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BOOK REVIEWS

Poverty Bonds by P. W. Burman

Reviewed by JEFFREY SCHLEMMER*

Professor Burman has written a useful primer on poverty in Ontario¹ as it existed in 1995 – the year of the rise of the neo-conservative Harris government – indeed an *annus horribilus* for Ontario's poor. He provides conceptual, historical and ideological background to explain why, as Ontario has become more prosperous over the past decade, poverty has increased dramatically. We constantly hear that the rich truly are getting richer, and the poor, poorer. Professor Burman explains why. At root, he demonstrates that this trend is not, as we are constantly told by government and Right-wing think tanks, a regrettable but inevitable side-effect of inexorable modern economic forces like globalization in the free market. Nor is it because the poor are lazy.

Professor Burman demonstrates that the real reason for the paradoxical increase in poverty in the midst of prosperity is that poverty is simply good for business. Right-wing intellectuals believe this, but are generally wise enough not to publicly say it.

Politicians use more publicly palatable words, often swaddled by the most caring language, that poverty is basically the fault of the poor. Professor Burman points out that Premier Harris garnered significant popular support when he applied this as his guiding principle when dealing with Ontario's poor. "Tough love", goes the theory, is all that is needed to get the poor off their duffs and back to work – and thereby eradicate poverty!

Professor Burman recalls the embrace by government, following World War II and up until the mid-1980s, of the policy of planned full-employment. This arose from Sir William Beveridge's groundbreaking report to the British government in 1942. The combination of the devastating Great Depression of the 1930s, and the political power demanded by troops returning from World War II, temporarily shook the iron grip that the wealthy and powerful normally held on government. Even C. D. Howe, the influential, pro-business, Federal cabinet Minister, recognized that the returning troops would demand jobs. They had not fought merely to hand power back to the

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1. P.W. Burman, *Poverty Bonds: Power and Agency in the Social Relations of Welfare* (Toronto: Thompson Educational, 1996).

business leaders whose “pro-business at any cost” policies had so devastated their families in the Great Depression.

Beveridge adopted the economic theories of John Maynard Keynes, that government could soften the periodic downturns in the business cycle in a free market, and thereby see everyone who wanted work, have work – even in bad times. He said that full employment was possible. Beveridge also argued that improving conditions for the poorest in society, generally the aged and infirm, would inure to the benefit of society at large.

Thus, Burman notes, rose the social welfare state, which for forty years drove business, and its apostles, the Right, to distraction. In the 1990s however, the Right managed to regain the initiative and, by and large, retake control over government policy.

The need for unemployment is generally associated with economist Milton Friedman and his assertion, in 1968, that there exists a Non-Accelerating Inflation Rate of Unemployment (NAIRU). NAIRU theory boils down to the principle that any economy must always have a certain percentage of desperately poor unemployed people (usually between 6 and 7%) in order to keep workers from demanding inflationary wage increases. A tight lid must be kept on wage increases so that high returns by investors won't fuel inflation. It is said undue inflation is the worst thing that can happen in an economy.

Nothing deters wage demands so wonderfully as the prospect of unemployment, and the example of how we treat our unemployed. And we are told daily that high investor returns – gains in the stock market – are good news for all of us. Burman debunks this popular mythology.

The death of the official government policy of planned full employment and the social welfare state, Burman notes, was assisted greatly by the rapid inflation of the 1970s, and the resulting government deficits. The Right skillfully blamed these on the social programs by which government sought to achieve full employment and the amelioration of life for the poor, rather identifying them as the inevitable hangover from the overheated economy of the free spending 1960s. Remember the cost of the Vietnam war and the space race? The oil embargo, of course, didn't help. Thus the public was lulled back into accepting the idea that unemployment is largely the fault of the unemployed.

So many of today's news headlines become clear with the benefit of the insight Burman provides. One sees why every news report includes a stock market report (though very few listeners play the market); why a decline in unemployment often drives the stock market down (since it creates pressure for wage increases – which are bad for earnings); and why declining oil prices are reported in the business section as bad news (because companies won't make as much from consumers). It is once again received wisdom among the public that what's good for business is good for everyone. It is so refreshing to be reminded that often the opposite is true.

Government, Burman notes, has worked hard to sell a willing public on the idea that laziness is the cause of unemployment and poverty, since this then makes the solution

obvious – poor people will choose to get jobs if they are made sufficiently desperate. So massive cuts to social assistance, cuts to job re-training and education, forced workfare in meaningless “volunteer” dead-end tasks, and a massive crackdown on welfare fraud (which all statistics show to be a fraction of 1%) make sense. It explains why the Ontario government would cut \$400,000,000 from its welfare budget for food and shelter for children and instead pay it to Andersen Consulting – to advise on ways to decrease red tape (which they have now successfully increased by several hundred percent). The poor must be made to suffer, but cannot all be allowed to find jobs. Burman mischievously points out that before laziness was popularized as the reason for poverty, the prevailing rationale was that it was caused by sin – after all, if God was happy with a people, he wouldn’t consign them to poverty!

Shaming and deprivation, Burman amply demonstrates, are the chief levers now used by government in the fight against poverty. Instead of adequate food and shelter allowances, they now talk about more expensive, but more demeaning, food banks and warehousing in shelters. He points out, for example, that it costs twice as much to house a homeless person in a shelter as in an apartment. Since the government does not want to fix the problem of unemployment and poverty (since that would be, they believe, disastrous for the economy), it serves government’s purposes to attribute the problems to the wrong causes (*i.e.*, laziness), then be seen to be applying tough love fixes to help the poor.

Burman pulls together threads from various disciplines – sociology, economics, politics and history – and writes a practical, hard-headed manual which should be required background reading for any anti-poverty activist. Without being sentimental or strident, he very effectively merges sophisticated theoretical analysis with vivid depictions of the practical problems of life as a poor person.

Knowledge is power and context is everything. Burman’s book is an invaluable background source for anyone interested in the phenomenon of poverty in Ontario today. To make positive change one must know where we came from, how things really are and why, and what one’s opponents are thinking. One can’t get that from a newspaper. Burman provides it with this book.