



CHANGING POLITICS OF CANADIAN SOCIAL POLICY

SECOND EDITION

JAMES J. RICE AND MICHAEL J. PRINCE

Changing Politics of Canadian Social Policy

Second Edition

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UNIVERSITY OF TORONTO PRESS
Toronto Buffalo London

© University of Toronto Press 2013
Toronto Buffalo London
www.utppublishing.com
Printed in Canada

ISBN 978-1-4426-1217-4



Printed on acid-free, 100% post-consumer recycled paper with vegetable-based inks.

Library and Archives Canada Cataloguing in Publication

Rice, James J.

Changing politics of Canadian social policy / James J. Rice and Michael J. Prince. – 2nd ed.

Includes bibliographical references and index.

ISBN 978-1-4426-1217-4

1. Canada – Social policy. 2. Social security – Canada. 3. Welfare state – Canada. I. Prince, Michael John, 1952– II. Title.

HV108.R518 2013 361.6'10971 C2012-907962-6

University of Toronto Press acknowledges the financial assistance to its publishing program of the Canada Council for the Arts and the Ontario Arts Council.



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University of Toronto Press acknowledges the financial support of the Government of Canada through the Canada Book Fund for its publishing activities.

Changing Politics of Canadian Social Policy

Second Edition

A consistent bestseller since its publication in 2000, *Changing Politics of Canadian Social Policy* is a one-of-a-kind resource in the fields of political science and social work. Examining current conditions affecting the development of social policies in Canada, this book offers in-depth critical analysis of how these policies first arose and the implications they pose for future policy development.

This new edition of *Changing Politics of Canadian Social Policy* features updated chapters while retaining the first edition's analytical focus on economic globalization, societal pluralization, and social protection. The authors offer fresh considerations of gender relations and families, community agencies and the voluntary sector, as well as the social policy activities of all levels of government in the Canadian federation. *Changing Politics of Canadian Social Policy* will continue to provide the much-needed groundwork for students and policy makers, as well as propose real solutions for the future.

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Preface to the Second Edition

We are gratified that the University of Toronto Press has asked us to do a second edition of *Changing Politics of Canadian Social Policy*. Short-listed for the Harold Adams Innis Prize for best social science book in 2000, the book has been widely adopted across universities and community colleges in Canada and well received internationally. In the first edition we argued that changes in the economy that threaten people's security lead to renewed community demands for social protection and redistribution; and that changes in society are creating demands for the recognition of diverse identities. Events in recent years – a global financial crisis, economic recessions in most industrial nations and tentative recoveries in many, the challenges of economic globalization, debates over cultural fragmentation and the reasonable accommodation of different faiths, and calls for social protection and social investments – are as urgent as ever. For our theoretical approach, we drew on the work of Karl Polanyi, including his notion of the double movement, to understand international and national economic issues and their interactions with states and community responses.

The problems of unemployment and the Employment Insurance program illustrate the double movement by highlighting the tension between the needs of workers for social protection on one side and the effects of markets and economic liberalism on the other. Both historically and in current times, workers have fought to protect themselves from the insecurities of labour markets by calling for employment insurance to protect individuals, families, and even communities against the loss of earnings. Invariably, there are pressures from business interests and employers to limit the costs of these programs by containing the scope and generosity of benefits; this has led to tighter eligibility

requirements and limited benefits. In responding to these demands, the government must create social policies and unemployment programs that balance the needs of both sides. An examination of the evolving employment insurance program provides insights into which side of the argument is being heard. Over the past ten years the government has restricted the eligibility rules for these programs and reduced benefits, leaving many working people and families at risk.

