Abstract

This article examines the current practices of welfare surveillance in Ontario Works (OW). Although neoliberal policy changes to social assistance have been well documented by a variety of scholars, the surveillance technologies behind them have received less scrutiny. The article questions how new surveillance technologies have transformed the administration and everyday practices of OW. Based on primary research of policy documents, legislation, regulations and directives, the paper explores the eight surveillance tools used to police OW recipients including the Consolidated Verification Procedure (CVP); Maintenance Enforcement with Computer Assistance (MECA); Service Delivery Model Technology (SDMT); Ontario Works Eligibility Criteria; Eligibility Review Officers (EROs); Audit of Recipients; Drug Testing and Welfare Fraud Hotlines. I argue the Ontario Works Act (OWA) 1997 justified increased surveillance, regulation and control of poor families creating new forms of surveillance. Additionally, the rationales behind the implementation of OW surveillance (anti-fraud and workfare) were unjustified and have made OW recipients, particularly racialized single mothers more vulnerable. Using a feminist political economy critique, the article endeavours to explore the gendered, classed and racialized implications of welfare surveillance and the expanding ways the state has created ‘deviants’ out of those who fail to be ‘good market citizens’.

Introduction

In the last two decades, welfare administration has undergone dramatic transformations in most Western democracies. Governments have reduced welfare rates, restricted eligibility, increased surveillance, and tied welfare to work participation. In Ontario, all four of these administrative tools have radically altered the nature and philosophy of welfare delivery. Since 1997, Ontario’s welfare policy has been redesigned to offer financial assistance in return for employment participation hence the symbolic replacement of the term welfare with ‘Ontario Works’ (OW).1 Accompanying these financial reforms including rate cuts of 21.6% was the increased surveillance of Ontario individuals and families receiving welfare. Social assistance is treated as a last resort in Ontario, when all other resources have been exhausted—a recipient today receives $592 per month for rent and personal items.2 Beyond reducing welfare rates below the
poverty line, the introduction of the new social assistance model and its surveillance technologies resulted in a reduction in caseloads of 500,000 between 1995–2002 (Herd 2002).

According to the OWA 1997, this welfare model emphasises the need for recipients to acquire skills and work towards becoming employable, whether through employment–seeking activities (job search, resume writing, workshops etc) or through a job placement. As Directive 1.1 states, ‘The intent of the Ontario Works program is to help people in temporary financial need find sustainable employment and achieve self–reliance through the provision of effective, integrated employment services and financial assistance’. With the emphasis on employability and anti–fraud measures, surveillance of welfare recipients is justified to ensure that recipients are working towards getting off welfare and into the job market, thereby reducing ‘dependency’ on state assistance.

While neoliberal policy changes to social assistance have been well documented by welfare scholars (Cossman and Fudge 2002; Little and Marks 2006; Evans and Wekerle 1997; Mirchandani and Chan 2007; Dominelli 1999; Coulter 2009; Baker 1997), the surveillance technologies behind them have received less scrutiny. How is welfare transformed by new surveillance technologies? There are eight surveillance tools used to police OW recipients including the Consolidated Verification Procedure (CVP); Maintenance Enforcement with Computer Assistance (MECA); Service Delivery Model Technology (SDMT); Ontario Works Eligibility Criteria; Eligibility Review Officers (EROs); Audit of Recipients; Drug Testing and Welfare Fraud Hotlines. The Ontario Works Act (OWA) 1997, justified expanded surveillance, regulation and control of poor families and has institutionalized forms of technological surveillance that have a) furthered the economic exploitation, stigmatization and marginalization of Ontario’s most vulnerable and b) diversified, while at the same time, consolidated the power of the state to deter and limit access to state resources for the poor and maintain a docile and increasingly desperate pool of cheap labour for the benefit of capital.3

To comprehend these highly exploitative and economically–driven surveillance practices we must first understand the neoliberal context in which these surveillance technologies were introduced into welfare policy; second, examine the key technological shifts in welfare services; third, untangle the confluence of hybrid methods of surveillance which introduce new technologies with traditional non–technological methods of control; and finally, assess how surveillance studies combined with feminist political economy might illuminate the technical, political, gendered, racialized and economic implications of welfare surveillance.

The Neoliberal Context: Cutting welfare rates and investing in Surveillance

Neoliberal policy makers and politicians justified the dramatic increase of welfare surveillance in Ontario during the 1990s with three key arguments.

a) Widespread stereotypes of assumed criminality and fraud amongst welfare recipients demanded a more punitive and regulatory welfare system to monitor (surveil) current and potential recipients

b) The desire to reduce and control welfare caseloads and costs and ensure accountability to taxpayers.

the average household on food, clothing and shelter. In a 2010 report, the LICO for a single person is $12,019 in rural areas and $18,373 in urban areas (Statistics Canada 2010). For a single person, OW provides $7104 for a year, leaving OW recipients in rural areas $4,915, and in urban areas $11,269, below the poverty line. 3 This is but one way that OW operates; it is the legal framework which municipalities are accountable. The ways in which these policies, regulations and directives are administered on an everyday basis on OW offices may differ and stray from the directives depending on each location.
c) The privatization of social services to create a so–called efficient, centralized system which would potentially off–load some of the state’s responsibility for the poor onto the private market.

Anti–poverty scholars, lawyers and community activists and advocates called these reform platforms a ‘war on the poor’. Broadly speaking, since 1995, there have been considerable changes to the administration of social assistance delivery in many western countries (Cossman and Fudge 2002; Little and Marks 2006; Evans and Wekerle 1997; Mirchandani and Chan 2007; Dominelli 1999; Coulter 2009; Baker 1997; Lightman Herd and Mitchell 2005; 2004; Little 1994; 2001; Bezanson and Luxton 2006; Caragata 2003). The OWA 1997 is known for dramatically altering the nature of welfare provisions (both legislatively and administrative) and has acted as a template for other regions across Canada to emulate (Little and Marks 2006; Mirchandani and Chan 2007). The introduction of OWA authorized cuts to social assistance, privatization and deregulation and has dramatically affected how the poor, unemployed or partially–employed survived in one of the wealthiest states in the world.

