Social Union Series

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**Federalism, Democracy and Disability Policy in Canada**

*EDITED BY ALAN PUTTEE*

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INTRODUCTION TO SERIES

This is the fifth of six volumes being published by the Institute of Intergovernmental Relations related to the Canadian social union. Three of the volumes, including this one edited by Alan Puttee, are based on case studies of how Canadian governments manage intergovernmental relations in particular areas of social policy. The other three volumes compare the way in which different federations handle social policy.

The work for this series began in 1997, well before the 1999 signing of the Social Union Framework Agreement. Even at that time, it was clear that, as a result of the substantial cuts in federal fiscal transfers to the provinces, a new set of relationships was going to be required between federal and provincial governments in order to improve both the quality of social policy in Canada and the health of the federation.

In conceiving of the volumes for this series, two considerations were paramount. The first was that there was relatively little empirical literature on the way in which federal and provincial governments relate to one another, and to citizens and interest groups, in designing and delivering social programs. Yet it is at the level of programs and citizens, as much as at the level of political symbolism and high politics, that the social union is in practice defined. To help fill this knowledge gap, we thought it appropriate to design a series of case studies on the governance of Canadian social programs. And to ensure that the results of the case studies could be compared to one another, the Institute developed a research methodology that authors were asked to take into account as they conducted their research. This methodology built on earlier work by Margaret Biggs in analyzing these governance relationships from the perspective of their impact on policy, federalism, and democracy.
The second consideration was that Canadians were insufficiently aware of how other federations handle these same kinds of social program relationships. As a result, we thought it important to recruit authors from other federations who could explain the governance of social policy in their countries.

While the research for these volumes was under way, a series of roundtables and workshops (nine in total) was held. Those invited included officials from provincial and federal governments, representatives from stakeholder groups and individuals from the research community as well the case study authors. The purpose of these roundtables and workshops was to review and comment on the Canadian and comparative case studies. I thank the numerous participants in these events for helping the authors and editors with their work.

This series received financial assistance from the federal government and the governments of New Brunswick, Ontario, Saskatchewan, and Alberta. An advisory committee that included officials from these same jurisdictions as well as from academia assisted in the development of the project. In fact, it was this committee that helped in the selection of the three social sectors that are the subject of this series: disability, labour market, and health.

The 1999 Social Union Framework Agreement is open for review in 2002. The agreement states that this review process will "ensure significant opportunities for input and feedback from Canadians." It is hoped that this volume and series will constitute a significant input to that process.

Harvey Lazar
General Editor
Social Union Series

This volume is part of a series that examines the formation and operation of social policy in Canada. The focus of the volume is on governance, specifically interaction between Canada's federal system and the disability sector.

The authors — academics, NGO representatives and social policy analysts — were asked first to evaluate various Canadian disability programs and then to consider whether an alternate governance arrangement could be expected to improve outcomes. Each step employed a common set of criteria provided by the Institute of Intergovernmental Relations, Queen's University: the effectiveness with which the programs meet their policy objectives, embody democratic values, and respect federalism principles.

Draft versions of the papers were discussed at a June 1999 workshop in Toronto. The workshop afforded the authors, editors, representatives of disability groups, federal/provincial government officials, and academics the opportunity to discuss and debate the issues and questions arising from the papers. The authors revised their papers based on the information from the workshop. A second workshop in June 2000 with similar representation considered the "lessons learned" from these papers and those in its companion volume, Disability and Federalism: Comparing Different Approaches to Full Participation, edited by David Cameron and Fraser Valentine which examines and compares the approach to disenablement and disability policy in five federations.

I would like to thank each of the authors for their valuable contributions to this study of a complex and under-analyzed area. I also thank the workshop participants whose comments throughout the process were of great assistance in the preparation of this volume. I wish to extend a special thanks to Harvey
Lazar for his insight and assistance. Harvey's colleagues at the Institute of Intergovernmental Relations, Patti Candido and Mary Kennedy, provided administrative support in the preparation of the manuscript and Marilyn Banting, Valerie Jarus and Mark Howes of the Publication Unit of the School of Policy Studies provided copyediting, desk-top publishing and design.

Alan Puttee
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CONTRIBUTORS

MICHAEL BACH, Canadian Association for Community Living, Toronto

ROY HANES, School of Social Work, Carleton University, Ottawa

ALLAN MOSCOVITCH, School of Social Work, Carleton University, Ottawa

MICHAEL J. PRINCE, Faculty of Human and Social Development, University of Victoria, Victoria

ALAN PUTTEE, Public Policy Consultant, Ottawa

MARCIA H. RIOUX, Faculty of Liberal and Professional Studies, York University, Toronto
FEDERALISM, DEMOCRACY AND DISABILITY POLICY IN CANADA:
AN INTRODUCTION
Alan Puttee

INTRODUCTION
Like many of Canada's social programs, the jurisdiction over the bundle of public programs directed at people with disabilities is divided: each order of government, federal and provincial, plays important roles in program governance. To enrich understanding of governance issues in the disability area, the authors of the case studies that follow were given two tasks. First, they were asked to determine the impact of governance on the overall quality of the programs under review, that is, on the extent to which the programs meet their policy objectives (e.g., equity, efficiency), whether they reflect democratic values (e.g., accountability and transparency), and whether they respect the principles of Canada's federal system (e.g., respect for the division of powers, respect for the provincial governments). Second, the authors were asked to consider whether potential changes in governance would serve the public interest, as measured by the impact on policy outcomes, democratic values and federalism principles.

These are important questions of interest both to those concerned with disability policy itself and with federalism issues generally. The questions are particularly pertinent now during a period when governments in Canada are, in non-constitutional ways, redefining the federal-provincial relationship with public policy objectives, democratic values and federalism.
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respect to social programs (e.g., the 1999 signing of the Social Union Framework Agreement by the federal government and all provinces except Quebec).

But the questions are also inherently difficult: clear-cut answers are not always available and the judgments of informed observers will differ. The task is made more difficult by the sheer complexity of the network of disability programs in Canada and the fact that the impact of policy changes that affect them is not yet fully determined.

This chapter briefly describes each of the five papers that follow, setting out the lessons that can be drawn from them, and then seeks to identify the lessons that can be drawn from the studies as a group. Three main themes emerge from the analysis:

• there are serious policy problems within Canada's disability programs;
• the governance of the programs is at least partially responsible; and
• governance arrangements that involve collaboration between federal and provincial governments offer the best chance for improved policy outcomes.

THE CHAPTERS THAT FOLLOW

The second chapter in this volume, "The Canadian Political Landscape of Disability: Policy Paradigms, Social Strains, Interest Groups, and the Rights Movement," by Marcia Rioux and Michael Prince, provides an introduction to the four case studies that follow by examining the political landscape within which disability issues are approached and understood. Under the first, the "worthy poor" perspective, a charity-oriented approach is seen as having an obligation to care for people with disabilities, while the "human rights" perspective sees disability rights as arising in the institutionalized exclusion of people with disabilities. Rioux and Prince note that while the "worthy poor" perspective (typified by fundraising efforts based on charity and pity such as the Jerry Lewis Telethon) continues to inform many policies and programs, the influence of the "human rights" perspective has increased in recent years, with disability rights becoming more prominent in the political agenda. The key finding is that two competing perspectives on disability policy and programs operate: the "worthy poor" perspective that seeks to protect and rehabilitate people with disabilities, and the "human rights" perspective that seeks to ensure that people with disabilities have the same rights and opportunities as other citizens. However, the question of how to balance these two perspectives is inherently difficult, and the answers are not always clear.

The third chapter, "The Canadian Political Landscape of Disability: Policy Paradigms, Social Strains, Interest Groups, and the Rights Movement," by Marcia Rioux and Michael Prince, provides an introduction to the four case studies that follow by examining the political landscape within which disability issues are approached and understood. Under the first, the "worthy poor" perspective, a charity-oriented approach is seen as having an obligation to care for people with disabilities, while the "human rights" perspective sees disability rights as arising in the institutionalized exclusion of people with disabilities. Rioux and Prince note that while the "worthy poor" perspective (typified by fundraising efforts based on charity and pity such as the Jerry Lewis Telethon) continues to inform many policies and programs, the influence of the "human rights" perspective has increased in recent years, with disability rights becoming more prominent in the political agenda. The key finding is that two competing perspectives on disability policy and programs operate: the "worthy poor" perspective that seeks to protect and rehabilitate people with disabilities, and the "human rights" perspective that seeks to ensure that people with disabilities have the same rights and opportunities as other citizens. However, the question of how to balance these two perspectives is inherently difficult, and the answers are not always clear.
The "human rights" perspective (typified by the use of the Charter of Rights and Freedoms to advance claims) is gaining ground. The authors illustrate this advance by examining the growing trend to "individualized funding initiatives." Under this approach, people with disabilities receive funds from government to buy the supports and services they need. The authors argue that this direct funding mechanism puts more control in the hands of people with disabilities than does the traditional arrangement where government provides funds to agencies, which then dispense the supports/services according to their criteria. (This individualized funding approach is examined in more detail in the last two chapters of the volume.)

The first case study, "Designing Disability Policy in Canada: The Nature and Impact of Federalism on Policy Development," by Michael Prince, classifies the disability policy-making initiatives of the last 90 years according to the governance regime — classical, federal-provincial collaborative, unilateral federal, and interprovincial collaboration — under which they were conceived. In assessing these regime types with regard to their impact, Prince's principal conclusion is that the disability policy sector is, generally, rule-directed, rule-conceiving, and rule-enforcing. In assessing these regime types with regard to their impact, Prince finds that:

- the goals of giving greater emphasis to socio-political rights and economic integration of people with disabilities are more likely to be achieved under classical and collaborative governance regimes (where these goals are complementary, democratic, and collaborative governance regimes have been democracy-friendly, by comparison to unilaterally federalist); and
- federalism principles are most likely to be upheld under classical and collaborative governance regimes, and least likely to be upheld under unilateral federalist regimes.

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those financed by premiums paid by employers, employees, and auto owners. He concludes that:
• the disability insurance system has serious policy flaws, disbursing widely varying benefits to people with similar disabilities at significant administrative cost, one effect of which is the high incidence of people with disabilities who must resort to social assistance and related programs: the disability insurance system scores better on upholding democratic and federalism principles;
• the classical federalism that characterizes most of the disability insurance system has played a role in frustrating comprehensive reform in this area; and
• comprehensive reform is most likely to be achieved via a collaborative federal-provincial process designed to increase the chances that at least one province would replace current programs with a comprehensive disability insurance program; the advantages of such a program may lead other provinces to follow suit and bring the country closer to a nationwide plan.

"Disability Supports and Services in the Social Union," by Roy Hanes and Allan Moscovitch describes and assesses the operation and governance of programs that provide supports and services (e.g., wheelchairs, transportation, counselling, job training, attendant care) to working-age people with disabilities, principally those with little or no income of their own. The chapter considers the impacts of the federal decision to replace the cost-shared Canada Assistance Plan, which the authors classify as "federal unilateralist," with the block-funded Canada Health and Social Transfer, an example of classificational or "disentangled" federalism. The authors argue that this change and the shift in "governmental" federalism towards "provincial" approaches has had negative effects on disability policy via reduced social assistance benefit rates and narrowed eligibility for the able-bodied unemployed. They conclude that the shift in governance regimes associated with this change:
• had negative effects on disability policy via reduced social assistance benefit rates, further narrowed eligibility for the able-bodied unemployed.

He concludes that:
Hanes and Moscovitch set out two reform options for consideration, a return to federal-provincial cost-sharing for supports and services and a federal income tax-based program that would make direct payments to people with disabilities who purchase eligible supports and services. The authors conclude that the success of each option depends on cooperation between federal and provincial governments.

The final case study, "Governance Regimes in Disability-Related Policy and Programs: A Focus on Community Support Systems," by Michael Bach, focuses on the relationship between the community support systems that actually deliver many of the disability-related supports and services (e.g., community agencies, volunteer groups) and the intergovernmental regimes within which they work. Bach cites the increasing disentanglement (i.e., classical governance) which has recently characterized the disability sector and the severe fiscal pressures that have been placed on services and agencies to secure the information-gathering and auditing functions that disentanglement has sent into some decline. He concludes that direct payments to people with disabilities to enhance the purchase of supports should be pursued, and that improved program responsiveness and efficiency are needed.

LESSONS FROM THE PAPERS

The chapters, taken together, suggest a number of broad conclusions regarding the disability sector.

Improved program responsiveness and efficiency are needed. The success of each option depends on cooperation between federal and provincial governments, and on the ability to deliver many of the disability-related supports and services. The authors conclude that federal-provincial cost-sharing for supports and services is needed to secure the information-gathering and auditing functions that disentanglement has sent into some decline.

Hanes and Moscovitch set out two reform options for consideration, a return to federal-provincial cost-sharing for supports and services and a federal income tax-based program that would make direct payments to people with disabilities who purchase eligible supports and services. The authors conclude that the success of each option depends on cooperation between federal and provincial governments.
Alan Puttee

relatively small role of private disability plans, these public expenditures ac-
count for most of the funds flowing to people with disabilities.

With respect to governance, the chapters make clear that while each
order of government plays an important role in the disability sector and the prevalent intergover-
mental framework, the classical regime dominates and its dominance increased with the
motor decline of the federal government to act alone, together with the
government arrangements and the policy blockage inherent in the relationship be-

The chapters differ somewhat with respect to the link between the short-

When wealthier provinces,

pears of economic downturns put poorer provinces under greater fiscal pressure

change — disparities that are likely to grow over time if the CPP-CHST
provincial disability insurance programs are not aligned with the CPP-CHST
in-service benefits associated with the CPP-CHST
resort-visit programs; the equity problems that are sometimes associated with
resort-visit programs.

A key conclusion of the case study evaluations of the disability insur-

Program

Rights and freedoms are real and meaningful to people with disabilities, by including their equali-

As well, the federal government has significantly advanced the rights agenda.

The provinces, together with the federal government, have made significant advances in disability

With respect to governance, the chapters make clear that while each
Federalism, Democracy and Disability Policy in Canada: An Introduction

...related barriers to reform. But other barriers to reform are cited, for example, the likely opposition to comprehensive reform by powerful private interests. What seems clear, though, is that the sheer magnitude of the governance barriers have at least played a role, and perhaps a significant role, in the disability sector, a sector that makes up a significant part of Canada’s social policy landscape.

Each of the two chapters that deal with supports and services for people with disabilities concludes that there is a clear relationship between intergovernmental regimes and the many policy problems that they identify. Hanes and Moscovitch draw a clear link. They argue that the shift from classical governance to classical governance is directly associated with the CHST. Without classical governance, there is a clear relationship between intergovernmental regimes and the prospects of reform: each of the three papers that propose disability reforms concludes that significant reform in the disability sector is dependent on federal-provincial collaboration.

Summarizing then, the chapters identify serious policy problems within the disability sector, problems that have been identified as a necessary precondition for reform.

Perhaps the most significant finding of the chapters is the link that they identify between intergovernmental regimes and the prospects of reform. Each of the two chapters that deal with supports and services for people with disabilities concludes that there is a clear relationship between intergovernmental regimes and the prospects of reform. Each of these papers that propose disability reforms concludes that significant reform in the disability sector is dependent on federal-provincial collaboration.
PREPARING FOR A REFORM AGENDA

With the need for significant reform apparent and with reform dependent on cooperation between federal and provincial governments, the way ahead seems clear: concentrated, collaborative action on the part of federal and provincial governments; the way ahead seems cooperative regime is required.

achievement of the proposed reforms: each concludes that a federal-provincial-

cooperative regime is required.

PREPARING FOR A REFORM AGENDA
Federalism, Democracy and Disability Policy in Canada: An Introduction

Disability tax benefit linked to disability supports and jointly to analyze labour market needs of people with disabilities.

But despite these positive indicators — the past successes of collaborative policy-making cited by Prince; the identification by ministers of disability as a priority area; and an apparent consensus that significant reform is needed; the establishment of federal-provincial structures to pursue reform — little of significance has emerged from the federal-provincial work. Whether because of the complexity of the problems disability reform presents, the ideological issues regarding the role of government it raises, budgetary considerations, or other reasons, no major disability reform has resulted to date.

Some will take the so-far meager output of the federal-provincial process as an indication that major disability reform is not in the cards, at least in the foreseeable future. More optimistic observers will take the positive indicators set out above as signposts on a lengthy road to major reform. Perhaps the intervention of the first ministers is necessary to ensure the road to major reform is followed: a decision on their part to invigorate the reform process would give the enterprise the profile and momentum that only political will can provide. Their intervention could result in a broader and deeper joint planning process reflective of their undertakings in the 1999 Social Union Framework. The chapters that follow make clear the scope of such an enterprise is large and would require concerted effort from all the provinces and territories. This could result in a set of fully articulated and costed options for disability reform. The chapters that follow make clear the need for an intervention by those responsible for public consultations and the reform process to ensure the enterprise has the profile and momentum that only political will can provide. The first ministers could play a key role in this process. Perhaps the intervention of the first ministers is necessary to ensure the road to major reform is followed: a decision on their part to invigorate the reform process would give the enterprise the profile and momentum that only political will can provide.

Notes

The five papers in the volume adopt the four-way classification of governance regimes established by the Governance of the Social Union project:

• unilateral federalism where the federal government, without provincial approval, makes and implements policies in an area of exclusive provincial jurisdiction;

• joint federal-provincial policy-making where the federal and provincial governments work together on a shared responsibility in an area of shared jurisdiction with equal influence on the policy-making process;

• shared federal-provincial policy-making where the federal and provincial governments work together, but where the federal government has primary responsibility for the area of responsibility; and

• subnational policy-making, where the provincial government is the primary decision-maker in an area of provincial jurisdiction.

Each of the five papers in the volume adopts one-way classification of governance regimes.
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"classical" or disentangled federalism where each order of government acts independently in its area of constitutional competence; in areas where each has jurisdiction and chooses to exercise it, the two orders of government act independently of the other;

• collaborative federalism where the two orders of government, recognizing their interdependence, act jointly with no undue reliance on "carrots or sticks"; and

• interprovincial collaboration where there is collaboration among provinces without federal involvement.

The Government of Quebec did not take part in the development of this or related papers.

The survey identifies mild, moderate and severe disability by assigning points to partial/total losses of function. In 1991, 13.5 percent of the population reported a disability (7.9 percent mild; 4.6 percent moderate; 3.1 percent severe).

This estimate is from Statistics Canada’s Health and Activity Limitation Survey.

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2000).

S. Torjman, First Ministers’ Last Priority (Ottawa: The Caledon Institute, 2000).

2 Under the agreement, governments agreed, inter alia, to eliminate measures in social programs that hamper mobility, to restrict the federal “spending power,” to monitor and report on outcomes of social programs, to undertake joint planning, and to identify priorities for collaborative action.

3 This is an estimate. Puttee’s chapter cites public expenditure levels of over $13 billion in the mid/late 1990s. This does not include the cost of disability-related measures in social programs, the cost of employment and related programs for people with disabilities, the cost of employment and related programs for people with disabilities, and the cost of disability supports and services not covered under the Income Tax Act.

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6 S. Torjman, First Ministers’ Last Priority (Ottawa: The Caledon Institute, 2000).
INTRODUCTION

The purpose of this chapter is to provide an overview of some central features of the political landscape of Canadian disability policy. The elements of the political landscape — the political, economic and social forces driving changes in policy and programs in the disability area — are complicated and intertwined. Our focus here is on those characteristics and trends in disability policy that have ramifications for the social union.

We define the political landscape of disability to include four dimensions:

- the assumptions and beliefs about the causes and nature of disability;
- the social and economic living conditions of persons with disabilities;
- the prevalence and orientation of interest groups in this policy community;
- program and service provision practices and reform ideas.

We argue that underlying beliefs and assumptions that shape our thinking and action toward disability issues are major preoccupations of this chapter. Our main argument is that two distinct perspectives are intertwined. Our focus here is on those characteristics and trends in disability policy in policy and programs in the disability area — the political, economic and social forces driving changes of the political landscape of Canadian disability policy. The elements of the political landscape of disability are complicated and inter-twined. Our focus here is on those characteristics and trends in disability policy and programs in the disability area — the political, economic and social forces driving changes.
Marcia H. Rioux and Michael J. Prince

The "worthy poor" — people with disabilities, the aged, and infirm — were coexistent in contemporary disability policy and politics in Canada. The first and much older perspective is what we refer to as the "worthy poor" viewpoint of persons with disabilities. This perspective is evident in the historical origins of much of Canada's social programs as well as in the present-day services, which established a distinction between the worthy and the unworthy. For those who fall into this category today, the modern welfare state has been minimalist and residual, incorporating the less-eligibility principle. For those who fall into this category today, the modern welfare state has been minimalist and residual, incorporating the less-eligibility principle. The first section traces the history of how Canada over the past 30 years or so, having moved from the formation and one-dimensional perspective, has moved to the era of the disability policy. The second section examines the barriers to participation they face. Third, alternative positions on disability rights are outlined, each of which have shaped policy-making and service provision. The sixth section explores individualized funding: a reform idea that would change how Canada's social union is experienced by persons with disabilities.

A BRIEF HISTORY OF PEOPLE WITH DISABILITIES

The roots of the welfare state in Canada can be found in the English Poor Laws, which established a distinction between the worthy and the unworthy. "Worthy Poor" is a term that has been used to describe those who are eligible for welfare benefits. The term has evolved to include individuals with disabilities, the aged, and infirm. The "Worthy Poor" perspective is evident in the historical origins of many disability rights groups in the past generation. The prefaced discourse of many disability rights groups in the past generation, and has been shaped by the political landscape that has shaped political discourse in a "human rights" perspective. The second section examines the barriers to participation they face. Third, alternative positions on disability rights are outlined, each of which have shaped policy-making and service provision. The sixth section explores individualized funding: a reform idea that would change how Canada's social union is experienced by persons with disabilities.
The Canadian Political Landscape of Disability

...
Marcia H. Rioux and Michael J. Prince

Under the resulting legal and social regime, people with disabilities became the object of charity and lost many of their basic citizenship rights. Investment in institutional facilities, special education, segregated vocational training and employment, and community services exclusively for persons with disabilities grew substantially in the postwar period. These systems segregated targeted individuals from their communities and specifically from: (i) their families by commitment to institutions; (ii) their educational institutions by declaring uneducable; (iii) the labor markets by designating as unemployable; (iv) political participation by determining ineligibility to vote; and (v) the exercise of rights of self-determination by basing entitlement to services and compensation on category.

