

Retooling the Welfare State: What's Right, What's Wrong and What's to Be Done

by John Richards. Toronto: C.D. Howe Institute, 1998. Pp. 304. \$18.95.

The stealing of clothes is a venerable Canadian tradition. For years and years, the Liberal Party dined off the policies of the Co-operative Commonwealth Federation (CCF). In the 1980s, the Conservative Party clung to office by absconding with an ancient plank from the platform of the Liberal Party in supporting free trade with the United States. This book is an attempt by an established figure of the traditional left to appropriate three-quarters of the platform of the neoconservatives as a retooled welfare state. These, verbatim, are the five principal recommendations of the book: (i) clarify and balance budgets: the welfare state rests on the democratic assent of the majority. A necessary condition for that assent is that citizens have a fair idea of both program benefits and their costs in terms of taxes to be paid. Accordingly, do not separate the case for social programs from the case for balanced budgets, and use transparent accounting rules. (ii) Maintain accountability: accountability matters. One, and only one, level of government should generally be responsible for any domain of social policy, and the responsible government should raise all the necessary revenues via own-source taxation. (iii) Respect comparative advantage: respect comparative advantage and celebrate competitive federalism. Ottawa has a comparative advantage in delivering programs that redistribute income according to relatively straightforward rules, but most social programs entail complex administration; in such cases, provincial jurisdiction should unambiguously prevail. (iv) Encourage two-parent families: the many factors that bear upon the successful raising of children include family structure. In general, two-parent families, comprising a mother and a father, do it better. Accordingly, social policy should discriminate fiscally on behalf of such families. (v) Emphasize workforce: be generous in spending on subsidies to training and work, but be conservative in spending on passive income transfers, such as provincial social assistance and unemployment insurance.

In accordance with proposition (ii), Richards would abolish all federal transfers to the provinces, with the sole exception of equalization payments. Conditional transfers from the federal government to the governments of the provinces only serve to create a “welfare dependency” on the part of the provinces. The traditional argument for conditional transfers, as exemplified by the now-disbanded Canada Assistance Plan, is ignored. The argument is that the level of government which is able to supply services such as welfare most efficiently or, regardless of efficiency, is empowered to do so by the Canadian constitution, may have little incentive to do so. Richards appears unconcerned at the prospect of a “race to the bottom” in which each province becomes ungenerous in the provision of welfare to the poor in the hope of driving the poor elsewhere and attracting the rich with low tax rates.

Richards also shares with neoconservatives a view of provincial governments as very much closer than the federal government to the concerns of the ordinary citizen and therefore more able to deliver services such as health care effectively. There may be some truth to the argument, but it can be overdone. A province is not a village. Municipal government may be quite close to the citizen. The man on the street may get to know his mayor and his city councillors, but he is almost as unlikely to meet the premier of the province as he is to meet the prime minister of Canada. The argument for local administration of public services is really an argument for enhancing the role of the municipalities, regardless of whether ultimate jurisdiction lies with the federal government or the provincial governments. Health care and education might be most efficiently administered by the federal government rather than by the provinces, as long as much of the detail is spun off to the municipalities. That health and education are not so administered in Canada today has nothing to do with considerations of efficiency or local choice.

The neoconservative rhetoric of this book does not always translate into neoconservative policy. In

particular, the book contains a long tirade against the greed and the aggrandizement of the public sector unions. "Public sector unions are such a predictable and powerful opponent of the reallocation of government budgets that they have destroyed the ability of the traditional left to parent the welfare state." This constitutes a "*fundamental contradiction* of the traditional left." On the strength of such sentiments, one might expect a recommendation that public sector unions be disbanded or denied the right to a closed shop, but there is no recommendation of that sort at all.

Following on recommendation (v), Richards advocates a provincial earnings supplement to lower the effective marginal tax rate on people with low incomes who are emerging from dependence on welfare. He claims (I think correctly) that the effective marginal tax rate on the very poor is now 90 percent! He would reduce the rate to 50 percent which is more or less the same as the marginal tax rate on the rich. In view of his recommendation (ii), it is not clear why the earnings supplement should come under provincial rather than federal jurisdiction.

More importantly, Richards ignores the possibility that a negative income tax may be a better vehicle than a wage subsidy for lowering the marginal tax rate on the poor. If we are prepared to tinker with the tax system through wage subsidies, why not go the whole way to the replacement of welfare, unemployment insurance, and perhaps several other redistributive programs with a generous negative income tax. In place of these measures and in place of the present income tax schedule, there might be established a lump sum grant of something like \$10,000 per adult and perhaps \$3,000 per child, coupled with a flat tax, of perhaps 50 percent, on every penny of earnings. Depending on the magnitudes of the wage subsidy and the negative income tax, the cost of the net transfer from the rich to the poor could be more or less the same. In view of his recommendation (i), Richards might have provided an estimate of the cost of a provincial supple-

ment, but he does not do so. Such an estimate might be combined with an estimate of the impact of the negative income tax.

As compared with the present tax system, the negative income tax would create no disincentive to work and save for the rich whose *marginal* tax rates would be more or less unchanged. It would create a significant incentive to work for the poor whose effective marginal tax rates would have been reduced. It would create some disincentive for the middle group whose marginal tax rates would have increased. As compared with welfare, a negative income tax would supply no incentive to bear children out of wedlock because the extra grant per child would not be much different from the cost of caring for that child. Consider a widow with three young children who is relatively unskilled and whose wage if she were to work would be low. With a negative income tax, she could work if she wished to do so, but would be enabled to look after her children at home, as many prosperous married ladies still do today. With a wage subsidy and, presumably, generous support for child care, it would be difficult for such a person not to choose work. Why deny her the option of using the financial support from the rest of society as she thinks best?