Neoliberal policies were first adopted as alternative methods of re–organizing the political landscape in the late 1970s when Canadian corporations lobbied the government to reduce restrictions on businesses so that they could compete with the US and the larger global economy that was rapidly moving towards state models that provided tax breaks and incentives to corporations, paid for by slashing tax–funded social programs and services (Evans and Wekerle 1997; Snider 2000; Cossman and Fudge 2002; Brodie 1996). The days of Keynesian liberalism were over: a hyper–liberalism circulated that believed the state should no longer intervene in the marketplace to protect workers but should instead assist capital in maximizing profits by providing capitalists with less negative government interventions (taxes, regulations, etc.) and greater freedoms. To make neoliberalism appealing to the lower and middle class majority, policy makers dubiously promised that increased profits would magically create jobs and the ‘trickle–down’ effect would make the need for welfare and other state–funded social services redundant.

During the earliest period of change in the 1970s and 1980s, right wing think tanks based primarily in the US, most prominently the Chicago School, began conducting research that ‘scientifically’ determined how and why it was feasible to cut social spending in order to compete with the global market (Snider 2006). Feminist scholars such as Patricia Evans and Gerda Wekerle (1997, 7) point to the dramatic changes that occurred in the 1990s, influenced by research of the Chicago School, when Canadian governments (re)focused on ‘decentralizing, deregulating, and privatizing’. They claimed that ‘dominant discourse in Canada in the 1990s reframes societal problems in terms of market forces, global competitiveness, and individualism’ (ibid, 13). Under neoliberal policies it became even more difficult for those in need to apply for social assistance, unemployment insurance and childcare (Snider 2006). With the cuts to social spending and the focus on individualism, neoliberal welfare policies radically transformed government actions to alleviate poverty, favouring business interests over citizen’s basic human rights.

Under the federal Liberal government in the 1990s, the Canadian Assistance Plan (CAP) was dismantled, a universal, needs–based policy which provided a social safety net for Canadians in need of financial assistance during tough times (Torjman 1996; Cossman and Fudge 2002). CAP, which specified that those on welfare should not be forced to work for welfare benefits, was replaced by the Canadian Health

4 Right think tanks (CD Howe and Simon Fraser Institute) in Canada also produced ‘scientific’ research that justified market relativism (Swanson 2001, 65).
5 Evans and Wekerle (1997, 20) argue that basic rights have been replaced ‘by notions of individual choice and efficiency’. Cossman and Fudge (2002, 21) also claim ‘individualization’ treats issues such as poverty as ‘individual shortcomings, products of poor individual choices, to be remedied by emphasizing individual responsibility’.
6 CAP was established in 1966 during the Keynesian period in Canada. This policy was a universal based model that focused on financial needs alone, mandatory work for benefits was banned by CAP policy after decades of political pressure from labour unions that any work relief tended to lower the cost of living for all workers (Cossman and Fudge 2002).
and Social Transfer (CHST), which reorganized government services, decentralizing funding allocation from the federal government to provincial block funding, allowing provinces to determine how to allocate funding to health care, postsecondary education and welfare (ibid).\(^7\) The Mike Harris Ontario conservative government took advantage of the CHST to introduce the OWA (1997), institute workfare, and increase regulation and centralization of welfare, by implementing powerful databases (information sharing) across a multitude of jurisdictions (criminal justice, immigration, credit checks, Employment Insurance etc.).

Cossman and Fudge note that neoliberal projects often involve deregulation (markets, corporations, business) and reregulation in other areas (welfare, corrections, social reproduction) (2002, 19; Brodie 1996; Bezanson and Luxton 2006). Under the OWA, welfare recipients are expected to engage in work–for–welfare (workfare) in exchange for financial assistance. Welfare recipients, while increasingly treated as ‘flexible workers’ are prohibited from their rights (as workers) to unionize in their work placements.\(^8\)

With the ubiquity of neoliberalism by the mid–1990s, Ontario’s Conservative Mike Harris government was able to boldly claim that OWA was part of a larger ‘common sense revolution’ (1994). The OWA was different from previous welfare policies because it introduced more stringent eligibility criteria, a wide range of technological surveillance practices, new spouse in the house rules, anti–fraud measures, as well as the enforcement of workfare (OWA 1997).\(^9\) This is a dramatic break with previous Keynesian welfare policies that prohibited mandatory work–for–welfare benefits however, it is not a new method for regulating the poor. OW is a reassertion of Elizabethan Poor Laws established in 1601 which required the poor to work to receive state assistance and implicitly confirmed that the Conservative government saw unemployment and poverty as a personal failing and not a structural issue of limited job opportunities in the capitalist employment market.\(^10\) Consequently, increased surveillance and the introduction of workfare paved the way for new laws and policies that targeted and individualized the poor for their ‘bad choices’ and ‘dependency’ (Mosher and Hermer 2002; Mirchandani and Chan 2007), thereby justifying state claw backs of welfare and the establishment of new surveillance technologies, while concomitantly creating a pool of cheap ‘flexible’ labour for capital that would encourage a downward spiral of wages.

Alongside welfare rate cuts and the introduction of workfare regulations, the Business Transformation Project (BTP) was a fundamental policy in shifting the relationship (of power) between the Ministry of Community Social Services (MCSS) and the multibillion dollar company Accenture (previously Anderson Consulting), resulting in one of the first semi–privatized social service programs. Through the BTP and under the Common Procurement Procedure (CPP), Accenture was paid to develop the new database technology for the SDMT, CVP and MECA. Accenture, not the government, profited from savings\(^11\)

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\(^7\) Critiques arise concerning how the federal government still yields significant authority over provinces, although they do not directly administer these government services, they still fund them as such, block funding could be withdrawn or reduced if provinces challenge federal policies or are perceived as unfavourable.

\(^8\) Flexibility is a key discourse in neoliberal welfare reforms, as Brodie notes, ‘We have replaced assumptions and governing practices premised on the notion that there has to be a collective responsibility for individuals. Instead, we are told that government and citizens have to be reformed to achieve the illusive and abstract states of ‘flexibility’ and ‘competitiveness’’ (1996, 16).

\(^9\) Under the previous welfare model in Ontario, recipients could ‘top up’ their welfare cheques with part time employment. While there were rules and limitations to how much one could work while receiving benefits, they were not penalized or labelled fraudulent (Little 1998, 161). Regardless of hours worked, the current workfare model does not allow recipients to top up their cheques; instead, they receive their regular monthly welfare rate and any money they earn is clawed back. All additional income must be claimed, if not, it could constitute a full investigation of welfare fraud. It seems contradictory that ‘Ontario Works’ places restrictions around how much one can earn while receiving financial assistance, but not how many hours they can work.