The monuments to people with disabilities as worthy poor represent a large and growing segment of the population with disabilities, whose rights to resources and opportunities have been denied. Canadians with disabilities tend to be at the lower end of social hierarchies, with fewer resources and poorer life chances than most other citizens.

The costs of being worthy poor have been high for people with disabilities, including extremely high rates of unemployment, violence, and abuse. The social stratification of patterns of inequality in society is another feature of the social status of Canadians with disabilities.
The highest level of education achieved by persons with activity restrictions as defined by the National Population Health Survey (NPHS) is, on average, lower than that of other Canadians. Partly as a result, persons with disabilities are poorer than other Canadians, women with disabilities particularly so, and are more likely than others to rely on the social security system for personal and family income. 7

The self-reported general health of people with activity restrictions is poorer than others. They are more likely than others to be in families where another family member is in very bad health and likely to die, or has a drug or alcohol problem. This is particularly true for people who rely on the social security system as the main source of income. Persons whose activities are restricted due to a long-term health condition or disability are nearly twice as likely as others to be living alone. They are more prone than others to violence, abuse or other harms. They are less likely than others to have someone to confide in about their private feelings or someone they can turn to in crises. For personal decisions or emotional support, they can turn to no one. 8

The availability of employment supports for people with disabilities, according to Fawcett, falls considerably short of the need. Moreover, even modest workplace accommodations would increase the labour force participation rates of people with disabilities. She finds, for example, that over two-thirds of people with disabilities do not receive any support from employers in order to work and that the most widely needed on-the-job accommodations in order to work and that the most widely needed on-the-job accommodations are those that enable them to do their work. Nevertheless, even modest workplace accommodations would increase the labour force participation rates of people with disabilities. Moreover, even modest workplace accommodations would increase the labour force participation rates of people with disabilities.

In light of these socio-economic conditions, persons with disabilities, supported by their families and other advocates, have formed groups so as to mobilize politically to obtain action at all levels of government. Over the past
30 years in particular, these groups have articulated new perspectives and advanced new claims in order to improve their position in Canadian society. Disability has emerged, in other terms, as a notable feature of the politics of citizenship rights and status.

**ALTERNATIVE PERSPECTIVES ON DISABILITY**

The history of the treatment and care for people with disabilities reflects two distinct perspectives on the condition of disability and its aetiology. For much of the twentieth century, disability was understood as an individual pathology; a condition grounded in the physiological, biological, or cognitive impairment of the individual. The resulting incapacity was the consequence of that biomedical or functional condition. Research that is more recent and reflects the social, political, and economic conditions in which people with disabilities live has highlighted that disability is also a result of the socio-political circumstances that affect the individual, a social model that reflects the social-political circumstances that affect the individual, a social model that results from systemic conditions that act as barriers to participation and inclusion of people with disabilities.

Disability understood from this perspective is a condition resulting from systemic conditions that affect the individual, a social model that results from barriers to participation and inclusion of people with disabilities. If the outcome of services and programs is to enable them to live inclusively in their communities, rehabilitation services will not be sufficient to achieve this goal.

This recognition that disability is more than the biomedical or individual pathology has had repercussions on both generic and specialized service systems, and on the work of federal and provincial policymakers and administrators, community advocates, and people with disabilities. The acceptance that the locus of the problem is not the individual but socio-political circumstances has had repercussions on both generic and specialized service systems, and on the work of federal and provincial policymakers and administrators, community advocates, and people with disabilities. The acceptance that the locus of the problem is not the individual but socio-political circumstances has had repercussions on both generic and specialized service systems, and on the work of federal and provincial policymakers and administrators, community advocates, and people with disabilities.

These different assumptions about disability and its etiology have operated historically to create varying and conflicting program definitions of disability. Some programs require that an individual seeking access to programming based on disability have a loss of physical, sensory, intellectual or mental capabilities, while others consider disability to be a result of socio-political circumstances. The resulting definitions of disability reflect different perspectives on the condition of disability and its aetiology.

The history of the treatment and care for people with disabilities reflects two distinct perspectives on the condition of disability and its aetiology. For much of the twentieth century, disability was understood as an individual pathology; a condition grounded in the physiological, biological, or cognitive impairment of the individual. The resulting incapacity was the consequence of that biomedical or functional condition. Research that is more recent and reflects the social, political, and economic conditions in which people with disabilities live has highlighted that disability is also a result of the socio-political circumstances that affect the individual, a social model that results from systemic conditions that act as barriers to participation and inclusion of people with disabilities.

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psychological functioning so severe that he or she has little or no employment potential. Typically, such requirements are embedded in social service and pension programs and create major obstacles to employment for those seeking, for instance, attendant services available under those programs, who also want employment. Some individuals may only qualify for a disability-related support by removing themselves entirely from the labour force. Individuals demonstrating a capacity for employment by, for example, attending courses or doing volunteer work could lose the supports available to them.

In contrast to these definitions, the federal Employment Equity Act stipulates that a person will be considered disabled for the purpose of the Act if their prospects of employment are substantially reduced as a result of an ongoing or recurring physical, mental, sensory, psychiatric or learning impairment. The Act relies on self-reporting rather than formal assessment of disability status. The Canadian Human Rights Act adopts a broader approach to defining disability, including any previous mental or physical disability, any current disability, including any disability affecting a person's ability to perform work as a result of a disability. The Act recognizes that disabilities may manifest in different ways and that the impact of a disability on an individual's employment prospects depends on the specific circumstances.

THE EXPANDING DISABILITY INTEREST GROUP

The disability rights movement first emerged 30 to 40 years ago and is now a key part of the disability interest-group community. This section traces its development and contrasts it with other parts of the disability interest-group community. Disability rights groups and the broader disability policy community in Canada are part of a larger movement around the world. Many disability rights groups focus on a single type of disability, with philosophical approaches to disability ranging from social model to medical model. Some older organizations, and some newer ones, focus on a single type of disability. The philosophy expressed by these traditional NGOs is commonly some mixture of charity, paternalism, and social model. First, most of the older (pre-1970) organizations and political, and social movement and social movement movements in one country can coexist with ideological agendas of people with disabilities and the enabling rights that in disability policy and programs, but those shifts have in some cases come in disability policy and programs. The broader disability policy community is composed of disability rights groups and the broader disability policy community, which is now a key part of the disability interest-group community. This section traces its development and contrasts it with other parts of the disability interest-group community.
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and a medical model of care. In terms of membership and control over decision-making, these organizations tend to be for persons with disabilities rather than of persons with disabilities.

Second, many of the more recently established NGOs developed in reaction to the traditional hegemony of the groups noted above and are based on the view that people with disabilities are citizens entitled to the same bundle of rights and opportunities as everyone else in society. From the beginning, they sought to plant the seeds of a view of disability based on individual autonomy and self-control that was strikingly different from the medical model of care. In terms of membership and control over decision-making, these organizations tend to be for persons with disabilities rather than of persons with disabilities.

A key development for both sets of disability groups was the 1982 adoption of the

\textit{Canadian Charter of Rights and Freedoms}, which included equality rights for persons with disabilities (making Canada the first country in the world to include such rights in a fundamental constitutional document). Section 15 of the Charter accords equal protection and equal benefit of the law with-
The Canadian Political Landscape of Disability

The Canadian political landscape of disability has been shaped by the recognition of the constitutional rights of Canadians with disabilities. Since the early 1990s, the Government of Canada has been supporting disability rights groups, recognizing the importance of their role in advocating for the rights of Canadians with disabilities. The Canadian Constitution has been amended to include the rights of individuals with disabilities, providing a legislative framework for the protection and promotion of these rights.

In the 1990s, disability rights groups began to gain more recognition and support. The Governments of Canada and the provinces have been working to address the needs of individuals with disabilities through policies and programs. The Governments of Canada have been providing financial assistance to organizations representing persons with disabilities, and the provinces have been implementing policies and programs to support people with disabilities.

In the early 1990s, the Governments of Canada and the provinces were beginning to acknowledge the importance of disability rights. The Governments of Canada and the provinces have been working to address the needs of individuals with disabilities through policies and programs. The Governments of Canada have been providing financial assistance to organizations representing persons with disabilities, and the provinces have been implementing policies and programs to support people with disabilities.

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Grew significantly more in absolute terms and in relation to the funding to other groups, such as women’s organizations. The 1991–96 National Strategy for the Integration of Persons with Disabilities also raised the profile of disability policy on the federal agenda. The 1998 federal budget introduced the Social Development Partnerships program, a new funding regime in Human Resources Development Canada that provides organizational and project funding to national disability organizations and other national social service agencies. Successive parliamentary committees have focused a positive and effective relationship with disability groups. The Social Development Partnerships Program, a new funding regime in Human Resources Development Canada that provides organizational and project funding to national disability organizations and other national social service agencies, provides effective funding for projects that advance the interests of persons with disabilities. The 1997 federal budget introduced the Opportunities Fund for Persons with Disabilities. This fund was introduced for another three years by the 2000 budget. The fund seeks to offer

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funding to 30 national disability and other organizations and to about 120 projects designed to offer work experience and employment.

ELABORATING A HUMAN RIGHTS FRAMEWORK

Cracks in the postwar social policy framework began to emerge in the 1970s. Claims for its restructuring gained momentum through the 1980s and 1990s, first from the civil rights movement, and later from the growing disability rights movement. In response to the challenge, a new foundation of rights was established in Canada and internationally in response to such claims.

Major elements of this human rights perspective are outlined in Table 2.

<table>
<thead>
<tr>
<th>Human Rights Perspective on Disability Policy</th>
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<tr>
<td>- Policy-making based on a discourse of individual and group rights and duties.</td>
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<tr>
<td>- Disability perceived as resulting, in large part, from systemic barriers and conditions.</td>
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<tr>
<td>- Persons with disabilities recognized as individuals with capacities of other citizens.</td>
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<tr>
<td>- Policy-making based on a discourse of individual and group rights and duties.</td>
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<tr>
<td>- Policy goals to enact and protect rights, to accommodate, to promote employment, reduce dependency on income support, and support community living.</td>
</tr>
<tr>
<td>- Removing barriers, shifting attitudes, and promoting inclusion toward full citizenship.</td>
</tr>
<tr>
<td>- Prohibition against discrimination on the grounds of disability.</td>
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The enactment of rights for people with disabilities within human rights legislation and the entrenchment of constitutional equality rights for people with disabilities within the Charter of Rights and Freedoms have had important implications for people with disabilities. These are now legally entrenched on an equal basis with the rights accorded to women and people of minority races, cultures and religions. The prohibition against discrimination under provincial human rights statutes has extended, in the past 15 years, from issues of employment for those with physical handicaps to include services, facilities, and accommodation for those with physical, mental, and other disabilities.

Canada is also a signatory to a number of international agreements that contain provisions for the rights of people with disabilities, and a number of international agreements that have been ratified by Canada.
Marcia H. Rioux and Michael J. Prince guarantee political, social, and economic rights for people with disabilities. See Table 3 for major examples over the past 50 years.

There are many examples of this shift in thinking and elaboration of a framework of social relationships. Recognition that the roots of inequality are in the state and market organization is a result of individual pathology has given way to at least a nominal recognition of the discrimination faced by people with disabilities. The notion that disabled policy and attitudes have become a part of the traditional way of viewing people with disabilities has been a shift from the traditional way of viewing people with disabilities.

The principles in these declarations and resolutions are adopted in various ways by numerous UN organizations and programs. They have pro-

Table 3

International Agreements on Human Rights and Persons with Disabilities

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<th>Agreement</th>
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fairness of keeping people in segregated workshops. Governments have developed policies that plan for the closure of large institutions. Governments are beginning to establish legislative and policy provisions for assisted and supported decision-making as an alternative to the removal of rights through guardianship. 20 Hospitals are being challenged, legally and ethically, on their policies of refusing treatment to new-borns and other persons with severe disabilities. Protocols have been introduced by some provincial attorneys-general to ensure that people with intellectual and other disabilities can give evidence in court and therefore receive the same access to justice as others. 21 Income assistance programs have been established that provide direct funding to people with disabilities to contract for their own choice of services, an alternative to traditional funding through service agencies. There have also been successful legal challenges to the denial of rights in the past 15 years. All of these changes reflect a shift toward ensuring the social well-being of people with disabilities, their self-determination and participation in decisions that affect their person.

POLICY REFORM: FROM PROGRAM ALLOCATIONS TO INDIVIDUALIZED FUNDING

Major changes are under way in the design of social policy and programs that affect Canadians with disabilities. Until recently, the policy sectors that most affected people with disabilities tended to operate in isolation from one another in the context of federal criteria and objectives. Together the programs and services aim to promote employment and reduce dependency on income support and other publicly funded services. The Employment Insurance Act and the federal-provincial labour market development agreements reflect this principle, an entire range of programs once delivered separately as income, vocational rehabilitation, and labour market development programs are in a variety of processes and stages of consolidation. Together, the Employment Insurance Act and the federal-provincial labour market development agreements reflect this principle, an entire range of programs once delivered separately as income, vocational rehabilitation, and labour market development programs are in a variety of processes and stages of consolidation. Together, the Employment Insurance Act and the federal-provincial labour market development agreements reflect this principle, an entire range of programs once delivered separately as income, vocational rehabilitation, and labour market development programs are in a variety of processes and stages of consolidation. Together, the Employment Insurance Act and the federal-provincial labour market development agreements reflect this principle, an entire range of programs once delivered separately as income, vocational rehabilitation, and labour market development programs are in a variety of processes and stages of consolidation. 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IN DIVIDUALIZED FUNDING

New policies aimed at allowing people with disabilities to choose the services and supports they need, without having to conform to federal criteria. As the Canada Assistance Plan is now defunct, governments are under pressure to increase integration and service coordination across program areas, while reducing federal and provincial expenditures on services. The Income Support Act, for example, provides for the removal of barriers to employment through integrated employment programs. The Act also provides for an income support program that is not means-tested and that provides a living income for people with disabilities. The Act also provides for an income support program that is not means-tested and that provides a living income for people with disabilities. The Act also provides for an income support program that is not means-tested and that provides a living income for people with disabilities. The Act also provides for an income support program that is not means-tested and that provides a living income for people with disabilities.

The Canadian Political Landscape of Disability
Marcia H. Rioux and Michael J. Prince are being integrated into a single system at the provincial level and delivered through regional health and social services councils, boards, and agencies. Block-funding has been the primary mechanism for funding disability-related supports in Canada. Under this approach, provincial governments, often with federal funding contributions, provide block-funding to providers of services such as hospitals and public or private agencies providing housing, personal supports, vocational services, aids and devices, and/or transportation. This funding arrangement has resulted in the development of an infrastructure of disability-related services ranging from rehabilitation hospitals to consumer-run community agencies providing housing and a variety of disability-related supports.

Despite the funding and development of a wide range of supports, people with disabilities and their advocates argue that there remain significant barriers to the self-determination of people with disabilities. People with disabilities are usually not recognized as equal partners in the funding agreements, and therefore had limited control over the nature of disability-related supports that are made available. Many have argued that the conventional block-funding approach has placed limitations on the self-determination of people with disabilities, and therefore limited their ability to control over the choice of services. To redress this perceived limitation, mechanisms have been modelled in various jurisdictions that enable greater control to those who receive funding. These are more vulnerable to exploitation, harm, and abuse than they need to be.

The most common scheme for funding social services systems in Canada is program-based. Here, service agencies receive funding based on the number of consumers or clients to whom they expect to provide service in a given year. The demand-side approach to financing social services reflects a process in which the consumer of services receives the funding for the services received, and where, when, and by whom those services are provided. This approach has been modelled in various jurisdictions that enable greater control to those who receive funding. Despite the funding and development of a wide range of supports, people with disabilities and their advocates argue that these mechanisms fail to strike a balance between demand and supply.

Individualized funding programs are designed to strike a balance between demand and supply. This funding approach, also known as individualized funding, allows the consumer to receive funding based on their individual needs and preferences. The funding is allocated to the consumer, who can then use it to purchase the services they need. This approach has been modelled in various jurisdictions that enable greater control to those who receive funding.
The Canadian Political Landscape of Disability

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Governments may be more illusory than real. Many pressures drive governments to make changes in disability policy and programs, and disability does not appear to be high priority for any level of government at present, despite the demands advanced by disability advocacy organizations. Public opinion toward disability continues to reflect the ambiguous messages of governments, disability organizations, and public relations campaigns. There is an ongoing debate in the media about the costs of hiring and accommodating people with disabilities, about including children with intellectual disabilities in public schools, and about how much ought to be spent for accessibility. Legal cases, particularly cases challenged under the Charter of Rights and Freedoms, have also put these issues before the public. The federal funding of the Charter Challenges Program, which has provided public resources for such cases, has no doubt influenced public debate about disability rights. On the other hand, so have public campaigns for segregated facilities and biogenetic prevention programs.

Each of the perspectives we have examined has significance for the choice of social policy instruments and the style of federalism practised. The worthy poor model with its emphasis on institutions, rehabilitation, and segregated services for special needs is highly influenced by dualist perspectives, particularly a view of federalism that continues to separate federal and provincial responsibilities and activities. This orientation coexists with a dualist perspective that is more pan-Canadian and federalist in discourse and policy direction. That both perspectives coexist today is due in part to the reform of laws and regulations and the use of human rights and constitutional principles, particularly the issue of federal and provincial jurisdiction over disability policy.

Notes


NOTES
3 Marcia H. Rioux, "Towards a Concept of Equality of Well-Being: Overcoming the Social and Legal


6 Two major data sources are available on disability in Canada. Statistics Canada's Health and Activity Limitation Survey (HALS) was conducted after the census of 1986 and 1991. It used a combination of a general census question and variations of the World Health Organization "activities of daily living" indicators to screen survey respondents for disability. HALS explores a wide range of social and economic issues relevant to persons with disabilities and policymakers. The National Population Health Survey (NPHS), which is an ongoing population health survey, uses a general panel of respondents for disability. The NPHS focuses primarily on health indicators, but includes some important socio-economic data. The survey has been expanded to include questions on social security programs in 1994 and other related issues in 1995. The median education level of persons aged 12 and over who have activity restrictions is secondary school graduation. For others, the median education is some postsecondary schooling (NPHS-Health micro data file). The most recent NPHS data available at the time this chapter was prepared were for 1991.

7 The mean age of persons with activity restrictions aged 12 and older was 51, compared with 41 for other Canadians. The median education level for persons aged 12 and over who have activity restrictions is secondary school graduation. For others, the median education is some postsecondary schooling (NPHS-Health micro data file). More than 556,000 persons aged 12 and over who have activity restrictions relied on social security programs in 1994 as their main source of household income, compared with 2.6 percent of the rest of the population (NPHS-Health micro data file). The median income of a general name (e.g., family income) and information specific to the health status of persons in households. The Canadian Population Health Survey (CPS-Health), which is an ongoing population health survey, uses a general panel of respondents for disability. The survey focuses on health indicators, but includes some important socio-economic data. The survey has been expanded to include questions on social security programs in 1994 and other related issues in 1995. The median education level of persons aged 12 and over who have activity restrictions is secondary school graduation. For others, the median education is some postsecondary schooling (NPHS-Health micro data file). More than 556,000 persons aged 12 and over who have activity restrictions relied on social security programs in 1994 as their main source of household income, compared with 2.6 percent of the rest of the population (NPHS-Health micro data file). The median education level of persons aged 12 and over who have activity restrictions is secondary school graduation. For others, the median education is some postsecondary schooling (NPHS-Health micro data file). More than 556,000 persons aged 12 and over who have activity restrictions relied on social security programs in 1994 as their main source of household income, compared with 2.6 percent of the rest of the population (NPHS-Health micro data file). The median education level of persons aged 12 and over who have activity restrictions is secondary school graduation. For others, the median education is some postsecondary schooling (NPHS-Health micro data file).
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Construction of Inequality
Roeher Institute, Disability, Community and Society
North York, ON: The Roeher Institute, 1996;
Mariann Corker and Sally French (eds.), Disability Discourse

12 Diane Driedger,
The Last Civil Rights Movement


14 Roeher Institute, Disability, Community and Society, pp. 167-75.

15 Prince, “Touching Us All.”


18 Roeher Institute, Disability, Community and Society, p. 112.

19 Prince, “Touching Us All.”

20 The governments of Manitoba and the Northwest Territories have legislation enabling persons with special communication needs to maintain their right to self-determination. How far such provisions go in enabling people with intellectual disabilities to maintain their right to self-determination remains to be seen.


22 Cam Crawford, A New Picture of Labour Market Programs and Services for People with Disabilities in Canada (North York, ON: The Roeher Institute, 1997).

23 Prince, “Touching Us All.”


25 Prince, “Touching Us All.”

26 Centre for Independent Living, Disability, Community and Society, p. 112.

27 Ibid., pp. 191-239, pp. 191-239.

28 Marcia H. Rioux and Michael J. Prince.
DESIGNING DISABILITY POLICY IN CANADA: THE NATURE AND IMPACT OF FEDERALISM ON POLICY DEVELOPMENT

Michael J. Prince

INTRODUCTION

"Designing Disability Policy in Canada" examines the macro politics of government policy development and federalism. The focus is on the early stages of the public policy process, specifically, the activities of advancing policy proposals, crafting policy designs, undertaking negotiations, and eventual adoption. Canadian federalism is treated as an independent variable focusing on the consequences of federalism for the policy agenda, policy-making, interest groups, and democratic politics.

A central argument of this chapter is that the disability policy field in Canada is a dense network of intergovernmental arrangements, with four regimes or forms of federalism operative during the late 1990s. Disentangled or classical federalism at the provincial level is prominent in Canadian disability policies and programs, predating Canada's version of a welfare state. Many of these apparently independent actions by provinces have involved interprovincial diffusion of reforms and relationships with municipalities and community organizations. At the same time, the other half of disentangled is evident, namely, policy initiatives by the federal government. For classical federalism, the main period of policy development at both orders of government was the 1970s and 1980s.
The history of collaborative federalism in disability-related policy-making goes back further than many people may think, more than 60 years. For collaborative federalism, the first major period of disability policy development was the 1950s and 1960s, when at least five cost-shared programs were established. This chapter suggests that the 1990s represent a second period of collaborative federalism in this policy field. The Employability Assistance for Persons with Disabilities (EAPD) reform over the 1997–99 period, is a case of collaborative federalism, which is examined in this chapter. By the late 1990s, we can observe four kinds of intergovernmental regimes active in the disability policy field. Both the Federal and the Provincial governments are involved in disability policy-making.

