis of reproduction and the analysis of crisis are inseparable. This is true whether or not a particular theory makes this connection explicit" (Shaikh, 1978 p219). Therefore in arguing that the ghettoization of service-dependent is a manifestation of the complex requirements of social reproduction it is implicitly claimed that a theory of the public city must be derived from a theory of societal production, reproduction and crisis. This is the task.
The dialectical nature of capitalist development presented in this chapter highlights the tendency to crisis during which structural solutions are posited to the previous impediments to accumulation. The structural solutions embody the contradictions of the process of capitalist accumulation and these in turn develop into the impediments resulting in subsequent crisis. The welfare state and the suburban form of the city have similarly derived from the process of capitalist accumulation and class struggle and have been presented as two of the 'structural' solutions which developed in response to the previous accumulation crisis. The inherent contradictions embodied within these solutions have been elucidated and attempts have been made to highlight the increasingly problematic nature of these contradictions. It will now be argued that it is the intensification of these contradictions and the concomitant social restructuring processes which are the prime motive forces in public city development. In this way the simple axiom that the public city is a functional outcome of the inherent logic of the capitalist urbanization process can be understood.

A good point to begin a discussion of the reproduction of service-dependent populations in 'modern society', many conventional social scientists would argue, is with an analysis of the changing nature and role of the family in 'modern society'. Accepting that the family is the chief agent of societal reproduction it is necessary to explain why it is not given pre-dominance in this analysis. It is argued that the predominant family structure at a given stage of capitalist development is determined by the fundamental relations of
production and the particular requirements of societal reproduction to which they give rise. As Lasch (1977, p.xx-xxi) asserts:

"The history of modern society, from one point of view, is the assertion of social control over activities once left to individuals or their families. During the first stage of the industrial revolution, capitalists took production out of the household and collectivized it, under their own supervision in the factory. Then they proceeded to appropriate the workers' skills and technical knowledge by means of "scientific management", and to bring these skills together under managerial direction. Finally they extended their control over the worker's life as well, as doctors, psychiatrists, teachers, child guidance experts, officers of the juvenile courts, and other specialists began to supervise child rearing, formerly the business of the family."

Therefore it is argued that while early capitalism necessitated the socialization of production, advanced capitalism required the socialization of reproduction and therefore it is the changing relations of production which determine the changing family structure: not vice versa. The socialization of reproduction and the ensuing changing family structure was determined by changes in the labour process (3.5.3) and the process of capitalist accumulation (3.4.5). For these reasons this chapter has dealt with changes in the family structure implicitly, preferring to present them as interdependent aspects of the process of capitalist social development. While the changing role of the family underlies the suburban form of the city, the welfare state and the emerging public city, it can only be understood as an aspect of the general socialization of reproduction in advanced capitalist societies.

To summarize the argument presented in this chapter as to why
the public city is developing a simplified 'lines-and-boxes' type model is presented (Fig 2). It is immediately accepted that this type of model can never convey the inherently dialectical nature of the social processes involved and in that sense it is an inappropriate heuristic device. However, it does provide a simplified schematic representation of the logical nature of the explanation being presented. In order to clarify this explanation, particular aspects of it will be highlighted as they relate to the changing nature of the North American city and the welfare state during the decisive period of crisis/restructuring.

The changing role of the inner city as it increasingly becomes the host of a variety of service-dependent groups must first of all be understood as a logical outcome of the inherent contradictions of the suburbanization process. The socio-spatial dialectic can be highlighted by taking the example of the process of consumption. The capitalist accumulation process required increasing levels of consumption and capital has increasingly used space as a coercive tool in which rational control of the consumption process can be attained through increasing collectivization. The suburban form of the city developed as a viable solution to these requirements but the very prerequisites for its existence develop as inherent contradictions. The suburban form of the city encouraged the nuclear family structure, encouraged individualized (family oriented) commodity consumption, encouraged the development of an environment increasingly based on exchange-value rather than use-value. The development of a highly independent mobile nuclear family
Fig. 2. A Model of Public City Development.
structure resulted in the increasing development of a highly dependent immobile group of people who cannot cope in the emerging suburban environment eg. elderly parents living alone. The development of an environment which encourages and demands individualized commodity consumption simultaneously results in the inability of certain groups to continue consuming in such an environment, forcing them to move to an environment which allows for a greater degree of collective consumption eg: those who become 'increasingly' immobile, for physical or economic reasons. Finally the development of an environment which is increasingly based on exchange-value rather than use-value results in the intensification of exclusionary behaviour and the development of relatively stable 'no growth' environments in the more homogenous and powerful middle and upper class suburban areas. Due to the increasing perception of pervasive externality effects 'deviant' populations (service-dependent) and 'noxious' facilities (Social Services) were increasingly excluded from the suburban environment, thereby creating an environment both hostile and unsuitable for the service-dependent. As the 'suburban solution' developed and matured the inherent contradictions intensified. The process of aging in situ produced a rapidly growing population of increasingly service-dependent elderly. Similarly, the generation of potential service-dependent populations within suburban families was growing (eg. Mentally retarded or physically disabled children). The progressive intensification of these contradictions in the 'suburban solution' has been increasingly reflected in the progressive concentration of the service-dependent populations and their helping agencies in the core area of the city.
The changing role of the inner city as it becomes the host of the service-dependent populations must simultaneously be understood as a logical outcome of the inherent contradictions of the welfare state in capitalism. The capitalist state (form) exists ultimately to protect the capitalist reproduction process and therefore the process of capital accumulation. The welfare functions of the state in advanced capitalism developed to enable the capitalist accumulation process to continue but these state functions ultimately become impediments to the accumulation process. The 'welfare state solution' developed as a necessary and facilitating response to the emerging nuclear family in advanced capitalism. The welfare state as an institution to maintain dependent populations both enabled and was necessitated by the nuclear family structure. The 'welfare state solution' also developed as a necessary legitimatory response to the growing political power of the working class as they were increasingly concentrated in advanced capitalism. Now as the 'welfare state solution' developed to provide welfare payments at a level close to subsistence for the growing class of economically redundant and superfluous people, it too developed and intensified its inherent contradictions. As Scull (1977) argued the growth of the welfare state both enabled and necessitated the de-institutionalization of many service-dependent population and the particular nature of the limited "community-care" systems which have developed under welfare state capitalism must be explained through unearthing the inherent contradictions of the 'welfare state solution'.
The 'welfare state solution' was contradictory because the growth of social expenditure, which the accumulation process required, ultimately represented a growth of unproductive expenditure which decreased the amounts of surplus value which could be appropriated. When these contradictions (in the value sphere) began to manifest themselves in the developing fiscal crisis of the state and as part of the more general accumulation crisis, the state of necessity began to engage in a process of social restructuring. This highly complex process developed over a number of years intensifying as the contradictions became increasingly manifest and the accumulation crisis more severe.

The state in general had to attempt to reduce its burden on the accumulation process through reducing the level of unproductive expenditure in the economy. These requirements have been manifested in a number of distinct strategies which the capitalist state has followed in restructuring the 'welfare state solution' (see 3.4.6). Among the most prominent of these strategies have been attempts to return those owners of labour power who had been 'de-commodified' under the welfare state strategy, to the commodity sphere where they can partake in exchange relationships (eg. offenders or the unemployed). The state also attempted to re-privatize social services and to decrease its direct involvement in social service provision. The changes in both the level of service provision and the method of service delivery, precipitated by the restructuring process, had distinct spatial effects upon the residential location of service-dependent populations.

The core area of the city as the developing corollary of the
suburban city, whose inherent contradictions were simultaneously concentrating the service-dependent population, became the focus of the restructuring process. The developing core area provided an environment where cheap privately operated residential accommodation could be offered in abundance. As the suburbanization process had continued, it had emerged as an area of low property values, with a variegated social structure, little political influence and therefore an area with little successful opposition to the concentration of service-dependent populations. As a concentrated area it fulfilled the accessibility needs of a growing population whose incomes were fixed or rapidly decreasing during the period of social restructuring. The growth of the public city was compatible with planning policy which was generally supportive of exclusionary behaviour, protecting the advantage of the already advantaged classes, by restricting most forms of non-family housing in suburban areas. The development of the public city enabled the operation of a low-cost highly concentrated service delivery system benefitting the state through the considerable economies of agglomeration which could be exploited. Similarly, the creation of the public city enabled the ecological separation of the 'deviant' within a geographically and socially limited sector of the community, enabling greater social control and domestic pacification during a potentially volatile period of crisis/restructuring.

In summary, it is argued that the public city can best be understood through the analysis of the inherent contradictions in the 'welfare state solution' and 'the suburban solution'. The contradictions have
intensified and become manifest during the period of crisis. The period of crisis precipitated a complex and wide scale social restructuring process which is resulting in the emergence of 'the public city solution'. In short the public city is a functional outcome of the process of crisis/restructuring in advanced capitalism in North America.

3.6.1 Research Agenda

The primary objective of this research, stated at the outset, was to provide a general theory of public city development, which explains the phenomenon in both its temporal specificity and societal generality. To some extent, this objective has been accomplished. However the proposed theoretical explanation raises as many questions as it solves, outlining a number of areas of research in which the empirical manifestations of these developments must be examined.

There are two primary areas of enquiry which must be examined empirically. Firstly, the inherent contradictions in the suburban form of the city and the ways in which they have intensified and become manifest must be examined in order to explain the relative importance of these factors in public city development. Secondly, the ways in which the inherent contradictions of the welfare state have become manifest and the resulting process of restructuring the welfare state has lead to the simultaneous creation of the public city, need to be elucidated.

A review of the concrete empirical studies which knowingly or unknowingly elucidate or examine aspects of these two areas of enquiry-
indicates that most of the research has dealt with the first area. Quite a few studies have looked at the developing contradictions in the suburban form of the city (See Chapter 2) and have highlighted their importance in the creation of the public city. A typical example of empirical research which deals with the emerging contradictions in the suburban form of the city and their role in the creation of the public city, is the massive 800 page report on "Toronto's - Suburbs in Transition" (Volumes I and II, Social Planning Council of Metropolitan Toronto, 1979, 1980). While a great deal has still to be done in this area of research, currently, it is far easier to empirically explicate this aspect of the theoretical framework than that which deals with the restructuring of the welfare state.

The major empirical focus of the rest of this thesis will be to outline the emerging contradictions in the 'welfare state solution' and the ways in which the resulting re-structuring process has lead to rapid intensification of public city development. It is the examination of this aspect of the theoretical framework which constitutes the second research objective of this thesis. This analysis must therefore focus on the nexus of relations which exist between the state in advanced capitalism (particularly its welfare functions), the economic and political crisis of advanced capitalism and the spatial outcomes which emerge from the process of restructuring during the period of crisis.

Because it has been argued in this chapter that the operation of the law of value (generating the tendency to the falling rate of
profit) must be the starting point for the investigation of the state, then as Fincher (1979, p112) points out, "the analysis of the state... must show the manner in which tendencies produced by the operation of the law of value generate class struggle, which is empirically manifested and thus give rise to state actions in ensuring the continuation of capitalism". However, as Hirsch (1978, p75) points out:

"the law of the tendency for the rate of profit to fall cannot by itself explain the empirical course of development of capitalist societies; the former is the formulation of the latter's contradictory motive forces which manifest themselves -- always modified by a great variety of empirical conditions and historical peculiarities and are expressed in class struggles, capital strategies and in the course taken by crises"

Therefore the state actions observed will not be explicitly linked to the operation of the law of value and the counteracting tendencies to which they give rise, although they are accepted as the basis of these state actions. These links will be implicitly included in the analysis which will attempt to focus on the empirical course of the development of advanced capitalist society in Ontario. Through careful documentation and explanation of the observable links between the state and crisis, and the way in which the restructuring process is encouraging public city development; it is hoped that this aspect of the theoretical framework will be clarified. This is the research objective of the rest of this thesis.
CHAPTER 4

RESTRUCTURING THE WELFARE STATE AND THE DEVELOPMENT OF THE PUBLIC CITY

"Social Science has consistently been caught by surprise, explaining events only after they happen. It would be a relief to come to grips with the post-welfare state before it is locked into place."

Alan Wolfe

4.1 Introduction

This chapter has two primary objectives. Firstly, it attempts to document and analyze the process of restructuring the Canadian Welfare State while simultaneously outlining the apparent results of this process. Secondly, it attempts to elucidate the socio-spatial dialectic which is resulting in public city development, through teasing out the dialectical interrelationships between the restructuring of the state structure and the restructuring of spatial structure. As the previous chapter has indicated the restructuring process, whether expressed through the state or space, is a process of transferring wealth (surplus value) and access to resources from one class to another.

In this chapter the state and space are viewed as two different expressions of the changing social relations inherent in Canadian society over the past decade. Because of the research objectives, primary emphasis is placed on the changing social relations as expressed through the state. Similarly, the chapter has been structured so as to attempt to 'test' and 'verify' important aspects of the theoretical
framework presented in the previous chapter. Nowhere in this chapter is the argument presented in theoretical or abstract terms but attempts have been made to illuminate the structures and dynamics, previously explained, through their material 'effects' at the 'levels of appearances' - the levels of politics, policy and practice.

This chapter is designed so as to progress through a series of intermediary steps from a general aspatial analysis of the process of restructuring the welfare state to a specific and spatial analysis of its impacts. It is the necessity to move from the general to the specific rather than any inherent causality of relationships between the state and space which imposes the structure. It is also an innate yet unavoidable outcome of this structure that it masks the true nature of the dialectical relationships between state and space, ultimately tending to highlight a unidirectional causality from the former to the latter.

This chapter begins by highlighting the most obvious reasons for restructuring brought about through the processes imposed by the fiscal crisis of the state. Even though this is a 'crisis' occurring in the circulation sphere as a representation of a number of specific structural contradictions inherent in Canadian society it is closely related and an integral part of the more general accumulation crisis which occurred during the 1970's. Out of this discussion of a circulation crisis manifested in the state it is then possible to review the process of restructuring manifested as changes in state expenditures. This
discussion is carried out primarily at the provincial level because of the unique and pivotal role of this level in the Canadian Welfare State. Changes in state social expenditures have their true meaning in the way they affect the welfare recipients' access to resources and struggle for existence and it is towards addressing these questions that the chapter then turns. However, because of the heterogeneous nature of the welfare population and the apparent complexity of the restructuring process, the analysis at this general level soon reaches its limitations. The fourth section of this chapter acts as a vital intermediate step between the general and the specific, the aspatial and the spatial. It analyzes five important service-dependent populations to bring out the complexity yet underlying unity of the restructuring process. Similarly, it amalgamates the policy analysis with its effects, both spatial and aspatial in the City of Hamilton. The concluding sections develop the analysis of the public city in Hamilton through explaining important aspects of its genesis and development and through attempting to define its boundaries by examining its population as a homogeneous group characterized by its common service-dependent status.

This chapter should be read as an attempt to provide a basis for more detailed analysis of individual aspects of the public city and simultaneously as a concrete attempt to verify important aspects of the abstract theoretical framework presented in the previous chapter.
4.2 The Fiscal Crisis of the State and the Foundations of Restructuring

4.2.1 The Fiscal Crisis of the Canadian State

The changing nature of the Canadian State cannot be understood without a clear understanding of the dynamic changes in the nature and level of state expenditures and revenues over the past decade. The continued concentration of capital associated with the development of an advanced capitalist economy in Canada has resulted in a complementary increase in social capital. Deaton (1973) has shown that between 1926 and 1970 public investment in Canada increased by 27.2% while the rate of business investment decreased by 6%. In the post-war period 1950-1970 the rate of public investment increased by nearly 4%. Therefore as the state has become increasingly responsible for providing an environment of stability and growth for the corporate sector it has simultaneously experienced a rapid increase in its level of expenditure (see Figure 3).

The rapid growth of state expenditure, especially in the last fifteen years, has not been met by a complementary growth of state revenues. The resulting phenomenon, which has been witnessed in many advanced capitalist countries, is what O Connor (1973) has termed 'the fiscal crisis of the State'. The fiscal crisis consists of the growing contradiction between State Expenditures and revenues, but as Deaton (1973) pointed out this is one form of the general contradiction between public costs and expenditures and private benefits and profits.
Figure 3

GOVERNMENT EXPENDITURE
AS A PERCENTAGE OF GROSS NATIONAL PRODUCT

TOTAL EXPENDITURE

TRANSFER PAYMENTS
BY ALL LEVELS OF GOVERNMENT
TO PRIVATE SECTOR

FEDERAL EXPENDITURE ON GOODS AND SERVICES

PROVINCIAL AND MUNICIPAL EXPENDITURE
ON GOODS AND SERVICES

Note: Total Expenditure is not of intergovernmental transfers. Transfer payments by all levels of government to private sector include subsidies and debt interest charges.

The fiscal crisis of the state is closely linked to the general accumulation crisis experienced by most advanced capitalist countries during the 1970's. As will be evident later, the fiscal crisis and accumulation crisis have developed coterminously and must be understood, at a general level, as representing similar developments.

The growing contradiction between state revenues and expenditures meant that the Canadian State was increasingly forced to cover its revenue needs through deficit spending and debt creation. The net result of this process has been that between 1950 and 1968 the federal government increased its debt (direct and indirect) by 136% (Deaton 1973). That the fiscal crisis became focused on the provincial and municipal levels can be evidenced by the fact that during the same period the provincial and municipal government debts increased by 505% and 511% respectively (See Figure 4).