\(^10\) Piven and Cloward stress that workhouses, like workfare today, were ‘designed to spur man to contrive ways of supporting themselves by their own industry, to offer themselves to any employer on any terms’ (emphasis in original, Piven and Cloward 1971, 34). This quote suggests that neoliberal notions of workfare are not a new phenomenon but one built on a history of assumptions of poverty and the principle of less eligibility, i.e. make welfare more servile, degrading and more poorly paid than any regular form of employment.

\(^11\) It was assumed that savings would come from more efficient and faster applications (such as the SDMT), and the reduction in welfare fraud rates.
acquired from the new technologies such as the SDMT (Dix 2004). Originally, the BTP was estimated to cost $180 million dollars. However, by 2005, the costs incurred with the development and application of the new surveillance technologies had exceeded $377 million, not including the extra costs to the Ministry for technological glitches (OAG 3.11 2009; Gabel et al. 2004, 22). The MCSS and Accenture boasted about the accomplishments of the BTP designing ‘new business processes and supporting technology to improve service to citizens and prevent fraud’ (Accenture ‘Ontario Ministry of Community and Social Services: Business Transformation’). Surveillance technologies were a key element in pitching OW’s turn to corporate efficiency and accountability, even though the cost, glitches and the loss of much of the previous direct contact between recipient and social worker tended to undermine the very ‘common sense’ behind the reforms.

Welfare recipients were particularly affected by these neoliberal reforms, due to a individualistic ethos and the need to responsibilize those who were construed as ‘flawed consumers’ due to their dependency on state provisions (Mosher and Hermer 2005; Brodie 1996). OW’s workfare programs and increased surveillance was rationalized as a way to keep tabs on the performance and eligibility of the economically marginalized. While welfare reform intended to reduce government spending on social services through rate cuts, the new surveillance technologies which were alleged to make programs run more efficiently, as well as reduce fraud, actually ended up costing the government millions of dollars due to faulty technology. The use of surveillance by social services is not new and there have been a plethora of ways in which the state has surveilled recipients in the past from home visits by social workers and doctors, sexual regulation and case reviews (Piven and Cloward 1971; Little 1994). However, surveillance has been widened and accelerated with the passage of the BTP and the institutionalization of Accenture’s database technologies and the semi–privatization of the knowledge gathered leads to troubling questions about the use and misuse of that knowledge by a company that has no accountability to those it surveils.

Institutionalizing Welfare Surveillance

Conceptually, surveillance is the ‘focused, systematic and routine attention to personal details for purposes of influence, management, protection or direction’ (Lyon 2007, 14). Surveillance, like all technologies, is constantly evolving and changing which creates ambiguity, as some technologies are perceived as benign whereas others are labelled dangerous. There is a general consensus in Surveillance Studies that surveillance is not inherently evil nor is it designed to perpetuate inequality. At the same time, it is noted by several prominent scholars that even in contemporary society, where everyone is subject to surveillance ‘not everyone is monitored in the same way or for the same purposes’ (Lyon 2004, 14; Gilliom 2001; Norris and Wilson 2006; Henman 2004; Haggerty and Ericson 2006). It is my contention that welfare surveillance is not benign and, in the service of the neoliberal state, acts as a direct assault on the poor.

For example, overpayments to welfare recipients were a particular problem during the first stages of implementation. Recipients were held accountable for these overpayments, expected to pay them back to the ministry and in some cases deemed as fraudulent for not reporting the overpayment which in some cases lead to terminations in benefits and criminalization (Mirchandani and Chan 2007,16).

As of March 2002, the new service delivery system had cost $400 million by the Ministry of Community and Social Services (MCSS) and the corporation Accenture (OAG Annual Report 2004, 356). Originally, the MCSS would pay Accenture $180 million to develop the technology, instead they have surpassed the agreement at $246 million (ibid, 357). The report states, ‘The savings attributed to the Business Transformation Project and hence to Accenture were exaggerated’ and that municipalities have ‘expressed dissatisfaction’ with the new model (ibid, 257).

Cossman and Fudge’s research claims that privatization ‘actually involves an intensification of surveillance’ (2002, 19) in areas such as, welfare fraud, criminal regulation, etc. While the state negates the importance of social welfare at the same time they are increasingly interested in surveilling those who fall outside of the neoliberal ‘market citizen’ identity.

Gilliom has stressed the significance of welfare surveillance as, ‘some people live with surveillance as a totalizing and encompassing force which can critically affect their well–being’ (my emphasis 2001, 42–3).
While the policy changes to welfare have been widely debated, the intense shift to a more technological surveillance oriented system deserves closer attention. No less than eight surveillance practices have been initiated by the OWA. The database technologies include the Consolidated Verification Process (CVP), Maintenance Enforcement Computer Application (MECA) and the Service Delivery Maintenance Technology (SDMT).\(^{16}\) I review these surveillance practices in relation to the acceleration and automation of the expansion of information in neoliberal welfare bureaucracies, recognizing that these technologies have not been created in a vacuum but rather have evolved over many years of regulation and control in welfare (Gilliom 2001; Piven and Cloward 1971; Little 1994).

Whereas welfare recipients experience an intense invasion of their privacy, welfare is not the only area where surveillance is becoming more pervasive and augmented. Welfare surveillance is one aspect of a broader intensification of surveillance in many areas of contemporary society, from the military, state administration and census, policing and crime control, workplace monitoring, to consumption and consumers (Lyon 2007; Gilliom 2001). From the excessive use of CCTV, larger and faster databases, complex algorithms for sorting, biometrics (DNA, finger, iris), smart cards, to global positioning systems (GPS), surveillance has become normalized and part of everyday life (Lyon 2007). For those who value their safety, property and work and live in accordance with neoliberal values and laws these incursions into their ‘private’ lives and freedoms are not threatening, but for those who dissent, who fail to be good ‘market citizens’ and consumers and who still stress the need for a state to provide some degree of protection from the vagaries of capital, the threat is very real indeed. Welfare recipients, as neoliberal deviants, are among the most highly surveilled and regulated in Western societies.