CLASSICAL FEDERALISM AND DISABILITY POLICY

Classical federalism and intergovernmental collaboration are examined in the third section of the chapter. An assessment of the implications of these intergovernmental regimes of relationships for social policy is given in the final section of the chapter. The division of legislative and executive powers is distinct with few overlapping responsibilities; a situation described by the courts many years ago as having "watertight compartments." The federal and provincial governments are involved in disability policy-making, each level within its own area of jurisdiction and relatively independent and separate, as described by the classical model of federalism. The most conspicuous concept of federalism in the country, and perhaps the most important, is the division of legislative and executive powers between the federal and provincial governments. These powers are divided in a way that respects the sovereignty of each level of government. This is reflected in the structure and operation of the Canadian federal system.

The Employability Assistance for Persons with Disabilities (EAPD) reform over the 1997–99 period, is a case of collaborative federalism, which is examined in this chapter. By the late 1990s, we can observe four kinds of intergovernmental regimes active in the disability policy field. Both the federal and provincial governments are involved in disability policy-making.

The history of collaborative federalism in disability-related policy-making is widespread, and has influenced federal-provincial relations in various ways. The introduction of the Canada Health and Social Transfer (CHST) in 1996 triggered concerted efforts since 1996 by the federal and provincial governments to develop new forms of intergovernmental collaboration, which is examined in this chapter. The Employability Assistance for Persons with Disabilities (EAPD) reform over the 1997–99 period, is a case of collaborative federalism, which is examined in this chapter. By the late 1990s, we can observe four kinds of intergovernmental regimes active in the disability policy field. Both the federal and provincial governments are involved in disability policy-making.

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provincial governments are equal in terms of legal status, with both levels fully sovereign within their jurisdictional spheres. Classical federalism thus embodies two groups of sovereignty in which provincial legislatures and the federal parliament have the legitimacy and authority to enact, if they decide, certain policies and programs for persons with disabilities.

In an age of minimal state intervention in social affairs, classical federalism meant that both orders of government in Canada were not especially active in their respective areas of exclusive jurisdiction formulating disability-related policies. The policy development that did occur in this and other social policy fields was largely under provincial jurisdictions. Consequently, there was relatively little intergovernmental conflict or need for intergovernmental machinery.

In the 1990s, workers’ compensation plans applied to most workers in the provinces. Workers’ compensation plans were introduced by the other provinces over the next 30 years or so. Workers’ compensation plans were clearly a matter of exclusive provincial jurisdiction under the constitution. Starting in 1914 with Ontario, workers’ compensation plans were introduced by the other provinces. As a form of social insurance against the risk of injury, sickness or death at work, workers’ compensation plans were clearly a matter of exclusive provincial jurisdiction. As a form of social insurance against the risk of injury, sickness or death, workers’ compensation policy is a field in which the provinces exercise disentangled authority over the whole policy cycle, from development to governance through administration to review and reformulation.

Workers’ Compensation Programs

The first stage of the modern era of disability policy in Canada was the establishment of workers’ compensation programs. Workers’ compensation programs have been in place in most provinces since 1914. In the 1990s, workers’ compensation plans applied to most workers in the provinces. Income benefits in most of the provinces are not offset against other income-security benefits, although death benefits are.

While provincial/territorial workers’ compensation programs cover a large labor force of each province and territory, income benefits in most of the provinces are not offset against other income-security benefits, although death benefits are.
Michael J. Prince

Minister of Human Resources Development and the provincial boards. The federal government reimburses the provincial Boards for the cost of all benefits and administrative charges. 3

Veterans' Benefits

The federal government's earliest lasting involvement in disability-related income-security policy came with the introduction of financial benefits for veterans. As was the case with workers' compensation for the provinces, monetary and other forms of aid to veterans clearly lie within the exclusive responsibility of the federal government. In the immediate aftermath of World War I, the federal government passed the Pension Act of 1919, to provide pensions for disabled members of the armed forces and their dependants, on a scale based on the degree of disability and the military rank of the veteran. Another following decades, the Pension Act was amended several times in the exclusive jurisdiction of the federal government. Over the following decades, the Pension Act was amended several times in the exclusive jurisdiction of the federal government. In the immediate aftermath of World War I, the federal government passed the Pension Act of 1919, to provide pensions for disabled members of the armed forces and their dependants, on a scale based on the degree of disability and the military rank of the veteran. As was the case with workers' compensation for the provinces, the federal government's earliest lasting involvement in disability-related income-security policy came with the introduction of financial benefits for veterans.

Recent Provincial and Territorial Disability Policies and Programs

Deinstitutionalization measures. The downsizing and closure of government-run facilities for persons with mental disabilities in several provinces

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Federal government reimburses the provincial boards for the cost of all benefits and administrative charges.
services for community living options have shown a notable provincial policy trend in Canada. 4

Human rights reforms. The human rights codes of all provinces/territories were amended in the 1980s or 1990s to prohibit discrimination based on physical or mental disability. This protection extends to activities within exclusive provincial jurisdiction such as most employment, restaurants, hotels and stores, education facilities and housing. Human rights codes generally also require reasonable accommodation such as basic education and high school completion and

Government organizations. A number of provinces have established advisory councils or offices for disability-related issues. The Nova Scotia government, for example, established a Disabled Persons Commission in 1990 to provide for the participation of Nova Scotians with disabilities in the development of government policies and programs that directly relate to or affect them. A statutory body, the commission has 12 members, the majority of whom must be persons with a disability or a representative of the community.

Education and training programs. Provinces have been exploring ways of enhancing the life skills and job skills of adults with disabilities. In 1995, Manitoba’s education and training minister announced several small grants for programs to assist adult learners with disabilities by offering academic upgrading such as basic education and high school completion and job skills training. In 1993, the Nova Scotia government established a Disabled Persons Commission to provide for the participation of Nova Scotians with disabilities in the development of government policies and programs that directly relate to or affect them. The Nova Scotia government, for example, established a Disabled Persons Commission in 1990 to provide for the participation of Nova Scotians with disabilities in the development of government policies and programs that directly relate to or affect them.

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Over the past 20 years, most provinces and territories have instituted taxation-assistance measures specifically for persons with disabilities. The most common form of tax relief is retail sales tax exemptions for various medical expenses, aids, and care. A few jurisdictions also offer property tax exemptions and other tax reductions for persons with disabilities.

Recent Federal Disability Policies and Programs

For the federal government, the main period of disentangled policy development on disability issues has been since the early 1980s. The underlying pattern is of increasing initiative and a widening focus on issues to be considered. Federal policy has gone from responding to international events like the United Nations international year and decade for persons with disabilities; to removing obstacles by undertaking various measures; to more of a leadership role in the 1990s, with the 1991–95 National Strategy for the Integration of Disabled Persons and, more recently, the 1996 Scott Task Force and subsequent reforms announced in recent federal budgets.

The federal government has used symbolic policy outputs, such as the prime minister's 1985 Declaration on the Decade of Disabled Persons and establishing in 1987 the National Access Awareness Week along with organizational decisions such as the formation of special and standing parliamentary committees on disability matters, designating a minister responsible for the status of disabled persons and establishing a minister responsible for the federal government and the Federal Contractors Program. Ottawa has modified existing regulatory instruments within its jurisdiction and has reviewed and standardized disability-related language across numerous federal statutes.

The federal government has endeavored to improve the accessibility of transportation, housing, parks, historic sites, and other federal facilities. The federal government has also undertaken employment policies to improve the representation of persons with disabilities within the federal public service and wider Canadian labor force through the Employment Equity Act and the Federal Contractors Program. Ottawa has modified existing regulatory instruments within its jurisdiction and has reviewed and standardized disability-related language across numerous federal statutes.

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That budget also provides for $14 million per year for grants to postsecondary students with disabilities.

Since the 1980s, the federal government has regularly employed income tax policy as a tool for acting on disability issues. The Special Parliamentary Committee on the Disabled and Handicapped, established by the federal government in 1980, in its reports over the next few years, prompted attention to tax policy. Targeting tax assistance to groups deemed in need is not, of course, unique to persons with disabilities. Charities, students, and parents with young children, among others, are recipients of tax assistance. What is distinctive, though, of disability policy-making by the federal government is the extensive use of tax expenditures during a period of general program restraint. This was especially so in the 1990s, a decade in which six budgets announced over 20 new tax expenditures for persons with disabilities.

Collaborative federalism — at times called administrative, cooperative, or collaborative federalism and disability policy-making

Collaborative federalism denotes mutual interdependence, joint problem-solving among officials, and little or no hierarchy in working relations between the two orders of government in Canada. Collaborative federalism does not mean that federal-provincial relations are, or should be, free of conflict between the two orders of government in Canada. Collaborative federalism — at times called administrative, cooperative, or collaborative federalism and disability policy-making.
Michael J. Prince

intergovernmental relations and that, compared to other regime types and periods of Canadian political history, the mood of federal-provincial relations is not belligerent.

The institutional infrastructure of collaborative federalism includes conferences at the political and operational levels involving consultation, negotiation, and coordination; administrative agreements across the country; and cost-sharing financial agreements for conditional and unconditional programs. In practice, collaborative federalism manifests itself in bilateral relationships between the federal government and one province or territory; multilateral relationships of the federal government and several provinces; and omnilateral relationships involving the federal government and one province or territory. In practice, collaborative federalism manifests itself in bilateral and cost-sharing financial agreements for conditional and unconditional programs. Collaboration and coordination minimize administrative burdens across the country; references at the political and operational levels involve consultation, coordination, and collaboration; and intergovernmental relations include a shared machinery of intergovernmental relations and, in federal-provincial periods of Canadian political history, the mood of federal-provincial relations is not belligerent.

Old Age Pensions as a Template for Disability Policy Designs

With the introduction of the Old Age Pensions Act in 1927, the federal government formally entered the social security field in a major way for the second time, following upon financial assistance to veterans. The legislation represented "an ingenious compromise between provincial responsibility and federal initiative. To deal with provincial resistance to Ottawa encroaching upon its jurisdiction, the federal government offered to finance the old age pension in the form of a conditional government grant of federal transfers related to the amount of provincial expenditures. The main financing instrument was the Old Age Pensions Act, the federal government establishing some broad conditions or parameters for the program, the provinces operating and co-financing the program. The 1937–66 period can be designated as the first era of collaborative federalism in disability policy-making in Canada. Much of this period is a record of federal initiative on policy design, provincial responsibility for administration, shared responsibility on financing, and, in certain programs, a federal role in auditing provincial accounts and records. Old Age Pensions Act
Designing Disability Policy in Canada

In 1931, the Old Age Pensions Act was amended to increase the federal share of pensions from 50 to 75 percent as an extra inducement to attract provinces to enter the plan. By 1936, all provinces had developed public pension programs for low-income seniors.

The early story of the Old Age Pensions Act is relevant to collaborative intergovernmental disability policy-making in two respects. First, the initiative served as a precedent of federal action and intergovernmental cooperation in the social welfare field, prompting other groups, even during the Great Depression of the 1930s, to press Ottawa for similar support for veterans and for persons with disabilities. Second, the old age pension program became the model, in terms of program design, for cost-sharing arrangements for benefits for persons with disabilities.

Most of these design features were replicated in the Blind Persons Act of 1937. The legislative provision dealt with the blind persons’ allowance for persons aged 21 to 69, cost-shared on a 75 percent federal — 25 percent provincial foundation. The residency requirement of 20 years under the earlier old age pension law was shortened to 10 years and the provision excluding Indians was dropped.

Blind Persons’ Allowance

All the provinces rapidly reached agreements with Ottawa. The basis for the federal government’s contribution was 75 percent and the age for the blind was reduced to 40 years. The limit of allowable income was set at a level higher than for the old age pension. The qualifying age for the blind was reduced to 10 years from 15 years. The legislation was amended in 1966 to allow provinces to switch to the newly established Canada Assistance Plan and to allow provinces to switch to the newly established Canada Assistance Plan. That reform, coupled with the transfer of tax points to the provinces under fiscal arrangements for financing other welfare programs, effectively took the blind persons’ allowance off the federal policy agenda.
Michael J. Prince and the federal government giving the Canadian Parliament authority to make laws in relation to old age pensions. The Old Age Security Act introduced Canada’s third universal income benefit (after the WVA and the Family Allowance), with a flat-rate pension of $40 a month offered to persons aged 70 and over regardless of their financial or family circumstances. The Old Age Security Act also introduced the Disability Security Act, which offered a revamped means-tested selective program for people aged 65 to 69, cost-shared on a 50-50 basis with the provinces. The passage of the Vocational Rehabilitation of Disabled Persons Act (VRDP) resulted in the eventual cancellation of the program in the mid-1960s. The federal government also saw collaborations with the provinces to develop rehabilitation initiatives for persons with disabilities.
Designing Disability Policy in Canada

participate in the VRDP in the late 1980s, all the provinces entered into two- or three-year agreements with Ottawa which were regularly renewed from the 1960s to the late 1990s when the VRDP was replaced.

Under the VRDP, the federal government specified the terms for obtaining cost sharing, and the provinces were solely responsible for the administration of their programs, including the design, eligibility requirements, and mode of delivery. VRDP benefits and allowances were administered by the provinces and provided directly by provincially or locally operated voluntary agencies. Under the VRDP, the federal government specified the terms for obtaining cost sharing, and the provinces were solely responsible for the administration of their programs, including the design, eligibility requirements, and mode of delivery. VRDP benefits and allowances were administered by the provinces and provided directly by provincially or locally operated voluntary agencies. Under the VRDP, the federal government specified the terms for obtaining cost sharing, and the provinces were solely responsible for the administration of their programs, including the design, eligibility requirements, and mode of delivery.

Canada Assistance Plan

The formation of the Canada Assistance Plan was the result of extensive consultation among federal and provincial officials on the need to improve the scope of the rehabilitation service. The initiative for the reform came from the provinces and other levels of government recognizing the need for a more comprehensive and compassionate social security system for the country. At the formulation stage, there was extensive consultation among federal and provincial officials on the details of the plan.

Much of CAP's origins lie in disability policy. CAP consolidated a number of welfare programs, including:

- The Old Age Assistance Act
- The Disability Act
- The Blind Persons Act
- The Unemployment Assistance Act

Viewed in relation to the design features of these earlier programs, CAP's conditions did mark a relatively significant departure from the rehabilitation assistance acts. The ten-year residency requirements for old age assistance, for example, were eliminated, as were those for other benefit programs. The federal government specified the terms for obtaining cost sharing, and the provinces were solely responsible for the administration of their programs, including the design, eligibility requirements, and mode of delivery. VRDP benefits and allowances were administered by the provinces and provided directly by provincially or locally operated voluntary agencies. Under the VRDP, the federal government specified the terms for obtaining cost sharing, and the provinces were solely responsible for the administration of their programs, including the design, eligibility requirements, and mode of delivery.

Programs grew from less than 100,000 to over 200,000.
Michael J. Prince

The story of the political struggles surrounding the implementation of the Canada Pension Plan (CPP) and Quebec Pension Plan (QPP) has been well-chronicled elsewhere by academics and participants. One member in that policy process, Tom Kent, has described the creation of the CPP and the QPP as “the constructive expression of the idea of co-operative federalism… a balanced combination of the best of federal and provincial ideas.”

Constant communications, consultations, and negotiations played a central part in the development of the CPP and QPP, and with them the disability pensions associated with the plans. Over the policy development stage in 1963 and 1964, there were confidential meetings between Quebec Liberal ministers in the Pearson Cabinet and the Quebec premier; and private meetings and communications between the Quebec premier and the prime minister and his senior policy advisor and the secretary to the Cabinet. There also was a conference of federal and provincial welfare ministers who discussed pensions as well as the constitutional amendment. Federal officials had numerous meetings with their Quebec and Ontario counterparts, and Prime Minister Pearson had extensive correspondence with the Quebec and Ontario premiers.

The proposed federal plan supplemented retirement benefits with survivor, death, and disability benefits. A constitutional amendment was needed to enable Parliament to make laws in relation to these supplementary benefits. All ten provinces agreed to this constitutional amendment, section 94a of the British North America Act, in 1964. In return for provincial assent to this constitutional extension of federal jurisdiction, the Pearson government had to grant provincial control over the scope, amending, and financing of the plan. The CPP is not only an example of collaborative federalism with opting-out and entangled federalism with its own legislative and constitutional elements, but also contains within its own legislation elements of classical federalism with opting-out and entangled federalism with its own legislative and constitutional elements.
Designing Disability Policy in Canada

An age limit was attached. In the end, both plans incorporated a disability benefit without an age restriction. Two other features from Quebec's proposal, important to persons with disabilities with low incomes, which Ottawa adopted, were: that contributions not be collected on the first $600 of annual income; and that benefits be adjusted to cost-of-living increases up to 2 percent a year. In 1974, the retirement pension and the other benefits became indexed to the full annual increases in the cost of living. While the CPP and QPP are separate plans in their financing and administration, they have more or less stayed the same in policy over the years.

During the early and middle years of the 1980s, federal and provincial/territorial governments discussed and agreed upon a modest package of changes to the CPP benefits. With the support of all provinces and territories, Ottawa enacted reforms to the CPP in 1987. Among the legislative reforms, disability benefit rates were raised and the number of years of contributions needed for eligibility for disability was lowered. In 1988, through guidelines, the federal government expanded the criteria for assessing disability, and in 1992, through legislation, authorized retroactive applications for the benefits. The direction of these reforms was a liberalization of the administration of the program.

Recent changes to the CPP have direct consequences for persons with disabilities. In 1996, as part of the statutory review of the CPP, federal and provincial/territorial governments agreed to a joint process of public consultation across the country. The objective was to canvass views on a range of options for ensuring the financial sustainability of the CPP for future generations. The options presented in a discussion paper, Securing the Canada Pension Plan, all dealt with various restraints or cuts to the CPP. After the consultations, federal and provincial/territorial finance ministers participated in a series of intergovernmental meetings to negotiate a consensus on changes. In February 1997, the federal finance minister announced that a federal-provincial consensus on the 1998 CPP Reforms had been reached. Ottawa and eight provinces supported the reforms, which took effect January 1998, while the NDP governments of British Columbia and Saskatchewan dissented. Two other features from Quebec's proposal, important to persons with disabilities with low incomes, which Ottawa adopted, were: that contributions not be collected on the first $600 of annual income; and that benefits be adjusted to cost-of-living increases up to 2 percent a year. In 1974, the retirement pension and the other benefits became indexed to the full annual increases in the cost of living. While the CPP and QPP are separate plans in their financing and administration, they have more or less stayed the same in policy over the years.
CPP. Draft legislation to amend the CPP was tabled in the House of Commons and passed in 1997; the Cabinets of the eight provinces passed supporting orders in council.

Several changes have been made to disability benefits under the CPP, prompted by expenditures on disability benefits more than tripling and the number of beneficiaries almost doubling from 1987, when the last reforms were made to the plan, to the mid-1990s. The Auditor General of Canada had criticized the management of disability benefits in his 1996 annual report, suggesting that the disability program was too loosely controlled and potentially subject to considerable fraud, because of imprecise program objectives and incomplete information systems. The auditor general expressed concern that significant changes to disability eligibility practice had been introduced via guidelines rather than through formal consultations with the provinces.

In the post-1998 reforms to the CPP, retirement pensions and the earnings-related portion of disability and survivor benefits are now based on the average of maximum pensionable earnings over the last five working years rather than the last three. This reform has the effect of lowering maximum retirement pensions for disability beneficiaries and survivor beneficiaries as well based on maximum pensionable earnings over the last five working years.

The provinces and actuarial estimates do not reflect directly the effect of this change, but the effect will be to reduce the cost-of-living index. This will somewhat reduce the benefits of disabled contributors since the earnings deemed to have been earned during disability will be reduced rather than wage indexed. This will also reduce the benefits of disabled beneficiaries, who now receive disability benefits at the age of 65, rather than the last three years.

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inadequate alternative means of adequately addressing the additional costs of disability. These shared-cost arrangements are inherently unacceptable and unworkable.

1990s, the report addressed the need for subsidizing services recognized toward the cost of living. The report focused on establishing a foundation for effective and equitable arrangements for social services. The changes agreed to by ministers responsible for social services, eight changes to the 1988–90 VRDP agreements and one change to the CAP. These changes were designed to improve the effectiveness of VRDP and CAP, which were often viewed as presenting a formidable barrier to working toward the vision of mainstreaming of Canadian society. The report noted that VRDP and the CAP were "seen as an example of a foundation for effective and equitable arrangements for social services."

In 1989, federal and provincial ministers agreed to pursue further work in this area, including a federal-provincial-territorial vision of principles and objectives. This was part of an intergovernmental review of services affecting people with disabilities, which resulted in the "Mainstream 1992" report.

The report addressed the four priority areas identified in the earlier fiscal arrangement review. The aim of this process was to develop a collective strategic framework or vision, which explored the full integration of Canadians with disabilities within the framework of a federal-provincial-territorial vision of principles and objectives. This vision was part of an intergovernmental review of services affecting people with disabilities, which resulted in the "Mainstream 1992" report. The report noted that VRDP and the CAP were "often viewed as presenting a formidable barrier to working toward the vision of mainstreaming of Canadian society."

In the 1994 discussion paper, "Improving Social Security in Canada," the federal government commented that the VRDP was outdated. "Following on earlier federal-provincial efforts which resulted in several improvements, a further process of renewal should be considered. VRDP could be linked directly to employment development services as a bridge to mainstreaming training opportunities."

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actively the goals of increasing employment and independence for persons with disabilities. Curiously, the February 1995 final report of the House of Commons committee that held cross-country hearings on the discussion paper did not make any recommendations with respect to reforming or replacing the VRDP. By contrast, most witnesses and groups that spoke on the matter, as published in the February 1995 federal budget.

That budget also froze federal transfer payments under the VRDP at 1994–95 levels and replaced the VRDP with the CHST in the February 1995 federal budget. By contrast, the February 1995 final report of the House of Commons committee that held cross-country hearings on the discussion paper did not make any recommendations with respect to reforming or replacing the VRDP. By contrast, most witnesses and groups that spoke on the matter, as

The EAPD represents a case of collaborative federalism, quite remarkable given the fiscally constrained and arguably more complicated politics of the 1990s. Over the 1996 to mid-1998 period, there were more than 40 intergovernmental meetings on replacing the VRDP, negotiating the EAPD and related disability policy issues. Meetings have been at all levels: first ministers’ meetings; annual premiers’ conferences; meetings of ministers responsible for social services and working groups of officials on benefits and services for persons with disabilities. At times, meetings were bilateral, and some were multilateral. 21

A multilateral framework on EAPD was agreed to between the federal government, nine provinces, and two territories in October 1997. The purpose of the multilateral framework is to guide bilateral negotiations and agreements between the Department of Human Resources Development Canada and provincial/territorial departments of employment/human resources/social services.