Though Richards continues to advocate a degree of redistribution of income and is in favour of workfare, his rhetoric suggests that he would be very hard on the non-working poor. He is certainly in favour of public health care and public support for education, though at one point he assures us that what health care needs is "better management, not more money." For those who do not work because they are lazy, incompetent, single mothers with little kids to look after or simply unable to find jobs, Richards offers "the Lutheran Ethic," "Prussian discipline" and "tough love."

To most of us who do not consider ourselves "of the left," the marks of a left-leaning person or political party are a concern for the poor and the down-trodden coupled with a mistrust of the market and a

willingness to take command of the economy. Typically, we admire the one but not the other. Richards jettisons both to some extent, but primarily the first. *Retooling the Welfare State* is a sign of how completely the neoconservatives have triumphed in the political debate. Whether they deserve to have triumphed so completely is another matter. As Richards recognizes, changes in the technology of production, transportation, and communication have

brought about an enormous widening of the distribution of income in Canada and the United States. This may be a time when the old concern of the “left” for the unfortunate ought not to be forgotten. Tough love is plentiful nowadays. Our socialists might supply something better.

DAN USHER, Department of Economics, Queen’s University

Double Vision: The Inside Story of The Liberals in Power

by Edward Greenspon and Anthony Wilson-Smith.
Toronto: Doubleday Canada, 1996. Pp. 392. \$34.95.

This book is about politicians and the process that shaped Canada's public policy during the first mandate of the current Liberal government. It provides a vivid and insightful record of the inner workings of government and the battle between economic policy and social policy during the mid-1990s.

The authors project the personalities and ideologies that were instrumental in moulding the government's priorities and policies. From Jean Chrétien, Paul Martin, Herb Gray, Sheila Copps, Lloyd Axworthy, Sergio Marchi to John Manley, the book describes the personality clashes and the consensus-building that took place around the Cabinet table and in the corridors of power.

Double Vision provides an interesting account of the battle over the downsizing of social policy along with the elimination of government social programs and the vigorous pursuit of fiscal restraint with the purpose of eliminating the federal deficit. This section puts in historical perspective the evolution of Canadian public policy in the context of economic policy and social policy. More specifically, government policy in the 1960s and 1970s defined the scope and substance of economic policy and social policy on two different tracks each with its own unique vision and separate agenda. The 1980s recognized the interdependence of the two and started building bridges between social and economic policy in order to implement government initiatives in a coherent and holistic manner. The 1990s, on the other hand, revealed that economic policy was winning the debate around the Cabinet table and social policy was delegated to the side lines.

The authors record the emerging economic vision of the first mandate of the Liberal government

as being driven by government initiatives to enhance productivity and growth, create an environment conducive to job creation, improve workers' skills, encourage innovation, provide a welcoming climate for investment, encourage self-sufficiency and wrestle the fiscal deficit.

In the formulation and implementation of government policy the book captures the essence of the uneasy relationship between a government minister and his or her deputy. The authors reveal that in his inaugural Cabinet meeting Prime Minister Jean Chrétien "recounted how, in each of his portfolios during seventeen years as a cabinet minister, he would tell his deputies: 'You make me look good, I make you look good'." Perhaps the most revealing part of the book is the authors' succinct political profile of the current prime minister and his style of governing. They put it this way: "Canadians, in love with their country but frustrated by it, had looked to their prime minister for a vision, one that would build on their achievements and hold onto Quebec. But they had elected as their leader a man not prone to great visions, indeed one inherently suspicious of them. He possessed an impressive storehouse of folk wisdom, to be sure. And he understood the psychology of the masses better than most. But if he was to save Canada, it would be a careful and gradual salvation. Eight months after the referendum, he had fallen back on the cockeyed optimism that all would turn out well."

Double Vision is an interesting and probing book that is lucidly written and records a wealth of information regarding the inner workings of the Chrétien government during its first mandate. Everyone with an interest in the evolution of Canadian public policy and the role of government will find this book a valuable source of information and a welcome addition to their bookshelves.

CONSTANTINE E. PASSARIS, Department of Economics, The University of New Brunswick

General Payroll Taxes: Economics, Politics and Design

by Jonathon R. Kesselman. Toronto: Canadian Tax Foundation, Canadian Tax Paper No. 101, 1997. Pp. xiii, 391. \$40.00.

Much has been written about the workings of the benefit-linked payroll taxes that are used to finance social security. But relatively little was available about payroll taxes that raise funds for general revenue purposes, that is, until Jonathon Kesselman came along with this thorough and comprehensive book.

A wide range of issues are covered in this pathbreaking book: the role of payroll taxes in the OECD area; the economic impact of payroll taxes; their design; the experience with provincial and state payroll taxes in Canada and Australia; the use of payroll taxes to reduce income taxes or finance social security; and the use of a payroll tax as a replacement for the Goods and Services Tax (GST).

Because of its origin as a vehicle that pulled together the author's previously published work on payroll taxes, with revised articles being utilized as the core of the substantive chapters, there is a certain amount of repetition in the book. This can be tedious for those intent on reading the work straight through from cover to cover, but helpful for those who want to read individual chapters on their own. Readers who persevere will be rewarded with information on everything that they could conceivably want to know about payroll taxes. Well, almost everything. There is only one brief paragraph on state payroll taxes in the United States that leaves the reader with more questions than answers; a major gap?

For Kesselman, this book must have been a labour of love. His enthusiasm for payroll taxes permeates every chapter, culminating in Chapter 8,

where he devotes almost a hundred pages to presenting his well-argued case that the GST should be replaced by a federal payroll tax supplemented by a cash-flow tax on business. Kesselman starts with a demonstration of the equivalence between a direct consumption tax (DCT) made up of these two components and a value-added tax (VAT), the main difference being that the DCT is on an origin basis and the VAT on a destination basis. To Kesselman, this makes no difference because the exchange rate will depreciate to offset any adverse impact on our competitiveness. Others though may be more sceptical.

Kesselman makes many points to support his case for a DCT. Two seemed particularly telling. First, it would be easier to establish a broad base with a payroll tax than with the GST because the payroll tax is levied on production rather than consumption. Second, payroll taxes in Canada would still be well below those in the United States even after any increase.