To understand the origins of the fiscal crisis and the conflict between revenues and expenditures it is necessary to understand the relationship between the tax structure and revenues, since taxation is the major source of administrative revenues. It is axiomatic in the field of public finance and fiscal policy that revenues determine expenditures. Therefore the level of government expenditure is limited by the level of incoming revenues which in turn are based on the existant tax rates and the share of income tax paid by corporations and individuals. We can see from Figure 5 that the corporate and individual share of federal and provincial income tax revenue changed dramatically during the decade preceding the fiscal crisis. Between 1962 and 1970
Fig. 4. Total Accumulative Government Revenues and Expenditures, by Level of Government, Excluding Intergovernment Transfer Payments 1950-1970.

the corporate share of all federal tax revenue increased by 83% (Deaton 1973 p39). This trend for the corporate share of tax revenue to decline has also been noted in Britain and the United States (O Connor 1973) and it is now felt to have been a general tendency in advanced capitalist societies.

It has also been shown that the Canadian tax structure is inherently regressive (Deaton 1973) and that people in higher income brackets receive more benefits from the system of tax subsidies which currently exist (National Council on Welfare, 1979 p7). In addition the increased level of government expenditure and the rise of the welfare state has resulted in a negligible redistribution of income (Stats. Canada 1977B. and 1977C). It can therefore be concluded that the growing expenditure of the Canadian State has been increasingly financed by wage earners and a proportionately high percentage of the burden of taxation is paid for by those in the lower income brackets.

The social significance of the fiscal crisis is of immense proportions and goes well beyond short-term budgetary issues. As the Department of Urban Affairs stated "cities are facing more and more difficulties in financing their growing expenditures..... most areas faced with expenditures greater than revenues respond by borrowing or cutting back on public services" (See Deaton 1973 p39). in 1973 it was being claimed that in Canada "the delivery of public goods and services- which supports our economy and society is slowly but steadily collapsing and falling apart as a result of financial starvation.
This infrastructural breakdown in the delivery of social (public) services is but another form of the fiscal crisis" (Deaton 1973 p46). Since this statement was written the fiscal crisis has had its most marked effects and in the last eight years it has precipitated the massive process of restructuring the welfare state in Canada. This restructuring process has involved all levels of the state but because a great many of the social policies are administered at the provincial level it is necessary to focus our initial analysis at this level in order to examine the historical process of restructuring in greater detail.

4.2.2 Background to Ontario Social Expenditure Changes

The decade of the 1970's witnessed a downturn in the Ontario economy: growth in the provincial economy slowed, investment in key sectors such as manufacturing and housing occurred at a reduced rate and unemployment increased (See Social Planning Council, Metro Toronto, 1979). Between 1960 and 1970 Ontario government expenditures increased five fold, from $1 billion to $5 billion and by 1975 expenditures reached $9 billion. Also by 1975 the annual growth of government expenditures had reached 25%, inflation had topped 10% and the government debt had doubled in one year to reach $2 billion (M.L.O.C. 1980).

These trends had prompted serious questioning of government spending and in particular expenditure on social programmes. Advocates of free enterprise were arguing that government spending had absorbed needed investment dollars, thereby contributing to an inflationary demand for capital. They were arguing that expenditures on social programs be reduced and diverted instead toward the private 'profit making'
sectors of the economy.

These perspectives in the context of economic decline had a marked effect on government thinking and behaviour and in early 1975 Ontario's Tory Government set up the Special Programs Review Committee to "inquire into ways and means of restraining the cost of government through examining issues such as the continued usefulness of programs" (OPSEU, 1980 p17). In November 1975 the Committee produced the Henderson Report which was to become the main document to articulate the Ontario Government's already established cutback program.

The report offered three solutions to growing State expenditures and these can be classified as cutback, throwback and shiftback measures. Cutback measures involved reducing the numbers and wages of State employees and the levels of social service. Throwback measures involved increasing the costs of services and making the user pay a higher proportion of the costs. Finally shiftback measures involved decentralizing provincial government responsibilities to municipal governments and ultimately to individuals. These three forms of restraint can be seen in the committee's recommendations on spending restraint in virtually every area of provincial government spending on social services. The recommendations included the elimination of programs, cuts in grants to municipalities, manpower reductions, reductions in social security expenditures etc. The committee estimated that by 1977-78 this restraint program would have saved the provincial government $3,660m. Simultaneously the Tory government attempted to cripple
resistance to these measures by attacking the right to strike. Bill 100 passed in 1975 granted teachers the right to strike but only under a whole maze of restrictive conditions. Similarly the Legislature passed a bill which empowered the Labour Relations Board to issue injunctions to end illegal strikes and to order a union to hold a vote on an employer's last offer. In the light of these developments the Tory Government only rejected 25 of the 184 recommendations contained in the Henderson report, the report was accepted and the government went ahead to implement the program of restraint.

Within the field of Social Services, hospitals were urged to specialize in order to boost productivity; they were urged to substantially increase daily charges for private and semi-private accommodation and also to cut the number of paid hours of hospital staff by 10%. The report suggested that the proportion of the provincial budget allocated to social security be lowered and the government began to hold benefit increases to welfare recipients well below the rate of inflation. The government placed a freeze on replacement staffing in the civil service in 1975 and reduced operating expenditures by 10%. Revenues increased by 19% in 1976 while spending increases were held to 10% (Public Accounts 1977). Hospital salary increases and operating expenses were cut back to 5%, O.H.I.P. (medical insurance) rates were increased by 50% (M.L.O.C. 1980). The 1977 budget restricted the rate of growth in expenditures to 9% while $85 million worth of corporate income tax reductions and incentives were granted to the private sector (M.L.O.C. 1980). In 1978 O.H.I.P. fees were increased by another 22% and another $55 million dollars were granted in tax cuts to mining,
tourism, insurance and energy conservation and in increased tax
exemptions to mining and manufacturing industry (MLOC 1980). In
announcing the 1980 budget, Ontario Treasurer Frank Miller noted that
in 1975-6 government spending accounted for 17.2% of the Gross Provincial
Product and in 1980 he estimated this could be reduced to 15.5%.
Leaving no doubt about what the cutback programme was to achieve
and how it had succeeded in transferring more of the province’s wealth
to the private sector Mr. Miller stated: “That 1.7 percentage point
reduction translates into $1.9 billion in the hands of the private
sector. These are resources that might otherwise have been in the grip
of the government had we not had the gumption to implement the restraint
program and stick with it” (OPSEU, 1980, p.27).

Finally, a glance at government expenditures between
1977 and 1979 shows a marked change in priorities. Education, health
and social services had their budgets increased by 9% while the rate
of inflation was double that. Industry and tourism on the other
hand had its budget increased by 48% and treasury and economics by
25% (Ontario Government Expenditure Estimates 1979). Meanwhile the
total police budget in Ontario was increased by 198% from 1970-1977
(Ontario Justice Statistics 1978).

It is only within this general context of changing
government expenditure priorities that we can now examine changes in
social service provision in Ontario.
4.2.3 Provincial Spending Restraint and the Social Services

The policy of fiscal restraint, as has often been pointed out, does not necessarily imply a net reduction in dollars spent on government programs. Absolute reductions in spending are difficult to enforce and most commonly restraint implies limiting the growth in expenditures and thereby reducing the level of service which can be delivered in an inflationary environment.

In Ontario total government expenditure has increased between 1971 and 1980 by 152% and in the same period the very broad category of expenditure referred to as social development spending has increased 160% (Public Accounts 71/72 and 80/81 estimates). Expanded public investments in particular areas such as post-secondary education account for most of this (OWC 1980). From Table 1 it can be seen that the largest growth in social development expenditures occurred in the early 1970's. Cutbacks in Human Services in the latter half of the decade meant that the share which social expenditures comprised in the total budget was reduced from 63.7% in the 75/76 fiscal year to 61.4% in 1980/81 (Public Accounts 75/76 and 80/81 estimates). Among the social development ministries the Ministry of Community and Social Services displayed the highest rate of spending growth (16%), reflecting the changing nature of social services in Ontario. The growing importance of this ministry as Ontario developed a more community oriented system of service delivery is reflected by the increase in its share of the total budget from 5.6% in 1971/72 fiscal year to 8.5% in 1980/81.
TABLE 1

ANNUAL COMPOUND GROWTH RATE OF TOTAL AND SELECTED GOVERNMENT EXPENDITURES

1971/72 to 1981/82

<table>
<thead>
<tr>
<th>Fiscal Years</th>
<th>1971/72 - 75/76</th>
<th>1975/76 - 80/81</th>
<th>1971/72 - 80/81</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Budget Expenditure</td>
<td>11.8%</td>
<td>10.1%</td>
<td>10.8%</td>
</tr>
<tr>
<td>Social Development Expenditure</td>
<td>13.7%</td>
<td>9.3%</td>
<td>11.2%</td>
</tr>
<tr>
<td>Ministry of Community &amp; Social Services Expenditure (C.O.M.S.O.C.)</td>
<td>23.1%</td>
<td>10.5%</td>
<td>16.0%</td>
</tr>
<tr>
<td>Income Maintenance Expenditure</td>
<td>13.8%</td>
<td>7.7%</td>
<td>10.4%</td>
</tr>
</tbody>
</table>

Source: Ontario Welfare Council (1981 p77)
Despite the fact that the Ministry of Community and Social Services expenditure growth exceeded the total budget by a rate of 5.2% during the 1971-81 period the proportion of its budget which was allocated to income maintenance (welfare) expenditures was not permitted to keep pace. Spending on income maintenance increased at a rate of 10.4% per year which was lower than the 10.8% annual growth rate on social development expenditures. By comparing spending trends in the first and latter half of the 1970's a conclusion that welfare recipients have carried a disproportionate share of the cost of restraint can be substantiated. In the latter half of the the decade some dramatic expenditure reductions took place. The annual growth rate of the total budget was reduced from 11.8% to 10.1%. Growth in social development was reduced from a rate of 13.7% annually to 9.3%. Cutbacks in the growth of COMSOC were greater than all the other spending cuts. The growth rate of the Ministry of Community and Social Services was reduced by more than half, from 23.1% per year to 10.5%.

The annual rate of growth in income maintenance (welfare) expenditures was reduced 44.2% from 18.8% to 7.7%. Welfare programs became less of a financial priority in the latter half of the 1970's and the share which income maintenance expenditures comprised in the total budget declined from 4.4% in the 1975/76 fiscal year to 4.0% in the 1980/81 fiscal year. It is evident that government cutbacks had their most marked effects after 1975/76 fiscal years. The growth rate of income maintenance expenditures at 7.7% was well below the total budget and with this in mind the Ontario Welfare Council (1981)
calculated that if income maintenance expenditures had been tied to the growth rate of the total budget (10.1%) this would have meant an additional $77.8 million to social assistance programs.

There have been major cutbacks in human services expenditures since the mid 1970's. While income maintenance (welfare) programs have been cut most severely it is not at all clear what this has meant to welfare recipients. It is towards examining the cutbacks from the welfare recipients' perspective rather than from the perspective of state expenditures, that we must now turn.

4.3 Restructuring and the Welfare Population in General

4.3.1 Introduction

This section attempts to give a brief outline of how the process of restructuring the welfare state has affected the welfare population in general. It attempts to view the welfare cutbacks from the perspective of the individual welfare recipient and the way in which they are affected in their struggle for subsistence. A detailed understanding of the changing economic status of this large service-dependent population is an obvious pre-requisite to comprehending the changing residential location of this population.

It is clear that for the purposes of most analyses it is incorrect to treat the welfare population as a monolithic group and for this reason the following pages will merely outline the nature of the welfare population in general. Combining a knowledge of both
the reasons for dependency and the extent of the cutbacks it is then possible to conclude the section with a brief analysis of how these have affected the size of the welfare population over the last decade.

4.3.2 Trends in the Purchasing Power of Social Assistance Incomes

The incomes of people dependent upon the three main forms of income maintenance in Ontario, General Welfare Assistance (GWA), Family Benefits Assistance (FBA) and benefits for disabled people (Gains-D) have decreased significantly in real terms over the past five years. This constant pattern of decline in the purchasing power of assistance incomes is revealed in Table 2.

All of Ontario's welfare recipients have suffered a substantial loss in their real incomes since 1975. For single persons under 65, the loss in 1980 constant dollars ranged from $637 on GWA to $773 on Gains-D. For a mother and father with two children the losses in 1980 constant dollars ranged from $1,150 on GWA to $1,340 on Gains-D. When Ontario's median family income is compared to the incomes of welfare recipients it can be seen that people on social assistance are far worse off than most Canadian families. In 1980 the income of a single GWA (Short Term Welfare) recipient was 11% of the median income; a mother of three on FBA (Long Term Welfare) had an income of 30% of the median; and a family of four with a disabled father on Gains-D received an income 33.7% of the median. Because Ontario has not increased social assistance incomes at the same rate as the cost of living, people who live on social assistance are worse off in 1980 than they were in the earlier years of the 1970's.
### Table 2
CHANGES IN PURCHASING POWER, 1975 TO 1980, FOR MEDIAN FAMILY INCOME AND FAMILIES ON SOCIAL ASSISTANCE IN 1980 CONSTANT DOLLARS

<table>
<thead>
<tr>
<th>Median Family Income</th>
<th>Income in 1975</th>
<th>Income in 1980</th>
<th>Change in Purchasing Power</th>
<th>Shortfall as a Per Cent of 1980 Incomes</th>
</tr>
</thead>
<tbody>
<tr>
<td>GWA</td>
<td>$25,235</td>
<td>$25,807(^1)</td>
<td>+$572</td>
<td>+2.2%</td>
</tr>
<tr>
<td>Single Person under 65</td>
<td>3,479</td>
<td>2,842</td>
<td>-$637</td>
<td>-22.4%</td>
</tr>
<tr>
<td>Mother, with 1 child</td>
<td>5,811</td>
<td>4,970</td>
<td>- 841</td>
<td>-16.9%</td>
</tr>
<tr>
<td>Mother, with 3 children</td>
<td>8,057</td>
<td>7,110</td>
<td>- 947</td>
<td>-13.3%</td>
</tr>
<tr>
<td>Mother, Father, with 2 children</td>
<td>8,248</td>
<td>7,098</td>
<td>-1,150</td>
<td>-16.2%</td>
</tr>
<tr>
<td>FBA</td>
<td>$6,335</td>
<td>$5,461</td>
<td>-$874</td>
<td>-16.0%</td>
</tr>
<tr>
<td>Mother, with 1 child</td>
<td>8,716</td>
<td>7,718</td>
<td>- 998</td>
<td>-12.9%</td>
</tr>
<tr>
<td>Mother, with 3 children</td>
<td>9,020</td>
<td>7,820</td>
<td>-1,200</td>
<td>-15.3%</td>
</tr>
<tr>
<td>GAINS-D</td>
<td>$4,724</td>
<td>$3,951</td>
<td>-$773</td>
<td>-19.6%</td>
</tr>
<tr>
<td>Single Person under 65</td>
<td>7,357</td>
<td>6,352</td>
<td>-1,005</td>
<td>-15.8%</td>
</tr>
<tr>
<td>Mother, with 1 child</td>
<td>9,738</td>
<td>8,609</td>
<td>-1,129</td>
<td>-13.1%</td>
</tr>
<tr>
<td>Mother, Father, with 2 children</td>
<td>10,042</td>
<td>8,702</td>
<td>-1,340</td>
<td>-15.4%</td>
</tr>
</tbody>
</table>

\(^1\) Estimated

Source: Ontario Welfare Council, 1981 ... And the Poor Get Poorer, Toronto.
4.3.3 What is the Adequacy of Ontario Social Assistance Programs?

Recently the Ontario Welfare Council (1981) has begun to compare the actual incomes of the typical assistance families with the Statistics Canada Poverty Lines with what the Social Planning Council of Metropolitan Toronto feel is the income required to provide an adequate living standard in Ontario (See Guides for Family Budgeting, Social Planning Council Metro Toronto 1978). The results of these comparisons can be seen in Table 3. Incomes under all social assistance programs were well below the budget guide standards of adequacy and below the poverty lines. Therefore not only are incomes of GWA, FBA and Gains-D recipients inadequate but they have become less and less adequate since 1975 and have deteriorated to levels that existed in the early 1970's.

4.3.4 Unemployment and Social Assistance

The relationship between unemployment and social assistance is one of primary importance when one is attempting at assess the extent and causes of change in welfare expenditures. Assistance recipients have been affected by rising levels of unemployment in a variety of ways and the relationship between unemployment and the number of welfare recipients is not a simple one.

The Ontario Welfare Council (1981) examined the relationship between General Welfare Assistance (GWA) and unemployment, because as GWA is a short term assistance program and people need to have low
**TABLE 3**

*ACTUAL LEVEL OF POVERTY, BUDGETARY NEEDS AND SOCIAL ASSISTANCE INCOMES IN ONTARIO, 1980*

<table>
<thead>
<tr>
<th>Family Composition</th>
<th>Budget Guides</th>
<th>Poverty Lines</th>
<th>General Welfare</th>
<th>Family Benefits</th>
<th>GAINS-D</th>
</tr>
</thead>
<tbody>
<tr>
<td>Single Person Under Age 65</td>
<td>$6,631</td>
<td>$5,135</td>
<td>$2,842</td>
<td>N/A</td>
<td>$3,951</td>
</tr>
<tr>
<td>Mother with Child Age 4</td>
<td>$8,891</td>
<td>$7,443</td>
<td>$4,970</td>
<td>$5,461</td>
<td>$6,352</td>
</tr>
<tr>
<td>Mother with Children Ages 3, 6 and 8</td>
<td>$12,072</td>
<td>$11,298</td>
<td>$7,110</td>
<td>$7,718</td>
<td>$8,609</td>
</tr>
<tr>
<td>Mother and Father with Children Ages 10 and 13</td>
<td>$14,170</td>
<td>$11,298</td>
<td>$7,098</td>
<td>$7,820</td>
<td>$8,702</td>
</tr>
</tbody>
</table>

1. Incomes on General Welfare, Family Benefits, and GAINS-D, include federal family allowances and child tax credits where appropriate, as well as Ontario property and sales tax credits. The cost of providing free OHIP and drug benefit has not been included as income, and has therefore been excluded from consideration of budgetary needs as well.