**OW Surveillance Technologies: Privatization and Reregulation**

The Consolidated Verification Process (CVP) is one of the first technological surveillance changes implemented in Ontario to combat welfare fraud. The CVP technology, advertised by the Ontario Conservatives, Accenture and the right–wing media, promised to make welfare bureaucracies more efficient, accountable, faster and ultimately to save taxpayers money. Accenture was to ‘develop cost–effective and efficient business and technology solutions to modernize delivery of programs, improve client service, reduce fraud, and save taxpayers money...’ (Daniels and Ewart 2002, 26).

The CVP is a province wide technological database intended to standardize case reviews. CVPs authorize more frequent file reviews to ensure no overpayments and uncover cases of welfare fraud. Premised on the assumption of ‘widespread fraud’, individual cases are flagged based on ‘risk criteria’ that are assumed to be linked to a tendency to commit fraud (ODSP Directive 3.1–6; 12.1). The OWA lacks transparency in its definition of risk criteria, and based on the directives, it can be quite expansive. A recent move, high rental fees, a change in relationship status, application to post–secondary education are all potential fraud ‘flags’. (ibid; OW Directive 9.1). The CVP works with the Service Delivery Model Technology (SDMT) to verify a recipient’s ongoing eligibility. Applicants are required to submit their social insurance number, health number, proof of all family members’ identity and date of birth, verification of Canadian status, income, assets, debts, shelter and school costs, and a Participation Agreement (PA) which is submitted to the CVP (ibid). These risk based surveillance technologies spurred new common sense understandings of welfare recipients, eligibility and which segments of the poor are most deserving or undeserving of welfare payments.

\(^{16}\) In addition, OW eligibility criteria, EROs, audits, drug testing and welfare fraud hotlines also surveil welfare recipients through moral regulation (Little 1994; 1998; Chunn and Gavigan 2006). Several surveillance practices presently under consideration include biometrics (finger and iris scanning, facial recognition) and smart cards (O.Reg. Part V, 75–76). Although biometrics are defined in the OWA legislation, it is not currently used. However, there are working groups in the Federal Government (see 2007 report ‘Biometric Encryption: The Privacy–Enhancing Biometric of Choice’ produced for the Biometrics Working Group), that debate the issue. Authorities have cautioned the use of biometrics on welfare recipients because ‘biometrics are very powerful personal identifiers, capable of functioning as the ultimate tool of surveillance’ (Cavoukian 2001, 2; 2007).
The CVP utilizes third party databases called the Maintenance Enforcement Computer Application (MECA) to re-check all documents submitted by the recipients; this includes requesting information from the Ministry of Transportation, Equifax (credit check) and Employment Insurance (EI) (ODSP Directive 3.1–5). By itself, MECA is an information–sharing database used by caseworkers to validate a recipient’s identity. MECA authorizes welfare officials to share information with other government agencies, specifically: Citizenship and Immigration Canada, Canada Revenue Agency, Ministry of Transportation, Service Canada, credit bureau services and the Workers’ Safety and Insurance Board (OW Directive 5.5; OW Directive 11.5; MacVicar 2006, 2). Furthermore, MECA, in congruence with the SDMT, authorizes ‘data sharing agreements with government and regulatory agencies’ including, Insurance Crime Prevention, Ministry of Training, Colleges and Universities and Ministry of Community Safety and Correctional Services (2006, 2). This technology empowers OW to widen the scope of monitoring recipients in a manner that was simply not possible with older methods that relied only on caseworkers to flag suspected cases.

The SDMT is used for case management (datamining information from the CVP and MECA) and is the electronic version of a recipient's case file. The SDMT determines eligibility throughout the recipients’ duration on OW. All information collected through the CVP, audits, case reviews, MECA, drug testing, Participant Agreements (PA) is recorded (data–mined) by the caseworkers into the SDMT (OW Policy Officer, December 5 2008; OW Directive 2.1–5). In a report (2006) ‘Social Services’ Fraud Prevention Safeguards’ by the General Manager of Social Services Division, it is emphasized that SDMT technology was Toronto’s primary ‘defence’ against welfare fraud (MacVicar 2006, 2).17 The program was introduced in 2001 and has:

[Real time application that allows TSS [Toronto Social Services] staff to immediately detect if an applicant is receiving, or has received, OW benefits or Ontario Disability Support Program benefits anywhere in Toronto ... anywhere else in Ontario (the technology can also immediately identify when an invalid social insurance or health card number is entered). Thus, SDMT provides significant protection against duplicate assistance where an individual attempts to apply for and receive benefits through more than one social assistance office, or in more than one municipality. (ibid)

This excerpt clearly articulates the underlying assumption of fraud and untrustworthiness which encouraged the overhaul of welfare in Ontario. Together the MECA, the CVP, and the SDMT are the primary surveillance and social control mechanisms that uphold current welfare practices.18 According to the legislation, these databases work together to datamine and share information with other government services including immigration and correctional agencies. This bureaucratic surveillance has been described by surveillance scholars as ‘mashups’—which refers to the tendency for these social service agencies to amalgamate, share and categorize confidential information about welfare recipients (Pleace 2007). These databases have made the processing and sharing of information faster and more automated. Does speeding up the sharing of information reduce welfare fraud and system ‘mistakes’? According to the Auditor General Report (2009), the errors created by this new technology actually set welfare bureaucracies back financially due to repairs of technological glitches. Likewise, technological mistakes (referred to as overpayments) penalize the recipients, resulting in case reviews, case terminations, a multitude of bureaucratic issues and potential criminalization (MIRCHANDANI and Chan 2007).

17Toronto has seven defences against welfare fraud: 1) training case workers; 2) a comprehensive guide for caseworkers; 3) third party verification; 4) data sharing agreements with various government and regulatory agencies; 5) Managing Eligibility and Integrated Tracking System; 6) the Special Review Committee (Police, Crown Attorney, Legal Division etc) and 7) Fraud telephone hotline (MacVicar 2006, 3).