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with Ottawa, securing a cost-shared arrangement with the federal government in 1999. The framework enunciates five principles that will shape all the bilateral agreements. These principles are: direct support of employability; focus on individual needs and participation; flexibility in program design and delivery; accountability for implementation; and coordination of programs and services related to people with disabilities. These principles are: direct support of employability; focus on individual needs and participation; flexibility in program design and delivery; accountability for implementation; and coordination of programs and services related to people with disabilities.

Like the VRDP, the funding for the EADP is based on equal contributions from the province/territory and the federal government in each year of the agreements. Unlike the VRDP and CAP, the EADP has two parts: a series of bilateral administrative agreements negotiated under an umbrella multilateral agreement. Unlike the VRDP (until 1994) and CAP (until 1990), however, federal funding is limited, rather than open-ended. EADP has an upper limit to the federal share of $168 million annually. Also unlike the VRDP and CAP, however, federal funding for previous VRDP programs inconsistent with EADP will be phased out over a three-year period.

As of early 1999, all ten provinces had signed bilateral agreements. These agreements will operate for five years until March 2003. Under the multilateral framework, the governments agreed to a joint review of the agreements after three years. The EADP case illustrates the continuing importance of consultation and collaboration: the role of professional and administrative officials in federal-provincial relations; the ever-present place of finance and treasury considerations; and incrementalism as the main style of policy reform.
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common concern and involvement (whether exclusive provincial jurisdiction or not), resulting, therefore, in reviving old intergovernmental tensions and generating new policy conflicts. Like classical federalism, there is independent action by one or other order of government. Unlike the classical model, however, unilateral federalism relates to functional areas of policy that are not clearly separated in practice. Like collaborative federalism, unilateralism takes place against a context of customary procedures of consultation and cooperation, but more in the breach than in the observance of these principles of federalism.

In the disability field, unilateral federalism has emerged more recently, in the 1990s, in relation to policy frameworks. The resort to unilateralism by the federal government, both Conservative and Liberal administrations, was essentially driven by the larger fiscal agenda of deficit reduction and spending limits. Conflict in intergovernmental relations heightened in the 1990s as successive federal governments sought to lower their deficits and avoid political blame.

Through a cap on CAP in 1990, the replacement of CAP with the CHST in 1995 with a sharp reduction in transfer payments, and the freeze on VRDP transfers also in 1995, the federal government was altering financial transfers to some or all provinces and territories with little, if any, advance consultation. The provinces reacted negatively, especially to the cap on CAP and the deep cuts associated with the introduction of the CHST, not based on disability policy concerns, but more on the infringement on provincial budgets, particularly for health care, and on the violation of principles of intergovernmental cooperation.

The provinces reacted negatively, especially to the cap on CAP and the introduction of the CHST in 1990s with a sharp reduction in transfer payments, and the freeze on VRDP in 1995 with a sharp reduction in transfer payments, and the freeze on VRDP for the years 1995-96 to 1997-98, during which

The breach in the observance of these principles of federalism, common concern and involvement (whether exclusive provincial jurisdiction or not), with established norms of intergovernmental collaboration and cooperation, in the context of collaborative federalism, takes place when the federal government reaches a point of policy conflict. This approach to intergovernmental federalism, however, unlike the classical model, precludes a clear delineation of functional areas of policy that are not clearly separated and begins to function on a basis of political conflict, rather than cooperation. Therefore, in reviewing old intergovernmental tensions and generalized federalism, there is independent action by new policy conflicts, like classical federalism. Therefore, (c) in reviewing old intergovernmental tensions and generalized federalism, there is independent action by new policy conflicts, like classical federalism.
time the federal government agreed to extend the existing VRDP agreements, and Ottawa and the provinces and territories negotiated the design for a replacement policy, the EAPD. In this case, unilateralism led to an effective exercise of collaborative federalism.

The Cap on CAP: 1990 to 1996

As part of a broader expenditure control plan, the 1990 federal budget imposed a two-year limit of 5 percent annual increases in federal spending under the Canada Assistance Plan Act and its agreement with the provincial governments. The federal government contributed 50 percent of the cost of assistance and social services, which was to continue in effect for the full five years of the plan. The court ruled that the federal government did not have any statutory authority to limit its obligations under the Act, and that the terms of agreement between the federal and provincial governments gave rise to a "legitimate expectation" that the federal government would not limit its obligations without provincial consent.

The federal government appealed the ruling to the Supreme Court of Canada, and in August 1991, the Supreme Court ruled that the federal government acted lawfully in its unilateral decision to limit increases in CAP transfers to Alberta, British Columbia, and Ontario. Even though the federal government had acted lawfully in its unilateral decision to limit increases in CAP transfers, the Supreme Court ruled that the federal government's unilateral action did not violate the provisions of the Canada Assistance Plan Act.
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Canadian constitution generally or the Charter of Rights and Freedoms more specifically. The Supreme Court upheld the federal action based on the traditional doctrine of parliamentary supremacy. Agreements under CAP were not subject to contract law nor shielded by the Charter. As the Honourable Ronald Cheffins has pointed out, "If the federal parliament had tried to do something with respect to equalization grants, they would have run squarely into the constitution of Canada, and it would accordingly have been unconstitutional. Nevertheless, if a subject matter is not protected under the terms of the constitution, it is subject to contract law and could be shielded by the Charter if the Honourable Bond."

In late 1995, the BC government responded to the cap on CAP in an act of unilateral federalism of its own. The province began enforcing a residency requirement to prevent newcomers to British Columbia (all other Canadians and new refugees) from collecting income assistance until they had lived in the province for three months. The federal minister responsible for CAP immediately withheld $47 million from the province because the residency rule contravened the conditions of the Canada Assistance Plan Act. The issue generated a serious conflict between the two governments, and in early 1996, the province launched a lawsuit in the BC Supreme Court to recover the withheld funds. By April 1996, CAP no longer existed, having been replaced by the Canada Health and Social Transfer (CHST). The lawsuit was later dropped, but an impression was created that the conflict had more to do with political posturing and fractious federalism than with either government protecting the social safety net for those most disadvantaged and vulnerable in society.

Canada Health and Social Transfer

Perhaps the most fundamental development in Canadian social policy and federalism for 30 years was the announcement of the CHST in 1995. Within this national context of spending restraint and federal deficit reduction and federal demands for greater autonomy in social policy, the CHST is primarily a child of federal and provincial demands for greater autonomy in social policy. Yet the issue generated a serious conflict between the two governments, and in early 1996, the province launched a lawsuit in the BC Supreme Court to recover the withheld funds. By April 1996, CAP no longer existed, having been replaced by the CHST. The lawsuit was later dropped, but an impression was created that the conflict had more to do with political posturing and fractious federalism than with either government protecting the social safety net for those most disadvantaged and vulnerable in society.

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well-being. Second, the CHST is a block grant of an amount determined at the federal level, but it lacked the necessary backing among Cabinet colleagues.

The outline of the CHST was announced in the February 1995 Federal Budget, although the details had not been worked out and agreed upon within the government. This was the first formal occasion at which provincial and territorial governments learned of the CHST, though the details had not been worked out and agreed upon within the government.

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While the parliamentary process of reviewing social programs and transfers was underway in 1994 and early 1995, a parallel bureaucratic process was at work, centered in the Department of Finance. By November 1994, Finance officials had briefed their minister on a proposal to consolidate EPF and CAP, reduce the size of the transfer, and reduce the scale of conditionality. By November 1994, Finance officials had briefed their minister on a proposal to consolidate EPF and CAP, reduce the size of the transfer, and reduce the scale of conditionality. By November 1994, Finance officials had briefed their minister on a proposal to consolidate EPF and CAP, reduce the size of the transfer, and reduce the scale of conditionality. By November 1994, Finance officials had briefed their minister on a proposal to consolidate EPF and CAP, reduce the size of the transfer, and reduce the scale of conditionality.

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Given the secrecy and haste in crafting the CHST, and the ministerial bargaining, the federal government did not decide upon a cash floor for the CHST until six months after the budget announcement. Finance officials favoured a transfer payment floor of $9 billion per year while some ministers, particularly "social Liberals," wanted a floor of $12.5 billion each year. The Prime Minister's Office worried over the size of the cuts and settled for an annual cash floor of $11 billion. Indeed, at the outset of the 1997 general federal election, the prime minister announced that a re-elected Liberal government would "offer an end to provincial meddling in welfare policy."

Second, given demands for an end to provincial meddling in welfare policy, the federal government did not provide for the cyclical nature of social assistance expenditures that occur broadly in line with the vicissitudes of the economy. This unilateral form of federalism undoubtedly disillusioned social Liberals within the federal government; distressed the provinces and territories, badly straining intergovernmental relations; and disturbed social policy groups about the fate of social assistance and social services under the CHST regime.

This unilateral form of federalism undeniably disadvantaged Social Librarians. For instance, as an open-ended, matching-grant program, CAP involved Ottawa in sharing the costs of offsetting the impact of economic downturns on welfare rolls. As a closed-end block grant, the CHST lacks this stabilization feature. It deliberately does not provide for the cyclical nature of social assistance expenditures. This omission was a closed-end block fund, the CHST, which involved Ottawa in sharing the costs of offsetting the impact of economic downturns on welfare rolls. As a closed-end block fund, the CHST lacks this stabilization feature. It deliberately does not provide for the cyclical nature of social assistance expenditures that occur broadly in line with the vicissitudes of the economy.
In social policy-making, a new era of provincialism in federalism and of interprovincialism and territorialism, individually and cumulatively, these measures have encouraged Canada to move away from the CHST, which had the effect of all the provinces contributing to the Federal Transfers. This has led to the introduction of the Canada Health Transfer Act, which has increased in prominence, the gap on Unemployment Insurance benefits and increases in premiums, the can on unfairness, federal-provincial conflict has intensified since the late 1980's, driven by several unilateral transfers applied to the Federal Transfers. The In view of welfare cuts, privatization, and the regionalization of health and social services across the country, Bach and Rioux are not very optimistic about the leadership capacity of the provinces in social policy and disability-related programming. At the macro level of policy development and intergovernmental relations, however, there is evidence, since the publication of the Bach and Rioux article, of provincial and territorial governments working together and taking the initiative on social policy matters. This recent development brings us to the fourth regime of federalism functioning in Canada today.

**INTERPROVINCIAL/TERITORIAL COLLABORATION**

Interprovincial/territorial collaboration, as a model of federalism, is based on the assumption that it may be possible to achieve pan-Canadian objectives through interprovincial conferences and then implement them. It has been argued that provinces and territories are simply too diverse and their interests shift too quickly for interprovincial institutions to function effectively. However, as Black reports, “interprovincial cooperation has not been the norm for relations between governments in Canada.” In practice, however, as Black reports, “interprovincial cooperation has not been the norm for relations between governments in Canada.”

In social policy-making, the federal order of government is no longer involved in policy design, administration, or implementation. Ottawa would not at all be involved in policy design, administration, or implementation. Canada has moved away from the CHST, which had the effect of all the provinces contributing to the Federal Transfers. This has led to the introduction of the Canada Health Transfer Act, which has increased in prominence, the gap on Unemployment Insurance benefits and increases in premiums, the can on unfairness, federal-provincial conflict has intensified since the late 1980's, driven by several unilateral transfers applied to the Federal Transfers. The In view of welfare cuts, privatization, and the regionalization of health and social services across the country, Bach and Rioux are not very optimistic about the leadership capacity of the provinces in social policy and disability-related programming. At the macro level of policy development and intergovernmental relations, however, there is evidence, since the publication of the Bach and Rioux article, of provincial and territorial governments working together and taking the initiative on social policy matters. This recent development brings us to the fourth regime of federalism functioning in Canada today.
In the wake of the introduction of the CHST and the breakdown of the federal social security review, the provinces took charge of social policy reform. Provincial/territorial conferences and working groups are more prominent in asserting a leadership role in policy development.

The Provincial/Territorial Council on Social Policy Renewal

The Provincial/Territorial Council (PTC), created after the 1996 Annual Premiers’ Conference, by nine provinces and the territories (Quebec is not participating), is the clearest example so far of institutionalizing this new interprovincialism. The mandate of the PTC is to:

- coordinate an approach to overarching social policy issues of national importance, such as the use of the federal spending power;
- report to premiers on progress on social policy renewal on a regular basis;
- support and coordinate the work of sector ministries, such as social services;
- make recommendations to advance the social policy renewal agenda.

The PTC has agreed to a set of ground rules to guide their work. These ground rules are:

- Each government coming to negotiations as equals and to respect the expertise and advice of the other governments; having the authority and responsibility for negotiating agreements;
- The PTC is to represent the provinces and the territories on social policy renewal;
- Each government is to present their views and to seek to reach a consensus on the policies to be pursued;
- The PTC is to negotiate social policy issues on a regular basis.

The Provincial/Territorial Council (PTC) on Social Policy Renewal

Since 1996, the nine provinces and the territories have been working more collaboratively on a range of social policy matters than many observers expected. The provinces are seeking to limit the future use of the federal spending power in areas of provincial jurisdiction. In addition, they want to establish an intergovernmental mechanism for resolving disputes between the two orders of government on policy issues, such as health-care and national health-care standards. This latest form of provincialism expands federalism and national integration beyond the provinces, such as Quebec is not participating. It is the clearest example so far of interprovincialism. The mandate of the PTC is to:

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Designing Disability Policy in Canada

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This section assesses the four intergovernmental regimes, applying the following evaluative criteria: social policy paradigms and goals; democratic values and processes; and principles of federalism.

Social Policy Paradigms and Goals

The intended shift is from relying on humanitarian and medical approaches toward greater emphasis on economic and socio-political perspectives. This is consistent with the Mainstream 1992 and In Unison processes by federal, provincial, and territorial ministers responsible for social services. The former approach focuses on economic and political perspectives, while the latter emphasizes the individualistic-medical perspective. This shift is also reflected in the employment-equity legislation that includes persons with disabilities as a designated group.
Designing Disability Policy in Canada

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individualistic medical model of disability, with assessments by professionals to determine the extent of the incapacity, is still central to the classic programs in this field, workers' compensation plans and veterans' benefits. Furthermore, the model is in effect in more recent policies such as CPP/QPP disability benefits; public auto insurance programs, provincial sales tax relief for medical purchases, federal Disability Tax Credit and Medical Expense Credit. These are the big dollar programs in this sector. 41

There will always be a need, of course, for programs that provide medical and rehabilitative supports to many persons with disabilities. The aim of the disability movement, and the general direction of recent social policy, however, is that the newer integration and rights perspectives should inform such supports. Based on the policies and programs surveyed in earlier sections, Table 1 outlines how the four intergovernmental regimes relate to the three disability policy paradigms. The table shows also that neither unilateralism nor interprovincialism is linked to the social-policy penalty of the medical-rehabilitation and charity-based policies in the disability policy field. The table shows also that the three policy paradigms are the dominant form of disentangled federalism. Federal unilateralism is the new paradigmatic kid on the policy block.

Table 1 shows the predominance of the disentangled and collaborative regimes in the disability policy field. The table shows also that the three policy paradigms are obvious in disentangled and collaborative federalism, and that neither unilateralism nor interprovincialism is linked to the social-policy penalty of the medical-rehabilitation and charity-based policies in the disability policy field. The table shows also that the three policy paradigms are the dominant form of disentangled federalism. Federal unilateralism is the new paradigmatic kid on the policy block.

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resistant and reduced federal activism. These capacities for unilateralism to promote CAP, EPF, and the CHST, have cast unilateralism as a regime of expenditure cutback federalism and restraint in transfer payments. In principle, the imposition of conditions, as with the Canada Health Act, can be viewed as upholding and possibly even strengthening certain rights and duties in relation to important services. Practices in the 1990s, though, with respect to CAP, EPF, and the CHST, have cast unilateralism as a regime of expenditure restraint and reduced federal activism.

### Table 1

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<th>Intergovernmental Regimes and Disability Policy Paradigms</th>
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**Note:**
- The table outlines the intergovernmental regimes and disability policy paradigms, focusing on rights and duties, economic inclusion, protection, education, and collaboration.
Designing Disability Policy in Canada

Disability rights and duties, therefore, is not predetermined. It depends, rather, upon a handful of related factors. These likely include: (i) the nature of the federal conditions being attached, (ii) to what amount of cash transfers over what time frame, in relation to (iii) what provincial governments are doing, (iv) what interest groups are advocating for, and (v) what the general public is willing to support.

Under disentangled federalism, all major social policy goals can be addressed. This type of federalism is typically associated with the human rights paradigm. If citizenship (and the social union) is more broadly conceived, to include economic opportunities and inclusion, then collaborative federalism is critical for achieving outcomes of employment, equal access, community living, and effective participation in the mainstream of society.

What makes the classical model of federalism an indispensable vehicle for the human rights paradigm is that matters relevant to civil liberties and civil rights are covered in both federal and provincial areas of jurisdiction under the Constitution Act, 1867. By virtue of section 92 (13), “property and civil rights in the province,” most of the field of human rights in Canada is under provincial authority. Peter Hogg has called this "by far the most important of the provincial heads of power," and "the most important of provincial authority." He noted that the federal government has never exercised this power. Provincial codes are covered in both federal and provincial legislation, and the competition between federal and provincial legislatures is a key issue in the human rights paradigm. For the human rights paradigm to be effective, it is essential to ensure that human rights are addressed in both federal and provincial legislation.

From the 1940s into the 1970s, provinces took the lead in developing human rights codes and commissions, and by the 1980s all codes listed disability as one of the prohibited grounds of discrimination. Even with the constitutional entrenchment of the Charter of Rights and Freedoms in the early 1980s, provincial codes remain uniquely significant. The flexibility of provincial codes and commissions, and by the 1980s all codes listed disability as one of the prohibited grounds of discrimination, makes the classical model of federalism an indispensable vehicle for the human rights paradigm.

Under disentangled federalism, all major social policy goals can be addressed if there is active involvement in a wide range of programming areas at the federal, provincial, and local levels. This type of federalism is critical for achieving outcomes of employment, equal access, community living, and effective participation in the mainstream of society. For the human rights paradigm to be effective, it is essential to ensure that human rights are addressed in both federal and provincial legislation.
Michael J. Prince

intraprovincial equity (tax measures and human rights codes); human development (health care and education); mobility (training and employment standards, property, and civil rights); and societal risk sharing (workers' compensation and, in some jurisdictions, public auto insurance). The federal government addresses national redistribution and equity between and among groups through intergovernmental transfers and assistance programs. In addition, the measures promote efficiency and mobility by

For the federal treasury (and provincial and territorial treasuries too), these tax measures assert, if only slightly, the base of the personal income tax system.

compensation, education, employment support, and community living.

employment assistance in defraying medical expenses and living costs, deal with financial assistance in defraying medical expenses, in addition to other

The provinces have been introduced and other ones have been converted to credits since then. The purpose behind these tax measures, in addition to offsetting tax measures, has been to reduce the costs faced by those faced by those with a disability, such as the pressures of confinement to a bed or wheelchair. Many new disability, such as the pressures of confinement to a bed or wheelchair. Many new scope, the goal was to reduce the costs faced by those with a severe physical disability. The disability tax credit, which was introduced in 1984, has been essentially one tax measure. Al the federal level, there have been many notable disarmament initiatives.

At the federal level, there may quickly become meaningless. As the National Council of Welfare, have advantages and dangers. Taking people with disabilities, who are often in a vulnerable position, may increase the government's financial burden. In addition, the government may be forced to reduce benefits for people with disabilities who are not in employment.

In the provinces, there are many notable initiatives. Some provinces have introduced pension programs that provide benefits to people with disabilities. Other provinces have introduced programs that provide financial assistance to people with disabilities. The government has also introduced tax measures that provide financial assistance to people with disabilities.

For the federal treasury (and provincial and territorial treasuries too), these tax measures narrow, if only slightly, the base of the personal income tax system and, therefore, modestly reduce personal income tax revenues. At the same time, however, these tax measures promote efficiency and mobility by

For the federal treasury (and provincial and territorial treasuries too), these tax measures assert, if only slightly, the base of the personal income tax system.
remains. Many Canadians with disabilities do not have a taxable income, and because the disability-related tax credits are not refundable, rather they only reduce taxes owing, the additional costs borne by the individual without a tax-able income — the poorest of Canadians with disabilities — are not offset. This flaw is not due to the intergovernmental regime, nor would it be corrected by switching regime types. Instead, the solution lies within federal tax policy, making these tax credits refundable.

In principle, collaborative federalism would potentially be able to tackle the full range of social policy goals, especially if the collaboration involved resource additions rather than resource subtractions to programs and services. In particular, the wider web of cooperation would facilitate mobility, economies of scale, and societal redistribution, rather than resource substitutions. In the case of disability income policy development, over much of the past 70 years the federal government took the initiative and the provinces generally responded, be it positively or negatively, quickly or slowly. As a consequence, much of the history of federal-provincial disability social policy development is a history of incremental change in programs and services, rather than transformative shifts to new programs or new services. In some sense, these examples of federal unilateralism are a result of failures in collaborative federalism. The federal Department of Finance was

In some sense, these examples of federal unilateralism are a result of failures in collaborative federalism, the solution lies within federal tax policy, making these tax credits refundable. By switching regime types, the solution lies within federal tax policy, reducing taxes owing; the additional costs borne by the individual without a tax-able income are not offset. This flaw is not due to the intergovernmental regime, nor would it be corrected by switching regime types. Instead, the solution lies within federal tax policy, making these tax credits refundable.
Michael J. Prince

discussing reworking fiscal federalism with the provinces for a number of years before the cap on CAP and the CHST were implemented. To an outsider, it is unclear if one level of government or the other was more at fault, but the federal Finance officials could not strike a deal with the provinces. It may be that the provinces or provincial finance ministries preferred to let the federal government administer the strong medicine and “do the dirty work” of restraining social program transfers. Conceivably, federal unilateralism is an escape hatch from failed collaboration and a device for retrenchment when budgetary times get difficult.