Source: Ontario Welfare Council, 1981. *...And the Poor get Poorer.* Toronto.
incomes to qualify, it appears as if GWA operates to sustain temporarily unemployed persons who have lost low wage jobs. It was found that while the upward and downward swings in these rates often coincided, the relationship between the unemployment rate and the number of GWA recipients who requested assistance because of unemployment was not precise. The periodic tightening or loosening of unemployment insurance eligibility criteria has a significant effect upon the number of unemployed people who apply for GWA. Since 1978 the federal government has attempted a major shiftback measure by tightening unemployment insurance regulations despite rising unemployment and this shiftback resulted in a heightened demand for GWA assistance. Because GWA is a municipally administered program cost shared 50% by the federal government, 30% by the Province and 20% by the municipality, this represents a typical shiftback policy placing increasing responsibility on the lower levels of government which are experiencing the tightest fiscal constraints. (See, The problem is jobs, not people: A response to revisions in the Unemployment Insurance Benefits Act by the Government of Canada, Social Planning Council of Metro Toronto, October 1978).

Examinations of the general relationship between work and welfare show that social assistance programs have been structured both to encourage short term recipients to return to work and to ensure the working poor continue working (Macaroy, 1980). The Ontario Welfare Council (1981) has shown how between 1970 and 1980 the Ontario minimum wage and the GWA benefit levels have increased virtually in lock-step and GWA was never allowed to exceed the minimum wage. This policy of
keeping welfare payments below the minimum wage ensures that some people will continue to work full time for low payments (Harrison, 1979). It is obvious that in Ontario low wage earners have no choice since welfare only promises greater poverty.

In discussing the relationship between employment and welfare it is vital to remember that the majority of welfare recipients are not unemployed adults. It is this question of who constitutes the welfare population which we must now address.

4.3.5 Who is the Welfare Population?

Discussions on welfare and welfare cutbacks in the media and the popular press most commonly found on an inadequate or incorrect comprehension of the exact nature of the welfare population. In 1977 the Ontario Welfare Council / Social Planning Council in their review of social assistance highlighted the fact that people receiving public aid were mainly sick, disabled, elderly adults and their dependents or women raising children alone. From Figure 6 it can be seen that by 1979 the structure of the welfare population had changed little.

Unemployment was the largest single reason why people need GWA; however a significant 27.4% of recipients were blind or disabled and 23.9% were single parents. In the case of FBA/Gains-D recipients 52% were on assistance because they were blind or disabled, while 43.1% were heads of single parent families. An examination of the total social assistance caseload shows that 42.3% of cases were
FIGURE 6
REASONS FOR DEPENDENCY ON SOCIAL ASSISTANCE, 1979

GWA

Other 7.7%
Single Parent Families 23.9%
Unemployment 41.0%
Blindness/Disability 27.4%

GWA and FBA/GAINS-D Combined

Blindness/Disability 42.3%
Unemployment 16.2%
Other 6.0%
Single Parent Families 35.5%

FBA/GAINS-D

Single Parent Families 43.1%
Blindness/Disability 52.0%
Other 4.9%

on assistance because they were blind or disabled, 35% were single
parent families and only a minority of 16.2% were on assistance because
they were unemployed.

The importance of these findings is that while it is true
that welfare is structured so as to force people to remain in low-
wage jobs and to support secondary labour markets the vast majority of
the welfare population constitute a group of people who have almost
permanently lost their competitive link to the labour market. This
supports theoretical assertions made about the welfare population in
the previous chapter and it re-inforces the distinction which was
outlined between the welfare population and the classical unemployed.

4.3.6 Welfare Caseload Changes in Ontario

To conclude the analysis of the effects of welfare cutbacks
on the welfare population in general it is necessary to take a brief
look at the way in which the Ontario social assistance caseload has
been changing over the past decade.

The social assistance caseload in Ontario has not been
growing in relation to the general population and from Table 4 it
can be seen that social assistance recipients have remained a fairly
constant proportion of the Ontario population for a decade. Since
1975 the ratio has remained virtually unchanged at 4.4%. Overall
though, the total caseload of persons receiving assistance under GWA,
FBA and Gains-D increased by 25.8% over the decade and 20.8% between
# TABLE 4

RECIPIENTS OF SOCIAL ASSISTANCE IN ONTARIO, CASELOAD AND BENEFICIARIES, 1971-80

<table>
<thead>
<tr>
<th>March Caseload Registration for:</th>
<th>CASELOAD</th>
<th>BENEFICIARIES</th>
<th></th>
<th></th>
<th></th>
<th>Beneficiaries as a % of Ontario's Population</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>GWA</td>
<td>FBA</td>
<td>GAINS-D</td>
<td>TOTAL</td>
<td>GWA</td>
<td>FBA</td>
</tr>
<tr>
<td>1971</td>
<td>83,733</td>
<td>71,601</td>
<td>155,339</td>
<td></td>
<td>204,668</td>
<td>167,354</td>
</tr>
<tr>
<td>1972</td>
<td>82,772</td>
<td>80,108</td>
<td>162,880</td>
<td></td>
<td>181,221</td>
<td>187,721</td>
</tr>
<tr>
<td>1973</td>
<td>64,634</td>
<td>84,037</td>
<td>148,671</td>
<td></td>
<td>140,413</td>
<td>195,170</td>
</tr>
<tr>
<td>1974</td>
<td>62,742</td>
<td>89,302</td>
<td>152,044</td>
<td></td>
<td>133,118</td>
<td>199,074</td>
</tr>
<tr>
<td>1975</td>
<td>69,512</td>
<td>52,633</td>
<td>39,647</td>
<td>161,792</td>
<td>146,584</td>
<td>146,408</td>
</tr>
<tr>
<td>1976</td>
<td>66,606</td>
<td>58,838</td>
<td>43,115</td>
<td>168,559</td>
<td>140,364</td>
<td>157,514</td>
</tr>
<tr>
<td>1977</td>
<td>64,158</td>
<td>69,133</td>
<td>39,884</td>
<td>173,175</td>
<td>131,200</td>
<td>174,011</td>
</tr>
<tr>
<td>1978</td>
<td>70,548</td>
<td>74,303</td>
<td>38,250</td>
<td>183,101</td>
<td>139,693</td>
<td>180,719</td>
</tr>
<tr>
<td>1979</td>
<td>73,987</td>
<td>76,114</td>
<td>35,001</td>
<td>185,102</td>
<td>143,949</td>
<td>178,104</td>
</tr>
<tr>
<td>1980</td>
<td>80,443</td>
<td>80,935</td>
<td>34,103</td>
<td>195,481</td>
<td>154,701</td>
<td>180,902</td>
</tr>
<tr>
<td>Per Cent Change 1971/80</td>
<td>-3.9</td>
<td>60.7</td>
<td>25.8</td>
<td></td>
<td>-24.4</td>
<td>34.1</td>
</tr>
<tr>
<td>Per Cent Change 1975/80</td>
<td>15.7</td>
<td>53.8</td>
<td>-14.0</td>
<td>20.8</td>
<td>5.5</td>
<td>23.6</td>
</tr>
</tbody>
</table>

1. Figures for GWA are estimated based on data supplied in the Quarterly Statistical Supplement, January - March 1975, Ministry of Community and Social Services.

Source: Ontario Welfare Council, 1981 ... And the Poor Get Poorer, Toronto.
1975 and 1980. Also it can be seen that the requirement for long
term assistance increased significantly between 1971 and 1980 in contrast
to the requirements for short term assistance.

In comparison with these trends the number of people who
benefit from social assistance programs has not increased significantly
(2%) between 1971 and 1980. The contrast between the increasing numbers
of recipients and the constant number of people benefitting from the
programs reflects changes in the family composition of the welfare
household. These households have become smaller with fewer children
and other dependents.

Because of the nature of dependency the severe cutbacks in
the levels of social assistance in Ontario have not resulted in a
noticeable decrease in the size of the welfare population. On the
contrary this population is generally unable to re-enter the labour
market and is forced to subsist on a rapidly decreasing real income.
The welfare recipients' income is well below the poverty line and has
been kept below the minimum wage so as to enable secondary labour
markets to operate, forcing welfare recipients into labour markets
wherever possible while simultaneously preventing low-wage workers
from joining the welfare rolls. The trend may be interpreted as resulting
from the influences placed on welfare by the emerging 'back to work'
reactionary philosophy and the support of these policies by fiscal
conservatives, attempting to cope with the pressures imposed by the
fiscal crisis of the state.
4.4 Restructuring and Specific Service-Dependent Populations

4.4.1 Introduction

Although the process of restructuring the Canadian Welfare State has been a highly purposive activity it has also been complex, diverse and even often contradictory. In the previous section the broad lineaments and general results of the process were outlined but ultimately it was impossible to progress beyond the limits imposed by the level of analysis. Therefore in keeping with the overall structure of the chapter, this section will act as an intermediate step in the attempt to move from a general aspatial analysis of the restructuring process to the specific and spatial outcomes of this process.

Recognizing the diverse and heterogeneous nature of the welfare population and the inherently variable and individual character of the policy process this section will attempt to chart the historical development of social policy for five important but discrete service-dependent populations. Groups dealt with are: ex-psychiatric patients, the mentally retarded, the physically disabled, the elderly and probationers and paroles. Having first traced the development of important aspects of social policy affecting these populations, each of the groups is analyzed at the level of an individual city and it is here that state and space inseparably merge. It is at this level that we see most clearly the material expression of the changing social relations implied by the process of restructuring and it is here also that we find empirical verification of the power and meaning of policy changes at a general level.
This section is designed to highlight the apparent diversity but inherent consistency of the restructuring process. In addition it should provide the necessary detail to enable us to understand the meaning and genesis of the public city in Hamilton (an issue that will be dealt with further in the final section of this chapter).

4.4.2 Psychiatric Care

4.4.2.1 Introduction

The pattern of mental health services in Ontario developed around the psychiatric institutions known as asylums. These were large central institutions which could be run economically and easily supervised. They were designed to be indestructible and they provided strict custodial care. In the late 1940's and early 1950's the introduction of electro-convulsive shock therapy and tranquilizers led to the control of the gross symptoms of mental illness. This had a revolutionary effect upon psychiatric care and institutions began to give up the custodial approach to service and move in the direction of providing new forms of treatment.

By 1959 the focus of psychiatric treatment was shifting to the community and developing treatment methods were based on shorter hospital stays and early discharge. That year Matthew Dymond, the Ontario Minister for Health, in a report recommended that "when the patient leaves the hospital his rehabilitation should become the responsibility of agencies in the community in consultation with the
hospital and with community psychiatric services if necessary" (Dymond Report 1959 p9). During the 1960's and 70's the province began to fund general hospital psychiatric units so that by 1976 psychiatric units were treating 28,441 patients annually, a 713% increase since 1961 (OPSEU 1980). More psychiatric patients were admitted for shorter and shorter periods of time through general hospitals. Provincial psychiatric hospitals were also placing greater emphasis on out-patient admissions and thus keeping people out of institutions. Between 1961 and 1975 out-patient admissions increased by 203% from 33,000 to 100,000 (OPSEU 1980).

Conversely, between 1961 and 1978 the in-patient population on the psychiatric hospital books declined from 18,292 in 1961 to 4,608 in 1978 (Ontario Statistics 1978). By 1977-78 the amount of time that a patient would stay in hospital from the date of admission to date of discharge was greatly reduced. Of the 16,064 discharges in 1977-78, 42% were discharged in less than a month and 72.3% had been discharged within 3 months from the date of admission (Ontario Statistics 1979).

At the same time that the psychiatric hospital in-patient population was declining, the Province's Homes for Special Care Program (established in 1964) was supposed to take in the large bulk of those patients discharged from psychiatric hospitals but still regarded as chronically mentally ill. This program now absorbs 14% ($57 million) of the province's major expenditures for mental health programs.
Between 1965 and 1978 the resident population in Homes for Special Care increased by 369%, so that the number of residents in Homes for Special Care now exceeds the number of patients on books at provincial psychiatric hospitals. This program is for patients who are felt to be beyond rehabilitation for independent living and it can be conceived of as a terminal arrangement for the chronically ill.

Under a more controlled arrangement, in-patients are accepted in small group home 'community settings' in 'Approved Homes'. Individuals move from the hospital to the privately-run homes on a six month probationary basis. The objective of this program is ultimate independence for the patient, but to date this program has never really been implemented and has served a largely cosmetic function. By 1977-78 the program consumed only 0.1% ($608,100) of the provincial expenditures on major programs in mental health and only 37 homes had been built, providing a mere 213 beds (Report of the Ontario Council of Health, 1979).

It can be seen from Figure 7 that at the same time that in-patient populations in psychiatric hospitals declined and the government pursued its policy of de-institutionalization, admissions to the provincial psychiatric hospitals continued to grow. Between 1960 and 1976 admissions to provincial psychiatric hospitals increased by 93% from 7,420 to 14,319, but a growing proportion of these admissions are re-admissions (OPSEU 1980). In 1960 there were 2,845 re-admissions to Ontario's psychiatric hospitals but by 1976 this number had grown
Fig. 7. Number of residents, total admissions, discharges and readmissions to Provincial Psychiatric Hospitals, 1960-1977.

to 8,086, a 212% increase. These high re-admissions rates raise a number of important questions about the government's general policy of de-institutionalization, which will be returned to later.

4.4.2.2. Trends in Psychiatric Care Expenditures

A brief examination of the changing levels of financial support for psychiatric care in Ontario helps to inform the analysis of the process of de-institutionalization observed in the previous section.

Since 1976 the growth in government spending on health care has lagged behind the growth in revenues by approximately 5% and spending on psychiatric care has fared even worse (Public Accounts 1976, 1979). Ontario Ministry of Health records show that between 1976 and 1979 Ontario's spending on psychiatric services decreased from 6.8% to 5.3% of the total health budget and as a result spending on psychiatric services has increased by only 3.4% compared with revenue increases of 37.3% (Globe & Mail, March 12 1981). When this is placed in the context of rising inflation (28% during the period) this relative decline in spending is of increased significance.

Although the process of de-institutionalization was already well underway when the Ontario Government's full scale retrenchment program started in 1975, it has been persuasively argued by many critics that because there existed an accepted ideology which argued that the recipients of care were better off outside the institutions, the institutions became a prime target of that retrenchment policy. In April 1978 the Chairman of the Management Board of Cabinet boasted
about a saving of $35 million in salaries and benefits through a
decrease in the size of the civil service. The largest single items
contributing to this $35 million in savings were in the areas of Health
($4.6 million) and Community and Social Services ($4.2 million) (OPSFW
1980, p29). Yet it is only when we take a closer look at the reality
of community based care for the de-institutionalized that we can fully
appreciate the effects of the retrenchment policy on the de-institutionalized.

4.4.2.3 Community Based Care for the De-institutionalized

While few have argued against such-concepts as the need to
re-integrate institutionalized people back into normal social patterns
of living, there is a dire need to look at the reality of 'community
living' for the de-institutionalized psychiatric patients as well as
for the mentally retarded. Officially the government tends to say
that patients are released from institutional care into community based
alternative care that most closely approximates normal living conditions.
For the de-institutionalized patients, after-care and follow-up
services are probably the most critical elements in the transitional
process and both theoretically and practically, de-institutionalization
implies that alternative forms of therapeutic care are available in
the community. However a number of recent investigations show that
therapeutic care in the community is seriously lacking.

A 1980 study by the Ontario Public Service Employees Union
on the conditions of de-institutionalized patients revealed "a
discomforting scenario of loneliness and desperation, inadequate income
maintenance, depressing housing conditions and fragmented and sometimes non-existent follow-up support in the community" (OPSEU 1980 p63).

A 1979 study of the province's mental health system by the Ontario Council of Health stated that "Large numbers of discharged patients who continue to require therapeutic environments are relegated to rooming house and room and board facilities, often the least desirable setting in a majority of cases" (Globe & Mail March 12 1981). Housing is the single most critical problem for discharged patients, but because so many of them live on welfare, all they can afford is the type of housing least appropriate to their needs. Many of these patients live in cheap boarding homes in the core area of the city. The neighbourhood of Parkdale in Toronto, where an estimated 12,000 former patients live because of the availability of cheap boarding homes is a typical example of this type of service-dependent ghetto.

Cut-backs in the provision of after care services by COMSOC in particular as well as the general fragmentation of the welfare system have been a major factor in the creation of these ghettos. The proliferation of discharged mental patients in cheap boarding homes coincides with the ceilings the provincial government put on new admissions to the Homes for Special Care. Similarly, recent research by a Toronto based independent research firm indicated that the financial limits set on Government Housing assistance have "forced a lot of people into boarding homes" (Globe and Mail March 12 1981). A study for the Ministry of Health found that out of 331 patients discharged from Queen Street Mental Health Centre 68% had nowhere to
go but Toronto area boarding homes (Community Resources Consultants Ltd., 1980). These commercial boarding homes, which in reality form the largest part of the after care system are virtually unregulated and unplanned (See Section 4). But in order to understand why the process of de-institutionalization operates as a process of abandonment, it is necessary to understand the fragmented and contradictory welfare system that has developed from the restructuring of the welfare state.