In Chapters 5 and 6, after an in-depth review of the experiences of Canadian provinces and Australian states with payroll taxes, Kesselman pronounces them to be successful. Payroll taxes are said to be simpler in concept and application than other taxes and their bases and coverage are broader. These chapters provide the empirical support that is behind Kesselman's penchant for payroll taxes.

This book is made all the more timely by the Canadian federal government's new-found reliance on employment insurance contributions for deficit reduction, which raises the question of whether the federal government is being forced down the road to a general payroll tax by its own revenue needs. Too bad Kesselman does not address this issue.

PATRICK GRADY, Global Economics Ltd.

Canadian Natural Resource and Environmental Policy: Political Economy and Public Policy

by Melody Hessing and Michael Howlett. Vancouver: University of British Columbia Press, 1997. Pp. ix, 338. \$90.00.

This book is both a text and a treatise. It is a text in that it explains at length the major features of the governance arrangements for natural resource and (mostly) environmental policy in Canada. It is a treatise because it organizes its descriptions in terms of the concepts and categories used by one of a number of competing schools of political economy. It is no worse for these orientations, and it makes a useful addition to the paucity of readable and perceptive political science works in the field. What readers should not expect to find are theoretical hypotheses, generated by analytical explanations, and tested with primary data.

The thesis and organization of the book are as follows. Following an introductory chapter, two chapters outline the socio-economic context and the major institutions and laws that can affect resource decision making. Chapters 4 and 5 draw primarily on Howlett and Ramesh's *Studying Public Policy* text to describe the variety of state and societal actors and their organization as policy communities and networks. At this time they justify their use of a five-stage sequential "model" of public policy making, from agenda-setting, policy formulation, decision making, policy implementation to policy evaluation. Chapters 6 through 10 are devoted to a description of the relative power of the policy actors, communities, and networks in each of the five stages. The final two chapters are conclusions that summarize the styles of policy making in the five stages, and a commentary on the challenges to these styles posed by newer ecological and economic ideas and facts.

There are no major theoretical innovations in this book, but it does crackle with interesting ideas and testable hypotheses. The chapters on policy decision making and implementation are particularly useful syntheses of a wide range of recent literature. Indeed the entire description of the policy process in the five chapters of the sequential model would be valuable teaching material in any public policy course, irrespective of the book's overall political economy approach. Since the authors acknowledge that the sequential stages overlap, they are able to include material that is not unambiguously part of any one stage. However, this understanding of the policy process merits major reconsideration.

There are some errors of omission and commission. There is no mention of the role of the International Joint Commission, nor of many non-economic treaties that affect resource decision making, such as the Migratory Birds Convention, or the Pacific salmon treaties. There is little mention of the complex institutional infrastructures affecting provincial decision making as opposed to federal decision making. (It is assumed that the proprietorship incentives of the provinces over their own resources always trump rival incentives.) And it largely neglects the evidence on community self-governance of resources that takes place either beyond or with the limited partnerships of the provinces or federal government. The scope of the state and thus of public participation may be limited by the book's theoretical approach.

It is to be hoped that these innovative scholars will next time build upon existing theory to develop a cumulative body of knowledge about public policy in the natural resource and environmental field.

MARK SPROULE-JONES, Department of Political Science, McMaster University

Equality and Prosperity: Finding Common Ground

edited by William B.P. Robson and William Scarth.
Toronto: C.D. Howe Institute, 1997. Pp. xv, 170.

The C.D. Howe Institute sponsored this very accessible book in an attempt to raise the level of the debate on the effects of government policies on both growth and equality. The fact that recently we have been losing ground in both areas is both puzzling and cause for serious concern. Although its short length and limited breadth leave one looking for more, this book certainly raised my understanding of the debate.

The book begins with an introductory chapter by the editors, William Robson and William Scarth. They provide a very brief but also very useful description of recent economic experience in Canada as well as a presentation of many of the various possible reasons that economists have put forward to explain these trends.

The second chapter is a review by Irwin Gillespie on the incidence of alternative tax and expenditure policies by the government. In my experience, there is no more knowledgeable person in Canada to have offered such a commentary and it is a sad loss to the economics profession in Canada that he died before this book was printed. His careful summary and review of incidence studies, to which he was an important contributor throughout his professional life, help us to understand the impact that various areas of government cutbacks would have on the distribution of income. For example, he argues that government cutbacks on items such as social goods (health, housing, education, etc.) transfers to seniors and social assistance will impact the poor more than cutbacks in many other areas.

In his chapter Gillespie points out many of the shortcomings of annual incidence studies, one being

that they use a methodology assuming full employment. James Davies, in his very insightful comments, points out further reasons to be wary of drawing strong conclusions from such studies. These reasons have to do with life-cycle issues and how taxes are shifted onto others, especially considering that Canada is a small open economy. Taken together, these caveats provide a very useful agenda for further improvements to the methodology of incidence studies.

David Love and Huw Lloyd-Ellis follow with a paper that first reviews the recent literature of endogenous growth models with an emphasis on those that incorporate various ways in which inequality may affect growth. They then provide their own simulation model. Both aspects of the paper are very satisfying. They stress the fact that imperfections in the capital market coupled with decreasing returns to investment in such areas as human capital imply that redistributing income from the relatively rich, whose marginal return to investment is low, to the relatively poor, whose marginal return is high, can in fact improve growth. Their simulation model, calibrated in fairly ingenious ways, explores the implications of this effect as a counterbalance to the fact that reductions in government spending allow for reductions in distortionary taxation which in turn lead to increased growth. In his comments, John Helliwell asks some penetrating questions, such as the relevance of international cross-sectional comparisons of growth and government spending as a measure of the link between inequality and growth for a given country. He also places the Love-Lloyd-Ellis exercise in the broader context of models of convergence. All in all, a very useful exchange to complete a useful book.