Unilateralism is not just a form of federal-provincial relations but also of intragovernmental relations. The creation of CAP in 1966 and EPF in 1977 were both products of intragovernmental discussions, not intergovernmental ones, and the design of the CHST was unilateral and not intergovernmental. The cap on CAP and the design of the CHST were unilateral actions, not intergovernmental ones, and the products of budget decisions. Consequently, there was little discussion, particularly at the stage of formulating these restraint options, between Finance and other federal departments. These actions illustrate the resurgence of Finance in the later 1980s and 1990s as a powerful decisionmaker within the federal policy-making system. Issues of spending control and fiscal arrangements were central items on the federal policy agenda. Finance’s strengthened position was undoubtedly due to the growing sense of crisis over deficits and debt charges, reinforced by shifts in public opinion to greater conservatism; changes in the Cabinet committee and budgeting systems that reduced the autonomy of line departments; the elimination of two other central agencies (the Ministries of State for Social Development and Economic Development) that reduced competition for Finance; and the long tenure of senior ministers as finance minister in both Conservative and Liberal administrations.

That finance departments relate differently to one another than program departments is important to intergovernmental relations. As Dupre has noted, central agencies such as Finance depart from program departments, are not hostile to the conduct of collaborative federal-provincial relations, above all when unilateral actions are taken. As Dupre has noted, central agencies such as Finance departments, are not hostile to the conduct of collaborative federal-provincial relations, above all when unilateral actions are taken. As Dupre has noted, central agencies such as Finance departments, are not hostile to the conduct of collaborative federal-provincial relations, above all when unilateral actions are taken.
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basis. If there has been something intrinsic in federal unilateralism that pre-disposed Ottawa to produce the cap on CAP and the CHST, it is the predominant role of Finance officials. Their task as guardians of the public purse is to hold back the spending demands of line departments and other levels of government.

In sum, there is both stability and change in the evolution of the disability policy paradigms. From a policy perspective, regime types do matter, especially when they are viewed as they ultimately must be, in their actual historical and political contexts. This evolution suggests that the older paradigms are not sufficient and need to be supplemented, if not supplanted, by the newer ones. The microfoundations, decision-making, implementation, and evaluation of disability policy are complex and reflect the interplay of political, economic, and social factors. Federalism and democracy are deeply intertwined, and the implications of different regime types for the democratic process are significant.

Democratic Values and Processes

Democratic values and processes have long been explored in Canada and have implications for the design and implementation of disability policy. The following principles are relevant:

1. **Accountability:** Governments and policymakers are accountable to the public, legislatures, and other stakeholders. This accountability is enhanced through consultation, consultation, and participation in the policy-making process.

2. **Openness and Transparency:** Intergovernmental proceedings and decision-making are transparent and accessible to the public. This openness is essential for trust and confidence in the democratic process.

3. **Participation:** Citizens and other stakeholders are involved in the policy-making process. This participation is crucial for ensuring that policies are responsive to the needs and concerns of all Canadians.

4. **Efficiency and Effectiveness:** Disability policy should be efficient and effective in delivering services and supports to Canadians with disabilities. This efficiency is achieved through effective collaboration and coordination among levels of government.

5. **Inclusivity and Accessibility:** Disability policy should be inclusive and accessible to all Canadians, regardless of their ability or disability. This inclusivity is achieved through policies that are designed with the needs of Canadians with disabilities in mind.

6. **Responsiveness:** Disability policy should be responsive to the needs and concerns of Canadians with disabilities. This responsiveness is achieved through ongoing consultation and evaluation of policy outcomes.

7. **Respect for Diversity:** Disability policy should respect the diversity of Canadians with disabilities. This diversity is achieved through policies that are designed to meet the needs of all Canadians with disabilities.

These principles guide the design and implementation of disability policy in Canada, reflecting the commitment to democratic values and processes.
Michael J. Prince

kind of civic engagement. The federal government's unilateral cap on CAP provoked this kind of frustration. As Melchers noted of the process, "the unilateral withdrawal of funding must be debated by Parliament on its own grounds. It is improper to abrogate a substantial piece of legislation and the principles it upholds by an amendment hidden in an omnibus finance bill." 50 The eventual Supreme Court of Canada decision on CAP upheld the federal action on the grounds of the doctrine of parliamentary supremacy, a core democratic value to be sure, but an action made at the expense of several other democratic values.

A similar unease was voiced with respect to the process used in introducing the CHST. Ross wrote of the CHST that, "for it to be hastily introduced as a budget bill, aimed almost solely at reducing the deficit, instead of as a well-thought-out major piece of social legislation is a cause for real concern." 51

Under the classical or disentangled model of federalism, disability-related claims and issues have found expression through the jurisdictions of both orders of government in Canada. Disability policy responses to the demands of groups are not an entirely new phenomenon. The War Veterans' Allowance Act, 1930, for example, was enacted following "considerable pressure from veterans' organizations." 52 Yet, this was more the exception than the general pattern of disability politics and policy-making for most of the twentieth century.

Since the early 1980s, a growing democratization of federal and provincial policy processes for disability groups and issues has taken place. In Ottawa, first a special parliamentary committee, and then a standing House of Commons Committee on Human Rights and the Status of Disabled Persons, have served as vehicles for involving and consulting with disability groups, and as advocates for human rights and the status of disabled persons. The War Veterans' Allowance Act, 1930, for example, was enacted following "considerable pressure from veterans' organizations." 52 Yet, this was more the exception than the general pattern of disability politics and policy-making for most of the twentieth century.

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• promoting the equality of rights of persons with disabilities;
• highlighting the coars of injustice;
• recommending legislative and regulatory reviews and reforms;
• proposing improvements to the tax system in affect persons with disabilities;
• proposing improvements to the tax system in affect persons with disabilities;
• promoting the equality of rights of persons with disabilities;
suggesting protections in the CHST to guarantee funding for disability supports. A recent variant of this was the federal Task Force on Disability Issues, appointed in June 1996 by the ministers of finance, human resources development, and revenue. Their mandate was to define and to make recommendations regarding the appropriate role of the federal government as it relates to Canadians with disabilities. The task force was chaired by MP Andy Scott and included three other members of Parliament, the disability community, and representatives of organizations of and for persons with disabilities. The final report, Equal Citizenship for Canadians with Disabilities: The Will to Act, was released in October 1996. Several task force recommendations, particularly as they dealt with tax reform, were introduced in the 1997 and 1998 federal budgets. In budget speeches that include disability-related tax changes, a common refrain is that such changes reflect a process of ongoing consultations with representatives of organizations of and for persons with disabilities. By increasing the focus on developing the disability benefits system, the task force recommendations paved the way for more effective consultations with representatives of organizations of and for persons with disabilities, a process of ensuring that the changes reflect the needs and concerns of Canadians with disabilities.

Within provincial jurisdictions, too, consultations between government departments and organizations of and for persons with disabilities take place on a regular basis on various topics. In British Columbia, members of a group of experts commissioned to do research collaborated with a working group of representatives of organizations of and for persons with disabilities to develop a disabilities benefits program that came into effect in April 1997. In Manitoba, regular consultations have been underway since early 1997, with a reference group of about 15 individuals, service-providers, and members of the disability community. Similarly, in Nova Scotia, representatives of a group of experts commissioned to do research collaborated with a working group of representatives of organizations of and for persons with disabilities, the Office for Disability Issues, to develop recommendations for disability issues. The task force formed a reference group that informed its work, and the recommendations formed the basis for the federal government’s response to disability issues.

A recent variant of this was the federal Task Force on Disability Supports. Suggestions included proposing additional funding in the CHST to guarantee funding for disability support services.
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More than that, scholars condemn this regime type as manifesting several anti-democratic features. In his masterful study of federal-provincial diplomacy, Simeon argued that collaborative structures limited the participation of interest groups in the policy process; that debate was shrouded in relative secrecy, freezing out the public and press; that affected groups were not invited to participate in intergovernmental discussions; and that the role of legislatures was generally minor. He also observed that discussions between the federal and provincial governments tended to focus on concerns of governmental status and away from policy substance. A review of designing disability policy, however, indicates that the conventional critique of collaborative federalism does not precisely apply to this field. Collaborative federalism can be democratic friendly. This is not to suggest that policy debates and public participation in relation to disability issues are wide-open or that legislatures are strategic actors in the process. Cabinet government and party discipline are too fundamental as concentrators of power in our political systems to permit that. Nevertheless, it does seem clear that in political systems with an intergovernmental bargaining process, interest groups are more likely to engage in the policy process than in systems with exclusive jurisdiction. In terms of federal-provincial-territorial relations, intergovernmental policies have helped to bring disability interests more to the fore of governmental policy agendas.

Intergovernmental policy-making need not exclude the participation of interest groups. Schultz identified two conditions that facilitate openness and participation in the federal government's deliberations. The first is the existence of provincial positions and a strong provincial bargaining process. The second is the willingness of the federal government to engage with provincial actors. In a study of intergovernmental negotiation over highway transport policy, Schultz found that interest group participation was extensive and central to federal-provincial negotiations. This situation is not unique to the disability policy sector. In a study of intergovernmental negotiation over highway transport policy, Schultz found that interest group participation was extensive and central to federal-provincial bargaining. This result is contrary to the hypothesis that interest groups are marginal actors in the process. Cabinet government and party discipline are too fundamental as concentrators of power in our political systems to permit that. Nevertheless, it does seem clear that in political systems with an intergovernmental bargaining process, interest groups are more likely to engage in the policy process than in systems with exclusive jurisdiction. In terms of federal-provincial-territorial relations, intergovernmental policies have helped to bring disability interests more to the fore of governmental policy agendas.

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...
Appropriate accountability measures were taken by the federal government, provinces, and municipalities to ensure that the rights of persons with disabilities were protected. The principles of federalism as outlined in the multilateral framework include respect for the constitutional division of authority, commitment to legal and political processes for the resolution of conflict, effective equality between the two orders and, at the provincial level, among the provinces, and independence and interdependence in policy processes. These principles have shaped disability policy-making and, in turn, federalism has been shaped by the democratic activities of disability organizations and advocates. Disability groups have been involved in the development of policies that affect persons with disabilities, and annual reports on results achieved will be prepared by each province and territory. The principles of federalism include respect for the constitutional division of authority, commitment to legal and political processes for the resolution of conflict, effective equality between the two orders and, at the provincial level, among the provinces, and independence and interdependence in policy processes. These principles have shaped disability policy-making and, in turn, federalism has been shaped by the democratic activities of disability organizations and advocates. Disability groups have been involved in the development of policies that affect persons with disabilities, and annual reports on results achieved will be prepared by each province and territory.
When both orders of government are active policymakers, disentangled federalism contributes simultaneously to decentralization and centralization, with the federal spending power and federal conditions attached to transfers, as reflecting respect for the constitutional division of powers.

Since the Quiet Revolution, there has been co-ordinated federalism in social policy, reflecting, when and where it has been marked by conflict, intergovernmental conflict or at least, different levels of degree.

Note: Some regimes have been called "cooperative federalism", based on genuine respect for the constitutional division of powers.

<table>
<thead>
<tr>
<th>Intergovernmental Regimes</th>
<th>Principles of Federalism</th>
<th>Respect for Commitment</th>
<th>Effective Equality</th>
<th>Independence</th>
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<td>yes</td>
<td>independent</td>
<td></td>
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<tr>
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<td>yes</td>
<td>yes</td>
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<td></td>
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<tr>
<td>Constitutional policy development</td>
<td>amendment in program</td>
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<tr>
<td>Judicial avenues</td>
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<tr>
<td>Interprovincial independence</td>
<td>yes</td>
<td>yes</td>
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TABLE 2: Intergovernmental Regimes and Principles of Federalism

When both orders of government are active policymakers, disentangled federalism contributes simultaneously to decentralization and centralization.
effectively raising the profile or status of both values and orders of governmental relations is relatively low compared to other regime types, especially unilateralism. As the role of intergovernmental conflict has increased, and the CPP/QPP, CAP and EAPD demonstrate, the impact on collaborative federalism on decentralization and centralization is mixed. The role of intergovernmental conflict in this regime, although conflict has been moderate. The role of federal-provincial-territorial decision-making structures in the disability area is becoming more important rather than less. Here the main style of policy-making is bargaining among governments.

Unilateral federalism, as we have shown, involves highly adversarial relations between government levels, raising the profile of Ottawa in a critical light, regarded as acting in breach of the spirit of federalism. Under unilateralism, the policy-making style entails command and control. Intergovernmental relations are explicitly and bluntly hierarchical. The role of federal-provincial-territorial decision-making structures in the disability area is becoming more important rather than less. Here the main style of policy-making is bargaining among governments.

The relationship between the federal and provincial governments underwent a profound change triggered by the cap on CAP and then made worse by the introduction of the CHST. These and other kinds of “cutback federalism” prompted the provinces (except for Quebec) and territories to embrace interprovincialism. The Provincial/Territorial Council on Social Policy Renewal embodies the institutionalization of this impulse and reaction against federal unilateralism. The council has a mandate, ground rules for working together, and serves as a forum for developing a new paradigm for policy-making. Following the classical model of federalism, both orders of government in Canada are active in disability policies and programs. Despite decentralization and devolution, downloading, and downloading, the federal government retains an important range of authorities and activities, even in an area like income tax policy. Whether the two orders are disentangled is another matter. In fact, there is considerable intergovernmental contact and dealing. The provincial and federal governments are not self-contained jurisdictional domains. Even in an area like income tax policy, federal reforms affect the revenues of provinces.

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and has held several meetings. This is not a new form of government, however. The ground rules are voluntary and stress the non-hierarchical and independent nature of their relationships. A collaborative approach is now part of the renewal agenda of the federal public service, and increasing the use of partnerships with other levels of government is seen as a tool for managing provider interests and their interdependencies. The regime types examined here are political in nature, and their effects are voluntary and stress the non-hierarchical and independent nature of their relationships. The regime types examined here are political in nature, and their effects are voluntary and stress the non-hierarchical and independent nature of their relationships.

CONCLUSIONS

Canadian state intervention on disability matters, especially with respect to social policy, dates back 80 years or more. Perhaps not surprisingly, early policy actions of the classical federalism variant — independent interventions by one order of government or the other — are evident. By the 1970s, the federal state was characterized by almost exclusive reliance on the provincial level of government for the provision of social services. In the 1980s and 1990s, however, there were significant changes in the federalization of social policies, and the Canadian state intervention on disability matters is seen as a tool for managing provider interests and their interdependencies. The regime types examined here are voluntary and stress the non-hierarchical and independent nature of their relationships. The regime types examined here are political in nature, and their effects are voluntary and stress the non-hierarchical and independent nature of their relationships. The regime types examined here are political in nature, and their effects are voluntary and stress the non-hierarchical and independent nature of their relationships.
Michael J. Prince

The federal spending power, reflecting the historic and ongoing gap in responsibilities and revenues between the two orders of government, underpins so much of collaborative federalism. Unilateralism can be seen, at least in part, as something Ottawa had little choice to do in the face of tremendous financial pressures from a ballooning deficit and growing national debt.

There is a difference between the implementation of federalism as a governmental function and the process of implementing federal and provincial policies. Where the former is a matter of the establishment of policies and programs, the latter is a matter of collaboration between the two orders of government. The CHST was imposed unilaterally, but once imposed, we have a regime of financial cooperation that has been extended in a number of ways. The regime is collaborative in the narrow sense that there is some kind of financial cooperation, but in other respects, it leaves provinces/territories alone to deliver their programs.

Though the main approach of this chapter has been more historical than institutional, some reflections on the role of federal-provincial structures can be offered. The question is not whether institutional arrangements matter, but how they matter for the public interest. Larger economic, fiscal, and political conditions may ultimately shape intergovernmental decisions and outcomes, but institutional arrangements are also influenced by institutional and organizational dynamics. The question is not whether institutional structures matter, but how do they matter?

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The Social Union Agreement will

for increased information, and influence. The Social Union Agreement will

respectfully convene communities by governments to co-ordinate and

design of any successful arrangement. These are my views, influential and

less will have opportunities for input on the review of the agreement and the

issues, this could well involve advice from disability organizations. Above

proceeds for the use of third parties for expert assistance. In certain circum-

moral disputes the agreement should be designed to encourage the development

social priorities and reviewing outcomes. To avoid and to resolve intergovernment-

agreements and developing mechanisms to maintain, co-operation, co-operation

and is a model that could be emulated in Canada. In agreement with the VRDP and the

informed by the work of their sister sector on the national disability agenda.

regarding the performance of social programs and the

the Federal/Provincial/Territorial Working Group on Disability. The

activities of the group are also positively

The current Federal/Provincial/Territorial Working Group on Disability

can be in competition with one another, but they can also be complementary.

income, education, and employment. Disagreement, disagreement, and

have continued in the Social Union Agreement. The

nearly "old wine in a new bottle." The Working Group is built on the

agreement is essentially about process — about how to make social policy and

and now

agreements shared among officials responsible for the social services, the

and the working relations forged among officials vis-a-vis the VRDP, and now

have been involved in the development of the Social Union Agreement. Each government

is responsible for the group. The agreement is not merely a framework agreement, but

has helped somewhat in shielding this sector from the disruptive unilateralism and combative politics

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This social policy change on the wider public policy agenda in our country.
Michael J. Prince probably raise expectations and stimulate further demands by citizens and public interest groups for accountability frameworks and program results.

Essential to anyone in government making these regime decisions is a sense of the past, distant and recent, and an understanding that federalism is always in a process of contested development. This is crucial if we are to avoid the trap of ignoring lessons learned and the pitfall of adopting out-of-date paradigms for addressing today's aspirations and needs. It is clear that we have entered a new phase of disability politics, discourse, and policy-making in the past two decades. Persons with disabilities are a shared client group of the two orders of government, reflecting the separate and joint constitutional powers of the governments, their divergent fiscal capacities, the reality of spillover effects from programs, and the growing demands articulated and compellingly voiced by disability groups for common efforts. Together, intergovernmental dualism and collaborative forms of federalism will continue to define and influence this field within this intergovernmental client, the federal and provincial legislatures and collaborative networks of federalism. This is clear that we have entered a new phase of disability politics, discourse, and policy-making in the past two decades. Persons with disabilities are a shared client group of the two orders of government, reflecting the separate and joint constitutional powers of the governments, their divergent fiscal capacities, the reality of spillover effects from programs, and the growing demands articulated and compellingly voiced by disability groups for common efforts. Together, intergovernmental dualism and collaborative forms of federalism will continue to define and influence this field within this intergovernmental client. The dynamics of Canadian federalism are complex and multifaceted, with a rich history and diverse perspectives. The experiences of disability groups and advocates have played a significant role in shaping the evolution of federalism in Canada, highlighting the importance of inclusivity and accessibility in policy-making. As we navigate this new phase, it is crucial to learn from past lessons and continue working towards a more equitable and accessible future for all Canadians.
A noteworthy exception to this pattern was the absence of a real response in the February 1995 final report by the Liberal majority on the House of Commons Standing Committee on Human Resource Development in their consideration of the federal government’s discussion paper, *Improving Social Security in Canada*. Disability organizations had presented a thoughtful and thorough proposal for a “Canada Disability Resource Program” to be financed with existing funds primarily from the then Canada Assistance Plan and the Vocational Rehabilitation for Disabled Persons programs. The Liberal’s final report was essentially silent on the proposal, eschewing, it seems, any reforms that appeared to intrude on provincial responsibilities. In any event, much of the committee’s work and thinking was quickly eclipsed by the announcement of the Canada Health and Social Transfer in the February 1995 federal budget. On the later part of this story, see Edward Greenspon and Anthony Wilson-Smith, *Double Vision: The Inside Story of the Liberals in Power* (Toronto: Doubleday, 1996).

The federal disability tax deduction, introduced in 1945, applied to the blind; it was subsequently broadened to include other types of disabilities.

The *Blind Persons Act* was finally repealed in 1983 having long ceased to be necessary with the Canada Assistance Plan in place.

Improving Social Security in Canada, p. 41.

For dates and details of many of these meetings, see the Social Union Website at http://socialunion.gc.ca.

In the 1995 federal budget, maximum transfers to provinces and territories under the VRDP were frozen at the 1994-95 level. This freeze was part of the Human Resource Development Canada's global budget reduction of $600 million in 1995-96 and $1.1 billion in 1996-97 and thereafter. In the 1998 federal budget, however, funding for the new EAPD was increased $15 million for 1998-99 and $20 million for each of the two subsequent fiscal years.

The following discussion draws on the highly informative account of the CHST's origins provided by Greenspon and Wilson-Smith in Double Vision.

The author was the research director to the Standing Committee on Human Resources Development during the October 1994 to February 1995 period, and participated in the hearings on the government's Green Paper and in the drafting of the Liberal majority report.

According to Greenspon and Wilson-Smith, Department of Finance officials "hated" CAP because the federal government could not control the program's expenditures, and had been trying since the 1970s to convert CAP into a capped program. Finance partly accomplished this in 1990, with the ceiling on CAP.
In Through the Looking Glass: Disability, Policy, and Power, Marcia Rioux and Michael Bach observe that, in the 1990s, the federal government's approach to disability policy was characterized by a shift away from direct provision of services to a more indirect, devolutionary approach. This change was influenced by the federal government's desire to reduce its direct involvement in social programs and to empower provinces and territories to develop their own policies and services. However, this approach also raised concerns about the potential for fragmentation and lack of coordination in disability programming across jurisdictions.

The federal government's role in disability policy was further complicated by its evolving relationship with the provinces and territories, particularly in the context of constitutional and intergovernmental changes. This period saw significant debates about the responsibilities and powers of different levels of government, as well as efforts to develop a more collaborative approach to disability issues.

Despite these challenges, there was some progress in the development of a federal-provincial-territorial framework for disability policy. The In Unison document, developed by the federal, provincial, and territorial governments, represented a significant step in this direction. However, the document also highlighted the ongoing debates about the appropriate roles and responsibilities of different levels of government and the need for continued collaboration and coordination.

In the end, the economic recession of the 1990s had a significant impact on disability policy in Canada, with increased emphasis on cost-cutting and reduced federal involvement. However, these changes also provided opportunities for new approaches and collaborations, which continue to shape the policy landscape today.
Michael J. Prince

Inter-governmental consensus includes a tightening of the administration of disability benefits. The aim is to ensure that only those eligible are accepted for benefits and continue to receive them, and to reduce the risk of paying benefits to people ineligible or no longer eligible due to changed circumstances.