18 These technologies are standardized throughout the province and although municipalities are given discretion of how to administer the directives of the OWA, these surveillance mechanisms are utilized across the board (OWA 1997).
The neoliberal perception of welfare recipients as fraudulent and untrustworthy is one of the great myths driving Ontario’s ‘common sense revolution’. A Toronto report concluded that out of 8303 investigations for fraud only 26 were referred for criminal charges—an underwhelming fraud rate of 0.003% of those investigated (MacVicar 2006, 3). Furthermore, Mosher and Hermer’s research exposed that ‘Welfare Fraud is frequently characterized as pervasive, although if one considers actual instances of criminal convictions for fraud, the incidence is exceptionally low: convictions represented roughly 0.1% of the social assistance caseload in 2001–02, notwithstanding more than 38,000 investigations being undertaken’ (Mosher and Hermer 2005: 38). The persistence in weeding out the fraudulent is hardly ‘common sense’ because welfare fraud is ‘exceptionally low’, and the costs associated with the surveillance technologies far outweigh the expense of a few fraudulent cases. Neoliberal policy makers, Accenture and a conservative media bent on weeding out a tiny minority of fraudulent welfare claims should be charged with the real welfare fraud in Ontario as they are directly responsible for spending millions of dollars of taxpayers money on surveilling a crime that was largely based on misinformation and poor bashing.

**Beyond the Database: Case Reviews, Drug Testing and Welfare Fraud Hotlines**

Since the Elizabethan Poor Laws of 1601, social assistance and relief for the poor has always engaged in a project of moral regulation and social control in congruence with labour market demands for cheap labour (Little 1994; 1998; 2001; Piven and Cloward 1971). To fully comprehend the shift to the neoliberal welfare state it is crucial to examine some of the other methods, practiced under Keynesian welfare policies, which continue to be utilized by caseworkers to monitor welfare recipients. Meetings, house visits and other practices have been used in Ontario for decades, however the OWA redefined and expanded mechanisms to monitor recipients, consequently, more authorities such as broker agencies and employers were included as part of the OW gaze to watch welfare recipients. Even with all the money spent by the government on Accenture’s high profile surveillance technologies, much of the real surveillance continues to be conducted ‘on the ground’ by case workers who, under neoliberal policy, are compelled to disentitle rather than assist those in need.19

Ontario Works Eligibility Criteria, or ‘bureaucratic disentitlement’ as scholars have termed it (SANE 2004, 6), refers to the ongoing reviews of recipients by caseworkers and the OW Director (OW Directive 1.1–7). OW uses several classifications for eligibility reviews including, audits, interviews, case reviews, and the Annual Update Report (OW Directive 9.1). These reports occur randomly from once a year to as frequent as every three months, suggesting that there is a lack of consistency and transparency in the process of prompting eligibility reviews. Reviews are initiated by reported or suspected changes in a recipient’s circumstances. The SDMT then automatically sends out letters to recipients informing them of an upcoming review (ODSP Directive 3.1–4). Reviews are initiated by both the design of the SDMT and the discretion of the caseworker.

Case Reviews (employment participation and financial monitoring) are a form of surveillance that have transformed the application process from a one-time measure to one based on ‘risk assessments’ which can happen anytime a file is flagged by the CVP. Risk assessments are based on how likely the recipient is to commit fraud. These reviews occur particularly when recipient circumstances change such as relocation (ibid, 6). The implications of increased case reviews include more meetings, more personal information gathered for the SDMT, increased potential for benefit termination, and an invasion of poor people’s privacy.

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19 Many caseworkers express dissatisfaction with the current OW model feeling frustrated that their abilities to perform as social workers is compromised by datamining and an inflexible system. Moreover, they have experienced intensified surveillance in their own jobs (see Hennessy and Sawchuck 2003).
Participation Agreements (PA) are used by caseworkers to continuously monitor ‘participation requirements’ in employment related activities to determine ongoing eligibility (OW Directive 9.1–5; OW Directive 2.5). PAs ensure that recipients are working or seeking work. From participatory reviews, to case reviews and audits, there are numerous ways that OW can question, review and collect data on welfare recipients. This broad invasive collection of personal data was not possible in previous welfare models in Ontario; it is only with these technologies that this amount of review and collection can be managed and quickly accessed by authorities.

Alternatively, non-technological or bureaucratic surveillance tools, such as Eligibility Review Officers (EROs), Welfare Fraud Hotlines and Drug Testing also monitor recipients and subsequently deny welfare benefits. EROs are a special unit of caseworkers assigned with the sole purpose of investigating suspected cases of welfare fraud. EROs are permitted direct access to recipient’s homes, communities and workplaces. They also have access to the SDMT to gain a comprehensive understanding of the recipient’s history on OW and potential riskiness. It is important to stress that EROs are deployed on the grounds of suspicion alone, since no actual evidence or proof is needed to empower them to search homes or seize documents. Driven by neoliberal promises of efficiency, ERO offices must meet quotas—that is, disallow a certain percentage of recipients by finding them ineligible, in order for municipalities to receive funding (Priel 2006). The general manager of Community Services Department in Hamilton, Ontario writes that Hamilton ‘benefits’ from the ‘termination of some recipients as they are no longer deemed to be eligible’ (ibid, 1). ERO quotas represent another aspect of the corporatization of welfare, where there are presumed savings in the process of disentitling and criminalizing the poor.

Introduced October 2, 1995 by David Tsubouchi, the Minister of Community Social Services, Welfare Fraud Hotlines are used by community members, employers, friends, family members and anyone motivated to report suspected welfare fraud. Reported tips are reviewed and followed up by EROs, which in some cases can result in full investigations (OW Directive 9.7). Since anyone can report welfare fraud, community surveillance can be a powerful means of social control. Feminist legal scholars critique the welfare fraud hotlines, noting the significant gendered effects of this surveillance. An overwhelming majority of reports to the welfare fraud hotlines target single mothers who are suspected of ‘spouse in the house’ violations (Mosher 2011). Welfare fraud hotlines are another means to control single mothers on welfare and regulate their personal relationships and sexuality by creating a climate of fear and suspicion.

Finally, OW uses Drug Testing to ensure recipients are performing at their highest potential in their job placements. Drug testing is not concerned with fraud but with monitoring substance abuse to ensure that the recipient finds employment (OW Directive 8.4). In mainstream discourse, welfare recipients are fair game for drug testing so long as they are in job placements. In 2001 Human Rights Commissioner Keith Norton believed drug testing of welfare recipients was a violation of human rights but then suggested testing ‘might be justified’ for those ‘unable to complete a training course or a job placement because of their habit’ (CBC 2001 ‘Ontario Scaling back mandatory drug–test plan’). The common sense rationality for drug testing is premised on the efficiency of job performance and the assumption that a recipient, unlike your average worker, is incapable of making good choices.