MICHAEL HOY, Department of Economics, University of Guelph

Health Care and Reform in Industrialized Countries

edited by M.W. Raffel. University Park, PA: The Pennsylvania State University Press, 1997. Pp. xviii, 303. \$28.95.

Health-care system researchers and those in policy studies, or students in these fields, will find this book, which is edited by a professor emeritus of Health Policy and Administration at Penn State University, to be very useful for comparative analyses of the organization, operation, finance, and reform efforts of the health systems in ten industrialized countries (Canada, Denmark, France, Germany, Japan, Netherlands, New Zealand, Sweden, United Kingdom, and United States). The stated objective of this book is “to provide information for readers as they examine and address the organizational and financial problems in their own countries” (p. xii). It is assumed that all these countries are faced with the problem of “how to maintain some balance in their economies while at the same time maintaining their current high health standards” (p. xi) and that they all appear to be addressing this pressure of rising costs of health care and where to find “health dollars” in similar ways.

Written by 17 authors who are residents of the country in which their report is based, the information provided in the first ten chapters includes: an introductory historical/contextual section; a description about the practitioners involved (e.g., physicians, nurses, dentists, physical therapists, and others), the nature of the hospital, public health/community and long-term care services available, and quality assurance/accreditation programs; and a discussion about health-care costs and health insurance/health-care financing, which includes detailed statistical data regarding national health expenditures, efforts at cost containment, and the roles of both federal and provincial/state, and local governmental units. The reader is reminded, however, that “countries do count and classify differently” and hence the need to examine the data cautiously when making international comparisons (p. xii). Illustrative examples of some of these dif-

ferences include: some countries (e.g., the UK) divide long-term expenditures between the health and social sectors; and drug expenditures may not include drugs used in hospital, the latter being considered as hospital expenditures (e.g., the US).

The final chapter includes a concise overview of dominant issues, including health system convergence, decentralization and the freedom to experiment, competition, and issues pertaining to health services (i.e., cost-shifting, quality assurance, hospital waiting lists, average length of stay and occupancy rates, home care), and the declining influence of the medical profession. From a policy perspective, this chapter is most informative in that the discussion serves to remind the reader that the emphasis of “reform” (i.e., limiting or reducing the amount of money available to the health system) in health-care delivery has been on (a) reducing the amount of services provided by hospitals, (b) having the patient assume the costs of home care services, and (c) maintenance of a largely physician-driven treatment approach.

This book is most timely given the dilemma of the western world to implement reforms in health care in a way that does not bring about unwanted individual and societal effects. However, this book has many limitations. Some illustrative examples of the latter include either no mention or limited discussion of: (i) non-traditional treatment approaches such as the many complimentary treatment modalities (e.g., therapeutic touch, music, and sound-based therapies) and related approaches to the health care that research has identified as being cost-effective; (ii) the use of registered nurses prepared at the master or doctoral level who are functioning as clinical nurse specialists or advanced nurse practitioners and who are providing cost-effective and high quality holistic care to patients suffering from chronic obstructive pulmonary disease (COPD), urinary incontinence, and psychosocial problems; (iii) the need to refocus policy initiatives toward health promotion and holistic health-care approaches, and (iv) the need to formulate policy based

on research studies that afford insights about quality of care/quality of life based on indicators derived from the *consumers'* perspective.

CAROL-LYNNE LENA VENEC, Faculty of Nursing, University of Calgary

Efficiency vs. Equality: Health Reform in Canada

edited by Michael Stingl and Donna Wilson. Halifax, NS: Fernwood Publishing Co. Ltd., 1996. Pp. xi, 209.

Published in 1996, this book is now dated. Like other volumes which are a compilation of chapters written by various authors, it presents a variety of writing styles, and a substantial variance in scholarship. Chapters such as those on the ethics of public participation present a thoughtful review of the topic without becoming tedious and, a chapter concerning the Oregon health-care system provides useful insights into the topic. Haselbach presents an informative discussion regarding the German health-care system. He also includes a lucid description of some of the universal competing forces in the provision of health care. Brown describes the basic economic principles of health-care reform, focusing on the experience in New Zealand, the United Kingdom, and Alberta. He also describes the Enthoven model, and an understanding of this should be prerequisite for anyone entering serious discussion on health-care reform.

Unfortunately, these scholarly and well-written sections of the book are counterbalanced by some very mediocre material. The first two chapters get the book off to a bad start. The first claims to be an analytical assessment of equality and efficiency. It is laced with frequent references to the writings of some of the well-known apologists for monopoly state-run, socialized health-care and ends up as another contribution to the litany of this questionable argument. The second chapter contains a useful quotation from Sir Roger Douglas from New Zealand, but there is little else of substance. Another section on “Workers in Decision Making” provides an eloquent explanation of how simple problems can be made to appear complex. It also explains why sometimes it is very expensive to use nurses as opposed to medical doctors in the provision of simple front-line care. These do not, however, appear to have been the objectives of the author. In summary, this is a book which is two years out of date, and it is bedeviled with a wide variation in writing styles, as well as several chapters which have very little scholarly merit.

WILLIAM J. McARTHUR, Health Policy, The Fraser Institute

Harm Reduction: A New Direction for Drug Policies and Programs

edited by Patricia G. Erickson, Diane M. Riley, Yuet W. Cheung and Patrick A. O'Hare. Toronto: University of Toronto Press, 1997. Pp. x, 476. \$30.00.

In recent years the term "harm reduction" has been gaining recognition among those involved in public-health areas and in drug policy. The battle between prohibition and legalization tended to exclude more pragmatic approaches. In the late 1970s the Dutch began to involve drug users themselves in thinking through policies and programs. Policymakers in Holland realized that prohibition did not lead to abstinence. While other countries had similar knowledge, sensible strategies were rarely forthcoming.