A recent study on the housing needs for discharged mental patients in Toronto, presented to the Ontario Psychiatric Association, points out that the Ministries of Health and Community and Social Services do not co-ordinate their housing and other programs for psychiatric patients. Communication between programs in the same ministry, it was argued, range from poor to non-existent. Similarly it is argued that provincial and municipal relations on housing are confused as in the case where the provincial secretariat for social development had been encouraging municipalities to adopt permissive by-laws (i.e. to allow group homes for former mental patients). While another agency, the Ontario Municipal Board, had been approving restrictive zoning by-laws (Globe & Mail, Nov. 8, 1980). At the local level restrictive municipal by-laws and exclusionary action on behalf of communities result in the spatial concentration of facilities, and programs (see Map 14). Hughes (1980) has shown how community mental health facilities are concentrated due to these forces into areas which are poor and have little political power. It is clear that as long as the welfare system is under-financed, fragmented and contradictory, discharged psychiatric
patients will continue to be ghettoized into areas of cheap boarding houses close to the core.

4.4.2.4 Psychiatric Care in Hamilton

The spatial effects of the process of de-institutionalization and abandonment can be seen with greater clarity when we focus our analysis at the level of an individual city. Changes in the nature of psychiatric care have resulted in a proliferation of ex-psychiatric patients in the core area of the city. In a follow-up study of a sample of 495 people discharged from Hamilton Psychiatric Hospital (HPH) between April 1, 1978 and March 31, 1979 Dear (1980) found that 70% were discharged to destinations in the core area. This geographical concentration of the discharged population was confined predominantly to a nine tract area close to the central business district (CBD) and included a significant number (12%) of people who originated from outside Hamilton on admission. In an earlier follow-up study of a cohort of 169 Hamilton patients, Dear (1977) noted the extremely high levels of mobility exhibited by these discharged patients. Associated with these high levels of mobility are high levels of re-admissions which in Ontario have aided in the development of the "revolving door syndrome" characterized by high rates of discharge and re-admission. It is clear from an examination of the spatial variations in the utilization rates of Mental Health services in Hamilton (Map 7 ) that many of the people involved in the "revolving door syndrome" originate and return to the core area of the city. This spatial outcome of the process of
MAP 7 Utilization Rates of Mental Health Facilities in Hamilton (1976)
deinstitutionalization and abandonment of psychiatric patients indicates the role that this service-dependent group has played in the creation of the public city.

4.4.3 The Mentally Retarded

4.4.3.1 Background to the Care of the Mentally Retarded in Ontario

The historical development of mental retardation facilities parallels the trends in psychiatric care in Ontario. Initially care of the mentally retarded was purely custodial and segregated from society in large, rural, isolated institutions. During the late 1950's and through the 1960's the theory and attempted practices of 'normalization' became popular (See Wolfensburger 1972). The focus of rehabilitation was personal life skills with an attempt to move the retarded out of 'dead end' institutions and out into the community. The 'community' was never consulted, poorly prepared and reacted with hostility, confusion and rejection. A number of disturbing examples of the reality of de-institutionalization became public during 1970 and 1971 and as a result the government reacted so that discharge rates actually fell between 1969 and 1972. During this period and in response to these incidents the government commissioned a report on the care of the mentally retarded in Ontario (Willston Report 1971). While the findings of this report revealed the inadequacies of the government's approaches to de-institutionalization it nevertheless concluded that, "it is far more economical and humanitarian to give the handicapped the total care he needs in his own community than providing it in an
institution" (OPSEU 1980 p11). The findings of this and several other reports were used to placate public opposition to the government's policy of de-institutionalization while simultaneously nurturing the community care ideology. Consequently by 1973 discharge rates began to climb again surpassing their previous peak level.

In 1973 the government produced the green paper entitled "Community Living for the Mentally Retarded in Ontario: A new policy focus" enabling the mental retardation process to be transferred to the Ministry of Community and Social Services in April 1974. The purpose of this transfer was to provide a major shift of emphasis from institutional to community living for individuals who are mentally retarded. With the proclamation of the Developmental Services Act in 1974 the control of Mental Retardation facilities was transferred from the jurisdiction of the Ministry of Health to the Ministry of Community and Social Services. The act therefore provided the legislative basis for the shift in the organizational and fiscal responsibility. What had therefore begun as a piecemeal process of de-institutionalization resulted in a wholesale restructuring of this aspect of the welfare state enabling the rapid discharging of residents. As we will see later, many of these people were placed in inappropriate settings or returned to the family setting from which they originated. However before looking at the reality created in the aftermath of this process we must firstly review the changing levels of Government expenditure on the care of the mentally retarded.
4.4.3.2 Government Spending on the Mentally Retarded

The Report of the Special Program Review Committee (1975) which was to become the major document guiding government social policy in the latter half of the 1970's stated that "the Committee deplores the fact that parents of retarded persons have not always been aware of the costs of care since there has been no charge for services. To the extent that institutionalization is either required or requested charges should be levied to cover not only the basic level of health care, but also program-related services," (Henderson Report 1975). This strongly reflected the attitude of the provincial government which developed a policy primarily concerned with cost cutting and fiscal entrenchment utilizing a complicated series of cutback, throwback and shifftack policies to attain these results.

The transfer of the responsibility for the mentally retarded from the Ministry of Health to the Ministry of Community and Social Services (COMSOC) in 1974 attains paramount significance when we recall the earlier findings that between 1975 and 1980 cutbacks in the growth of COMSOC budgetary expenditures were greater than all other spending cuts. The results of these cuts were that between 1975 and 1980 many of the programs which COMSOC administers were starved of financial support due to the limited resources available to this department. Coupled with this, a number of fiscal scandals occurred which indicated that the government often allocated money to the ministry but this money was not spent on the programs for which it was allocated and
was absorbed back into the general treasury (OPSEU 1980 p15). In 1975 one year after the ministry transfer $50 million in federal-provincial funds were allocated for the expansion of care for the mentally retarded. This money went unspent and the government simply put it back into the general treasury. The leader of the opposition party in parliament discovered this and the money was re-allocated to facilities for the Mentally retarded. In 1976 and 1977 COMSOC returned to the treasury funds allocated for the expansion of institutions for the mentally retarded. During 1978 an opposition party member in parliament discovered that $14 million had been turned back to the treasury in 1977 alone (OPSEU 1980).

We will see later that during all of this period dire and growing need for the care of the mentally retarded was going unmet. To understand how this could be so we must understand the nature of the service delivery system that developed out of the restructuring process. In conclusion it is clear that all during the late 1970's the provincial government had neglected the care of the mentally retarded to very low priority and that government actions were almost completely dominated by an interest in fiscal restraint rather than the therapeutically appropriate treatment for the client group.

4.4.3.3 The Nature of 'Care' and the Condition of the Mentally Retarded in Ontario

In 1973 it was estimated that approximately 70,000 Ontarians were known to be mentally retarded and of these about 8,000 were
receiving institutional care (Welch 1973). The remainder of the population existed in the community on some form of social assistance or on their families' incomes. In a study of a sample of 385 mentally retarded people living in the community Lambert (1976 p18) found that only 16% of the population used professionals to help them and only 11% made use of the various helping groups and organizations. Lambert (1976 p18) argues that this is the strongest indictment against the current method of care for the mentally retarded and that "the unmet need is a stark reality". Lambert (1976 p19) found that it was those people who were most able to request need who received it, whereas those who were the least self-sufficient and most isolated were the least likely to come to the attention of the "helping professions".

To explain how the welfare state has deteriorated to this form of legitimated abandonment we must examine the development of the service delivery system for the mentally retarded.

The service delivery system that has developed out of the re-structuring process is characterized by its fragmented, privatized and inaccessible nature. The legislative shifts of the early 1970's were associated with the creation of an official community care ideology, later used to legitimate the removal of the state from direct service delivery, and the abandonment of the mentally retarded regardless of need. The network of after-care services has not been developed at a suitable rate to match either the rate of discharge from institutions for the mentally retarded or the extent to which needs are not being met
because of the supposed existence of a community care network.

Lambert (1975, p17) found that out of 385 mentally retarded people she interviewed 75% were living with one or both parents because "there are few living arrangements open to them other than living with their family (particularly their parents)". However, the Ministry of Community and Social Services claims to support a variety of community based housing alternatives. These homes are administered by non-profit community groups, their stated objective being to move people to accommodations providing progressively less supervision so that ultimately they will be better able to cope with day-to-day living. There are four types of residence: (1) Special Homes, (2) Apartments, (3) Adult Group Homes (long term), (4) Group Homes (short term). The standard of care provided by these varies markedly and is only as good as the sponsoring organization can afford. There is a good deal of evidence to show that this after-care system is overloaded and serves a partly cosmetic function.

Recently the Ontario Association for the Mentally Retarded (OAMR) disclosed that some 2,900 mentally retarded people had been inappropriately placed among the 7,500 elderly people in nursing homes and homes for special care, after being discharged from provincial institutions for the mentally retarded, during the late 1960's and early 1970's. The possible reasons underlying this strategy become apparent when the costs of services for institutional care and the other alternatives were compared. The average cost of maintaining a
mentally retarded person in an institution was estimated at approximately $85 per day whereas the basic estimated cost to government of maintaining a retarded person in a home for special care was $28 per day (CPSU 1980). In addition since the homes for special care are privately run on the basis of profit motivation a portion of funds received from the government must be realized in profit so in effect less than $28 per day is spent on the retarded person. Therefore it is clear that while the 'de-institutionalization' of these 2,900 retarded people has meant considerable saving for the provincial government it has been at considerable costs to these people who require more than the mere custodial care which they currently receive.

The restructuring of care for the mentally retarded has been closely associated with the re-privatization of care-giving services and has involved the handing over of large sections of programs to private enterprise. In many instances this has meant the discharge of patients from government funded institutions into often totally inadequate privately run boarding homes, lodging homes and homes for special care (See 4.5 ). The provincial government has also practised a policy of shifting large sums of public monies to large private sector corporations in the health care business. This has certainly been the case with such corporations as Extendicare Ltd. that continue to pick up a large bulk of the de-institutionalized patients and residents. Extendicare is a multi-national health care company with an asset base of $100 million which manages 68 nursing homes containing 8,000 beds. This company has contracted with the Ontario Ministry of Community and Social Services to provide group
homes for the severely retarded (See Globe & Mail March 25, 1980).

Investigations of the nature of after care and general community life for the de-institutionalized retarded person indicate that they do not fare much better than the ex-psychiatric patients. As Lambert (1975 p17) put it, "Loneliness, isolation, dependency, separateness from other people... these are the characteristics of the people we studied". Over the past three years most aspects of the after-care and socialization programs were eliminated and replaced by the Adult Protective Service Worker Program (APSWP). This program is heavily overworked with a caseload of over 5,000 people. Workers can only make one or two contacts per week and it is for this reason that many have argued that the process of 'de-institutionalization' and 'normalization' for the mentally retarded has deteriorating into a process of abandonment.

Perhaps the results of the process of restructuring the care of the mentally retarded are best illustrated by reprinting some of the reports filed by interviewers in the study of the mentally retarded carried out by Lambert (1975).

"This was a strange situation. Very very poor people. The brother was retarded also. And the mother was too sick to work. The rest of the relations didn't help out with money. Everyone did his own cooking and no one got a proper diet. The house was falling apart and was overrun with mice and rats."

"The respondent pays $95 a month for her apartment. With other fixed expenses she has $39 left over for food, clothing, drugs, etc., every month. Her apartment does not include a stove and refrigerator. She has a hotplate of her own, but only one burner works. She sleeps on a
sofa that has lost three of its legs. She will often go for two days or more without food, and often cries herself to sleep. TV is her only pleasure since she doesn't have the money or clothes for anything else."

Lambert (1975, p47).

The scenario of isolation, inadequate income maintenance, poor housing and fragmented follow up support services is revealed again and again in investigations of the condition of the mentally retarded. In order to get an understanding of how the care network provides these results it is useful to examine the case of an individual city.

4.4.3.4 The Mentally Retarded in Hamilton

In both Canada and the United States it has been calculated that 3% of the population will at some time function in the mentally retarded range of I.Q. (Effective Advocacy 1974, 8). However, only 1% of the population will probably be classified as being mentally retarded at any given time (Taryon 1973, p327). Therefore based on this 1% estimate and a total population of 306,528 for 1980 approximately 9,196 retarded people are presently living in Hamilton yet only 3,065 have actually been labelled as being retarded.

In an attempt to find out the extent of the current service network for the mentally retarded, all organizations which publicly claim to provide services for the mentally retarded were contacted. From Table 6 it can be seen that these organizations served a mere 522 people or about 5.6% of the estimated retarded population or 17.6% of the retarded population labelled as such. These findings corroborate
Table 5

THE POPULATION OF SERVICE-DEPENDENT MENTALLY RETARDED PEOPLE IN HAMILTON

<table>
<thead>
<tr>
<th>AREA</th>
<th>SERVICE</th>
<th>NUMBER SERVED</th>
</tr>
</thead>
<tbody>
<tr>
<td>Education</td>
<td>The Hamilton Board of Education</td>
<td>139</td>
</tr>
<tr>
<td>Vocational Training</td>
<td>Ontario March of Dimes (Workshop)</td>
<td>23</td>
</tr>
<tr>
<td></td>
<td>Hamilton and District Association for the Mentally Retarded (Workshop)</td>
<td>200</td>
</tr>
<tr>
<td>Hospitals</td>
<td>Chedoke Continuing Care</td>
<td>20</td>
</tr>
<tr>
<td></td>
<td>Hamilton Psychiatric Hospital</td>
<td>22</td>
</tr>
<tr>
<td>Residential Facilities</td>
<td>L'Arche</td>
<td>4</td>
</tr>
<tr>
<td></td>
<td>Rygiel Home for the Severely Retarded</td>
<td>94</td>
</tr>
<tr>
<td></td>
<td>Participation House</td>
<td>20</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td></td>
<td><strong>522</strong></td>
</tr>
</tbody>
</table>

PERCENTAGE OF THE GENERAL POPULATION               .17%
PERCENTAGE OF THE ESTIMATED MENTALLY RETARDED POPULATION   5.6%
PERCENTAGE OF THE ESTIMATED MENTALLY RETARDED POPULATION LABELLED AS SUCH  17.0%
those of Lambert (1975) with regard to the Ontario Population of Mentally Retarded people in general and also serve to highlight the inadequacy and ineffectiveness of the current service delivery system.

The Hamilton and District Association for the Mentally Retarded (HDAMP) is an autonomous branch of the Ontario Association for the Mentally Retarded and since 1951 this association has been the primary provider of services to people of all ages who have intellectual impairments and live in the Hamilton area. The HDAMP is the primary provider of employment for the mentally retarded in the area and approximately 200 adults participate in the vocational programs that they offer. These people are employed in workshops carrying out such tasks as packaging merchandise and building and repairing pallets. People employed in the workshops receive wages between 27 and 37c per hour and it is common for wages to be started even lower supposedly so that the person has some incentive to improve. In a separate arrangement twenty three people are employed in a workshop operated by the Ontario March of Dimes carrying out such tasks as cleaning hard hats and filling bean bags. Wages for these tasks vary between 35c and 85c per hour and are dependent on a person's production level.

The lack of suitably remunerating gainful employment for the mentally retarded in Hamilton is almost equalled by the lack of suitable residential accommodation. There are only 198 available beds for mentally retarded people in specialized residential facilities in Hamilton (See Table 6). Most of these facilities only provide custodial
Table 6

RESIDENTIAL FACILITIES FOR MENTALLY RETARDED PEOPLE IN HAMILTON

<table>
<thead>
<tr>
<th>RESIDENCE</th>
<th>MODEL</th>
<th>NUMBER SERVED</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hamilton Psychiatric Hospital</td>
<td>Custodial</td>
<td>22</td>
</tr>
<tr>
<td>Chedoke Continuing Care Centre</td>
<td>Custodial</td>
<td>20</td>
</tr>
<tr>
<td>Pygiel Home for the Severely Retarded</td>
<td>Custodial</td>
<td>90</td>
</tr>
<tr>
<td>Participation House</td>
<td>Pseudo-Custodial</td>
<td>20</td>
</tr>
<tr>
<td>Y.W.C.A. Group Home</td>
<td>Pseudo-Normal</td>
<td>10</td>
</tr>
<tr>
<td>H.D.A.M.R. Group Homes Heath Residence</td>
<td>Normal</td>
<td>12</td>
</tr>
<tr>
<td>Kently Drive</td>
<td>Normal</td>
<td>11</td>
</tr>
<tr>
<td>27-4 Charlton West</td>
<td>Normal</td>
<td>9</td>
</tr>
<tr>
<td>L'Arche</td>
<td>Integration</td>
<td>4</td>
</tr>
</tbody>
</table>

**TOTAL**

**PEPERCENTAGE OF THE ESTIMATED POPULATION WHO ARE RETARDED** 2.15%

**PERCENTAGE OF THE POPULATION LABELLED AS BEING RETARDED** 6.46%
Map 6. Distribution of Service Dependent Mentally Retarded People in Hamilton.
care and there is little evidence of the sorts of community care
settings that were meant to be developed to aid the de-institution-
alization process. The available facilities only provide for 2.15% of
the estimated population of mentally retarded people in Hamilton and
6.46% of those who are labelled mentally retarded.

Although only 522 mentally retarded people could be investigated
through the caseloads of their helping agencies it must be concluded
that this small segment of the total mentally retarded population
currently constitutes the service-dependent mentally retarded population
in Hamilton. This in itself is an indication of total inadequacy of
current service delivery system. A map of this population (Map 8 )
indicates that while it tends to locate close to the city centre there
is a relatively dispersed pattern with important concentrations in
independent census tracts. This reflects the fact that many of the 500
people live in custodial and pseudo-custodial institutions in various
parts of the city. Also many of these people still live with their
parents in their homes.