The Charter of Rights and Freedoms supplements but will never supplant the role of provincial and federal human rights laws for advancing the rights of persons with disabilities. The Charter has expanded the judicial review powers and likely the judicial activism propensities of Canadian judges. Charter decisions on disability issues are contributing to the creation of national standards enforceable by the courts.


The Charter of Rights and Freedoms, and the role of the courts, elicits the praise of social scientists and writers. Greenspoon and Wilson-Smith, Double Vision.
Designing Disability Policy in Canada

Bryden notes that the 1937 amendment to the Old Age Pension Act of 1927 followed "a persistent campaign sparked by the Canadian National Institute for the Blind to have the pension plan extended to cover the blind" (Old Age Pensions, pp. 79, 228). The campaign included resolutions and representations to Prime Minister Bennett over the 1930–35 period, "from provincial legislatures, municipal councils, and a host of voluntary organizations, as well as private individuals." On another issue and in another political context, "extensive lobbying at Ottawa" by the national federation of pensioners and senior citizens influenced changes in the Old Age Security and Guaranteed Income Supplement programs in the mid-1960s (Old Age Pensions, p. 196). These groups did not enjoy the same impact on the formation of the CPP, a point that corresponds with Simeon's analysis.


For some readers, it may sound implausible that disentangled federalism could contribute to decentralization and centralization simultaneously. However, a number of democratic deficits connected with the CPP reform and consultative process. In an open letter to the ministers of HRDC and Finance about the CPP, the Chairperson of the National Council of Welfare expressed several concerns about the last reform process. Specifically, the council observed that the consultation paper contained not one proposal for improving benefits; that virtually no information was included on the impact of proposed cuts overall or by gender; and that ample time had not been set aside for all interested parties to participate in the hearings. The eventual changes made to the CPP in 1997–98 also included the elimination of the CPP Advisory Board.

The arbitrary and discriminatory nature of the cap on CAFDA and its potential for promoting federal-provincial relations...

Bryden notes that the 1937 amendment to the Old Age Pension Act included a provision to permit provinces to opt out of the Old Age Pension Act. Following a persistent campaign directed by the Canadian National Institute for the Blind to have the pension plan extended to cover the blind, "extensive lobbying at Ottawa" by the national federation of pensioners and senior citizens influenced changes in the Old Age Security and Guaranteed Income Supplement programs in the mid-1960s (Old Age Pensions, p. 196). These groups did not enjoy the same impact on the formation of the CPP, a point that corresponds with Simeon's analysis.
PURPOSE AND BACKGROUND

The purpose of this chapter is to determine the impact that prevailing intergovernmental regimes have had on the development and operation of key disability insurance programs and to consider the advantages and disadvantages likely to be associated with a change in intergovernmental regime. This case study is one of a number sponsored by the Institute of Intergovernmental Relations at Queen’s University designed to shed light on the attributes of particular intergovernmental regimes through the examination of their effects on particular policy areas.

The purpose of the Institute’s project is to classify these relationships into four intergovernmental regimes: unilateral federalism, where the federal government, without provincial approval, attaches conditions to financial transfers to provincial governments in areas of exclusive provincial jurisdiction with the result that provincial governments must tolerate federal conditions or forego federal revenues; intergovernmental federalism, where the federal government, without provincial approval, attaches conditions to transfers to provincial governments in areas of exclusive provincial jurisdiction; and federalism, where the federal government and the provincial and territorial governments interact in a myriad of ways as they fulfill their responsibilities in pursuit of their policy goals. The Queen’s project has classified these relationships into four intergovernmental regimes.

The purpose of this chapter is to determine the impact that prevailing intergovernmental regimes have had on the development and operation of key disability insurance programs and to consider the advantages and disadvantages likely to be associated with a change in intergovernmental regime. This case study is one of a number sponsored by the Institute of Intergovernmental Relations at Queen’s University designed to shed light on the attributes of particular intergovernmental regimes through the examination of their effects on particular policy areas.

Alan Puttee

A COLLABORATIVE APPROACH

REFORMING THE DISABILITY INSURANCE SYSTEM:
classical or disentangled federalism, where each order of government acts independently in its areas of constitutional competence (where each has jurisdiction, this can result in a situation of mutual independence); collaborative federalism, where the two orders of government, recognizing their interdependence, act jointly with no undue reliance on carrots or sticks; and interprovincial collaboration, where provinces collaborate without federal involvement.

The project has also established three assessment criteria to be used in judging the overall effectiveness of the programs under review, namely, the effectiveness of the programs in meeting their policy objectives, the extent to which they embody democratic principles, and the extent to which they respect federalism principles.

The key questions addressed by the study are:

- How independent has the independent effect of the (mostly) classical federalism governance on the overall effectiveness of the development and operation of disability insurance programs been?
- What is the most feasible alternative governance arrangement for these programs?
- To what extent can a change from the current to the alternative intergovernmental regime be expected to lead to superior outcomes on the policy, democratic, and federalism fronts?

INTERNATIONAL COMPARISONS

Figure 1 shows public expenditures on disability cash benefits as a percentage of gross domestic product (GDP) for Canada and several of its key trading partners, as a percentage of gross domestic product in injury/disease and sickness benefits as a percentage of gross domestic product.
Disability cash programs may be divided into two types: social insurance pro-
grams; premium-financed programs that replace the earnings of those who

**CANADA’S DISABILITY CASH PROGRAMS**

A larger role in the former than in the latter.

Note: International comparisons require interpretative caution. The OECD notes that the

**FIGURE 1**

Government Expenditures on Disability Cash Benefits, Occupational Injury/
Disability and Sickness Benefits in Selected Western Countries, 1980–1993

<table>
<thead>
<tr>
<th>Year</th>
<th>Canada</th>
<th>United States</th>
<th>United Kingdom</th>
<th>Italy</th>
<th>France</th>
<th>Germany</th>
<th>Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td>1980</td>
<td>3.50%</td>
<td>3.00%</td>
<td>2.50%</td>
<td>2.00%</td>
<td>1.50%</td>
<td>1.00%</td>
<td>0.50%</td>
</tr>
<tr>
<td>1981</td>
<td>3.40%</td>
<td>3.00%</td>
<td>2.50%</td>
<td>2.00%</td>
<td>1.50%</td>
<td>1.00%</td>
<td>0.50%</td>
</tr>
<tr>
<td>1982</td>
<td>3.30%</td>
<td>2.90%</td>
<td>2.40%</td>
<td>1.90%</td>
<td>1.40%</td>
<td>0.90%</td>
<td>0.40%</td>
</tr>
<tr>
<td>1983</td>
<td>3.20%</td>
<td>2.80%</td>
<td>2.30%</td>
<td>1.80%</td>
<td>1.30%</td>
<td>0.80%</td>
<td>0.30%</td>
</tr>
<tr>
<td>1984</td>
<td>3.10%</td>
<td>2.70%</td>
<td>2.20%</td>
<td>1.70%</td>
<td>1.20%</td>
<td>0.70%</td>
<td>0.20%</td>
</tr>
<tr>
<td>1985</td>
<td>3.00%</td>
<td>2.60%</td>
<td>2.10%</td>
<td>1.60%</td>
<td>1.10%</td>
<td>0.60%</td>
<td>0.10%</td>
</tr>
<tr>
<td>1986</td>
<td>2.90%</td>
<td>2.50%</td>
<td>2.00%</td>
<td>1.50%</td>
<td>1.00%</td>
<td>0.50%</td>
<td>0.00%</td>
</tr>
</tbody>
</table>

become disabled; and social-assistance programs: programs that provide last resort assistance to people with disabilities who have little or no income.

The chapter focuses on social insurance programs but deals in passing with social assistance programs since reform of the first would affect the size of the second. Canada’s disability cash programs are summarized in Table 1 and described below. Private insurance data are provided for reference.

<table>
<thead>
<tr>
<th>Programs</th>
<th>Payments (billion)</th>
<th>Recipients (000)</th>
<th>Intergovernmental Regime</th>
</tr>
</thead>
<tbody>
<tr>
<td>Social Insurance</td>
<td>10.2</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Workers’ Compensation (1997)</td>
<td>4.6</td>
<td>792</td>
<td>classical (provincial)</td>
</tr>
<tr>
<td>C/QPP Disability (1998)</td>
<td>3.3</td>
<td>437</td>
<td>federal-provincial collaborative</td>
</tr>
<tr>
<td>Public auto insurance (1997)</td>
<td>2.0</td>
<td>n/a</td>
<td>classical (provincial)</td>
</tr>
<tr>
<td>EI Sickness (1996/97)</td>
<td>0.4</td>
<td>35</td>
<td>classical (federal)</td>
</tr>
<tr>
<td>Provincial social assistance</td>
<td>3.0</td>
<td>E</td>
<td></td>
</tr>
<tr>
<td>Total Public Programs</td>
<td>13.2</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Private Insurance</td>
<td>3.0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Disability plans (1997)</td>
<td>1.7</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Auto insurance</td>
<td>(annual payments, late 1990s)</td>
<td>(1997/98)</td>
<td></td>
</tr>
</tbody>
</table>

Notes: Omits some programs, for example, payments to veterans and victims of crime.

<table>
<thead>
<tr>
<th>Programs</th>
<th>Payments (billion)</th>
<th>Recipients (000)</th>
<th>Intergovernmental Regime</th>
</tr>
</thead>
<tbody>
<tr>
<td>Newborn Disability Cash Programs (annual payments, late 1990s)</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The chapter focuses on social insurance programs but deals in passing with social assistance programs since reform of the first would affect the size of the second. Canada’s disability cash programs are summarized in Table 1 and described below. Private insurance data are provided for reference.
Reforming the Disability Insurance System

Table 1 shows that the classical intergovernmental regime characterizes all the disability cash programs except Canada/Quebec Pension Plan Disability which is governed by a federal/provincial collaborative regime; provincial programs account for almost three-quarters of the $13.2 billion of payments disbursed by public programs; and cause-based programs, where benefits depend on the cause of the disability (workers' compensation and public auto) disburse half of public sector benefits. By the early twentieth-century, workers' compensation schemes in Great Britain, the "friendly societies" (employee benefit associations) and "friendly societies" had begun to compensate injured workers regardless of cause of disablement. The key elements of the plans then, as now, were that employers in a given industry were jointly liable for the injuries/patients incurred in the course of employment. By 1931, all provinces except Prince Edward Island had done the same. Today, all provinces, except Quebec, have a no-fault, employer-financed plan for the compensation of work-related disabilities. By the early twentieth-century, workers' compensation schemes were being studied in Canada, and in 1914 Ontario adopted a workers' compensation program.

Workers' Compensation

History.

The disadvantages of leaving the compensation of injured workers to the court system (tort liability) became evident with the industrialization of the nineteenth century. Tort liability was expensive in that a high proportion of system costs went to lawyers. Its financial implications for employers were unpredictable. And it was ineffective for workers in that few injuries were actually compensated: employers won most court cases as co-workers were reluctant to testify, fearing employer retribution, and employers could claim "contract" that remains the basis for the modern workers' compensation programs.

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Governance.

Workers' compensation (and other labour-related matters such as minimum wages and labour standards) falls mainly within provincial jurisdiction, for example, British Columbia. In this context, the governance of the Workers' Compensation Board (WCB) is a classical federalism. An element of federal/provincial collaborative governance is evident in the federal-provincial agreements that apply provincial workers' compensation legislation to federal employees.

Each provincial WCB is a public monopoly with exclusive jurisdiction to determine when a compensable injury has occurred and what benefits are to be paid. In recent years, there has been a trend towards the creation of independent tribunals to which workers and employers can appeal board decisions, which has given rise to a significant amount of litigation in front of these bodies.

Coverage.

Gunderson and Hyatt summarize WCB coverage as follows:

Coverage varies considerably both between jurisdictions and with respect to accounting and statistical matters. In 2002, British Columbia had the highest proportion of the workforce covered with over 95 per cent, while Quebec had the lowest with around 74 per cent. Coverage in small firms is significantly lower than in large firms, with around 8 per cent in Ontario and over 50 per cent in Quebec.

Not all injuries and diseases that may be work-related may be recognized by the WCB. Coverage by jurisdiction varies considerably. For example, British Columbia lists 70 compensable diseases. One province and two territories have only 10 each.

Each province operates its own scheme, and the scope of what is recognized varies across jurisdictions. For example, compensation for many diseases, chronic stress, and repetitive strain injuries may be restricted or even precluded. These excluded injuries are often referred to as workplace-related injuries which are compensable in some jurisdictions, but not others.

Entitlements.

Entitlement to such benefits as stress and chronic fatigue depend on which jurisdiction the injury occurred. For example, British Columbia has a workers' compensation system that covers on-the-job injuries, but does not cover injuries that occur off-the-job. In some provinces, such as Ontario, workers' compensation covers all on-the-job injuries, but not all off-the-job injuries.

Compensation Board (WCB) is a provincial body responsible for administering workers' compensation legislation. Each province operates its own WCB, which is responsible for determining when an injury has occurred and what benefits are to be paid.

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province the worker is employed in. Different provinces give different weighting to the work-relatedness of the same illness in determining entitlement. Some large employers (e.g., governments and their agencies, universities, and shipping and airline companies) are permitted to self-insure. 

Benefits. Table 2 sets out the payments made by Workers’ Compensation Boards and the number of recipients for selected years. Most provinces operate a dual-award benefit system for those with permanent disabilities (partial and total): a lump-sum payment is made in respect of permanent physical impairment (often referred to as non-economic loss payments); ongoing pensions are a proportion (usually 90 percent) of the difference between net pre-injury earnings and what the worker earns, or could earn, upon return to work. There is a good deal of variation among the maximum payments payable to those with permanent disabilities: in 1998, British Columbia’s maximum annual pension was $42,700; in Newfoundland it was $22,700. Disputes regarding what a worker could earn are common. If a worker receiving compensation does not feel he or she can work or is unable to find a job, the WCB usually has the discretion to deem post-injury earnings resulting from a worker’s injury. In 1999, British Columbia’s maximum annual pension was $42,700; in Newfoundland it was $22,700. In 1999, British Columbia’s maximum annual pension was $42,700; in Newfoundland it was $22,700. In 1999, British Columbia’s maximum annual pension was $42,700; in Newfoundland it was $22,700. In 1999, British Columbia’s maximum annual pension was $42,700; in Newfoundland it was $22,700. In 1999, British Columbia’s maximum annual pension was $42,700; in Newfoundland it was $22,700.

<table>
<thead>
<tr>
<th>Year</th>
<th>GDP (billion)</th>
<th>Disability (billion)</th>
<th>Health Care/Rehabilitation (billion)</th>
<th>Total Temporary Disability (billion)</th>
<th>Total Permanent Disability (billion)</th>
<th>Total Payments (1997$)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1980</td>
<td>1.46</td>
<td>0.80</td>
<td>0.53</td>
<td>2.78</td>
<td>0.44</td>
<td>1.22</td>
</tr>
<tr>
<td>1985</td>
<td>1.91</td>
<td>1.29</td>
<td>0.72</td>
<td>3.92</td>
<td>0.57</td>
<td>1.08</td>
</tr>
<tr>
<td>1990</td>
<td>2.29</td>
<td>1.76</td>
<td>1.17</td>
<td>5.23</td>
<td>0.68</td>
<td>1.03</td>
</tr>
<tr>
<td>1995</td>
<td>2.02</td>
<td>1.79</td>
<td>1.36</td>
<td>5.17</td>
<td>0.63</td>
<td>0.82</td>
</tr>
<tr>
<td>1997</td>
<td>1.91</td>
<td>1.44</td>
<td>1.20</td>
<td>4.55</td>
<td>0.52</td>
<td>0.79</td>
</tr>
</tbody>
</table>

Notes: 1. Payments made in the year shown, i.e., do not include reserves established to fund future payments. 2. About half of recipients receive only health-care/rehabilitation benefits. 3. Source: Human Resources Development Canada Website at <www.hrdc-drhc.gc.ca>.
The worker does not receive the replacement expected: business representatives support it and argue that the dual-awards system is too rich to begin with and economies are needed.

Current benefit levels in many provinces are somewhat below those of the 1980s when levels were increased and benefits were indexed with the indexing usually applying to all benefits in pay. In some provinces, the current dual award system replaced one where benefits were paid regardless of post-accident earnings. WCBs also pay compensation in respect of temporary disabilities that are registered in some provinces, e.g., Ontario and Quebec. There is a strong obligation on employers to re-employ injured workers and to accommodate their return to work (obligations that are left to the WCB). There is a strong obligation on employers to re-employ injured workers. There is a strong obligation on employers to re-employ injured workers.

Rehabilitation. WCB plans place significant emphasis on rehabilitation. The provinces of the WCB system are placing substantial effort on the lower end of the medical spectrum to reduce time lost due to work-related injuries. In some provinces, the WCB is also providing rehabilitation services to injured workers. In Quebec, where the provincial government controls both the WCB and the QPP Disability benefit, WCB beneficiaries cannot receive QPP Disability. Workers with a severe and prolonged work-related disability may be eligible for benefits from both the WCB and from CPP Disability (described below). The way in which WCBs treat this situation further illustrates the variation in provincial practice. Some provinces do not reduce the WCB benefit, reflecting a view that employers have taken on the liability for workplace accidents and should pay for them regardless of what other income sources injured workers have. Other provinces wholly or partly integrate CPP Disability, that is, the WCB benefit is reduced, reflecting a view that the stacking of benefits from programs with similar goals can result in inappropriate and unnecessary benefits. In Quebec, where the provincial government controls both the WCB and the QPP Disability benefit, WCB beneficiaries cannot receive QPP Disability.

Fortin and Lanoie find another relationship between WCB and other income-security programs: they cite evidence that workers facing layoffs are more likely to report injuries suggesting that, in some measure, the higher benefits of the WCB system are being substituted for the lower, less generous EI benefits. Rehabilitation. WCB plans place significant emphasis on rehabilitation. There is a strong obligation on employers to re-employ injured workers. There is a strong obligation on employers to re-employ injured workers.

The emphasis on rehabilitation reflects: (i) a higher proportion of accident than disease cases in the WCB caseload (accident cases are more amenable to rehabilitation than disease cases which predominate in C/QPP Disability); (ii) the WCB coverage of disabilities that are temporary and partial; (iii) a generally small overall vocational rehabilitation requirement together with stringent process requirements; and (iv) RCs are registered in some provinces, e.g., Ontario and Quebec. There is a strong obligation on employers to re-employ injured workers. There is a strong obligation on employers to re-employ injured workers.
Reforming the Disability Insurance System

A large body of evidence that vocational rehabilitation efforts are effective; and

(iv) the need to offset the work disincentive effects of WCB benefits. Gunderson references "A number of Canadian econometric studies have found (with some exceptions) that increases in workers' compensation benefits increases both the frequency of claims and their duration."

Financing. Employers finance the workers' compensation systems through assessment rates (payroll taxes) that vary by industry and, usually, by how many claims the employer has had in recent years. The weighted average assessment rate for Canada was 2.6 percent of covered payroll in 1992. Ontario's average rate was the highest (3.2 percent); Saskatchewan's was the lowest (1.6 percent).

History: The Canada Pension Plan (CPP), which took effect in 1966, included disability benefits as well as old age pensions in pay. (Quebec's unfunded WCB is a funded rather than a pay-as-you-go program. In practice, many provincial WCBs have large unfunded liabilities, which are expected to give rise to much assessment rates should increase to reduce these liabilities as a source of funding.)

Canada/Quebec Pension Plan: Disability Benefits

controversy between labour and business representatives, much assessment rates should increase to reduce these liabilities as a source of funding. With the projections, the weighted average assessment rate for Canada was 2.6 percent of covered payroll in 1992. Ontario's average rate was the highest (3.2 percent); Saskatchewan's was the lowest (1.6 percent). There are wide variations within these averages according to the assessment rate in a particular year; for disabilities that occur in a particular year; for disabilities that occur in a particular year;

In Quebec, for example, employers in the business service sector's weighted average assessment rate for Canada was 2.6 percent of covered payroll in 1992. Ontario's average rate was the highest (3.2 percent); Saskatchewan's was the lowest (1.6 percent). There are wide variations within these assessment rates according to the rate group the employer is in. For example, for employers in the business service sector, the weighted average assessment rate for Canada was 2.6 percent of covered payroll in 1992. Ontario's average rate was the highest (3.2 percent); Saskatchewan's was the lowest (1.6 percent). There are wide variations within these assessment rates according to the rate group the employer is in.
required to provide the federal government the authority to pay disability benefits. The amendment made disability (and survivor) benefits subject to concurrent federal and provincial jurisdiction with provinces having paramountcy such that federal laws cannot ‘affect the operation’ of provincial laws in the field.

The Act establishing the CPP included a provision enabling provinces to operate their own comparable pension/disability plan. Only the province of Quebec chose to do so. The two plans that resulted—the Canada Pension Plan and the Quebec Pension Plan (C/QPP)—are similar and detailed arrangements between them provide for the recognition of the other’s credits with the result that with respect to benefits the two plans are, in effect, a joint plan. The disability component of the plan, referred to as the C/QPP Disability, is Canada’s national disability insurance plan.

Governance. The governance of the CPP is federal-provincial collaborative (FPC), reflecting the underlying constitutional arrangement (concurrent jurisdiction with provincial paramountcy). Most amendments to the CPP, including the CPP Disability, which are passed by Parliament, do not take effect without the consent of two-thirds of the provinces having two-thirds of the country’s population. In practice this means there is extensive consultation and cooperation among federal and provincial officials and responsible ministers.

It is notable that the consent of provinces of operating their own plans is included in the two-thirds/two-thirds requirement. The result of this governance structure is that Quebec members of Parliament vote on CPP changes that do not apply to their constituents and the Government of Quebec can unilaterally change the CPP Disability. To date, these arrangements have been uncontroversial and the plans have evolved in a very similar fashion (most of the differences arising from QPP changes are in the two-thirds/two-thirds requirement). The result of this is that, for the most part, the CPP and the C/QPP Disability have evolved in a very similar fashion (most of the differences are found in the disability component: see below). This outcome suggests that all governments recognize the advantages of, and are committed to, maintaining the parallelism between the two plans. It is noteworthy that many of the plan amendments adopted by the CPP were later mirrored by the C/QPP. The most recent of these arrangements were the substantial increase in the flat-rate component of the disability benefit.
Reforming the Disability Insurance System

Eligibility for CPP Disability: A person with a disability must have made contributions in any part of four of the last six years. (Quebec requirements differ slightly.)