The recognition of the AIDS epidemic in the early 1980s gave an impetus to drug policies which employed alternatives to simple prohibition. Thus, harm reduction received more attention from scholars and policymakers. In Toronto, the Addiction Research Foundation has long been internationally renowned for drug research and more recently has provided a base for systematic work on harm reduction. Professor Patricia Erickson, the senior editor of this collection, is one of the noted scholars in this area.

As more people begin to recognize that the "war on drugs" is typically a bankrupt strategy used primarily to further the political aims of individuals, harm reduction makes more sense. The war-on-drugs mentality encouraged corruption among the police and others, was insensitive to the consequences of drug use and the marginalization of users, provided the media with material for moral panics, contributed to overloading the criminal justice system, and guaranteed an extremely profitable black market for criminals. Those displaying extreme ruthlessness had a decided advantage. In addition, the war on drugs did not reduce drug consumption.

The advocates of legalization were effective critics of the prohibition approach, but their perspec-

tive was too drastic, possibly simplistic, and also untested. While some opponents of harm reduction accuse it of being a step toward the wholesale legalization of drugs, practical thinkers realize that there are many different situations which call for a variety of responses. This book is an excellent collection of descriptions of those responses, which were presented at the Fifth International Conference on the Reduction of Drug-Related Harm held in Toronto in 1994 and at other conferences.

The 26 essays are grouped into five sections: History, Policy, and Social Theory; Human Rights; Alcohol and Public Health; Laboratory, Clinical and Field Studies; and Communities and Special Populations. Six samples of some of the insights in the collection will provide a sense of the diversity of ideas that are covered.

1. The public has been misled by the media about the addictive qualities of cocaine (Morgan and Zimmer). The press has sensationalized a few experiments where monkeys have been addicted to cocaine while ignoring major research which provides a more balanced picture. The implication is that once started, humans will simply take the drug until it kills them — a very misleading conclusion. At the same time the press ignored other evidence. For example, methylphenidate — a drug commonly prescribed to children with Attention Deficit Disorder — seemed to be more addictive and damaging to monkeys than cocaine.
2. Recent knowledge suggests that modest alcohol consumption has some health benefits. Such findings certainly question prohibitionist strategies as well as those that would concentrate solely on the reduction of total consumption. A harm-reduction strategy would emphasize low-alcohol beverages and the reduction of heavy-drinking occasions in settings where violence is more likely (Stockwell). The main damage occurs when people get drunk and drive and become violent. Thus, Stockwell recommends

- licencing systems that encourage those selling alcohol (or heroin, etc.) to be responsible and informed about safe usage. For example, should “happy hours” with cheap drinks be allowed? Does the “last call before the bar closes” encourage people to drink a lot before driving? How about plastic beer mugs instead of glass? (Broken glasses play a role in bar fights.) In other words, how does one avoid the damage from certain patterns of drinking?
3. In Western Australia efforts to reduce the supply of opiates led to the creation of a cottage industry which produced “homebake,” an inferior substitute. There were risks of virus transmission and a variety of unpleasant side effects (Reynolds *et al.*). The recent decline in the high levels of homebake manufacture in Western Australia appears to be the result of the increased availability of high-quality heroin. The basic lesson seems to be that attempts to reduce supply usually fail; reducing the demand seems to be a more viable option.
 4. The US government has advocated supply-side counter-narcotics policies aimed at reducing the acreage of coca cultivation in developing countries. It also tries to disrupt major crime networks and control the corruption of officials. Such efforts have failed. Instead, Fernando Arganaras argues that allowing commercialization of coca leaves for medicinal products, promoting food self-sufficiency and diversified crops in poor rural areas, incorporating peasant participation and management in crop-substitution efforts, and encouraging the US government to obey international law and the laws of host countries would be preferable. These are not solutions but harm-reducing strategies.
 5. Harm-reduction strategies are not limited to drug practices. In a World Health Organization study of 52 prison systems, 23 allow condom distribution. Significantly, no country that has adopted a policy of making condoms available in prisons has reversed the policy. Obviously, there will be contradictions when a prison, which prohibits both sexual activity and drug use, also makes available condoms and bleach or sterile syringes (Jürgens). The argument is that the transmission of HIV is the greater evil. Since prisons can restrict, but not repress, the entry of drugs, providing clean needles leads to living with a contradiction which has pragmatic advantages.
 6. Prostitutes in Liverpool were recruited and trained in the legal aspects of prostitution, safer sex, safer injecting practices, physical health, and “tricks of the trade.” Then these women were encouraged to pass this knowledge on to other sex workers. The project seemed to be quite successful. The self-esteem of the recruited trainers was elevated and the harm-reduction message was passed on effectively at street level (Gamble and George citing a study by Hanslope).
- This book should be viewed as a small encyclopedia. An index of subjects and names would have made it more useful. Few readers will go through *Harm Reduction* from cover to cover, but many readers will find it an invaluable source for insights, suggestions, reviews of strategies, and references on a topic that is of major importance to policymakers today.
- JIM HACKLER, Department of Sociology, University of Victoria

The Emergence of Social Security in Canada

by Dennis Guest. Vancouver: University of British Columbia Press, 1997, 3rd edition. Pp. xvi, 390. \$24.95.

Nearly two decades have passed since the appearance of Dennis Guest's first edition of his thorough and richly detailed chronicle of Canada's path toward the welfare state. In this new edition, the original five organizing themes are still present — the march from a residual (market-oriented) concept of social security toward an institutional (solidaristic) one, the setting of social minima, defining the causes of poverty, citizen participation, and finally, constitutional issues. The first edition ended with the social security review of the late seventies as so much unfinished business, although readers already knew the aftermath portended fiscal restraint, retrenchment, and restructuring of the social safety net. This latest edition continues the drama, and it is no surprise that Guest finds the 1980s under the Conservatives as well as the 1990s under the Liberals both retreating from the concept of the welfare state enunciated by Beveridge and Marsh. Guest is, without question, a firm believer in the vision of Beveridge, and this, no doubt, accounts for the greater emphasis in this edition toward documenting the numerous shifts from universalistic delivery mechanisms to selective programs — the elimination of Family Allowances and its replacement with the Child Tax Credit, the institution of clawbacks, and the plan to eliminate the Old Age Security demogrant. In short, Guest sees himself as having written the obituary for universality in Canada, except for medicare, which he writes in the very last line of his volume that it is likely to be this century's bequest to the twenty-first century.