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20 Single Parents with pre-school children are exempt from the workfare requirement (OWA 1997; Mosher and Hermer 2005, 22).
21 Under threat of penalties as severe as time in prison, family and friends of OW recipients are expected to comply fully with an officer’s review (Section 1 Social Assistance Reform Act: New Rules 2008).
22 Under previous welfare policy, single mothers were permitted 3 months of cohabitation with a partner, under the new spouse in the house rules however; today women fear that having a partner spend even one night could put them at risk for benefit termination (Mosher 2011).
According to policy officials, widespread fraud coupled with workfare programs makes surveillance necessary to keep tabs on welfare recipients, regulate their personal lives and relationships, while concomitantly cutting caseloads and restricting eligibility to reduce costs. A wide array of surveillance tools perform different tasks—from the technological databases which collect and share recipient’s personal data—to a special unit (EROs) designed to investigate fraudulent cases. New technologies combined with traditional ‘face-to-face’ surveillance invade the private lives of all those on OW labelling them as guilty of neoliberal deviance.

‘Ontario Works’? Understanding Policy, Technology and Surveillance

While surveillance scholars studying welfare have primarily drawn on governmentality as a method of analysis, I use feminist political economy to further understand the effects of regulating the poor and the ways in which they are race, class and gender based. Welfare surveillance scholars (Eubanks 2006; Henman 2004, 176) use governmentality to show how surveillance is more than just watching, it is ‘a calculated practice for managing and manipulating human behaviour’. While I do not disagree that aspects of welfare surveillance are about manipulating human behaviour, the neoliberal state simply does not trust welfare recipients enough to diffuse or divest too much of its power or to encourage recipients, as some governmentality scholars suggest, to become ‘self-regulating’. It is important to understand the surveillance of welfare recipients as more than just governance, and acknowledge the ways that state power relations shape public policy. Governmentality also fails to adequately acknowledge the economic imperatives that undergird neoliberal welfare surveillance and OW. By drawing on political economy, I argue that the regulation of OW recipients is intertwined with the objective of de-regulating corporate activity, subsidizing employer costs, and creating a pliable and precarious pool of surplus labour.

By moving away from a pure governmentality analysis of welfare surveillance and drawing on feminist political economy we can a) highlight the persistence of top-down state control over the poor while acknowledging some of its self-regulatory practices and the semi-privatization of welfare services; b) recognize the ways in which welfare surveillance impacts individuals differently in relation to intersections of gender, race and class; and c) acknowledge the ways the neoliberal state has moved away from a Keynesian welfare model of protecting vulnerable workers from the vagaries of capital towards wielding welfare as a tool to increase corporate profits and create a myriad of disincentives, regulations and punishments to dissuade the poor from becoming ‘neoliberal deviants’ who resort to the aid of the state, instead of being good, docile ‘market citizens’.

q) Understanding governance and state power

If OW was self-regulatory in a governmentality sense it would at least provide the illusion of freedom; instead, under OW and its welfare surveillance practices, a recipient’s so-called liberal freedoms are highly curtailed. In fact, many recipients have expressed their experiences of welfare as similar to incarceration because of the restrictions on their freedoms and feeling like they are being watched at all times (Eubanks 2006; Mirchandani and Chan 2007). In the case of OW, privatization, re-regulation and surveillance, it is clear that there are numerous contradictions in state discourse on why OW is needed verses the outcomes of the policy. This is evident in relation to workfare, anti-fraud measures and centralizing state power. Henman and Marston’s (2008) work on welfare surveillance, articulates the ‘contradictions embedded in liberal welfare states in relation to surveillance where the liberal principles of freedom of choice and individual liberties are suspended for populations receiving certain forms of welfare’ (194).

Anti-fraud measures and workfare programs are two examples of this contradiction in OW policy. OW narrowly defines how one can ‘better’ themselves and become more self-sufficient, indeed, some actions can be construed as fraudulent and/or impact a recipients eligibility resulting in an automatic suspension of benefits. For example, individuals are ineligible for financial assistance if they are receiving a student
loan (OW Directive 3.8). While OW clearly outlines the impetus for self-sufficiency, recipients are denied assistance while attending post-secondary education and if they do receive loans while on OW they will be subject to case reviews and may be found fraudulent. This directive clearly limits recipient’s ability to get an education and potentially move out of poverty. Additionally, some recipients have expressed fear over their strategies for survival, one single mother concealed that she had a garden and made preserves from her caseworker for fear that it could be a form of fraud (Little 2001, 17). These examples demonstrate the lack of ‘choice’ and independence that ‘neoliberal deviants’ experience while trying to survive on inadequate financial assistance.

Workfare policies also reflect contradictions within neoliberal policy. The OWA claims to use a ‘hands off approach’ in dealing with poverty (i.e. blaming the poor for their life circumstances and ignoring structural inequalities), which were dominate discourses behind the 21.6% rate cuts and the criminalization of welfare fraud. However, at the same time, the significant investment and semi-privatization of welfare services has instituted more invasive, punitive and regulatory surveillance and control of impoverished communities. This is not a ‘hands off approach’ whereby welfare recipients are expected to become self–responsible client citizens, but rather very ‘hands on’, disciplinary and regulatory. Mandatory workfare programs suggest that welfare recipients are not ‘responsible’ enough to become self–sufficient independent workers on their own, instead they require constant supervision from a multitude of authorities. As such, although governance of human behaviour is occurring, workfare is a clear example of state sanctioned regulation of poor peoples.