Since our first edition, there has been increasing interest in Polanyi's ideas with regard to historical applications, conceptual details, and recent empirical developments (Stiglitz 2001; Arrighi and Silver 2003; Block 2007; Saul 2009; Piore 2009; Dale 2010; Peck 2010). For students of social policy, Polanyi's idea of a double movement draws attention, first, to economic and other societal structures and to the importance of material relations, and second, to the agency of humans, the importance of social values and relationships, and the possibility of community actions. If the focus is only on general structures, the risk is fatalistic pessimism; if only on personal agency, the risk is idealistic naïveté. Both human agency and systemic structure must be included in an account of social policy developments and political trends. For the twenty-first century, Polanyi remains a relevant thinker.

Another notable feature in the first edition was our close attention to the ideas and influence of Leonard Marsh, especially his *Report on Social Security for Canada*, with regard to the development of Canadian social policy from the 1940s into the 1970s and beyond. It is encouraging to see renewed interest in Marsh's work among social policy scholars (Echenberg 2004; Jenson 2004; Maioni 2004; Palier 2004; Banting 2006; James 2006). His concepts of universal social and employment risks and the contingencies of life remain perceptive, as do his policy ideas regarding seniors, health care, and people with disabilities; the central need for family income security; and national investments in housing and other social infrastructure. These themes and others are reflected in the growing literature on the welfare state and social policy in Canada (Olsen 2002; Lightman 2003; Westhues 2006; Finkel 2006; Peach and Warriner 2007; Raphael 2007; Graham, Swift, and Delaney 2008; McKenzie and Wharf 2010).

To this ongoing tension between economic liberalism and social protection, the book adds an examination the politics of cultural recognition, broadly defined in *Changing Politics of Canadian Social Policy* as including various social movements, marginalized identities, and

disadvantaged groups. One example is the prejudice towards, and economic exclusion of, racialized groups in Canada (Galabuzi 2006; James, Este, Bernard, Benjamin, Lloyd, and Turner 2010). This politics of recognition also entails redress of historical and contemporary injustices for some groups, such as the Japanese Canadians interned during the Second World War (Miki 2005), as well as positive recognition for other groups, such as gays and lesbians (Rayside 2008; Badgett 2009). The literature on indigenous peoples – First Nations, Inuit, and Métis – is growing, particularly with regard to their struggles for self-determination (Alfred 2005; Belanger 2008). So too is writing on diversity, immigration, religious tolerance, and multiculturalism (Abu-Laban and Gabriel 2002; Banting, Courchene and Seidle 2007) – or, as it is termed in Quebec, interculturalism (Oakes and Warren 2007; Bouchard and Taylor 2008; Leroux 2010). There are also works that criticize multiculturalism policies; some of these are well argued, while others are weak and unpersuasive – what Ryan (2010) gives the name “multicultiphobia.” Notwithstanding recent critical analysis, much of the recent literature on differences and pluralism in Canada is generally positive in outlook (Bloemraad 2006; Adams 2007; Dhamoon 2009).

Since 2000, when the first edition appeared, Canada has passed from a period of economic growth, government budget surpluses, a Liberal majority government, and renewed investments in health and social programs, to a period of global financial crisis and economic recession in 2008–9, during which the national unemployment rate rose for the first time in fourteen years, federal deficits were projected until 2015, the Conservatives came to power in Ottawa (with minority governments from 2006 to 2011, followed by the first Conservative majority in a generation), critical social policies were reversed, and relative disinterest overall was displayed by the federal government with regard to income security, equality and human rights, community and social services, and public health. Yet over this same period, several provincial and territorial governments introduced comprehensive poverty reduction strategies – a significant political development in Canadian social policy, and one that we examine in some detail in this new edition. Continuities aplenty characterize much of Canadian politics, governance, and social policy. Inequalities are deeper; dependence on food banks is greater; homelessness is rising; racism, discrimination, and stigma persist towards various groups, such as people living in poverty and individuals with mental health conditions; unemployment rates are

staggeringly high for people with physical and cognitive disabilities. Many Canadians participated in and/or supported the “Occupy Movement,” which began in New York City around the Wall Street financial district and spread from there around the globe. These activists were protesting deepening economic inequalities, extreme concentrations of wealth, and government actions and inactions. Most governments across Canada lack a workable vision regarding the voluntary sector and community capacity building. *Changing Politics of Canadian Social Policy* addresses these shifting contexts and continuing problems and examines the claims formulated and advanced by different sectors of society in the ongoing politics of social policy.