There is little to fault in Guest's storyline. He is fastidious in his cataloguing of the various government studies, reviews, reports, commissions, promises, and exhortations. He is likewise thorough in his recitation of damaging commentary from labour organizations, social policy advocacy organizations, and selected critics. Anyone following Guest's narrative might get the impression that the changes

to social policy during the last two decades were confined to the sole objective of resisting the Beveridge vision, and to replace universal programs with tested ones merely in order to comfort neoconservative ideologues. There is some truth, of course, to this view; but only some truth! It is hard to assess a description of charge and counter-charge.

The federal government is the main actor in this account; individual provinces are absent, except for the occasional reference to Quebec. And the circumstances of the economy receive little play, including the federal deficit. Guest accepts rather uncritically the claim that the need to cut social spending was a phantom, and that restructuring of social programs was pursued to excessive zeal. This may all be so, but it will not be established on the basis of Guest's evidence alone. There seems to be a willful reluctance to acknowledge the interrelatedness of the social security system with provincial-federal politics, constitutional debates, deteriorating fiscal finances, and especially, a view of Canada's social policy terrain that is, at once, different from that of the social work profession yet possibly acceptable to Canadians. For this reason, one gets the impression that certain program initiatives, including failed attempts and eventual changes, were tried in arbitrary starts and stops, with no appreciation of the context of constraints, timing, or probable success accompanying the discussion. Seen solely through the lens of residual versus institutional, it is all too easy to condemn and list the failures. There is failure of compassion, failure of vision, failure of execution, failure to satisfy unmet need, and failure to achieve. Would that public policy were so uncomplicated! The warning, therefore, is for serious students of public policy to read Guest alongside reports on the economy, the political landscape, the power politics, the constitutional wrangles, and public administration accounts. That said, it must be noted once again most emphatically that this is a superb piece of work; I cannot imagine anyone working in this field not reading, and owning, Dennis Guest's invaluable contribution.

DEREK HUM, St. John's College, University of Manitoba

Fish or Cut Bait! The Case for Individual Transferable Quotas in the Salmon Fishery of British Columbia

edited by Laura Jones and Michael Walker. Vancouver: The Fraser Institute, 1997. Pp. ix, 178.

This collection on the benefits of individual transferable quotas (ITQs) as a future policy for the British Columbia salmon fishery is divided into four sections: the first section argues that ITQs can revitalize the economic and biological status of the salmon fishery. Section two provides case studies of the “successes” of ITQs. Section three (article by Jones) assesses a pilot project for ITQs in the British Columbia salmon fishery. The final section discusses ITQs by exploring the relationship between private property rights and environmental stewardship.

Many writers in this collection link their acceptance of ITQs to the well-known “tragedy of the commons” thesis. Under “open access” fisheries, harvesters have no secure property rights in fish. As a result they will overinvest in technology in the race to catch the most fish possible. This leads to economic ruin and the devastation of fish stocks. Moreover, government intervention in the form of effort limitations and quotas does little to solve the problem, and in many cases, exacerbates the “tragedy of the commons.” Runolfsson and Arnason (for Iceland), McLurg (for New Zealand) and MacGillivray (for British Columbia’s halibut fishery) argue that ITQs were introduced in the midst of overcapacity and overfishing and have resulted in more sustainable fisheries. With ITQs, fish harvesters acquire a vested property interest in fish stocks and endeavour to protect such stocks for future seasons. ITQs enable fish harvesters to transfer quota to more efficient ITQ holders. Iceland places limits on the intraregional and interregional transfers of quotas resulting in limited quota concentrations (Runolfsson). In New Zealand, while the top ten vessel owners did not markedly increase their overall quota share between 1986 to 1995 (from 67 to 68 percent), the top three vessel owners saw their

quota share increase from 28 to 44 percent of the total. Some argue for a “freer market” in ITQ transfers. De Alessi and Brubaker state that a free market in fishery property provides for greater efficiency, higher incomes, and makes harvesters better environmental stewards. Brubaker also argues that property rights institutions are preferable to regulations in that the owners can use tort litigation to compensate for losses arising from damages imposed by other marine resource users. This enhances overall environmental protection.

Despite this endorsement of ITQs, the jury is still out on this management issue. First, ITQs rely upon bioeconomic models in order to establish total allowable catches. These models have proven deficient in the establishment of quotas under other types of fishing institutions. How can we be certain that a limited number of ITQ fishers will make better use of such science? The short-term productivity gains under ITQs can easily be undermined by acceptance of upper limits in fish stock assessments. In short, the “politicization” of science that has occurred in Department of Fisheries and Ocean’s stock assessments is not necessarily going to disappear because a smaller number of ITQ fishers have secure property rights. After all, such fishers have kinship and economic obligations which may render low stock estimates unacceptable. In short, ITQ fishers have to be placed in a wider social and public policy context than is permitted by the writers in this collection. Second, equity issues are rarely considered (an exception is the piece by Runolfsson). ITQs are favoured due to the higher incomes of those who remain in the fishery. While this is true, historic catch totals before the introduction of ITQs are used to set the initial quotas in such fisheries. Those that contributed to the greatest devastation of the stocks under effort fisheries get to benefit the most under ITQs (see Davis 1996). Prior to the full implementation of ITQs in Iceland (1991), boat owners could leave the ITQ system for one year and engage in the effort fishery. They could return to the ITQ system with a larger share of the catch at the expense of other boat owners (Pálsson and Helgason 1996).