The definition of disability employed by CPP/QPP Disability is at once narrower and broader than that used by the WCBs. On the one hand, CPP/QPP Disability pays benefits only in respect of severe and prolonged disabilities, that is, temporary and partial disabilities are not covered. On the other hand, the cause of the disability is irrelevant; there is 24-hour coverage, whereas under Workers’ Compensation the cause must be work-related.

There are some differences in the CPP Disability and QPP Disability definitions of disability, for example, QPP Disability employs a less stringent definition for 60 to 64-year-old applicants than for younger applicants. Differences in interpretation have emerged over the years. The Quebec plan, for example, is less likely to cover mental diseases and chronic fatigue. In the late 1980s, early 1990s, CPP Disability in effect broadened its definition of disability by incorporating various socio-economic factors into the assessment process (e.g., education of applicant, unemployment rate in the applicant’s region); as well, the definition of prolonged disability was broadened to mean one that was expected to last at least one year. Some of these interpretative changes were subsequently reversed.

Benefits: Table 3 shows benefits payments and recipients for CPP/DISability.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1980</td>
<td>0.53</td>
<td>0.19</td>
<td>0.71</td>
<td>0.11</td>
</tr>
<tr>
<td>1985</td>
<td>0.99</td>
<td>0.36</td>
<td>1.35</td>
<td>0.20</td>
</tr>
<tr>
<td>1990</td>
<td>1.95</td>
<td>0.40</td>
<td>2.35</td>
<td>0.30</td>
</tr>
<tr>
<td>1995</td>
<td>2.92</td>
<td>0.43</td>
<td>3.35</td>
<td>0.41</td>
</tr>
<tr>
<td>1998</td>
<td>2.79</td>
<td>0.47</td>
<td>3.26</td>
<td>0.36</td>
</tr>
</tbody>
</table>

Note: Both plans make provision for payments to children of disabled. These are included.


Table 3 shows benefits payments and recipients for CPP Disability.
The growth in CPP Disability benefits was over twice that of QPP Disability benefits over the 1980–1998 period. This reflects, inter alia, the benefit changes and the interpretation changes noted above.

The maximum annual C/QPP Disability benefit was $10,740 in 1998, and consisted of a flat-rate portion ($4,040) and an earnings-related portion equal to 75 percent of the retirement pension that would have been payable if the person were 65 years of age. Since the retirement pension is 25 percent of average earnings and the plan’s earnings ceiling was $36,900 in 1998 (approximating the average earnings level in the economy as a whole), the earnings replacement afforded by C/QPP Disability was 40 percent for a person who had been at half the average earnings level, 30 percent for a person at the average earnings level and some 17 percent for a person at twice the average earnings.

The average CPP disability pension in 1998 was $8,850 (about 4 percent lower in Quebec).

Rehabilitation. The C/QPP’s strict definition of disability means that the role of rehabilitation in the program is relatively small: those with a severe and prolonged disability are the least likely of all people with disabilities to be able to return to work. In addition, a high proportion of those receiving C/QPP Disability are disabled as a result of illness where rehabilitation plays a lesser role than in the case of the trauma associated with accidents. (Rehabilitation plays a larger role in WCB and other plans where most disabilities arise from accidents.) In recent years only about 1 percent of the C/QPP Disability caseload has been referred to rehabilitation. The caseload, which at 1,600 cases in 1995 was relatively small, has declined to about 1,300 cases in 1996.

Financing. The financing of C/QPP Disability mirrors that of the larger C/QPP program of which it is a part. In 1966, the CPP and QPP were only partially funded; the initial C/QPP contribution rates were set at 3.6 percent of covered payroll, which may be compared to the then estimated long-run average of 5.0 percent for the program as a whole. The contributions are paid into a public fund; the individual contribution rates are equal to the contributions paid by the employer. The contributions are indexed to wage changes and the interpretation changes noted above.

The growth in CPP Disability benefits was over twice that of QPP Disability.
Reforming the Disability Insurance System

The four public schemes are operated autonomously with little or no government at a federal level. The solvency aspects of insurance companies with federal charters (except for its regulation of insurance companies, the government strictly regulates virtually all aspects of automobile insurance in Quebec, and the insurance coverage is provided by the Quebec government and private automobile insurance in Ontario, for example, where the government is not involved in any automobile policy provided by the public agencies).

A high degree of regulation substantially narrows the distinction between public and private automobile insurance. In Ontario, for example, where automobile insurance is private, the government strictly regulates virtually all aspects of the business. For example, the right to sue is limited (tort liability is not permitted), and the minimum no-fault benefit levels are established by the government. In Quebec, the right to sue is limited (partial-no-fault), and the minimum no-fault benefit levels are established by the government.

Governance: Provinces have jurisdiction over automobile insurance and auto no-fault programs and government insurers both sell top-ups to the required minimum. In British Columbia, Saskatchewan, Quebec, and Manitoba, auto no-fault programs are offered by provincial governments. In other provinces, auto no-fault programs are offered by private insurers. In British Columbia, Saskatchewan, and Manitoba, private and government insurers both sell top-ups to the required minimum. In British Columbia, Saskatchewan, and Manitoba, auto no-fault programs are offered by private insurers.

The Quebec and Manitoba (since 1995) plans are pure-no-fault plans. The Quebec program is no fault (since 1999) plans are pure-no-fault plans. The Quebec plan covers personal injury only. Saskatchewan's plan looks to effect in 1997-2003 period.
Employment Insurance Sickness Benefits

The reserves held by the insurance companies, principally by premiums paid by drivers and the investment income earned on the reserves available in cases of death, permanent and serious disfigurement, and permanent or partial loss of earning power are transferred to the provinces, as are the insurance companies' share of wage losses paid by the provinces. Since 1989, however, in Ontario, Saskatchewan, and Manitoba, no-fault insurance has been introduced in those provinces. In Ontario, the no-fault system has been in place since 1990, with benefits limited to 80 percent of net wages. In the other provinces, maximum annual disability income benefits range from $7,300 to $90,000, depending on the province. The maximum disability income benefit in Ontario is $20,800, reduced to $15,600 in 1996.

In the private auto provinces, maximum annual disability income benefits range from $7,300 (in the three Atlantic provinces) to 80 percent of net wages (in Ontario, having been reduced from $52,000 in 1996).

Since 1989, Ontario has significantly restricted the use of tort liability, the only province to do so. The system is balanced in that the right to sue is reduced, and the right to receive compensation is increased. Since 1989, Ontario has significantly restricted the use of tort liability, the only province to do so. The system is balanced in that the right to sue is reduced, and the right to receive compensation is increased.

Financing. Public (and private) automobile insurance plans are financed primarily through premiums paid by drivers and the investment income earned on the reserves held by the insurance companies. In Ontario, Saskatchewan, and Manitoba, no-fault insurance has been introduced in those provinces. In Ontario, the no-fault system has been in place since 1990, with benefits limited to 80 percent of net wages. In the other provinces, maximum annual disability income benefits range from $7,300 to $90,000, depending on the province. The maximum disability income benefit in Ontario is $20,800, reduced to $15,600 in 1996.

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Employment Insurance Sickness Benefits

Table 4 sets out the maximum annual disability income benefits in the four public auto provinces in the late 1990s. In Quebec, the public auto insurance plan is partially no-fault in that the right to sue remains available in cases of death, permanent and serious disfigurement, and permanent or partial loss of earning power. In Quebec, the public auto insurance plan is partially no-fault in that the right to sue remains available in cases of death, permanent and serious disfigurement, and permanent or partial loss of earning power.


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Reforming the Disability Insurance System

Governance. Governance of EI is classical federalism reflecting the 1940 constitutional amendment (unanimously agreed to by provincial governments) putting unemployment insurance in the federal jurisdiction.

Coverage. All contributors to the EI program with at least 700 hours of insurable employment in the past 52 weeks are covered by the EI program.

Social Assistance for People with Disabilities

The EI benefit equals 55 percent of insured earnings to a maximum of $413 per week paid for a maximum of 15 weeks. Higher replacement levels are provided if the recipient has children and if income is low.

Financing. EI benefits are financed by payroll taxes levied on employers and employees.

TABLE 5

<table>
<thead>
<tr>
<th>Fiscal Year Starting in</th>
<th>% of GDP</th>
<th>Payments (1996$)</th>
<th>Recipients</th>
</tr>
</thead>
<tbody>
<tr>
<td>1980</td>
<td>3.5</td>
<td>0.25</td>
<td>317</td>
</tr>
<tr>
<td>1985</td>
<td>3.6</td>
<td>0.26</td>
<td>316</td>
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<tr>
<td>1990</td>
<td>3.2</td>
<td>0.22</td>
<td>445</td>
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<tr>
<td>1995</td>
<td>3.5</td>
<td>0.22</td>
<td>462</td>
</tr>
<tr>
<td>1996</td>
<td>3.4</td>
<td>0.25</td>
<td>436</td>
</tr>
</tbody>
</table>


Additional notes:
- Contributions. Contributions to the EI program are paid by employers and employees.
- The EI benefit equals 55 percent of insured earnings to a maximum of $413 per week paid for a maximum of 15 weeks. Higher replacement levels are provided if the recipient has children and if income is low.

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Financing. EI benefits are financed by payroll taxes levied on employers and employees.

Social Assistance for People with Disabilities

The social assistance system, where payments of a last-resort nature are paid to those with little or no income, is not part of the disability insurance system where workers pay premiums that finance the payments to those who become disabled.
Alan Puttee would a more robust insurance system. This relationship requires a brief description of social assistance for people with disabilities. Other chapters in the volume provide more detail.

**History**. Prior to 1966 the federal government shared the cost of provincial welfare systems, and played a decisive role in the design of the program. The Canada Assistance Act (CAP), adopted in 1960, provided federal cost-sharing for various welfare services and played a pivotal role in the development of provincial welfare systems. CAP's 50 percent cost-sharing made a vital contribution to the subsequent development of provincial welfare policy and programs, including those directed at people with disabilities.

In 1996 the federal government replaced CAP cost-sharing with the Canada Health and Social Transfer (CHST), a smaller block transfer that grows in relation to provincial population and economic aggregates. The CHST contains one social assistance-related condition: a residency requirement. Other CAP conditions were abolished.

**Governance**. Federal and provincial governments cooperated closely in the design, operation, and program development of CAP and other federal-provincial programs. The federal government accommodated the preferences of provinces, including Quebec's preference for a flexible program. The program's design and implementation were the result of a cooperative process involving federal, provincial, and territorial governments.

**Conclusion**. The Canada Assistance Plan (CAP) was a vital development for people with disabilities, providing federal support for provincial welfare services and programs. The program's design and implementation were the result of a cooperative process involving federal, provincial, and territorial governments. The program's success was due to its flexibility, cost-sharing, and the federal government's commitment to supporting welfare services for people with disabilities.
Reforming the Disability Insurance System

Thus, until 1989, the governance of social assistance for people with disabilities was federal/provincial collaborative. The collaborative approach ended in 1989 when the federal government unilaterally capped entitlements of the three provinces not in receipt of payments from the Equalization program. The cap on CAP turned out to be a way-station on the road to the adoption of CHST in 1996. Since then the federal government has been essentially uninvolved in provincial social assistance programs and recipients. It is generally assumed that people with disabilities receiving social assistance, Table 6 sets out our total social assistance payments and recipients. As all provinces separately record data for people with disabilities, this table can only be a rough approximation of the amount spent on social assistance for people with disabilities.

Coverage: People with disabilities access provincial social assistance after meeting needs tests which vary by province but which all take budgetary requirements, income, and assets into account. Many provinces use a definition of disability similar to the "severe and prolonged" employed by C/QPP Disability; in some provinces those with partial disabilities are eligible for social assistance benefits. Under the Ontario Disability Support Program eligibility is no longer based on permanent unemployability and the former financial penalties associated with failed employment attempts have been eliminated.

Benefits: As not all provinces separately record data for people with disabilities, Table 6 sets out our total social assistance payments and recipients. It is generally assumed that people with disabilities account for nearly one-quarter of social assistance cases loaded/expenditures whole-government, though it is generally assumed that people with disabilities receiving social assistance, Table 6 sets out our total social assistance payments and recipients. As all provinces separately record data for people with disabilities, this table can only be a rough approximation of the amount spent on social assistance for people with disabilities. Coverage: People with disabilities access provincial social assistance after meeting needs tests which vary by province but which all take budgetary requirements, income, and assets into account. Many provinces use a definition of disability similar to the "severe and prolonged" employed by C/QPP Disability; in some provinces those with partial disabilities are eligible for social assistance benefits. Under the Ontario Disability Support Program eligibility is no longer based on permanent unemployability and the former financial penalties associated with failed employment attempts have been eliminated.

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Financing

Public plans are financed by premiums paid by employers/employees and by the investment income earned on the reserve, the coverage of the private plans is higher.

Third, LTD plans cover only about half of workers whereas the coverage of the public plans is greater. The coverage of the public plans is greater because they cover workers who are not employed and not paid by employers/employees.

Second, the CHST provides disability benefits to LTD plans and WCB payments that are usually restricted to those who are severely disabled who are unable to perform any job. The coverage of the public plans is much lower.

While the private disability plans have higher replacement rates, their $3 billion payout is low compared to C/QPP Disability (which has a $3.3 billion payout) and WCB (which pays out $4.6 billion). The principal reasons are: first, private disability plans are generally second-payer plans. Second, eligibility for LTD benefits is usually restricted to those who are severely disabled who are unable to perform any job, whereas the public plans cover workers who are not employed but are paid by employers/employees. Third, LTD plans cover only about half of workers whereas the coverage of the public plans is much lower.

Private Disability Insurance

Although not a public program, a brief description of the disability insurance plans is provided below.

Coverage. In 1997, about half of employed people had long-term disability insurance coverage. The coverage rate for short-term disability insurance was lower (35%). The coverage rate for disability insurance for people who are not employed but are paid by employers/employees is higher.

Benefits. Claims paid for income replacement under group and individual, short- and long-term plans totalled $3 billion in 1997. The number of people receiving payments is not available.

While private disability plans typically have higher replacement rates (usually around two-thirds of prior earnings), their $3 billion payout is low compared to C/QPP Disability (which has a $3.3 billion payout) and WCB (which pays out $4.6 billion). Three principal reasons account for this. First, private disability plans are generally second-payer plans. Second, eligibility for LTD benefits is usually restricted to those who are severely disabled who are unable to perform any job. Third, LTD plans cover only about half of workers whereas the coverage of the public plans is much lower.

Financing. Private disability income plans are financed by premiums paid by employers/employees and by the investment income earned on the reserve.
Reforming the Disability Insurance System

ASSESSING DISABILITY INSURANCE PROGRAMS

This section considers how the disability insurance system is affected by the intergovernmental regime(s) under which it operates. The assessment considers the impact of the regimes on the extent to which policy goals are met and democratic and federalism principles are respected.

Achieving Policy Goals

Vertically Equity

Vertical equity considerations — fair treatment for those with little or no resources of their own — are prominent in Worker’s Compensation, C/QPP Disability, and public auto plans where earnings-related benefits predominate. Some, however, argue that a disability insurance system that leaves significant room for the operation of private LTD plans raises vertical equity issues. The average earnings of half of employed people who do not have LTD coverage are very likely significantly below the average earnings of the half who do enjoy such coverage. The result is that those who are dealt with most harshly by the disability insurance system are those who are most likely to be “profoundly” disabled and who provide the greatest benefit savings. An employer’s ability to reduce the size of the total disability benefit available to employees due to the presence of private LTD plans can be expected to have severe verticle equity consequences. The assessment considers how the disability insurance system is affected by the intergovernmental regime(s) under which it operates. The assessment considers the extent to which policy goals are met and democratic and federalism principles are respected. This section considers how the disability insurance system is affected by the intergovernmental regime(s) under which it operates. The assessment considers the extent to which policy goals are met and democratic and federalism principles are respected.
The results of this uncoordinated configuration of systems include a wasteful duplication of administration and adjudicative resources. The effect of dispensed for compensation, for an inability to earn, get ready different benefits. People with the same need for compensation, considerable inequities are the result.

Several analysts have described the effects on claimants that can arise from the fragmented system: the fact that the different programs are related (but not fully integrated) can mean that the payers will often try to save on payments by shifting claimants to other programs, and claimants may try to access different programs on the basis of ease of access. It also means, however, that claimants could fall between the cracks if they are shifted from one program to another, but denied eligibility in each because the payers hope the cost would be picked up by another program.

The complex distribution of responsibilities also means that support for disabled workers will reflect the different institutional values of different departments. The results of this uncoordinated configuration of systems include a wasteful duplication of administration and adjudicative resources.
Reforming the Disability Insurance System

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people who sometimes have to deal with several agencies when one would be enough, wasteful over-insurance in some cases and tragic under-insurance in others. Eligibility requirements and levels of compensation commonly do not reflect need, blame or premium contributions so much as they reflect the fortuitous circumstances of how the disability occurred. Some disabled people receive benefits under several systems for a total that exceeds their losses and expenses, while others receive minimal benefits or nothing at all. In particular, the victims of disease commonly fall in the gaps between the systems.

A key outcome of the fragmentation in the disability insurance system is that social assistance rolls are higher than otherwise since those who fall through the insurance system's cracks must often resort to the last-resort system to survive.

Efficiency. The disability insurance system raises two main efficiency concerns: the work disincentives it entails and the higher costs faced by both clients and funders which stem from the fragmentation of the system.

The size of work disincentives and whether/how they should be reduced constitute a noticeable fraction of the income-security literature (e.g., debates regarding the extent to which unemployment insurance programs increase the rate of unemployment). Social assistance systems and disability income systems keep beneficiaries out of the labour market, the degree to which in addition to income tax rates, tax-back rates of child benefits, tax credits, etc. discourage additional work effort.

Work disincentives in the disability insurance system are likely to be more significant the greater the risk that a return to work will worsen the financial position of the beneficiary. Someone with a disability whose condition is improving but who is unsure he can handle a former job, or a lighter version thereof, will be understandably wary of attempting a return to the labour force. The wariness will be greater the higher the disability benefits being received, the weaker the obligation the former employer has to reintegrate former employees, the lower the probability attached to finding a suitable job, the more likely a failed work attempt would be followed by a lengthy re-application period and the greater the proportion of benefits that would be lost if only low-paid work were found.

The all-or-nothing nature of the C/QPP Disability benefit clearly leads to work disincentives. While there have been some changes in this regard and more are under consideration, it remains the case that the risks associated with
A failed return-to-work attempt are large: a beneficiary whose return to work fails could, after a few months, find himself with no job and, during the reapplication period, no benefits. The WCB systems have features that reduce work disincentives, for example, partial benefits, employer obligations to former employees. But these features will be offset in some measure where replacement rates are high, especially where stacking of benefits can put them over 100 percent.

A second efficiency concern is the costs the fragmented system entails for clients and funders. The comments by Gunderson, Gildiner and King with respect to clients moving or being moved from program to program suggest a substantial waste of resources. As well, although no data have been presented on the administrative costs of the disability insurance system, it is undoubted that the multiplicity of administrative and adjudicative structures associated with the programs relate to program fragmentation. Income-security systems can benefit from streamlining and greater efficiency.

Adequacy. The earlier discussion of the disability insurance system showed that one of its key features is “patchiness.” In some circumstances, people with disabilities receive benefits that most observers would regard as adequate or close to adequate, for example, those in receipt of long-term benefits from many of the WCB plans or from some of the auto insurance plans. In other circumstances, benefit levels are clearly inadequate—many of those with non-work-related injuries/diseases and without good private LTD coverage are left to depend on the low benefits of C/QPP Disability or—if eligible upon non-work-related injuries/diseases and without good private LTD coverage and with some benefit levels that are clearly inadequate—many of those with circumstances similar to those described above. The earlier discussion of the disability insurance system shows that one of its key features is “patchiness.”

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Reforming the Disability Insurance System

Achieving Policy Goals: Assessment. This brief review indicates there are significant policy problems in Canada’s disability insurance system. However, the extent to which these outcomes stem from the governance of the system is not clear-cut. One perspective is that since provinces have responsibility for much of the disability insurance system, they could address its shortcomings. But a major part of the system is operated by the federal government (e.g., CPP Disability). With two levels of government involved in separate programs with similar objectives, it could be argued that at least some of the policy problems that arise from the program are due to the governance structure itself, rather than from inaction. The growth of the public sector during the 1960–75 period was lower in nations with federal structures than in those with unitary structures, buttressing the view that multiple decision-making centers can constrain federal action and produce conservative outcomes.

Another perspective on this issue is provided by those who regard the multiple decision-making centers that characterize federal states as productive. David Cameron’s work, which shows that the growth of the public sector during the 1960–75 period was lower in nations with federal structures than in those with unitary structures, buttresses this view. The pertinence of this view to disability insurance programs is arguable. Some would point to the provincial workers’ compensation programs as examples of significant government intervention. The CPP Disability system, however, is unique in its operation by both levels of government, with significant differences among provinces.

The classical federalism intergovernmental regime that characterizes the disability insurance system means there is wide scope for experimentation and, indeed, different approaches are evident in the program areas. While WCB programs vary significantly across provinces, provinces have adopted different approaches to disability insurance programs. Some provinces have opted out of CPP Disability, while others have adopted their own programs, with varying degrees of success. The absence of provincial action in some areas means that the national government would have been less likely to pursue reforms, thereby undermining the effectiveness of the system.
of the application of the workers' compensation programs and the lack of any provincial action to provide disability insurance protection, regardless of cause, to all labour force participants. Keith Banting, in discussing the CPP retirement pension, for example, notes that "divided jurisdiction insulates contributory pension plans from the expansionist pressures inherent in democratic politics, and more firmly entrenches the existing balance between the public and private sectors in the retirement income field."

These comments may also be taken as applying to CPP Disability. In this view, CPP Disability was kept as a small program so as to maintain a significant role for privately operated LTD plans. The role of the Government of Ontario, which has an effective veto on CPP matters and, as the province where most of Canada's insurance companies are headquartered, is often cited as an example of the influence of the provincial legislature on the CPP. The role of the Government of Ontario is clear. With respect to the CPP, however, the legislative insurance system is clear. While the provincial legislatures have a role, the federal-provincial collaborative governance of most of the programs has been a significant factor in the development of the CPP.