While it is difficult to be conclusive it would seem that at
least some mentally retarded people constitute part of the growing
public city population.

4.4.4 The Physically Disabled

4.4.4.1 The Problem of Definition

Of all the service dependent groups examined in this research
the physically disabled are the most difficult to define and subsequently to locate. Despite the size and very specific requirements of this group they are not very well documented and one can only present a partial picture of their situation relying on a number of fragmented and incomprehensive studies. Secondly, this group is not recorded in the census or any other national data bank and we will therefore have to rely on estimates and other proxy measures.

In this study handicapped is defined in terms of mobility using the criteria set up in the 1973 M.H.C. "Housing for the Handicapped" study. This excludes the estimated 5% of the population who are mentally retarded, focussing on those who suffer from physical disability. The actual population of handicapped persons in Ontario has never been accurately documented and the various estimates which have been presented range from 8 to 14% of the total population (See Ontario Federation for the Physically Handicapped 1976). The Federation for the physically handicapped as well as the Advisory Council on the Physically Handicapped accept the estimate that 10% of the population or 750,000 people in Ontario are handicapped. It is of interest to note that the Department of Housing and Urban Development (HUD) in the United States also uses the same figure of 10% in their estimates of the Handicapped population. However if we want to separate those who are severely or totally handicapped from those with milder handicaps in an attempt to define those people who are currently service-dependent, it would seem more reasonable to assume a figure of about 3%. According to the Canadian Sickness Survey (1951) 3.1% of all Canadians were severely or totally Handicapped.
An American survey for the handicapped found that 1.5% of the American population had trouble getting around and 0.7% of the population were confined to their homes. Adding the two together we find that 2.2% of the American population had mobility problems. Therefore it would seem quite a conservative estimate to say that roughly 3% or 200,000 Ontarians were dependent physically disabled people and it is this population which we will attempt to analyze.

4.4.4.2 Employment and Income

Due to the particular organization of productive activity in Canada only a small minority of physically disabled people are gainfully employed doing work which closely matches their level of competence. As a result of this, most physically disabled people survive on some form of social assistance income. Most physically disabled people receive benefits under the Gains-D section of the Family Benefits Act and while the benefits received by disabled people are higher than those of General Welfare of Family Benefits recipients they still fall short of an adequate income (See Table 3). It can be seen from Table 2 that the disabled resemble the welfare population in general in that they display the same chronic pattern of income inadequacy and their incomes also display the same precipitous pattern of decline since the mid-1970's.

It is often claimed that Gains-D incomes are higher than those received on GWA and PBA programs to account for the extra-ordinary costs which result from disablement, for assistance devices, appropriate
housing and transportation, specialized medical devices etc. It is also claimed to reflect the more restricted capacity of disabled recipients to earn wage incomes relative to non-disabled recipients. However, since the government does not measure the economic impact of disability it is impossible to verify whether differences in the levels of need between disabled recipients and their non-disabled peers are accurately reflected. Such a measure is a necessary pre-requisite to ensure that disabled persons receive precisely the protection that their disability warrants. Notwithstanding this observation, it is still clear that over the last six years service-dependent physically disabled people have got progressively poorer and they do not even receive an income which would be adequate for a person not suffering their disability.

Regarding employment, only a small segment of the handicapped are incapable of work yet few doors, literally and figuratively, are open. Those who do manage to get work, be it part-time or full-time, are faced with another scandalous inequity. Individuals on Disabled Persons Allowance can earn only an extra $50 per month before they start to lose their benefits and for every additional dollar they make over the initial $50 they lose 75c. Similarly people who find work in special workshops for the handicapped are faced with appallingly low wages because it is legally possible for these workshops to pay wages below the legal minimum. (Currently the maximum rate being paid is $1.30 per hour.) It is these problems which bind the physically disabled person into a cycle of poverty and it is poverty which tends to be the most common characteristic of all disabled people.
4.4.4.3 Special Problems facing the Physically Disabled

There is a variety of special problems, other than those of an economic nature, which face the disabled person in the course of daily life. The most obvious problems are those caused by architectural barriers which prevent accessibility to buildings, facilities and housing. For these reasons accessible accommodation is a basic requirement for many disabled people but because of the combination of low income and lack of suitable housing many disabled people are forced to live in institutions. A number of studies in Canada have highlighted the need for suitable subsidized housing for the disabled, but to date this has not been provided.

Other major problems facing the disabled are the need for specialized transportation and the need for constant or at least accessible support care. There are often problems with the availability of specialized transportation and as a result transportation for the disabled is often expensive and problematic. Similarly support care services have been poorly developed and like transportation they are a major limitation on the residential choice available to the disabled. In order to understand how these problems affect the residential location of the service-dependent physically disabled it is necessary, yet again, to focus the analysis to the level of an individual city.

4.4.4.4 Service-Dependent Physically Disabled People in Hamilton

A number of studies of the handicapped in Hamilton have used the estimate that 3% of the population were handicapped with respect
to mobility. This results in a handicapped population of roughly 15,000. Goodwill Industries in Hamilton state that 1.5% of the area’s population is physically disabled to the extent that they need workshop services. This represents approximately 7,500 physically disabled individuals but does not include those handicapped individuals who are homebound. In light of the various other estimates available it is probably quite conservative to say that 10,000 people or roughly 3% of the population of Hamilton are severely physically handicapped.

This assertion is supported by a 1977 study which claimed to be able to distinguish about 12,000 people by number if not by name (Amity, 1977). Further evidence is provided by the fact that during 1976, 9033 persons living in Hamilton received Workmens Compensation Benefits although admittedly some of these disabilities were only temporary.

A survey of 432 service-dependent physically disabled people in Hamilton substantiates a great deal of the earlier discussion on the plight of the physically disabled in Ontario (OMD 1981). The vast majority of this sample was poor, with 79.5% having an income below $5000 per year. In general it was found that transportation costs consumed about 10% of the respondents' income and that transportation was about three times as expensive as it would be for an able bodied person. Difficulties with the existing forms of transportation (primarily DARTS) were experienced by 66% of the sample. Approximately one quarter (25.7%) of the sample used some type of specialized equipment of which wheelchairs (40%) and canes (25%) were the most common. Finally the majority of the sample (66.1%) were over the age of 45 with
a sizeable 31.6% over 65 years of age. These findings bear out much of the earlier discussion and indicate many of the constraints which would impinge on residential choice.

In order to ascertain the location of the service-dependent physically disabled population in Hamilton the addresses of all the physically disabled active cases were secured from the social service agencies who deal with the physically disabled. After cross-checking the lists to avoid double-counting it seems reasonable to assume that the 1,473 people identified constitute the currently service-dependent physically disabled population in Hamilton. From an examination of Map 9 showing the residential location of these people we can see that they display a highly concentrated pattern with the majority being located in five contiguous census tracts in the core area of the city. As most of the cheap housing, institutional living space and services for the disabled (See Map 14 ) are highly concentrated in the core area, and given the particular problems which determine the residential location of the service-dependent physically disabled then this locational pattern would seem both logical and beneficial. Therefore as long as the physically disabled continue to live on inadequate incomes, with poor support services and a lack of proper accommodation it is clear that they will remain a significant segment of the population of the public city.
MAP 9. Distribution of Service-Dependent Physically Disabled People in Hamilton (1980)
4.4.5 The Elderly

4.4.5.1 Background

There are 2.1 million people over 65 years of age in Canada today; they constitute 8.7% of the total population and by the end of the century it is expected that they will include 11.1% of the population. Not only will the total percentage of elderly people rise dramatically but certain sub-groups within this population will grow at an unprecedented rate. In particular, it is predicted that the number of people between eighty and eighty-four will increase by 97% and the number of people over ninety will increase by approximately 191% (Pear et al., 1979). It is in the light of these predictions and the fact that the aging of suburbia will radically transform the geography of aging, that we need to analyze the adequacy of the current system of care for service-dependent elderly and the recent trends in the development of this service. As it has evolved the Canadian Social Security system for the aged consists primarily of two components; institutions for the provision of hospital, medical and residential care, and a retirement income scheme. It is the latter which will be dealt with first.

4.4.5.2 What are the Incomes of the Elderly?

In 1966 the Senate Committee on Aging commented:

"Without question the most serious problem encountered by the senate committee in the course of its investigation was the degree and extent of poverty which exists among older people."

Senate of Canada, 1966:9
While this was true in the 1960's it seems to be even more so in the 1970's and early 1980's. In 1974 over 50% of the families headed by individuals aged 65 or over were in the lowest quintile of the Canadian income distribution (Statistics Canada, 1977:55). Among elderly females the problem is particularly acute. In 1975 approximately 59% of unattached (widowed, single and divorced) females between 65 and 69 were below the poverty line of $3,988 established by the Senate Committee on Poverty and among those aged 70 and over the figure was 78% (Collins 1978,p43). In addition in 1977, 55% of all old aged pensioners qualified for the federal government's means tested Guaranteed Income Supplement, another measure of poverty among the Canadian elderly (Statistics Canada, 1978,E,p267).

If we now look at the historical development of these income patterns we see that in fact the elderly have been getting progressively poorer (at least in a relative sense) over the last two decades. In her analysis for the period 1951-1961 Poduluk (1968 p278) noted that families headed by an individual aged 65 or over were forming a rising proportion of the lowest quintile in the Canadian Income Distribution. Data presented by Horner and MacLeod (1975 p24) indicate that the percentage of the elderly in the bottom quintiles increased from 68.5% in 1951 to 75.1% in 1971. A continuation of this trend is also noted for most recent years. Between 1967 and 1974 the percentage of elderly families in the lowest income quintile increased from 51.1% to 53.2% (Statistics Canada 1977). It is on the basis of these findings that Myles (1980) suggests that even though the past several decades of
Canadian history have seen considerable growth and expansion of social security measures for the Canadian elderly, this has not been able to compensate for the increased longevity of the elderly on the one hand, and their declining labour force participation on the other. In short the elderly have been losing ground in the Canadian income distribution despite the growth of the Canadian Welfare state.

4.4.5.3 The Nature of Canadian Pension Policy

The retirement income system in Canada can be described as a three tiered system. The federal Old Age Security system, Guaranteed Incomes Supplement and Spouses Allowances Programs, together with provincial supplements form the first tier. The second tier consists of basic public contributory pensions schemes; the Canada and Quebec Pension Plans. The third tier is made up of private pension schemes and individual saving schemes.

An analysis of Table 7 indicates that the first two tiers in this income system are by far the most important and that the Canadian elderly are by and large dependent on government transfer payments for survival. The third tier of the system involving personal savings, investments or private retirement pensions were the major source of income for only 26% of elderly heads of families and 11.14% of all elderly individuals. The problems associated with private retirement pensions in the Canadian context are becoming increasingly clear (See Ontario Welfare Council, 1980 Pensions, Myths & Alternatives). They have inadequate vesting arrangements, poor portability, only 5% are
TABLE 7

MAJOR SOURCE OF PERSONAL INCOME, POPULATION 65 AND OVER NOT IN THE LABOR FORCE BY FAMILY STATUS, CANADA 1971

<table>
<thead>
<tr>
<th></th>
<th>Family Status</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Head</td>
<td>Spouse</td>
</tr>
<tr>
<td>No income</td>
<td>.84</td>
<td>4.98</td>
</tr>
<tr>
<td>Wages &amp; Salaries</td>
<td>9.13</td>
<td>2.54</td>
</tr>
<tr>
<td>Self-employment</td>
<td>2.47</td>
<td>.48</td>
</tr>
<tr>
<td>Government transfer</td>
<td></td>
<td></td>
</tr>
<tr>
<td>payments</td>
<td>59.93</td>
<td>80.89</td>
</tr>
<tr>
<td>Retirement pensions</td>
<td>14.88</td>
<td>1.70</td>
</tr>
<tr>
<td>Investment</td>
<td>11.67</td>
<td>8.51</td>
</tr>
<tr>
<td>Other</td>
<td>1.09</td>
<td>.90</td>
</tr>
<tr>
<td></td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td>n=</td>
<td>4415</td>
<td>3114</td>
</tr>
</tbody>
</table>

(Computed from Public Use Sample Tapes, Individual File, 1971 Census of Canada.)

indexed to inflation, most do not have survivors' benefits and many do not have the funds to meet their future obligations. Given these problems and the fact that presently over 70% of elderly Canadians depend on government transfer payments it seems fair to say that it is the state and state policy which is the primary determinant of income among the elderly.

In recent years a number of intriguing and very thorough analyses of Canadian pension policy have appeared (Brown 1975, Collins 1975, Myles 1980, Pesando and Rea 1977). These authors show how the income security system has developed in Canada in a similar manner as in other advanced capitalist countries. It has largely been determined by the dual process of capital accumulation and class struggle and the particular form which the system has taken at any point in time can be closely related to this process. Collins (1975 p243) has argued at length that what the Canada Pension Plan (C.P.P.) ultimately provided was not primarily an improved income maintenance program for the aged but rather "a vehicle for providing capital funds to provinces to finance economic development". Calvert (1977 p85) shows how in the four years up to March 1974 the C.P.P. had furnished 38% of all provincial borrowing and had become the backbone of provincial debt financing. He goes on to show that because receipts from C.P.R. far exceed the payments being made to the elderly, the provincial governments were able to use the pensions policy as a major instrument in combatting the fiscal crisis of the state. Myles (1980) has developed the argument and shown that in Canada as in Europe, post-war pension policy has become a crucial factor
affecting the state's ability to manage the economy and secure revenues for state expenditures.

What is clear from the work of these varied authors is that the pension policy is not primarily an issue of individual welfare but rather an issue of power, power to control and allocate the capital generated through the savings put aside by workers for their old age. It is clear that in Canada the elderly have been getting relatively poorer in recent years despite the massive amounts of capital raised through pension plans. The use of this capital as the backbone of provincial debt financing because of the current excess of receipts over payments is a short term phenomenon. At the same time because of the large expected growth of the elderly population a significant growth in social security budgets will be required simply to maintain present benefit levels. These likely developments plus the tendency towards increasing fiscal conservatism makes it difficult to foresee any substantial improvements in the economic status of the aged.

4.4.5.4 Institutional Care for the Elderly

The social security system for the aged; as was stated earlier, is made up of two distinct parts; institutions for the provision of hospital, medical and residential care and a retirement income system. The provision of institutional care in Ontario has been changing rapidly over the last decade in response to changing provincial government policy.

Institutional care for the elderly can be broken down into three distinct sectors. The first of these provides care for
the chronically ill elderly in General Hospitals financed by the Ontario Ministry of Health. But as was seen at the beginning of this chapter, the Ministry of Health has experienced major budget cuts since the mid-1970's and these have resulted in the ratio of hospital beds dropping from 4.1/1000 population to 3.5 per thousand. Coupled with this decrease, increased 'blockages' in the health care system have resulted in acute shortages of Hospital beds (See Globe & Mail, Sept. 17, 1980). A recent investigation by the Ministry of Health found 2,000 people, mainly elderly, 'inappropriately placed' in Toronto Hospitals alone. It was argued that these people should be in nursing homes and that this would help to relieve the current chronic overcrowding of hospitals.

The two other forms of institutional care available to the elderly are Homes for the Aged and Nursing Homes. Homes for the Aged are government owned or operated by charities and are administered by the Ministry of Community and Social Services. Nursing Homes are privately owned and regulated by the Ministry of Health. Homes for the Aged were initially set up for people who needed residential care but now many of the people that they accept also need nursing care. Privately operated nursing homes are reluctant to accept the neediest of clients who require moderate to heavy nursing care because this will reduce their profit. The result of this is that in many instances there is now little difference between nursing homes and homes for the aged, in terms of their residents.
The Provincial Government policy since the mid 1970's has been to reduce expansion to a minimum and when expansion does occur it is always in the area of privately operated nursing homes. This desire to continually re-privatize the care for the elderly was apparent in the recent public dispute in which the province refused the expansion of Metro-Toronto's seven publicly owned homes for the aged even though there was a long term waiting list of four hundred and twenty five people (Globe and Mail, March 4, 1981).

There are now over 350 privately operated nursing homes in Ontario and that these operate primarily as an industry and not as care giving institutions has become increasingly apparent. Regaling in the fact that almost every nursing home has a long waiting list, Mr. John Maynard, Executive Director of the Ontario Nursing Home Association, said that this was important for his industry as "there is a guaranteed cash flow - you're never out marketing for customers" (Globe & Mail, March 14, 1981). While these nursing homes are supposed to be regulated under the 1972 Nursing Homes Act, there is considerable evidence that many Nursing homes do not meet these regulations. A recent survey of 50 Ontario Nursing homes by journalists of Toronto's Globe and Mail newspaper indicated that "Nursing homes range in quality from excellent to appalling" (Globe and Mail, March 18, 1981). Mr. Maynard has commented that the government is caught "between a rock and a hard place" because if homes which do not meet its regulations are closed then the government will have to find other beds for the displaced residents (Globe and Mail, March 14, 1981). However, given the
government's reluctance to increase its expenditure on extended care, it decides to allow poorly run nursing homes to continue existing. Therefore the general trend in institutional care for the elderly has been towards cutback, fragmentation and re-privatization of care at the expense of the service-dependent elderly.

4.4.5.5 Service-Dependent Elderly in Hamilton

Research into the changing patterns of need and service provision for the service-dependent elderly in Hamilton reveals how many of the provincial and federal policies are working themselves out at ground level.