Third, some writers in this collection argue that “high grading” has to be dealt with by a combination of economic incentives and enforcement. Under “high grading,” early ITQs efforts resulted in fish harvesters disposing of lower priced smaller fish in favour of higher priced larger fish. This contributed to stock problems. Some measures are suggested to act as checks on “high-grading,” but a separate essay on this issue is necessary to fully discuss the problem. Fourth, the “blind” acceptance of the “tragedy of the commons” thesis is a trend in some social science and policy circles. Its simplistic assumptions have been criticized over the past 30 years, but the writers in this collection either blatantly disregard, or know little, about the social science research which shows the plurality of institutions that exist under common property arrangements.

This work is a good introduction to the role of ITQs in fisheries management, from the standpoint of those who favour such devices. It is accessible to

lay readers, academics, and policymakers. It is not surprising that a Fraser Institute publication favours ITQs. But, given that ITQs are becoming a preferred fisheries management tool, it is necessary that a more critical stance is given in assessing the impact of ITQs on coastal communities and fish stocks. However, given the sanctity of the “free market” for the Fraser Institute, that critical stance will have to come from other venues.

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JOHN PHYNE, Department of Sociology and Anthropology, St. Francis Xavier University

Good Intentions Overruled: A Critique of Empowerment in the Routine Organization of Mental Health Services

by Elizabeth Townsend. Toronto: University of Toronto Press, 1998. Pp. xvi, 217. \$16.95.

While writing this book review, I found myself once again reflecting upon the purpose of ethnography and other postpositivistic research methods. These methods have become a common and accepted form of research, as they, like more traditional research methods, serve to increase knowledge. In the case of qualitative methodologies though, the focus of inquiry is often abstract social processes and states of being. What is also important about qualitative research is that change tends to follow reconceptualized or richer understandings of such germane issues as unrealized public needs, program shortcomings, or organizational deficiencies. Institutional ethnography is a particularly relevant research endeavour today, as much of what we do is framed by the organizational processes and structures we work within. This framework of structures and processes is largely routine and as such is generally taken for granted; yet its influence could not be more profound. Institutional ethnography sets out to describe the way management and organization affect the work and experience of people.

In keeping with this introduction, there are three reasons why the book, *Good Intentions Overruled*, is important. First, the book stresses the point that existing organizational decision making and organizational power relationships need to be scrutinized because they ensure the status quo. While organizational stasis may be good and even necessary at times, the status quo is not always helpful. Second, this book demonstrates the value of ethnography as a robust, viable, and versatile inquiry technique. Program evaluations and other useful or necessary inquiries may be carried out in part through institutional ethnography. Program developments or organizational redevelopments can be prefaced by institutional ethnography. Finally, this book, through the lens of occupational therapy, provides much

needed insight into how powerlessness is perpetuated in organized mental health services.

The book is initiated nicely through a forward written by Dorothy Smith, the originator of institutional ethnography in 1987. The forward contains both a helpful orientation to the trend of deinstitutionalization in mental health and an overview of institutional ethnography. This brief helps to buffer an overly abrupt introduction in the first chapter to the research investigation undertaken by the author. The introductory chapter does, however, contain an essential orientation to the need for empowerment. Each chapter which then follows describes one of the six key research findings: objectification of participants, individualizing action, controlling collaboration, simulating real life, risking liability, and promoting marginal inclusiveness. These key research findings are considered to have formed a "disjuncture" by which the routine organization of power in mental health serves to enhance dependency, and not engender empowerment. A concluding chapter provides suggestions for change much in keeping with what has already been outlined in the six preceding chapters. If any potential readers are interested in mental health, empowerment and power, organizational reform, or the profession of occupational therapy, this text as a whole provides much food for thought. Readers should be mindful though that a number of statements throughout the book would benefit from further substantiation. The book tends to be a stand-alone treatise on empowerment and on organizational barriers in mental health services to empowerment, yet there are other good references from which to draw additional insights and support for change. A single research investigation, particularly one involving the interviewing and observation of seven participants, should not be taken as the definitive guide for mental health reform.

Two final cautions remain. The book outlines the prevalent influences of medicalization and of organizational structures and processes in mental health, yet it fails to identify the role of other players. Health care, particularly community-based mental health

services, is provided now through multidisciplinary teams; teams that include nurses, social workers, patients, friends, and families, among others. Each player has become an increasingly important element to consider in this era of deinstitutionalization. For example, while this book encourages active participation as a means to empowerment, it does not recognize the time and energy needed for participation. Mentally healthy and mentally ill persons both lack these at times.

In conclusion, this book is a report of an institutional ethnography doctoral study into the organi-

zational constraints on empowerment which affect occupational therapists and mentally ill persons. Many interesting revelations and important statements are found throughout it. At the same time, a few detractors are likely to keep it from becoming a classic textbook on organizational empowerment or unintended disempowerment.

DONNA M. WILSON, Faculty of Nursing, University of Alberta

Walking in Moccasins: The Native Policies of Tommy Douglas and the CCF

by F. Laurie Barron. Vancouver: University of British Columbia Press, 1997. Pp. xx, 252. \$65.00.

The author discusses the role that the Co-operative Commonwealth Federation (CCF) played in the province of Saskatchewan with regard to developing and implementing aboriginal policy. The focus of the book is the era immediately following the Second World War when the CCF was voted in as the ruling party in Saskatchewan (1944-61). Thus, the book is confined to the period when Tommy Douglas was premier of the province. The author's *raison d'être* is that while a lot has been written on the CCF, few have addressed the issue of how this "socialist" government dealt with aboriginal issues. This newly formed government was one of the first provincial governments to address aboriginal social problems and take on the task of attempting to ameliorate the social conditions experienced by aboriginal communities. Hence it provides an insight as to how policy is developed, the processes involved in implementing policy as well as an historical analysis of how aboriginal policy has come to be what it is.