In this second edition we retain our analytical focus on economic globalization, societal pluralization, and social protection. We offer an updated consideration of gender relations and families, community agencies and the voluntary sector, and the social policy activities of all levels of government in the Canadian federation. We examine the political discourse and policy-relevant processes of fiscalization and marketization, and retrenchment and reinvestment.

We have revised all of the chapters, some of them quite extensively, as well as the bibliography. We have kept the chapters on historical development largely as they were. Feedback from colleagues and reviewers indicated that these were important features of the book. New to this second edition are the following features:

- An original chapter on the global financial crisis and economic recession of 2008–9 and the implications of both for the politics and policies of the Canadian state.
- Material on the social economy, as well as expanded discussion of civil society and voluntary sector developments under the federal governments of Paul Martin and Stephen Harper.
- Examination of the Universal Child Care Benefit introduced in 2006 and of recent debates on universality and selectivity in social policy.
- Expanded and updated material on gender relations, and new material on social reproduction, social provisioning, and women’s work.
- Additional discussion on the Charter of Rights and Freedoms and its impact on social programs.
- New material on the renewed attack on poverty in Canada, with clear reference to recent poverty reduction strategies in several provinces and territories.

- A revised final chapter on social policy reform that addresses matters of social justice, economic participation, income security, intercultural relations, and shared citizenship.

As authors, our collaboration now spans more than thirty years. Once again, we appreciate the opportunity to work together on the ever fascinating, always compelling and still changing politics of Canadian social policy. We wish to thank the two reviewers who provided useful feedback on the outline of the new edition and a special word of appreciation to Matthew Kudelka for his careful copy editing of the book. We dedicate this book to our families.

James J. Rice, Campbellford, Ontario
Michael J. Prince, Oak Bay, British Columbia
January 2013

Preface to the First Edition

Changing Politics of Canadian Social Policy examines the current conditions affecting the development of social policies in Canada and offers a sweeping historical examination and contemporary account of the welfare state and social security. As Canadians enter the twenty-first century, they are grappling with the legacy of the fiscal crisis of the state alongside the tensions between the globalization of the economy and the pluralization of the community. After nearly a generation of neo-conservative politics and retrenchment of governments, this book argues for a new balance between the market, the state, and civic society. We maintain that Canada's welfare state and social programs remain relevant and essential precisely because of economic globalism and the growing diversity of community life; and that the role of social policy will increasingly become concerned with the protection of communities and groups against market turmoil, and the recognition of various social and cultural identities within Canadian society.

The scope of the book is an analysis of Canadian social policy, with various examples from other countries. While it focuses primarily on income security and social services, it examines a range of social programs provided by the federal and provincial governments and the non-profit sector. The structure of the book leads the reader to understand how the political context is restructuring the fundamental ideas of the welfare state to meet the needs of the global economy.

Our methods include an assessment of the changing economic and political conditions affecting the development of social policies; an analysis of the changing ideologies influencing the way governments think about social policy issues; and a review of the literature to determine

how advocates, service users, and experts believe social policies will evolve in the future.

We have written this book with three audiences in mind: first, students and teachers in the fields of child and family studies, disability studies, education, health administration, nursing, political science, public administration, social work, sociology, and women's studies; second, activists, clients, and workers in community groups and social movements; and third, policy analysts, decision makers, administrators, and practitioners within governments and other public sector organizations – those who wish to understand the evolution of social policy and the welfare state in Canada, including where we are now and where we may well be heading. We have tried to write the book in a way that speaks to each of these groups in a style that is accessible, stimulating, and, at times, personal.