While governmentality helps us understand the shift to the ‘client citizen’ or ‘market citizen’ (Henman and Marston 2008, 165), whereby citizens relate to the state as consumers, this perspective is ineffective in understanding welfare surveillance of poor people. Poor people are not trusted to become self–sufficient on their own and instead need constant surveillance and discipline to become independent and ‘good client citizens’, as evident in the discussion about workfare and anti-fraud measures. As such, governmentality ignores the ways in which the state has expanded (and centralized) its power through surveillance mechanisms such as datamining and third party databases, as well as, the political economy of welfare policies—which do not treat all citizens the same. Feminist political economists have been central to illustrating how surveillance does not affect all groups equally noting the particular ways in which gender, race and class are affected by neoliberal state polices. Power and inequality are reproduced through various governance structures particularly in relation to marginalized populations such as welfare recipients.

b) Intersections of Surveillance: Gendered and Racialized implications of welfare surveillance

Surveillance mechanisms are exercised through the eligibility process, workfare placements and anti-fraud technologies, which have gendered and racialized consequences for recipients who, under neoliberal discourse, are individualized for their poverty, ignoring systemic issues of inequality perpetuated by global capitalism. A number of feminist and surveillance scholars note that welfare surveillance (and moral regulation) has significantly impacted single racialized mothers on social assistance (Gilliom 2001; Kohler–Hausman 2007; Eubanks; Little 2001; Chunn and Gavigan 2011; 2006; Mirchandani and Chan 2007; Gregory 2010; Abramovitz 2011; Caragata 2003).

23 Under past welfare models, recipients could receive both welfare and student loans while attending post secondary school, in fact they were encouraged to go to post secondary school as a way to re-enter the workforce. When the OWA 1997 was introduced, many recipients did not know that receiving loans and welfare was fraud. The most disturbing example is the case of Kimberly Rogers, a young soon to be mother, who was charged with welfare fraud after receiving both welfare and student loans. Because she could not pay the fines ($13,468), she was placed under house arrest, and died shortly after. Her death spurred public outcry against the Harris welfare reforms and an inquest to her death was issued (see Elizabeth Fry Society ‘Dedicated to Kimberly Rogers’).

24 Lyon refers to understanding the effects of surveillance as ‘social sorting’, which goes beyond governance claims and includes notions of how power and inequality are reproduced (Lyon 2007, 63).
Gregory’s (2010) research found that ‘Project Prevention’, a US privately funded organization, recruits low income, racialized single mothers with substance abuse histories and gives them $200 to medically sterilize themselves. Additionally, in some US states welfare benefits can be terminated if a recipient gets pregnant while on welfare, in this case, states can receive a ‘illegitimacy bonus’ for reducing non-marital births amongst welfare recipients (Abramovitz 2011), in an attempt to reduce birth rates among poor racialized communities. Whereas these reproductive policies have not been established in Ontario, there is the potential to further the surveillance and control of low-income and racialized women—the impetus already exists as evident in the spouse in the house regulations.

Single mothers on welfare in Ontario and elsewhere are subject to moral regulation of their sexuality because they step outside of heteronormative ideals. One clear example of this is the redefinition of ‘spouse in the house’ rules which defines anyone living a dwelling for three months a ‘spouse’. Failure to report such a spouse is considered fraudulent. This regulates low-income women’s sexuality because it assumes that anyone living with them must be contributing to the home has and simply assumes an emotional and/or physical relationship. A significant number of Welfare Fraud Hotline reports are on spouse in the house violations, suggesting that welfare surveillance practices disproportionately affect single women and mothers (Mosher 2011).

Media stereotyping of poor racialized communities in Toronto had a significant impact on public debates around welfare fraud. During a period of multicultural backlash, which coincided with welfare reforms, media and neoliberal policy makers divided impoverished communities, pitting the working poor, racialized and single mothers against one another (Mirchandani and Chan 2007). OW has become less accessible for racialized communities—evident in the language barriers in the two-step application process whereby Interactive Voice Response (IVR) is only available in English and French. Bureaucratic disentitlement (part of welfare surveillance) has also disproportionally impacted immigrant communities because of the difficulty in obtaining legal documents in such short time frames (ibid), not to mention the costs to access these documents. Aboriginal, racialized and immigrant recipients experience racism and discrimination at all levels of OW including the application process, interactions with caseworkers and job placements (ibid; Little 2001). Despite the significant work of Mirchandani and Chan (2007) and the work of the Ontario Coalition Against Poverty (OCAP) in exposing some of the racialized dimensions of OW, more research needs to be done to understand how welfare surveillance stigmatizes and unequally targets racialized women, as they struggle to navigate OW.

Feminist political economy scholars also point to the gendered implications of welfare reforms, noting the particular way that privatization affects the public and private divide, where social reproduction and caring responsibilities are increasingly downloaded into the private sphere. Even with more women in the workforce than ever before, women still primarily bear the burden of social reproduction in the home (Cossman and Fudge 2002; Bezanson and Luxton 2006; Caragata 2003). When neoliberal policies such as the OWA ignore structural inequalities and treat all recipients neutrally, as non–gendered, classless and race–less ‘workers’, certain groups feel the brunt of workfare and anti–fraud policies in different ways. For instance, single mothers on OW are not permitted the same rights to motherhood as middle class mothers—instead, workfare erases their social reproduction done in the home, casting them as flexible workers. The intersections of poverty, race and gender suggest that different groups of women are targeted by state policies in different ways and their social and physical reproduction is regulated, monitored and undervalued.

c) Costs vs. Savings? Surveillance and the Corporatization of Welfare
What about the costs incurred to discipline and regulate the poor? The social and economic control of welfare recipients is justified and entrenched through delivery or broker agencies who administer Employment Placement Program (EPP) which provides subsidies ($4500 per ‘client’) to employers (OW
Directive 8.5). This program creates a demand for a cheap, precarious, temporary and exploitable workforce, as well as creating yet another layer of surveillance. Delivery and broker agencies profit off reduced caseloads which suggests that OW is not actually saving money but relocating it towards the private sector. Placement subsidies and costs to delivery and broker agencies, issued by municipal and regional governments, actually cost more than if they were to increase welfare rates (Vaillancourt 2010), which speaks to what the program is actually trying to achieve. Policy officials claim that OW is more efficient and saving taxpayers money, however upon a closer examination, these new policies have actually increased costs—millions to corporations for technologies, repairs for glitches in the technology and substantial workfare subsidies to employers and broker agencies.