It can be seen from Table 8 that the number of people over 65 years of age in Hamilton will be almost five thousand more in 1981 than it was in 1971. Between 1974 and 1979 the group was the fastest growing group in Hamilton and as a result we might expect to see a rapid expansion in institutional accommodation for the service-dependent elderly. In fact what we see is that the capacity to provide care for the service-dependent elderly did not expand and may even have marginally declined. In 1975 there were six homes for the aged with a total capacity of 1,128 persons. No new homes have been built and the capacity in this sector has not changed. In 1975 there was a capacity of 1,268 in the Nursing Homes of Hamilton-Wentworth, but since then two small nursing homes in the suburban area of the city have closed down resulting in a loss of capacity for 78 people.
<table>
<thead>
<tr>
<th>YEAR</th>
<th>POPULATION</th>
<th>65 AND OVER</th>
<th>OLD AGE DEPENDENCY RATIO</th>
</tr>
</thead>
<tbody>
<tr>
<td>1951</td>
<td>226,083</td>
<td>22,501</td>
<td>8.5</td>
</tr>
<tr>
<td>1961</td>
<td>358,837</td>
<td>29,073</td>
<td>8.1</td>
</tr>
<tr>
<td>1971</td>
<td>401,880</td>
<td>35,495</td>
<td>8.8</td>
</tr>
<tr>
<td>1981</td>
<td>435,610</td>
<td>40,338</td>
<td>9.3</td>
</tr>
<tr>
<td>1991</td>
<td>473,654</td>
<td>48,635</td>
<td>10.3</td>
</tr>
<tr>
<td>2001</td>
<td>433,654</td>
<td>50,582</td>
<td>11.7</td>
</tr>
</tbody>
</table>

Because the population of Hamilton-Wentworth over the age of 65 was growing very rapidly during the 1970's but the availability of institutional care seemed to remain constant, a further attempt was made to try and determine what had been happening to the service-dependent elderly. An analysis was made of the caseload records of the Assessment and Placement service of the Hamilton-Wentworth District Health Council. The purpose of this service is to identify the needs of those individuals who are no longer able to take care of themselves and to find appropriate care settings to meet their needs. The service receives referrals from people of any age and with any physical disability but about 80% of the clients are over 70 years of age (See Table 9). This reflects the prevalence of disabling disease in this age group and the physical, social and economic difficulties experienced by many in attempting to continue independent living. Therefore it seems reasonable to conclude that the A.P.S. service deals primarily with the service-dependent elderly.

From a five year comparison of waiting lists (Table 10) it can be seen that during the mid-1970's when government spending cuts began to halt expansion of social services the number of people awaiting placement increased steadily. This number has almost doubled from 374 in 1974 to 750 in 1979 and is largely due to failure to provide bed space in Nursing homes, Chronic Hospitals and Homes for the Aged. Of the 2,652 cases dealt with during the 1979-80 year 660 cases could not be placed due to a lack of appropriate care facilities. It seems reasonable to say that of the 345 people who died while awaiting
Table 9

AGE OF THE ASSESSMENT AND PLACEMENT SERVICE CASELOAD AT THE TIME OF REFERRAL

<table>
<thead>
<tr>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>5-24</td>
<td>15</td>
<td>17</td>
<td>16</td>
</tr>
<tr>
<td>25-34</td>
<td>15</td>
<td>14</td>
<td>8</td>
</tr>
<tr>
<td>35-44</td>
<td>17</td>
<td>29</td>
<td>20</td>
</tr>
<tr>
<td>45-54</td>
<td>59</td>
<td>58</td>
<td>67</td>
</tr>
<tr>
<td>55-64</td>
<td>143</td>
<td>165</td>
<td>150</td>
</tr>
<tr>
<td>65-74</td>
<td>311</td>
<td>439</td>
<td>398</td>
</tr>
<tr>
<td>75-84</td>
<td>708</td>
<td>745</td>
<td>779</td>
</tr>
<tr>
<td>85-104</td>
<td>473</td>
<td>437</td>
<td>542</td>
</tr>
<tr>
<td>Missing Data</td>
<td>21</td>
<td>143</td>
<td>69</td>
</tr>
</tbody>
</table>

Table 10

FIVE YEAR COMPARISON OF WAITING LISTS FOR THE MONTH OF NOVEMBER

In hospitals awaiting placement (includes nursing homes):

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Nursing Homes</td>
<td>65</td>
<td>101</td>
<td>157</td>
<td>128</td>
<td>141</td>
</tr>
<tr>
<td>Chronic Hospitals</td>
<td>67</td>
<td>86</td>
<td>88</td>
<td>116</td>
<td>95</td>
</tr>
<tr>
<td>Homes for the Aged</td>
<td>16</td>
<td>39</td>
<td>40</td>
<td>19</td>
<td>31</td>
</tr>
<tr>
<td>Rehabilitation Units</td>
<td>15</td>
<td>6</td>
<td>3</td>
<td>5</td>
<td>4</td>
</tr>
<tr>
<td>Community Services</td>
<td>14</td>
<td>19</td>
<td>16</td>
<td>16</td>
<td>2</td>
</tr>
<tr>
<td>Other</td>
<td>0</td>
<td>0</td>
<td>10</td>
<td>2</td>
<td>11</td>
</tr>
<tr>
<td>Total in Hospital</td>
<td>177</td>
<td>251</td>
<td>314</td>
<td>286</td>
<td>284</td>
</tr>
</tbody>
</table>

In the community awaiting placement:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Nursing Homes</td>
<td>66</td>
<td>130</td>
<td>108</td>
<td>140</td>
<td>186</td>
</tr>
<tr>
<td>Chronic Hospitals</td>
<td>25</td>
<td>51</td>
<td>30</td>
<td>40</td>
<td>71</td>
</tr>
<tr>
<td>Homes for the Aged</td>
<td>58</td>
<td>60</td>
<td>109</td>
<td>144</td>
<td>138</td>
</tr>
<tr>
<td>Rehabilitation Units</td>
<td>3</td>
<td>3</td>
<td>2</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Community Services</td>
<td>68</td>
<td>4</td>
<td>23</td>
<td>41</td>
<td>43</td>
</tr>
<tr>
<td>Other</td>
<td>0</td>
<td>0</td>
<td>27</td>
<td>26</td>
<td>27</td>
</tr>
<tr>
<td>Total in Community</td>
<td>220</td>
<td>328</td>
<td>299</td>
<td>392</td>
<td>468</td>
</tr>
</tbody>
</table>

Total awaiting placement

| Total awaiting placement  | 397  | 579  | 613  | 678  | 750  |

placement at least some of those lives could have been saved or substantially extended had appropriate treatment settings been available. It can be seen from Table 10 that the bulk of those awaiting placement are being forced to remain in the community and when we combine this with the inadequate and declining incomes received by each group we get a clearer picture of problems being faced by the service-dependent elderly at the present time.

In an attempt to understand the spatial distribution of institutional care for the service-dependent elderly in Hamilton, a map of all licensed Nursing Homes and Homes for the Aged was created. (Map 10). It is clear from this map that most of the Nursing Homes tend to be centrally located whereas the Homes for the Aged display a more even distribution across the city. A probable explanation of this is that because Nursing Homes are private profit making institutions they tend to locate in the older central areas of the city where large old buildings can be bought quite cheaply and converted for use. Homes for the Aged are publically owned or run by large charities and therefore are not subject to the same criteria.

As we have seen, 78% of those aged 70 or over live below the poverty line and they are dependent on government transfer payments for survival. They are also dependent on subsidized housing or some form of institutional care, both of which are being supplied in increasingly meagre amounts, forcing the continued existence of these elderly people in a community setting. Despite all of these changes
MAP 11. Distribution of Population over Seventy (70) Years of Age in Hamilton (1979)
very little is known about the residential location of this sub-population and for this reason a map of the population over 70 years of age in Hamilton was prepared from data supplied by the City of Hamilton Planning Department. From this map (Map II) it can be seen that this group of people are highly concentrated in four census tracts surrounding the C.B.D. It is clear that the service-dependent elderly form a very large and significant segment of the public city population and they have been increasingly concentrating in the central area in recent years (CMHC 1980).

4.4.6 Probationers and Parolees

4.4.6.1 Background

During the past decade Ontario has undergone widespread changes in its attitudes and policies relating to correctional services. A brief history of how these developments have occurred is highly beneficial in attempting to explain the nature of the existing correctional service system.

Eight years ago Cousineau and Veeyes (1973 p10) were able to show statistically that all through the 1960's "The Canadian judicial system was more likely than any other judicial system in the Western World to consider incarceration as an appropriate response to the problems of crime and delinquency". All during the sixties the population incarcerated in the Canadian correctional system remained at about 20,000 and the rates of recidivism remained very high. Of the 4,000 people committed to penitentiaries in Canada during 1969 only one in was in for the It was
increasingly apparent that incarceration as a response to crime was becoming less and less effective in fulfilling what are generally presented as its four main aims: rehabilitation, protection, retribution and reduction of the crime rate.

Equally importantly, during the 1960's it was becoming obvious that the costs of maintaining correctional institutions were very high and subject to inflation. The total cost of the Canadian criminal justice system more than doubled from its $0.6 billion level in 1966 to an estimated $1.5 billion in 1976 (Jobson 1980 p254). In 1965 the National Parole Board estimated that it cost about $2,500 a year to maintain a man in prison for one year; in 1968 they revised the estimate upwards to $4,900 and in 1980 the cost was estimated at $12,000 per year (Jobson 1980). In addition to the direct cost of maintaining institutions the indirect cost of supporting the dependants of inmates had to be added. In 1965 the Parole Board estimated that the cost of maintaining dependants on welfare was equal to the costs of incarceration making a total expense of $5,000 per inmate per year. In contrast to this it was estimated that the cost of supervising inmates living in the community was markedly less. In 1968 the National Parole Board estimated that supervision of a parolee cost between $300 and $500 a year. The cost of probation was probably still lower and in 1965 had been estimated at $150 per probationer per year (Madeley 1965, p226). Therefore all through the late 1960's and early 1970's it was being argued that every inmate who could be placed on probation or parole represented a major reduction in the funds required to maintain correctional institutions.
In 1968 it was estimated that the parole of inmates from correctional institutions saved the public about $9,000,000 plus the funds that would have been required to support the 2,500 dependants of the inmates.

It was the growing realization therefore that the current form of response to the problem of crime and delinquency was both highly ineffective and expensive during a period of financial stringency which brought about major re-structuring of correctional services in the late 1960's and early 1970's. The Department of Correctional Services Act of 1968 gave the Department of Reform Institutions the title of the Department of Correctional Services which has subsequently become the Ministry of Correctional Services. More significant than the change of title was the fact that the Act repealed eighteen separate acts which fell under the jurisdiction of the Department of Reform Institutions and consolidated them into the Department of Correctional Services Act. This meant that separate legislation controlling jails, reformatories, industrial farms, parole and regional detention centres was brought together under one Act making for much clearer interpretation and implementation. Of special importance were sections 19 and 20 of the Act which made provision for temporary absence. Under section 19 "an official may authorize the temporary absence of a prisoner for humanitarian or medical purposes, or for assistance in rehabilitation". Section 20 extends the function of temporary absence by providing that "the Lieutenant Governor may establish Vocational Training Programs under which persons detained in a correctional institution may be granted the privilege of regular employment, obtaining new employment, attending
academic institutions or any other program ... for better opportunity for rehabilitation." These particular sections formed the legislative basis for all of the various types of live-in work-out programs which developed in Ontario.

As well as these developments, the highly influential 'Report of the Canadian Committee on Corrections' (Ouimet Report) was released in 1969. This concluded that "unless there are valid reasons to the contrary, the correction of the offender should take place in the community where acceptance of a treatment relationship is more natural, where social and family relationships can be maintained, where resources can be most efficiently marshalled and where the offender can productively discharge his responsibility as a citizen". After the release of this report we can see an increasingly community oriented ideology and policy specification in the structure of the Canadian correctional services. Also in response to these federal legislative changes the Ontario Parole Board, operating under the Federal Parole Act and Probation Act which together form the Ontario legislation governing probation and parole, have enabled a rapid and intensive growth in the Probation and Parole services during the 1970's. It is the nature and consequences of these developments which must now be addressed.

4.4.6.2 The Growth and Development of Temporary Absence Programs in Ontario

Since 1969 there has been a rapid development of temporary absence programs in Ontario, based largely on the pragmatic but now understandable combination of rehabilitation/humanitarian principles
and increasing fiscal constraints. As Siren (1979) pointed out, the ministers of correctional services and in particular the Honorable Frank Drea were very quick to realize, reflect and stress the social and financial benefits which may be accrued during the programs. Expansion of Community Resource centres and of community work and service, temporary absence programs and community service orders all under the auspices of the courts and the probation and parole services was noticeable during the 1970's. A number of major developments and diversifications occurred with the emergence of several intermediary types of Temporary Absence (TA) Programs since 1974. The first of these were the industrial T.A. programs which operate in conjunction with private industry and which are supposed to provide within the confines of various centres opportunities for working, learning, earning and developing marketable skills. As with other paid employment T.A.'s, substantial cost benefits accrue to the state.

The other major form of intermediary TA programs are those where the Community Resource Centres (CRC's) were contracted with several private agencies. These now provide various other smaller intermediary, residential and more home-like facilities in local communities whereby T.A.'s supposedly may proceed under conditions which are closer to those of the larger communities to which the participants will ultimately return. These types of programs meant that it was now possible for the entire range of Temporary Absences which had previously been confined to normal institutional boundaries to occur within 'half-way house' type facilities. These types of arrangements have had a
marked effect upon central city areas, as we will see in section 5.5, but they have also had important financial implications for the welfare state.

McFarlane (1979) calculated that during the month of January 1979 a cohort of 166 extramurally employed institutional T.A. inmates earned approximately $36,022, saving the welfare state the support of both themselves and their families. During this period they paid nearly $6,422 towards room and board and contributed nearly $8,950 towards family support. The monetary benefits of these programs to the Ministry of Correctional Services have not gone unnoticed and during the second half of the 1970's the popularity of these programs increased dramatically. Over nearly a ten year period (August 1969 to January 1979) out of 128,864 applications received there were a total of 82,811 or 64.3 per cent of such Temporary Absences approved. This growth in community oriented correctional services has resulted in important changes in the nature of these services with the growing re-privatization of correctional services becoming increasingly evident throughout the decade of the 1970's.

4.4.6.3 Reprivatization and the use of Voluntary Labour in Correctional Services

Two of the major strategies that have been followed by the Ontario Government in developing community correctional services have been the contracting out of probation and after-care services to private agencies and the increasing use of voluntary labour. These important
trends need to be documented if we are to develop a full understanding of how correctional services are being re-structured and the spatial implications of this restructuring.

The Ontario Government has become increasingly involved in contracting out probation and after-care work to voluntary family service agencies (F.S.A.'s). Mounsey (1977) has argued that this was brought about largely in response to a desire to curb the expansion of the civil service. The strategy of contracting out services developed in earnest after 1975 when the Ministry of Correctional Services and the Family Service Associations (FSA's) of Ontario began to enter into contracts to undertake probation and after-care work. In return for assuming responsibilities for a caseload, each agency was paid a fee to cover such items as salary for workers and secretarial staff, travel expenses, office supplies, telephone and for providing supervision of the worker involved. During this period in the mid 1970's many voluntary service agencies such as those under the United Appeal were hard pressed to maintain service and Mounsey (1977) has argued that the government through contracting out services was fulfilling two functions. As well as reducing its direct responsibilities in the field of corrections it was simultaneously helping to develop and strengthen an extensive, but fragmented, privatized and voluntary welfare system in keeping with the overall government philosophy in the area of welfare and social services during this period. A number of reports had urged that the government look toward private agencies for assistance in developing alternative forms of service delivery. Perhaps the most
influential of these was the Ouimet Report (1969) which included the following recommendations. "What is required is a procedure whereby the voluntary agencies can participate in the planning of correctional services as partners rather than critics....there must be a deliberate re-examination of programs and policies by voluntary agencies to ensure that they are effective, progressive and creative and that new programs and new approaches to all problems in the field of corrections are not neglected. The capacity of the voluntary agencies for leadership and innovation should continue to develop" (Ouimet Report, 1969, Ch 20).

In hindsight it is becoming increasingly clear how a community care ideology was fostered and nourished by successive government reports during this period of growing economic stringency. The C.E.L.D.I.C. Report (1969) went so far as to openly proclaim that government at the provincial and federal level should consider moving out of direct services to the client. It suggested that the role of senior government in the future should be limited to such matters as standard setting, auditing, quality control, financing and research.

One of the results of this process of reprivatization of correctional services and the growth of probation and parole has been the increased use of voluntary labour. When the ministry began to expand the probation and after-care service, it was faced with a dilemma. In order to maintain an effective service it was necessary to reduce average caseload levels per worker to around 35, but as the overall number of clients entering the service was rapidly expanding, this would have
meant a large recruitment of staff and general expansion of the service. This was contrary to the overall government policy of reducing the level of direct service provision and curbing the growth of public expenditure. The solution to this dilemma was found in the increased use of voluntary labour in correctional services during the mid and late 1970's. Voluntary labour is now an indispensable part of the probation and parole service and it can be argued that such an extensive growth of community correctional services could not have been developed during a period of fiscal restraint had this strategy not been pursued. A closer analysis of the development of the probation and parole service in Hamilton highlights many of the changes that have occurred and demonstrates some of the spatial impacts of these changes.