Every book expresses the values of its writer or writers, so first let us be clear as to our beliefs, assumptions, and backgrounds. We believe that to understand Canadian society, social policy, and the welfare state requires a careful consideration of the processes of globalization and pluralization, and the political structures which partially mediate these macro-processes. We believe it is essential to view society from a historical perspective, taking lessons from the past and applying them to the future. We also believe in the importance of finding new ways of building community capacity in order to maintain strong social cohesion, foster environmentally and socially responsible firms and corporations at national and international levels, and democratize the state with a renewed social role. We believe every society must find a balance amidst the forces that drive economic production, foster democratic governance, and maintain a civil society.

A key underlying assumption in our writing is that context influences policies and practices. For us, context includes the economic, social and political realms, with special consideration given to the diverse nature of people. Another assumption is that contemporary agencies, programs, and helping professions are influenced by past choices, conflicts, and achievements. History is important. Finally, we assume that social movements, ideas, and programs can and do affect the way people choose to live.

We come to the study and practice of social policy from different disciplinary perspectives and work experience – social work and political science. Together we have been working and writing on aspects of social policy since the early 1980s. The collaboration, we believe, has

resulted in a richer and broader approach to social policy theorizing and analysis.

For encouragement, guidance, and feedback thanks are due to Marie Campbell, Bruce Doern, Demi Patsios, Marge Reitsma-Street, Katherine Teghtsoonian, and special thanks to Brian Wharf for his careful review. This book would not have been written and completed without the love, patience, and sacrifice of our families: Robin, Chandra, and Sara; and Karen, Jessica, and Kathleen.

Contents

Preface to the Second Edition vii

Preface to the First Edition xiii

Introduction 3

1 Changing Politics: Social Policy in a Globalizing and Pluralizing Context 23

2 Early Developments in Canadian Social Welfare 41

3 Envisaging and Establishing a System of Social Security for Canadians 59

4 The Crisis of the Welfare State: Canadian Perspectives and Critiques 88

5 Response to the Crisis: Retrenching the Welfare State and Changing Responsibilities for Social Protection 115

6 Global Capitalism and the Canadian Welfare State: Impacts of Economic Integration, Fiscal Policy, and Market Liberalism on Social Policy 138

7 The Crisis of the Market Economy: International Issues and Canadian Responses 167

8 Diversity and Equality in a Pluralist Welfare Community: Issues of Social Control, Selectivity, and Universality 186

- 9 Gender and Social Policy: His and Her States of Welfare 219
- 10 Civil Society, Social Economy, and the Voluntary Sector: Links between Community Capacities and Social Policy 249
- 11 Creating a New Policy Agenda and Rebuilding the Social Role of the State 288

Notes 321

Bibliography 331

Author Index 365

Subject Index 373

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Introduction

Three dominant forces are changing the way Canadians think about social welfare: the neoliberal globalization of the economy; changing human risks and needs for social protection; and the desire by diverse groups for community recognition. These three forces are altering the social policy agendas of governments, community groups, interest groups, and social activists. They are creating new debates about the impact of social interventions on economic markets, the relationship between social benefits and labour market involvement, and the implications for social rights for disadvantaged and oppressed groups. The purpose of this book is to explore how and when these three conditions arose and to analyse the implications they pose for the development of new social policies.

This introduction indicates how the present study approaches and contributes to the literature on welfare states and social policies. We then present our analytical framework for understanding the politics of Canadian social policy, historically, in current times, and in likely developments. Concepts central to the framework include Karl Polanyi's ideas on the commodification of human labour, on the detachment of market forces from social fabrics, and the subsequent "double movement" of social change (Polanyi 1944). We also introduce preliminary remarks on the nature of social policy making vis-à-vis three overarching policy orientations that are highly significant to the debates and practices of contemporary social policy and to Canadian politics more generally. These orientations are economic liberalism, social protection, and cultural recognition. Each is ideological, historically situated, and politically shaped by specific actors, groups, and institutions. This