Welfare fraud rates have been said to be as low as (0.1%) yet still millions of dollars are spent in deterring and criminalizing, often wrongly, those on OW. In contrast, tax evasion by corporations continues to be ignored by the Ministry of Finance. The Ontario Auditor General admits, ‘we found that of the 763,000 corporations with active accounts, at least 355,000 corporations—or almost half—were in default of filing required returns. The total number of outstanding returns for all the years in which those corporations failed to file was at least 930,000’ (2002, 4). Unlike OW recipients who might, by providing a faulty SIN number, ‘double–dip’ and receive two $592 monthly cheques, a single corporation can easily defraud the state of millions of tax dollars. The discrepancy between the resources that go into policing poor welfare recipients and the negligence expressed towards corporations engaged in tax evasion indicates that the surveillance of welfare recipients is more about regulation than reducing fraud. It also speaks directly to the neoliberal agenda of de–regulating and allowing corporations to act with impunity while criminalizing the already exploited worker.

Feminist social legal scholar Mosher (2005) has done extensive legal research surrounding welfare fraud in Ontario. Her research found that income tax fraud and welfare fraud are similar in many ways (compliance and disclosure of personal information), yet are strikingly different in ‘public attitudes, in the scope of surveillance in place to detect wrongdoing, in the processing of suspected cases, and in the sentencing of offenders’ (101). Like Henman and Marston’s (2008) work, this finding shows how the intersections of social divisions (class, gender, race) can profoundly impact one’s chances of navigating government services. Under neoliberalism, white–collar crime and fraud is ‘business as usual’ (Snider 2003) and a by–product of individual and corporate freedom while those who have to resort to social assistance are potentially guilty until proven innocent.

Conclusion

The introduction of welfare surveillance technologies over the last twelve years has had a profound impact on welfare administration. It has altered the amount of one–on–one time caseworkers can provide to recipients and it has restricted access due to more stringent eligibility criteria. Additionally it has consistently emphasized work related activities through workfare. The introduction of surveillance tools has increased state spending on welfare through the creation of new administrative jobs (EROs)

25 Broker and Delivery agent’s profits are determined by the ‘fee for performance’ model determined by individual municipalities.
26 Also see Piven and Cloward (1993) for US context of work for welfare programs that result in increased spending in social services.
27 Mosher and Hermer (2005).
28 The auditor general report admits its lack of vigour in surveilling corporations to comply with tax regulations, ‘We concluded that where corporations did not voluntarily comply with the provisions of the Ontario Corporations Tax Act, the Ministry did not have adequate policies and procedures in place to ensure that the appropriate amount of corporations tax was being declared and remitted by taxpayers in accordance with statutory requirements’ (2002, 6).
30 For more information on white–collar crime, see Snider (2000; 2003).
specifically aimed at surveilling welfare recipients, providing subsidies to workfare employers, and the construction and maintenance of several databases. Rather than decentralizing state power, neoliberal welfare policies has subsequently centralized the power of the state through its investment in workfare, anti–fraud measures and surveillance mechanisms to control and regulate poor people.

Under neoliberal welfare reforms, social problems are reframed in relation to market forces, globalization and individualism, making it harder to access social assistance, employment insurance and childcare. These changes both in policy and in public opinion suggest favouring business needs over basic human rights. While deregulation occurred in the market, re–regulation took place in welfare services, whereby, state power was centralized through the establishment of database technologies. The Business Transformation Project (BTP) marked the shift to business and efficiency models in social services—using technology and surveillance as ‘solutions’ to so called welfare fraud. Surveillance was therefore used to modernize and corporatize welfare in Ontario.

Surveillance in welfare is not benign and, through the creation of large databases, has expanded the state’s power to regulate, monitor and control poor people. While fraud was the primary drive behind new technologies, few fraud cases were actually discovered and the technologies failed to save money and ended up costing the Ontario government and taxpayers millions of dollars in cost over–runs, glitches and Accenture profits. Surveillance is not just technological ‘bells and whistles’ but works in tandem with bureaucratic and ‘on the ground’ methods of control. New technologies have expanded OW’s watchful eye as more authorities (employers, broker agencies) are able to participate in surveilling the poor. Welfare surveillance is more than watching, OW is engaged in a project of moral regulation and control of ‘flexible workers’ and neoliberal deviants.

Theoretically, governmentality contributes to our understanding of welfare surveillance in the different ways that power is conceptualized and how individuals, under neoliberal influences, are encouraged to self–regulate. I argue, instead, that a political economic analysis is needed to understand welfare surveillance because of the obvious economic imperatives behind welfare policies such as OW. The poor are not to be trusted on their own to become self–sufficient and the excessive regulation and control of these populations suggests that neoliberal deviants fall outside of the freedoms of a neoliberal society. Feminist political economy and anti–racism frameworks, contribute to our understanding of the inequalities inherent in neoliberal welfare surveillance. Single mothers, Aboriginal, immigrant and racialized women have been profoundly impacted by neoliberal welfare reforms in both the social reproduction they perform, their reproduction and bodies, and workfare which redefines them as ‘workers’ instead of mothers. Finally, that the private sector is a direct beneficiary of OW and the fact that the more costly and common corporate and income tax fraud are not surveilled on anywhere near the same scale as welfare fraud suggests that we need to be far more cognizant of the economic impetus behind neoliberal reforms than is possible under a governmentality analysis.

Welfare surveillance is a neoliberal project that benefits the few (EROs, Brokers, employers and corporations) at the expense of the 469,902 who need it most.31 By examining the neoliberal context of welfare reform in Ontario with a special emphasis on the corresponding increase in surveillance through a critical feminist political economy lens I hope to have shown how welfare surveillance has further stigmatized, exploited and marginalized some of Ontario’s most vulnerable, turning them into what I have described as ‘neoliberal deviants’, who are unable to perform as good, docile ‘market citizens’. At the same time, I have endeavoured to highlight how capital, backed by the neoliberal state, has through law, policy and media undermined the gains of a Keynesian welfare state, evaded accountability, withdrawn hard fought freedoms, and justified increased welfare surveillance based on the myth of welfare fraud to force recipients into low–paying, precarious labour. As surveillance scholars, or those interested in

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31 Ontario Social Assistance Monthly Statistical Report (May 2011). This number reflects all beneficiaries, that is, all singles and families including dependents.
working alongside and on behalf of the disadvantaged, we need to find ways to deepen our critiques and our understanding of the ways the poor are criminalized and the wealthy, backed by neoliberal rhetoric and a subservient and powerful state can act with impunity.

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Ontario Works Policy Officer. Email message to author, December 5 2008.