4.4.6.4 The Probation and Parole Service in Hamilton

The Probation and Parole service in Hamilton has been developed primarily over the last decade. Prior to 1969 it was a relatively insignificant service with a very small caseload (See Figure 8). After 1969, the rapid changes in the criminal code resulting in the development of conditional and absolute discharges, intermittent sentences, Community Service Orders, Temporary Absence Programs and Fine Options led to the rapid expansion of the probation and parole service. From Figure 8 it can be seen that the period of most intense development was between 1975 and 1980 when the caseload more than doubled. While the caseload quadrupled between 1969 and 1980 the number of staff only doubled and during this period there developed a very large and active volunteer
Fig. 8. The Growth of the Probation/Parole Service in Hamilton.
association consisting of between 80 and 90 people who work directly with probationers.

The Probation and Parole service currently refers clients to over forty social service agencies in the city. From Map 14 it can be seen that these tend to be primarily located in the core area of the city. The service has specific contracts with such agencies as the Elizabeth Fry Society where people carrying out community service orders (doing community service work) are supervised, the John Howard Society which provides both supervision and investigation services and the 'Alternatives for Youth' group who contract to provide counselling for people involved in drug and alcohol abuse.

In order to understand the spatial impact of the move towards community correctional services, the addresses of the 1,328 active clients of the probation and parole service in early 1979 were obtained. These were then geo-coded by census tract and from the resulting map (Map 12) it is possible to ascertain the spatial distribution of this population in the city. It is clear that probation and parole service clients are highly concentrated in an area consisting of five contiguous census tracts in the core of the city. This particular service-dependent population make up a significant segment of the public city population in general and their residential location must be understood as an outcome of restructuring and the development of the privatized and fragmented community correctional service system.
4.5 Restructuring and the Public City

4.5.1 Introduction

This section attempts to address the spatial impacts of the process of restructuring at the level of an individual city. It aims to provide a more specific analysis of the nature of the public city in Hamilton through exploring its anatomy and defining its boundaries. The first half of the section is concerned with documenting the nature and importance of the lodging home industry in the development of the public city in Hamilton. The latter parts of the section deal with the interdependence between the location of service facilities and the service-dependent populations.

4.5.2 The Growth of the Lodging Home Industry in Hamilton

In the City of Hamilton there are now over 91 licensed lodging homes (also called Residential Care Facilities), a lodging home being defined as:

"a lodging house primarily intended or used as a dwelling where persons are harboured, receive lodge for hire by the week or more than a week, but not for any period less than a week and are accommodated without any separate kitchen, kitchenette or kitchen sink but excepting a hotel, private hospital, public or private home for the aged, children's home or boarding school." (Social Planning Council of Hamilton, 1980).

These homes are licensed in the City of Hamilton in order to meet the appropriate fire, building and zoning regulations. Through an analysis of the licensing records of the city it was possible to
determine the date at which these lodging homes began operating. It can be seen from Table 11 that the majority of the lodging homes developed since 1976 with almost three times as many in operation in 1979 as there were in 1976.

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of Lodging Homes</th>
</tr>
</thead>
<tbody>
<tr>
<td>1979</td>
<td>91</td>
</tr>
<tr>
<td>1978</td>
<td>82</td>
</tr>
<tr>
<td>1977</td>
<td>68</td>
</tr>
<tr>
<td>1976</td>
<td>33</td>
</tr>
</tbody>
</table>

The addresses of these lodging homes were obtained and from the resulting map (Map 13) it can be seen that they are very highly concentrated in the core area of the city. Approximately 22 of these Lodging Homes have entered into agreement with the Regional Government as hostels under the General Welfare Assistance Act (GWA). In agreeing specific terms set out by the Municipality, the operators accept a greater responsibility for their residents (ie. 24 hour supervision) than do the other seventy homes. These lodging homes are administered by the Regional Social Services department and reserved for 'special needs' clients. These are members of the welfare population whom it is felt are unable to live on their own and who would benefit from the higher level of supervision offered in these homes.
MAP 13.
RESIDENTIAL CARE AND SHORT TERM CARE FACILITIES IN HAMILTON
These homes are funded through the Regional Social Services department at a given per diem rate paid through the General Welfare Assistance Act. This per diem rate is set annually by the Regional Social Services committee and is funded 80% by the province and 20% by the region. The province sets a ceiling above which the per diem rate cannot rise if the 80% funding is to remain. In 1979 the per diem rate in Hamilton-Wentworth was $10-50 per day and the Provincial ceiling was $13-00. The local per diem rate has been increased annually at a rate which roughly corresponds with the rate of inflation. During 1979 total Regional expenditures on this program were $403,439. The lodging homes which partake in this program are private businesses, owned and usually run by their operators. The level of care offered by these homes is very low and there is no form of medical care available, no matter how rudimentary.

In order to analyze where the lodging home population have come from, the case histories of all those clients who had been on this program were examined. A total of 717 people had been admitted to this program and their addresses prior to entering the lodging homes were recorded. From Table 12 it can be seen that over half of the lodging home residents had been inmates in psychiatric hospitals, another 14% had come from General Hospitals, 9% had been involved in the criminal justice system and 6% had been referred from organizations dealing with alcoholism. In all only 12% had moved directly from private addresses to lodging homes. Another interesting finding was that 26% of this population had not been residents of Hamilton before entering this program.
Table 12. **Addresses of Lodging Home Clients immediately prior to entering the Lodging Homes**

<table>
<thead>
<tr>
<th>Addresses</th>
<th>% Population</th>
</tr>
</thead>
<tbody>
<tr>
<td>Psychiatric Hospitals</td>
<td>54%</td>
</tr>
<tr>
<td>General Hospitals</td>
<td>14%</td>
</tr>
<tr>
<td>Criminal System</td>
<td>9%</td>
</tr>
<tr>
<td>Alcoholics Anonymous</td>
<td>6%</td>
</tr>
<tr>
<td>Private Addresses</td>
<td>12%</td>
</tr>
</tbody>
</table>

(n=717)

It was apparent that in most cases the centralized organization of the regional social services network had drawn these people into Hamilton and instead of returning to their original area of residence this population entered the public city in the core area of Hamilton. In general what we can deduce from these findings is that after people are discharged from high level care institutions (Eg. Psychiatric Hospitals), the referral process and the overall after-care service network tend to increasingly congregate them in the core area of the city.

In order to get a more detailed analysis of the demographic characteristics of the lodging home population the date of birth of each of the clients was recorded. While over 30% were over 65 with a significant 15.8% over 75 years of age, there was a surprisingly even distribution of population in each of the other categories. This
can be interpreted as meaning that this service-dependent population is made up of a number of distinct sub-populations and that this program deals with a heterogenous group of service-dependent people.

Table 13. **Age Structure of Lodging Home Clients**

<table>
<thead>
<tr>
<th>Age</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>75</td>
<td>15.8%</td>
</tr>
<tr>
<td>65-74</td>
<td>14.9%</td>
</tr>
<tr>
<td>55-64</td>
<td>11.8%</td>
</tr>
<tr>
<td>45-54</td>
<td>14.4%</td>
</tr>
<tr>
<td>35-44</td>
<td>10.2%</td>
</tr>
<tr>
<td>25-34</td>
<td>22.6%</td>
</tr>
<tr>
<td>25</td>
<td>11.1%</td>
</tr>
</tbody>
</table>

(n=717)

An analysis of the sources of income of the lodging home residents was able to ascertain that at least 77.4% of the clients depended upon direct government transfers as a source of income (See Table 14). Of the 22% of those whose income was unspecified it seems reasonable to assume that the majority of these people also depend upon government transfers but had not declared this for a number of possible reasons. Almost half of the people existed on Family Benefits Assistance (FBA) or Gains-D indicating that they were either part of the long-term welfare population or had a permanent disability. Over a quarter of the population
existed on some form of government run pension policy indicating the sizeable segment of elderly people who live in these homes. From the analysis in 4.3 it is clear that these people live on incomes that are well below the poverty line and which have also been decreasing quite rapidly in recent years. In most cases the cost of food and shelter at the lodging home is deducted from the welfare recipients income so that they are left with a disposable income of approximately $50 per month.

Table 14. Sources of Incomes of Lodging Home Clients

<table>
<thead>
<tr>
<th>Source of Income</th>
<th>% Population</th>
</tr>
</thead>
<tbody>
<tr>
<td>Family Benefits Assistance/Gains-D</td>
<td>42.5%</td>
</tr>
<tr>
<td>Old Age Supplement</td>
<td>23.3%</td>
</tr>
<tr>
<td>General Welfare Assistance</td>
<td>4.2%</td>
</tr>
<tr>
<td>Department of Veterans Affairs</td>
<td>4.6%</td>
</tr>
<tr>
<td>Disabled Pensions Assistance</td>
<td>0.8%</td>
</tr>
<tr>
<td>Canada Pension Plan</td>
<td>3.0%</td>
</tr>
<tr>
<td>Unspecified Income Source</td>
<td>22.6%</td>
</tr>
</tbody>
</table>

n=717 100.0%

In an attempt to understand how this program was developed over time the case history of each client was examined. It was determined how long each client had spent living under this particular residential agreement. From the results of this analysis (Figure 9) it is clear that
Fig. 9. The Growth of the Subsidized Lodging Home Industry in Hamilton.
this program has only developed over the last five or six years and that its major period of growth was between 1975 and mid-1979. Remembering that it was the period between 1975 and 1980 that was the crucial period of re-structuring in welfare policy and that the lodging home population is made up primarily of those service-dependent groups that we have analyzed, it is important to draw the links between the growth of the lodging home industry in the public city and the cutbacks in the provision of alternative residential arrangements for a host of service-dependent populations. It seems as if the cutbacks in the provision of group homes and homes for special care for ex-psychiatric patients, Homes for the Aged and nursing homes for the elderly, and subsidized suitable accommodation for the physically disabled have resulted directly in the rapid growth of the lodging home industry. Service-dependent populations who have no other residential alternatives have been forced into lodging homes in the core area of the city. This heterogenous group of people with different disabilities, requirements and functional abilities, do not make a very compatible population. Direct observation indicated that the resulting environment is antagonistic and volatile and tends to have a debilitating rather than recuperative effect upon the population.

Yet this is not an accidental outcome! It is the Ministry of Community and Social Services whose budget was so severely cut in the latter half of the 1970's (See 4.2.3) which administers all of the after-care services for these service-dependent populations. The decision of this ministry to promote and subsidize the privatized lodging home industry in the public city rather than develop other more appropriate forms of residential care, must be explained.
4.5.3 Why has the Lodging Home alternative developed?

Why has the state spent $403,439 in 1979 subsidizing the private lodging home industry in Hamilton rather than developing other residential care alternatives? One possible answer to this question may be found if we look at the relative costs to the welfare state of the various residential care alternatives for two of the most important groups, the elderly and the ex-psychiatric patients. From the findings of this comparison (Table 15) it is clear that for both of these groups lodging homes are by far the cheapest option, reflecting the level of care offered. In deciding to develop this particular form of after-care for these service-dependent groups there were considerable monetary savings to the Ministry of Community and Social Services. Given that it was this ministry which experienced the most severe cut-backs in the growth of budgetary expenditures between 1975 and 1980, it is easy to understand the appeal of this residential care alternative.

In conclusion it seems reasonable that we can understand the growth of this segment of the lodging home industry as an outcome of the process of restructuring the welfare state and as a less expensive form of providing residential care, no matter how rudimentary, to a particular segment of the service-dependent population. However, it must also be understood as part of the more general process of re-privatizing social services. The welfare state refused to expand or maintain high level care institutions (Homes for the Aged etc.) and it simultaneously developed policies to enable the incorporation of highly fragmented
Table 15

RELATIVE COSTS OF ALTERNATIVE FACILITIES PROVIDING RESIDENTIAL CARE FOR THE ELDERLY AND EX-PSYCHIATRIC PATIENTS

<table>
<thead>
<tr>
<th>FACILITY</th>
<th>PER DIEM RATE</th>
<th>SERVICE</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Elderly:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nursing Homes(^1) (Semi-Private)</td>
<td>$32.46</td>
<td>Board, Room, Nursing Care</td>
</tr>
<tr>
<td>Homes for the Aged(^1) (Semi-Private)</td>
<td>$32.40</td>
<td>a) Bed Care (same as nursing homes)</td>
</tr>
<tr>
<td></td>
<td>$19 - $23</td>
<td>b) Normal Care (board, room, 24hr supervision)</td>
</tr>
<tr>
<td>Retirement Homes(^2)</td>
<td>$18 - $35</td>
<td>Board, Room, 24hr supervision</td>
</tr>
<tr>
<td>Supervised Lodging Homes(^2) (Planned)</td>
<td>$10.50</td>
<td>Board, Room, 24hr supervision including supervision of medication.</td>
</tr>
<tr>
<td>Contract Lodging Homes(^2)</td>
<td>$10.50</td>
<td>Board, Room, 24hr supervision</td>
</tr>
</tbody>
</table>

| **Ex-Psychiatric:**             |               |                                                              |
| Group Homes                     | $30 - $40     | Board, Room, Therapeutic Services                            |
| Approved Provincial Homes       | $12           | Board, Room, 24hr Supervision                                |
| Contract Lodging Homes          | $10.50        | Board, Room, 24hr Supervision                                |

1 - as of Feb. 1980
2 - Rates Reported from 1979

and market specific privatized or voluntary services. It is these political and legislative changes which have been encouraged and enabled the lodging home industry in the core area of Hamilton to develop as a free-market response. It should be remembered that this free-market response in turn enabled the state to continue the process of restructuring at an increasing rate. Such was the happy marriage of the state and private enterprise, providing substantial fiscal savings to the welfare state and ever increasing markets (and profits) to the entrepreneurs in the private 'care' giving industries. Once again only the service-dependent lose out. Many of the lodging home residents exist in conditions inadequate for their needs. They are forced to continue in this pseudo-custodial and rudimentary care system because of inaccessibility and progressive underdevelopment of the higher levels of the care network.

4.5.4 The Nature of the Lodging Home Industry in General

This section briefly outlines the important similarities between the lodging homes that are directly contracted to the welfare state, which have just been examined, and the lodging home industry in general. Primary research on the subject indicated that the population which was classified as 'special needs' and which lives in the twenty two lodging homes just examined, is highly transient. They often move out of this program to move into uncontracted lodging homes where they have greater independence. Similarly, many of those who move into the program have lived in other lodging homes previously. These factors
coupled with anecdotal information could indicate that the structure of the population in the other seventy lodging homes is similar to that already studied. The indications are that the population is largely welfare dependent but with a greater ability for independent living than that in the 'special needs' category.

It has been seen that in Map 13 that the lodging homes in Hamilton are highly concentrated in the core of the city. To understand the reason for this distribution it is necessary to outline the nature of the lodging home industry. As was already noted the industry has developed as a market response to the growing service-dependent population being forced to exist in the community. These people, as the human fall-out of the process of restructuring, provide a ready market for a care giving industry. They are characterized by a very low and decreasing but guaranteed incomes and therefore the industry which was developed as a free-market response must reflect the characteristics of its client population. It must provide a cheap service and still make a profit.

Areas of large old housing of low market value in sectors of mixed land uses, have become the prime areas of concentration for this industry. The structural suitability of these homes, their low property values and suitable zoning laws and low levels of locational conflict have meant that the lodging home industry has been able to develop in the core areas of the city as an economically viable alternative to other forms of residential care. The process of restructuring has resulted in a rapidly growing client population and a demand for privatized
services. The structure of space allows for a specific free-market response. It is in this manner that this very important aspect of the public city can be understood.

4.5.5 The Public City in Hamilton

At the outset of this thesis the public city was defined as the concentration of service-dependent populations and their helping agencies, in the inner city. This section will attempt to show that the public city, so defined, is a concrete empirical reality in the city of Hamilton.

In an earlier review of other research dealing with the public city (Chapter 2) the work of Wolch (1978) on the residential location of the service-dependent poor was outlined. Wolch's (1978) work highlighted the importance of understanding the co-locational interdependence between service-dependent populations and their helping agencies when addressing the question of public city development. Hughes (1980) showed the ways in which locational conflict and the political/planning process tends to ghettoize service facilities in areas with little political power and successful community opposition. This chapter has stressed the functionality of a concentrated service network to those people who are largely immobile, for physical or economic reasons, and to the welfare state in a period of fiscal constraint. Similarly, this chapter has shown how the process of restructuring involving cutbacks, fragmentation and reprivatization leads to a concentration of residential care facilities for the service-dependent in the core area of the city.
Therefore in order to substantiate the argument that all of these factors have lead to a concentration of social service facilities, a map (Map 14) of social service facilities in Hamilton is presented.

It is clear from this map that social services in Hamilton are concentrated around the core area of the city. The social services presented on this map are defined according to their target population and it is apparent that the service network for each of these groups examined in this chapter is highly concentrated. Given the locational interdependence between the clients and their service agencies, it is obvious that the spatial distribution of social service facilities will act as an important factor binding this population to an inner city.

Each of the individual service-dependent populations analyzed in this chapter indicated a concentration in the core area of Hamilton. It emerged from the analysis of each of these groups that the process of restructuring the welfare state had affected the residential choices available to them. Many psychiatric patients had been deinstitutionalized over the past ten years and because of the failure to develop the proposed system of community care these people were now subsisting in cheap lodging homes in the inner city. The financial starvation of the system of care for the mentally retarded and the rapid increase in user costs for the services provided meant that this population was being increasingly forced to subsist in the community on low and declining welfare incomes. The failure to expand residential care for the elderly in a period when this sub-population was rapidly increasing, coupled with the evidence of growing poverty among this group, resulted in a growing number of poor
service-dependent elderly in the community. The lack of subsidized accessible housing, inadequate and worsening income-maintenance programs, exploitative working conditions and an inadequate transportation system resulted in a high proportion of service-dependent physically disabled people remaining in cheap lodging homes or institutional care in the core area of the city. Finally, the analysis of changes in the correctional service-system associated with the restructuring of the welfare state showed how these changes resulted in the rapid growth of the probation and parole service in Hamilton. The clients of this system live in the community in half-way house type arrangements or contracted voluntary or charitable organizations. The analysis of the residential location of these clients indicated that they too were highly concentrated in the core area of the city, adding another sizeable service-dependent population to those already in the area.