The author begins by providing an historical context for the emergence of the CCF and the policies which were in place at the time the CCF came to power. Chapters 2 and 3 focus on the government's policy development with regard to Métis and Indians. Chapter 4 addresses how the government dealt with such thorny issues as aboriginal citizenship, including the right to vote and the right to consume alcohol. Chapter 5 addresses the vision that the CCF had of the "North" and the subsequent policies that emerged with regard to development and the Aboriginal People. The book ends with an excellent analysis and summary of those interest groups who opposed the actions of CCF aboriginal

reform, for example, the Hudson Bay Company and the Catholic Church. But he goes further and shows how the "caste" system in Saskatchewan led to the rejection of many CCF policies by both white and aboriginal communities.

He carefully reviews archival material from a variety of sources — provincial archives, Hudson Bay Company (HBC) archives, private letters — which shed light on the issue under consideration. In addition, he carried out interviews which are particularly important in "framing" the archival data and providing a context in which the data was examined. Using such diverse sets of data, the author tries to show how the CCF introduced a philosophy of "cooperation" in their aboriginal policies and programs. He concludes that the CCF, while generally favourably disposed toward Aboriginal People, sometimes took action that was not in their best interests or in some cases even resisted by them. The author's conclusion that the CCF government pursued assimilation for Métis but integration for Indians, will no doubt be debated and hotly contested by some scholars. However, Barron brings a wealth of data and puts forth a convincing argument in making his case.

There are some shortcomings, such as the fact that the author chose to limit the inclusion of numbers in the text. Some of his arguments could have been more convincing if he had included some quantitative "data" to support his claims, for example, the extent of financial support for various aboriginal social-economic programs. Notwithstanding the shortcomings, the author has put together an excellent book.

JAMES S. FRIDERES, Department of Sociology, The University of Calgary

Balancing Act: Environmental Issues in Forestry

by Hamish Kimmins. Vancouver: University of British Columbia Press, 1997, 2nd edition. Pp. 305. \$29.95.

In *Balancing Act: Environmental Issues in Forestry*, Hamish Kimmins addresses some of the most important and controversial issues in contemporary forestry. To such topical questions as, "Is clear cutting bad?" and "Does forestry destroy ecosystem health?," his answer is "it depends." To the question, "Should one interested in forest management and policy read Kimmins' book?" the answer too is "it depends."

If one seeks simple answers to tough forestry questions, prejudgements of forestry practices, or generalizations about what constitutes good forest management, they will not find them in this book. Kimmins avoids them, arguing that simple answers, prejudgements, and generalizations are unhelpful, misleading, and divisive. If, however, one seeks a thorough, informative, and balanced review of environmental issues in forestry, this book is an excellent place to look.

In *Balancing Act*, Kimmins organizes a large volume of information into 19 chapters, which can be grouped into five general sections. In the first (Chapters 1-3), he examines why so much about forestry is controversial. He attributes this partly to confusion between social and scientific aspects in the forestry debate, differences in values and objectives, and different perspectives on time and change. In this interesting and non-technical section, his observations do not resolve the controversy, but rather enlighten as to its causes.

In the second section (Chapters 4 and 5), Kimmins turns to forest ecology and forest management. These are enormous topics to cover in the 50 pages he devotes to them, and scientifically-oriented readers might find them incomplete and unsatisfying. However, they adequately serve his purpose of

establishing the scientific underpinnings for his ensuing discussions about forestry practices and environmental issues.

Harvesting and silviculture practices are the subjects of the third section (Chapters 6-8). Kimmins focuses on three of the most controversial forestry practices, namely, clear-cut harvesting, slash burning, and use of chemicals, and he argues that none of these is inherently good or bad. He explains why their "goodness," which is entirely dependent upon where, when, and how they are implemented, can only be evaluated with an understanding of the ecology of the forest in question and of the values society places on that forest.

In the fourth section (Chapters 9, 10, 12-14), Kimmins examines broader environmental issues like old growth forests, biological diversity, climate change, acid rain, harvesting in tropical and temperate rainforests, and ecosystem health. After defining the concepts in question and providing background on their ecological significance, he proceeds to address commonly asked questions, like, "Do we need old growth forests?" "Are even-aged monoculture forests unnatural?" and "Is forest management contributing to climate change?" While some readers may be unconvinced by some of his conclusions, he presents interesting, well-rounded, and thought-provoking perspectives on each topic.

Kimmins examines current developments in forestry in his final section (Chapters 11, 15-19). In discussing the movement to ecosystem management, use of new information and forecasting tools, and development of certification systems, he paints a clear picture of where forestry is headed and why. While he holds such developments as promising to advance the practice of forestry, he cautions that the jury is out on their effectiveness.

Many of Kimmins' comments and examples relate to forestry in British Columbia, but he effectively references other forest ecosystems in the world, especially to illustrate the difficulty and dan-

ger in making casual comparisons and extrapolating conclusions between such diverse systems.

Kimmins links the sections in logical sequence, yet most can be read and understood on a stand-alone basis. This is fortunate, because some readers might find the huge volume of information in the 300-page book overwhelming and best grasped incrementally. Further, not all sections will interest all readers and some sections can be skipped without unduly compromising the value of the others. Kimmins' writing is clear, and while much of the subject matter is inherently technical in nature, he delivers it in a manner that should allow it to be readily understood by any reader who has a fundamental interest in forestry and the environment.

Overall, Kimmins argues that forest management must be based on the science of ecology and, at the

same time, responsive to forest values held by society. He faults environmentalists and forest industry on both counts and challenges architects of forest policy and regulation to design instruments which respect the diversity of forest ecosystems and which recognize and balance the diversity of values held by society.

Debate about forestry and environment will likely rage on for some time to come — Kimmins' book will not change that. However, those who have read *Balancing Act* will be better able to make sense of that debate and, perhaps, help move it in a more productive direction.

THOM ERDLE, Faculty of Forestry and Environmental Management, University of New Brunswick

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