In order to get an overview of the effect of public city development in Hamilton, a complete map of the five service-dependent groups examined in this study was created. The data relating to each of these groups was aggregated using the method outlined in page 13, so that a composite score was indicated for each census tract. The resulting map (Map 15) shows quite clearly how this large service-dependent population have come to be highly concentrated in an area of seven adjoining census tracts around the Central Business District (CBD). It is this area that essentially defines the boundaries of the public city in Hamilton at present.
MAP 15. Distribution of Major Service-Dependent Populations in Hamilton
(includes Ex-Psychiatric Patients, Mentally Retarded, Physically Disabled, Probationers and Parolees)
CHAPTER 5

CONCLUSIONS

In recent years research in a variety of disciplines has shown that there is an increasing tendency for service-dependent populations and their helping agencies to concentrate in the inner areas of a wide range of North American Cities (2.1-2.2). However, explanations of the 'public city' have been characterized by their eclecticism and arbitrary empiricism and to date have failed to provide an embedded theoretical explanation for the creation of these 'public cities'. Because of the paucity of explanation at a general level, it was felt necessary to devote the majority of this thesis towards overcoming this theoretical hiatus.

The primary objective of this thesis was to provide an embedded theoretical explanation for public city development. The explanation which was developed was aimed to allow for the temporal specificity and societal generality of the process, through linking it directly to the dynamic and contradictory processes of capitalist accumulation and class struggle. The historical materialist explanation which was provided offers a general theoretical framework within which more detailed research on particular aspects of the process may be located and explained.
The essential theoretical explanation for public city development presented in this thesis, is that the dialectical nature of capitalist development exhibits a tendency to crisis during which structural solutions were posited to the emerging impediments to accumulation. These structural solutions embody the contradictions of the process of capitalist accumulation and these in turn develop into impediments resulting in subsequent crisis. Within this framework the welfare state and the suburban form of the city have been similarly derived from the process of capitalist accumulation and class struggle and have been presented as two of the structural solutions which developed in response to the previous accumulation crisis. The inherent contradictions embodied within these solutions were elucidated and the increasingly problematic nature of these contradictions was highlighted. It was then argued that the intensification of these contradictions and the concomitant social restructuring processes were the prime motive forces in public city development.

The core area of the city became the focus of the restructuring process precisely because it was the developing corollary of the suburban city, whose inherent contradictions were simultaneously excluding the growing service-dependent populations. The process of restructuring the welfare state during the period of crisis resulted in increasing numbers of service-dependent people being forced to exist relatively independently in the general community. As the inherent contradictions of the suburban solution and the welfare state solution intensified, the coterminal processes of social and spatial
restructuring resulted in increasing numbers of service-dependent people being concentrated in the inner-city. The public city is then viewed as one of the 'structural solutions' emerging from the current period of crisis/restructuring.

This theoretical framework outlined two major areas of enquiry which must be addressed empirically in order to explicate the theoretical explanation. Clearly the inherent contradictions in the suburban form of the city and the ways in which they have intensified and become manifest must be outlined, in order to explain the relative importance of these factors in public city development. However, it was felt that a number of studies did exist which knowingly or unknowingly addressed these issues and therefore this aspect of the theoretical framework was most easily explicable. The second major area requiring empirical research, must examine the ways in which the inherent contradictions of the welfare state had become manifest resulting in complex social restructuring processes which were simultaneously leading to the rapid intensification of public city development. Because this particular area of research is very poorly understood, it was the empirical explication of this aspect of the theoretical framework which constituted the second major objective of this thesis.

Chapter 4 therefore focusses on the nexus of relations which exist between the state in advanced capitalism (particularly its welfare functions), the economic and political crisis of advanced capitalism and particular outcomes which emerge from the complex processes of
restructuring during the period of crisis. In particular, Chapter 4 addresses the process of restructuring the Canadian Welfare State in the Province of Ontario and particular spatial outcomes of this process in the City of Hamilton. The chapter begins by examining the effects of the fiscal crisis of the Canadian State and the general accumulation crisis on state expenditures over the last decade. It highlights the manner in which the fiscal crisis has resulted in the Ontario Government embarking on a major program of spending restraint in the social services while simultaneously attempting a general transfer of expenditure priorities away from areas of 'unproductive expenditure' and into areas of 'indirectly productive' or 'productive expenditure'. The effects of these expenditure changes has been to erode the purchasing power of social assistance incomes. Welfare recipients in Ontario exist on incomes which are well below the government defined poverty lines and these inadequate incomes have grown progressively more inadequate during the period of crisis. There is evidence that the levels of welfare assistance in Ontario have been structured so as to remain consistently below the minimum wage, thereby supporting secondary labour markets by forcing welfare recipients back into the labour market while simultaneously ensuring that low-wage workers remain in the labour force during the period of crisis. However these trends have not reduced the size of the welfare population during the period of crisis; they have merely limited its expansion. The fact is that only a small proportion of the welfare population are unemployed adults. The majority of those receiving public aid in Ontario.
are sick, disabled or elderly adults and their dependents or women 
raising children alone. Most of these people have lost their competitive 
link to the labour market and are therefore forced to continue existing 
in the community on progressively diminishing incomes during the period 
of crisis. Because of the inadequacy of dealing with the welfare 
population as a monolithic grouping and the desire to unearth the apparent 
complexity but inherent consistency of the restructuring process, 
a variety of of distinct welfare sub-populations were examined.

The welfare sub-populations which were examined in detail 
were: ex-psychiatric patients, the mentally retarded, the physically 
disabled, the elderly and probationers and parolees. Because of the 
complexity of the restructuring processes, as they have been applied and 
subsequently affected these individual populations, it is impossible 
to provide an adequate summary of the important findings of this crucial 
aspect of the analysis. What will be attempted instead is to show 
the ways in which the prospective strategies which it was predicted that 
the welfare state would employ during the the period of the crisis (3.5.6) 
have become apparent in the restructuring of the welfare state in 
Ontario.

The major strategy which has been employed to cope with the 
general accumulation crisis in Ontario has been to shift the crisis 
from the sphere of production to the sphere of reproduction. This is 
manifested in the state structure as a general shift in emphasis 
towards social capital expenditures and away from social expenses. 
For these reasons the welfare functions of the state in Ontario have
been implicated in the genesis of the crisis and they have become a pivotal point for the application of class strategies by the state, which enable the general system of social relations to emerge from the period of crisis relatively unchanged.

The Canadian state has implemented a series of strategies which have enabled it to regionalize the crisis. It has engaged in a variety of 'shiftback' policies whereby the higher levels of the state have attempted to progressively shift responsibility to the lower levels of the state where the fiscal crisis of the state is more severe. This has operated as a conflict-diversification strategy allowing the central state (Provincial, Federal) to be operated in capitals' interest (capital subsidy), while partitioning class based conflicts into conflicts based on spatial units (municipalities). These strategies, which are complexly interwoven, enable state actions to be legitimated while simultaneously diffusing rationality crises (conflict over state outputs) by channeling them at the local level. These policies were evident in the federal government through the changing of unemployment insurance regulations so as to transfer responsibility for the growing number of unemployed, primarily to the local levels of the state. Also the decarceration and deinstitutionalization movements in part reflected a transfer of fiscal responsibility for these service-dependent populations from the federal and provincial to the regional and municipal levels. In a different way the refusal to expand provincially funded social service facilities and after-care services often resulted in the local levels of the state having to
provide care for those whose needs were not being met (Eg. the subsidization of the local lodging home industry). However this policy of 'shiftbacks' can only be fully understood when it is combined with the strategy of privatization and fragmentation, designed to absolve the state from the responsibility for direct service provision, and the strategy of 'throwback' designed to isolate social pathologies associated with the crisis in the individual, the family or community, rather than in the wider social formation. It is this 'throwback' strategy which must be dealt with first.

In a number of significant areas of social policy the Canadian state has attempted to increase user costs quite markedly and thereby to reduce the states' burden and responsibility in the area of social policy (Eg. OHIP increases). At one level the deinstitutionalization process as it developed during the period of crisis, forcing people out of state subsidized care and either providing the alternative of partially subsidized residential accommodation or total abandonment, can be interpreted as reflecting this general 'throwback' strategy. A good example of this strategy was provided in the analysis of the care of the mentally retarded. The 'throwback' strategy of the Ontario Government as expressed in the comment that "the committee deplores the fact that parents of retarded persons have not always been aware of the costs of care since there has been no charge for services... charges should be levied not only to cover the basic level of health care but also program-related services", contained in the Henderson Report (1975), indicated how this policy was to be applied to the care
of the mentally retarded. As was subsequently seen in the analysis, the de-institutionalization of care for the retarded resulted in abandonment and financial hardship for many of these people and is a good example of the operation of the 'throwback' strategy.

The strategy of reprivatization and fragmentation of the welfare system was one of the most complex yet influential aspects of the restructuring of the welfare state in Ontario. This strategy led to a number of beneficial outcomes for the state. The reprivatization of care and the increasing use of voluntary labour significantly eased the state's fiscal burden in the area of social policy. Simultaneously it increasingly removed the responsibility for care to the private sector, thereby decreasing the likelihood of conflict over service provision being translated, through the state, into class conflict during the period of crisis. The reprivatization of care through the increased contracting and use of privately operated care-giving industries was observed with respect to a number of groups including psychiatric patients (lodging homes), the mentally retarded (Extendicare Ltd.), the elderly (Nursing homes) and probationers and parolees (Family Service Agencies and Half-way houses). The increased use of voluntary labour was also witnessed with respect to a number of groups (Eg. Probationers and Parolees) and this can also be interpreted as a state strategy to decrease the fiscal burden of social policy.

Reprivatization, however, is also part of the general strategy of 'administrative re-commodification', whereby the state during the
period of crisis has been attempting to take capital and labour, which has been 'de-commodified' under the welfare state strategy, and put them back into commodity exchange relationships. This is one interpretation of the reprivatization process but it is also apparent in other actions of the state. The attempts to tighten unemployment insurance regulations and to maintain welfare consistently below the minimum wage can be interpreted, at this abstract level, as attempts to put de-commodified labour back into the commodity form. Similarly the progressive attempts to put offenders back into the labour market, even while they still remain under the repressive apparatus of the state, may be viewed in a similar manner. Even the general 'throwback' policies may be interpreted in this manner as they increasingly redirect de-commodified welfare services back to the commodity form of consumption.

The increasingly fragmented and inaccessible nature of the welfare system in Ontario, as it emerged from the period of crisis/ restructuring, had significant implications. Increasing fragmentation and inaccessibility were associated with almost every aspect of the restructuring process and the implementation of these outcomes was that many of those who needed care during the crisis period were successfully excluded from the emerging welfare system. This enabled large fiscal savings in the areas of social policy thereby freeing more state resources for capital subsidy. Similarly, the inaccessible and fragmented welfare system tended to remove the state from direct care giving, yet again, locating many social pathologies at the level
of the individual, family or community and not at the level of the
wider social formation. It was apparent from the analysis in Chapter 4
that these factors were prevalent in the welfare system as it developed
in relation to the ex-psychiatric patients', the mentally retarded,
the physically disabled and the elderly.

The restructuring process also led to a significant increase
in the social control element in social policy in Ontario, as well as
to qualitative changes in the manner in which social control was adminis-
tered. Clearly the changing labour laws and the increasing police
expenditures are an overt expression of the coercive and repressive
activities of the state. However, it is also apparent that a number
of more subtle forms of social control were increasingly being used
to control the welfare populations who were emerging from under the
immediate influence of the coercive and repressive state apparatus
(Eg. the probationers and parolees). The increased use of what can
be termed 'community police' in social service delivery and administration
(i.e. Voluntary, charitable and ideological agencies) must be recognized,
at least in part, as an expression of the new forms of social control
and domestic pacification. In the case of ex-offenders the use of
charitable organizations, often with a specific ideological vocation,
as the agent of re-socialization and continued supervision was an
important aspect in enabling the state to simultaneously de-carcerate
this population while maintaining the required levels of social control.
However, the most important form of social control which has been
developed has been the ideological control of welfare recipients and
the working class in general. This ideological control has been
developed and applied in a specific yet complex manner in the restructuring
of the Canadian Welfare State.

An important aspect of the restructuring process has been the
links that developed between the political and the economic, in particular
as they were expressed through the unlikely but forceful combination
of civil libertarians and fiscal conservatives. The former provided
the basis for the ideological and legitimatory justification of the
latter's economic polies. In many cases liberal reforms were being
called for, or implemented on a small scale, before the possible
economic implications of these reforms were recognized by the fiscal
conservatives and the state (Eg. Psychiatric Care and Corrections).
These possible economic implications were quickly grasped by the fiscal
conservatives and the ensuing combination of the two groups (largely
orchestrated by the state) enabled and encouraged a powerful and pervasive
ideological rhetoric to develop, legitimating a great deal of state
policy during the period of restructuring. The ideological success
of this combination can be seen from the fact that many of the restructuring
strategies received popular support from those very people they
were designed to affect detrimentally. Similarly, the success of
this ideological smokescreen must be measured by the relatively low
levels of class struggle which have been observed relative to the
massive scale of the restructuring process. While this thesis did
not provide an explicit analysis of the ideological component in the
restructuring process, its importance is implicit in the analysis of
each of the groups. This is exemplified in the ways in which the official rhetoric of community care, carefully nourished in a variety of government reports and policy statements, enabled the varied but purposive processes of restructuring associated with the decarceration and deinstitutionalization movement to develop. The links between official ideological activity (state sponsored ideology) and the restructuring of the welfare state is a vitally important area of research requiring further attention. The immediate task of this research was to indicate the important and determining links between the restructuring of the welfare state and the intensification of public city development.

The analysis in Chapter 4 illuminated the ways in which the process of restructuring the welfare state had affected the residential choices available to all of the service-dependent groups examined. Many psychiatric patients have been deinstitutionalized over the past ten years and because of the failure to develop the proposed system of community care, these people were now subsisting in cheap lodging homes in the inner city. The financial starvation of the system of care for the mentally retarded and the rapid increase in user costs for the services provided meant that this population was being increasingly forced to subsist, independently, on low and declining welfare incomes. The failure to expand residential care for the elderly in a period when this sub-population was rapidly increasing, coupled with the evidence of growing poverty among this group, resulted in a growing number of poor service-dependent elderly in the community. The lack of subsidized accessible housing, inadequate and worsening income-
maintenance programs, exploitative working conditions and an inadequate transport system resulted in a high proportion of service-dependent physically disabled people remaining in cheap lodging homes or institutional care in the core area of the city. The analysis of changes in the correctional service-system associated with the restructuring of the welfare state showed how these changes resulted in the rapid growth of the probation and parole service in Hamilton. The clients of this system live in the community in half-way house type arrangements or contracted voluntary or charitable organizations. The residential location of these clients indicated that they too were highly concentrated in the core area of the city, adding another sizeable service-dependent population to those already in the area.

In many ways the public city is a composite material expression of the whole gamut of class strategies implemented by the state during the crisis. It is in this sense that it can be presented in part as a developing 'structural solution' to the contradictions inherent in the welfare state during the period of crisis. The analysis seems to explicate this aspect of the proposed theoretical framework for public city development, presented in the thesis. It is now apposite to reevaluate the significance of this theoretical explanation.

It has been a number of years now since David Harvey, in a discussion of the problem of ghetto formation, outlined the necessary direction of future historical materialist research in the area. As he pointed out, our task "does not entail yet another empirical
investigation of the social conditions in the ghettos", but conversely "our task is to mobilize our powers of thought to formulate concepts and categories, theories and arguments, which we can apply to the task of bringing about a humanizing social change" (1973,p144-145). This thesis has attempted to follow Harvey's advice and through the application of the dialectic and contradiction to the analysis of the public city, provide a theoretical understanding of the mechanisms leading to this specific contemporary form of ghetto creation. However, the ultimate objective for presenting such a theory is not simply to explain the mechanisms which serve to generate the theory, but to eliminate them. It is towards this objective that future research on the public city should be directed.

A number of important areas of research need to be examined in greater detail. Firstly, the ways in which the class contradictions and tensions of advanced capitalist society are being manifested in the suburban form of the city, need to be examined. Particularly important are the questions raised by the process of aging in situ and growing service-dependence in suburban areas where services have previously been excluded. A second important area of research should deal with the inherent contradictions in the 'public city solution', its utility to the service-dependent and the political implications of public city development. A whole range of issues relating to the restructuring of the welfare state constitute a third general area of research requiring examination. In particular the ways in which class
struggle is diffused by the state's repressive and ideological apparatus, must be highlighted. Also research should be directed towards determining the nature and significance of the emerging 'post welfare state' for the welfare populations and the working class in general. Finally, and most importantly, the ways in which the 'post welfare state' may be used for the encouragement of humanizing social change and for furthering the process of peaceful transition to socialism need to be outlined.

In conclusion, the public city can only be understood within a general theoretical framework linking it to the process of dialectical and dynamic change in advanced capitalist society. It is hoped that the basis for such a theory has been presented in this thesis.
MAP 16. Distribution of People over 70 Years of Age in Hamilton (1971)
MAP 17. Distribution of Low-income Families (< $6,000) in Hamilton (1971)
MAP 18. Distribution of Unemployed People in Hamilton (1971)
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