Legislative Principles

In this regard, where most of Canada's insurance companies are headquartered, is often cited as an example of the influence of the provincial legislature on the CPP. In this view, CPP Disability was kept as a small program so as to maintain a significant role for privately operated LTD plans. The role of the Government of Ontario is clear. However, the legislative insurance system is clear. With respect to the CPP, however, the federal-provincial collaborative governance of most of the programs has been a significant factor in the development of the CPP.
Reforming the Disability Insurance System

There are a number of serious policy problems with the disability insurance system. A patchwork of social insurance programs disburse widely varying benefits, which stem from the classical governance of the disability insurance system. Much basic information on the personal injury part of the system is not readily available. The consensus requirements of the C/QPP ensure that these sovereignties are respected. While the establishment and amendment of C/QPP Disability demonstrates a strong commitment to intergovernmental processes, the history of the C/QPP reveals that these sovereignties are respected.

Respecting Federalism Principles

Respect for Jurisdictional/Political Sovereignty. The disentangled nature of most of the disability insurance programs and the consensus requirements of the C/QPP ensure that these sovereignties are respected. Commitment to Intergovernmental Processes. The history of the establishment and amendment of C/QPP Disability demonstrates a strong commitment to intergovernmental processes by all governments, including Quebec. There are few intergovernmental processes underlying the other disability insurance programs, reflecting their classical federalism governance.

Summary

There are a number of serious policy problems with the disability insurance system. A patchwork of social insurance programs disburse widely varying benefits, which stem from the classical governance of the disability insurance system. Much basic information on the personal injury part of the system is not readily available. The consensus requirements of the C/QPP ensure that these sovereignties are respected. While the establishment and amendment of C/QPP Disability demonstrates a strong commitment to intergovernmental processes, the history of the C/QPP reveals that these sovereignties are respected. Commitment to Intergovernmental Processes. The history of the establishment and amendment of C/QPP Disability demonstrates a strong commitment to intergovernmental processes by all governments, including Quebec. There are few intergovernmental processes underlying the other disability insurance programs, reflecting their classical federalism governance.
Reforming Disability Insurance: A Collaborative Approach

The assessment of the disability insurance system identified a number of serious policy problems with the system. These problems can be traced, at least in some measure, to the classical federalism governance that characterizes most of the programs, although views will differ as to the extent of the linkage. This section sets out a general reform path for disability insurance and the government.

A number of analysts of the disability insurance system (e.g., the 1981 Obstacles report of the Special Committee of the House of Commons on the Disabled and Handicapped, the 1988 Transitions report of Ontario’s Social Assistance Review Committee, and various publications by Ison and Muszynski) have proposed the replacement of current disability insurance programs with a publicly operated comprehensive disability insurance plan. This section sketches the main features of such a plan (as well as a more modest reform agenda) and outlines how, given the existing programs, the governance structure that is necessary to achieve it.

The disability insurance system upholds federalism principles. The "pure" Comprehensive Disability Insurance Plan (CDIP) envisaged by several Canadian analysts would provide sickness benefits to people with similar disabilities at significant administrative cost.

Governance Conundrum

The disability insurance system upholds federalism principles. CDIP Disability Insurance fails some of accountability, privacy, and democratic principles that seem to some external from the classical programs. The wide range of programs and the significant differences among even ostensibly similar programs make it difficult to assess the governance of this section. The wide range of assistance, at least some of these difficulties can be traced to the mainy class- based "pure" Disability Insurance plan. Through the wide range of programs, the disability insurance system also socializes the costs of the result on many workers who benefit to people with similar disabilities at significant administrative cost.
Reforming the Disability Insurance System

The plan would replace the current disability insurance system, which is fragmented and expensive, with a single, comprehensive federal program. This would include coverage for all workers, regardless of whether they are covered by state or federal programs. The plan would also provide for the rehabilitation of disabled workers, and would be funded through a combination of payroll deductions and employer contributions.

To implement the needed control over the federal program, a province wishing to establish a CDIP within its borders faces formidable barriers. Simply describing such a plan in the Canadian context immediately raises a conundrum with respect to its implementation. A province wishing to establish a CDIP within its borders faces formidable barriers. To obtain the needed control over the federal program would have to opt out of the CPP in its entirety, which is to get control of the CPP Disability program.

Some have argued that despite the fact that a comprehensive plan would pay, on average, higher benefits to more people, the administrative savings it would entail in a zero net cost. While this seems unlikely, there is some evidence that a comprehensive plan could bring many savings, for example, eliminating the need for many separate administrative bodies.

The issues raised by the current system, such as the lack of coordination between federal and provincial programs, the uneven coverage of workers, and the high administrative costs, would be addressed by a comprehensive federal program. The plan would be funded through a combination of payroll deductions and employer contributions, and would also provide for the rehabilitation of disabled workers.

The plan would also address the issue of accidents and injuries on the job, and provide for a new disability insurance program. This would include coverage for all workers, regardless of whether they are covered by state or federal programs. The plan would also provide for the rehabilitation of disabled workers, and would be funded through a combination of payroll deductions and employer contributions.
Alan Puttee operate the (much larger) CPP retirement/survivor program. (This, of course, is not a barrier for Quebec which has operated the QPP, including QPP Disability, since its inception.)

• Should the province proceed with its CDIP, but not take action on the CPP Disability front, the new provincial program would have to integrate the federal benefits, negating some of the simplicity/efficiency gains.

• The province would face heavy opposition from the insurance industry, likely including challenges under the terms of the North American Free Trade Agreement (NAFTA).

Major barriers also exist for any federal government that wished to pursue a national CDIP. A federal proposal to create a CDIP would immediately run into provincial refusal to cede jurisdiction over their workers’ compensation plans and, in four provinces, public auto insurance plans. Moreover, a federal CDIP, which would essentially displace the LTD and the personal injury portion of the auto operations of private insurance companies, would also face other constitutional barriers in that the sovereignty of insurance companies would also apply to federal operations of private insurance companies.

Thus, the constitutional precludes the federal government from implementing a national CDIP on its own and very significant barriers stand in the way of a provincial CDIP on its own.

The unavoidable conclusion is that cooperation between federal and provincial governments is a necessary condition for progress on the CDIP file. The following offers an outline of an illustrative agenda that federal and interested provincial governments might follow to, at the least, improve outcomes within existing disability insurance structures and, at the most, lay the groundwork for a federal-provincial partnership that can move forward with a federal CDIP. The following agenda is a necessary condition for progress on the CDIP file. The federal government could also present a provincial CDIP, which would essentially displace the LTD and the personal injury portion of the auto operations of private insurance companies, which would apply to federal operations of private insurance companies.
Reforming the Disability Insurance System

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groundwork for a national CDIP. Two assumptions underlie the illustrative agenda: first, as noted, cooperation between the two orders of government is not only desirable but essential for even modest reform and, second, a national disability insurance reform agenda is possible only if it is built on the prior creation of provincial CDIPs and hence on the prior creation of provincial CDIPs.

Disability Insurance Reform: An Illustrative Agenda. This section outlines two parts of a possible federal-provincial agenda for the reform of the national disability insurance system: one, the establishment of a federal-provincial commission to undertake a detailed examination of all aspects of the current disability insurance system and a successful reform process; and, two, the establishment of a national disability insurance system.

Reform within Existing Structures. Two sorts of activity are envisaged within the first and more modest part of the illustrative agenda.

First, working within existing structures, the federal government would seek to reduce work disincentives (which in the case of some provinces would be a continuation and extension of existing initiatives). Initiatives could include:

(i) the reduction of the incidence of the stacking of WCB and CPP Disability benefits; (ii) a commitment to pursue efficiencies that might arise from coordinating the activities of the various agencies that determine disability status and those that promote rehabilitation efforts; (iii) a federal offer to include provincial officials in the administrative structures of CPP Disability so as to strengthen the on-the-ground links among programs; (iv) an expansion of ex-post reviews of the effectiveness of the various agencies that determine disability status. The analysis could build on earlier studies, internal and external to government, which, while useful, are now long out of date or partial in their approach. Given the complexity of the problem, the establishment of a federal-provincial commission to undertake a detailed examination of all aspects of the current disability insurance system is essential.

The public and private parts of the disability insurance system enable the federal government to undertake the study on its own. Such a study, the federal government could undertake the study on its own, with records of insurance companies. If no province agreed to participate in such investigations, the federal government could undertake the study on its own. The necessary financial and legal hurdles would require at least two years. The necessary financial and legal hurdles would require at least two years.
Alan Puttee

(The size of the task is similar to that undertaken by the Hall Commission, which laid the groundwork for the federal Medical Care Act in 1968.)

The federal government could signal its commitment to reform by offering to pay 80 percent of the research, pilot project, start-up, and related costs associated with the above initiatives.

Comprehensive Reform. While pursuing disability insurance reform within existing structures could produce policy advances their scope would be limited: even with action on all of the above points the problem remains unaddressed. Comprehensive insurance reform would be needed to avoid the costs associated with the above initiatives. The federal government could signal its commitment to reform by offering the models below.

1. **General Model.** The federal government would demonstrate its commitment to pursuing a national CDIP through a consultation process that included the following elements:
   - After consultation with provincial governments the federal government would announce its commitment to pursue a national CDIP and would invite interested provinces to join with it in the design of a specific proposal. (This joint development model is patterned after the successful CAP experience and is in the spirit of the 1999 Social Union Agreement.)
   - If a federal-provincial proposal emerged it would be the subject of public consultation (perhaps limited to the participating provinces) led by elected representatives of the participating governments. Revisions to the proposal agreed to by the participating governments would be the subject of provincial consultation (e.g., the province of Quebec).
   - After consultation with provincial governments the federal government would announce its commitment to pursue a national CDIP along the lines of the Canadian Disability Insurance Plan (CDIP). The federal government would introduce legislation setting out the detailed provisions of the "model" CDIP and would demonstrate its commitment to pursue a national CDIP model.

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Reforming the Disability Insurance System

To increase the chances that one or more provinces would agree to establish a CDIP, the legislation could include financial inducements (which would also carry political advantages) for participating provinces that wished to take them up, for example, provisions authorizing the federal government to levy some of the necessary CDIP-related taxes and to collect, at no cost to the provinces, some of the provincial levies necessary for CDIP reform. A combination of financial and political inducements could help convince one or more of the provinces to join the federal initiative, and could therefore promote CDIP reform more generally.

Several possible outcomes of this illustrative agenda can be envisaged: first, no province agrees to participate with the federal government in the design of a model CDIP; in this event the federal government would need to decide whether to drop the project or to complete the design phase on its own. Second, one or more of the provinces agrees to adopt a CDIP in this event, neither the federal government nor the FPC governance necessary to the reform process nor the policy advances it was designed to facilitate would take effect; the federal legislation would remain on the books, which, as an expression of a point-in-time federal-provincial agreement, would likely increase the chances of future policy action in some provinces. Third, one or more of the provinces agrees to adopt a CDIP in this event, neither the federal government nor the FPC governance necessary to the reform process nor the policy advances it was designed to facilitate would take effect; the federal legislation would remain on the books, which, as an expression of a point-in-time federal-provincial agreement, would likely increase the chances of future policy action in some provinces. Fourth, one or more of the provinces agrees to adopt a CDIP in this event, neither the federal government nor the FPC governance necessary to the reform process nor the policy advances it was designed to facilitate would take effect; the federal legislation would remain on the books, which, as an expression of a point-in-time federal-provincial agreement, would likely increase the chances of future policy action in some provinces. Fifth, one or more of the provinces agrees to adopt a CDIP in this event, neither the federal government nor the FPC governance necessary to the reform process nor the policy advances it was designed to facilitate would take effect; the federal legislation would remain on the books, which, as an expression of a point-in-time federal-provincial agreement, would likely increase the chances of future policy action in some provinces. Sixth, one or more of the provinces agrees to adopt a CDIP in this event, neither the federal government nor the FPC governance necessary to the reform process nor the policy advances it was designed to facilitate would take effect; the federal legislation would remain on the books, which, as an expression of a point-in-time federal-provincial agreement, would likely increase the chances of future policy action in some provinces.
Evaluating a Comprehensive Disability Insurance Plan

This section assumes one or more provinces implement a provincial CDIP as described and evaluates a CDIP, which came into effect via FPC governance, with respect to its impact in affected provinces on policy outcomes and the extent to which democratic and federalism principles are upheld.

**Vertical Equity**. By providing all labor force participants in compensable disabilities, a CDIP would fully address the problems of the current system where poor coverage is concentrated among those with lower incomes.

**Horizontal Equity**. By providing all labor force participants (and perhaps some others) adequate income-replacement insurance in the event of disabilities arising from sickness and accidents, a CDIP would fully address the need for some other governments to deliver these kinds of insurance in varied forms (and perhaps even in a program-like arrangement) for all groups within the labor force.

**Efficiency**. The lower administrative costs associated with the CDIP would result from the economies of scale, the uniformity of administration, and the absence of administrative impositions on individuals, whereas the costs of the current system relate primarily to the multiple programs at both federal and provincial levels.

**Adequacy**. The key advantage of a CDIP is that it would provide adequate disability coverage to virtually all labor force participants in respect of all compensable disabilities arising from sickness and accidents. This advantage is reinforced by the uniformity of administration at the provincial level, which would no longer be required by the current system with its many parts.

**Experimentation**. The change in governance represented by the CDIP would, in and of itself, do nothing to address the work disincentive issue; these issues are raised by the current system. The change in governance that would be entailed by the CDIP would take into account the benefits and costs of such a change in the context of the federal-provincial partnership. However, with the current system, the risk of poor design, operation, or both, is greater than with a single program. The risk of poor design and operation in this area is greater with respect to one large program than to many smaller programs, no matter how they are governed. However, with the current system, the risk of poor design and operation in this area is greater than with the current system, the risk of poor design and operation in this area is greater with respect to one large program than to many smaller programs, no matter how they are governed. However, with the current system, the risk of poor design and operation in this area is greater than with the current system, the risk of poor design and operation in this area is greater with respect to one large program than to many smaller programs, no matter how they are governed. However, with the current system, the risk of poor design and operation in this area is greater than with the current system, the risk of poor design and operation in this area is greater with respect to one large program than to many smaller programs, no matter how they are governed.
Reforming the Disability Insurance System

To hold accountable for what, in determining eligibility for benefits and deciding which government agency is responsible for disability insurance, groups sometimes encounter in the present system, would be eliminated. As well, a single plan, instead of an amalgamation of current disability insurance programs, would result in a nationwide program. This would reduce the role of elected representatives in disability decision-making and somehow reduce the risk that the amalgamation of current disability insurance programs would result in an unwieldy and unresponsive monolith that would worsen outcomes on this front.

Democratic Principles. The current disability insurance system would be improved with respect to the maintenance of democratic principles. Since in participating provinces, disability insurance matters would be mostly under provincial control, the executive federalism features of C/QPP Disability decision-making that somewhat reduce the role of elected representatives would be eliminated. As well, a single plan would likely improve matters in this regard although there is always the risk that the very likelihood of improvement might create a tendency towards a more centralized decision-making process.

Federalism Principles. Neither the current disability insurance system nor the CDIP alternative raise problems with respect to the maintenance of federalism principles.

Summary

The current disability insurance system fails to achieve several important policy objectives and would substantially improve the external efficiency of policy outcomes and would more substantially improve the external efficiency and pass some democratic shortcomings. A CDIP scenario would score high on the experimentation criteria. The magnitude of the policy change in the CDIP province(s) would attract a good deal of attention from other provinces, disabled groups, disability researchers and the public at large (which now rarely happens in this policy area). The outcomes and system costs in the CDIP provinces would be continually compared with those in provinces that stuck with the current system and in those provinces, if any, that pursued other disability reforms. This situation would provide valuable information on the advantages and disadvantages of the various approaches. Thus, if any, the lessons from other disability reforms, the lessons from the current system, the lessons from the CDIP province(s) would be substantially compounded and the lessons from the CDIP policy (which now rarely happens in this policy area) would add even more value. The meltdown of the policy change in the CDIP province(s) would be greater than it now is for the various approaches to disability insurance.
CONCLUSION

Canada's disability insurance system has been the subject of repeated study over the past 20 years. Most of these inquiries have concluded that the system's policy problems, the way in which the system upholds democratic principles, issues of equity and efficiency, and the role of the federal government are far greater than the changes that at least one comprehensive approach might have achieved. The chapter concludes that the most promising way to unblock this policy area would be for the federal government to commit itself to a CDIP and to pursue the initiative with interested provinces. While the current governance arrangements for the disability insurance system mean that the federal government could not move unilaterally into this area, collaborative efforts and joint action might yield a CDIP that performs very significantly different in terms of policy and democratic principles than any provincial programs.

NOTES

1. Some of the programs also make provision for health-care costs.

Reforming the Disability Insurance System


5 Data provided by the Association of Workers' Compensation Boards of Canada.


14 The Hanes and Moscovitch chapter in this volume takes a different view.

15 Data on claims paid were provided to the author by the Canadian Life and Health Insurance Association.


22 EI Sickness, which covers short-term sickness, could operate separately from
Major social insurance initiatives such as Unemployment Insurance (1940), Old Age Security (1952) and the disability and survivor parts of the CPP (1966) were accomplished via constitutional amendments that increased federal jurisdiction, amendments that were only possible with the unanimous consent of the provinces. This option is not discussed here given the certainty that such unanimity would not be forthcoming.

If no federal-provincial proposal emerged, the federal government could abandon the project or it could, after widespread consultation, independently move to the legislative stage, thereby abandoning the FPC governance model assumed here. An activist federal government might pursue this course in the hope that the existence of federal legislation in this area would increase the chances that a future provincial government would pursue a provincial CDIP.
## A Comprehensive Disability Insurance Plan: Some Key Policy Issues

### Table A1

<table>
<thead>
<tr>
<th>Areas</th>
<th>Issues</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Coverage</strong></td>
<td>El sickness to remain separate from or be absorbed into CDIP</td>
</tr>
<tr>
<td></td>
<td>Partial/short-term disability</td>
</tr>
<tr>
<td><strong>Benefit replacement rates</strong></td>
<td>Earnings ceiling</td>
</tr>
<tr>
<td></td>
<td>Period between disability and start of payments</td>
</tr>
<tr>
<td><strong>Indexation</strong></td>
<td>Chronic stress, etc.</td>
</tr>
<tr>
<td></td>
<td>Self-employed/part-time</td>
</tr>
<tr>
<td></td>
<td>Unemployed/homemakers/students</td>
</tr>
<tr>
<td></td>
<td>Product liability cases</td>
</tr>
<tr>
<td></td>
<td>Employer-employee share of carnings-related premiums</td>
</tr>
<tr>
<td><strong>Financing</strong></td>
<td>Employer/employee sharing of earnings-related premiums</td>
</tr>
<tr>
<td></td>
<td>Other sources</td>
</tr>
<tr>
<td></td>
<td>Premiums</td>
</tr>
<tr>
<td><strong>Incentive</strong></td>
<td>Mandated benefits/rehabilitation</td>
</tr>
<tr>
<td></td>
<td>Employer to remain separate from or be absorbed into CDIP</td>
</tr>
<tr>
<td><strong>Scope for tort liability</strong></td>
<td>Whichever elements of CDIP operation to be contracted-out</td>
</tr>
<tr>
<td></td>
<td>Whether/what elements of CDIP operation to be</td>
</tr>
<tr>
<td><strong>Tax treatment</strong></td>
<td>Incentive policy</td>
</tr>
<tr>
<td></td>
<td>Funding ratio</td>
</tr>
<tr>
<td><strong>Operation</strong></td>
<td>Reimbursement share of carlings-related premiums</td>
</tr>
</tbody>
</table>

Reforming the Disability Insurance System

APPENDIX I
APPENDIX 2

COMPENSATION PAID AND PROVISION FOR HEALTH-CARE COSTS FOR ROAD ACCIDENT VICTIMS

No agency publishes a compilation of the data on compensation paid for the public auto insurance plans. The Quebec data presented below are published in the annual report of the Société d'Assurance Automobiliste du Québec. Data for the other three provinces were provided by the respective provincial agencies. The Quebec data presented below are for the year 1997, whereas the data for the other provinces were provided by the respective provincial agencies for the year 1998. The cost incurred by insurance companies with the data for the provinces with private plans are not easily available. Some of the benefits associated with the Quebec's public plan is pure no-fault with respect to personal injury, that is, Quebec’s public plan is pure no-fault with respect to personal injury, that is, Quebec's public plan is pure no-fault with respect to personal injury, that is.
### TABLE A2
Compensation/Health-Care Costs for Road Accident Victims

<table>
<thead>
<tr>
<th>Compensation/Health-Care Costs</th>
<th>($ million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income replacement indemnities</td>
<td>193</td>
</tr>
<tr>
<td>Lump sums for after-effects of injuries</td>
<td>108</td>
</tr>
<tr>
<td>Medical/rehabilitation expenses</td>
<td>87</td>
</tr>
<tr>
<td>Death benefits</td>
<td>94</td>
</tr>
<tr>
<td>Other</td>
<td>23</td>
</tr>
<tr>
<td>Payments to other agencies re: health-care costs</td>
<td>134</td>
</tr>
<tr>
<td>Total</td>
<td>638</td>
</tr>
</tbody>
</table>

Manitoba

Payments to auto accident victims in Manitoba have been made on a pure no-fault basis since 1994 when the previous plan, which permitted tort liability, was replaced. The $51 million of bodily injury payments made in 1997–98 were in respect of tort liability claims made under the former system.

### TABLE A3
Injury Claims/Health-Care Costs for Road Accident Victims

<table>
<thead>
<tr>
<th>Injury Claims/Health-Care Costs</th>
<th>($ million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total accident benefits (current system)</td>
<td>46</td>
</tr>
<tr>
<td>Medical/rehabilitation expenses</td>
<td>30</td>
</tr>
<tr>
<td>Impairment benefits</td>
<td>9</td>
</tr>
<tr>
<td>Death benefits</td>
<td>7</td>
</tr>
<tr>
<td>Bodily injury claims (former system)</td>
<td>51</td>
</tr>
<tr>
<td>Weekly indemnity (current and former system)</td>
<td>18</td>
</tr>
<tr>
<td>Total</td>
<td>115</td>
</tr>
</tbody>
</table>

Société de l’Assurance du Québec, 1997

Reforming the Disability Insurance System

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Payments to auto accident victims in Saskatchewan have been made on a modified-no-fault basis (tort liability only permitted when income loss and rehabilitation costs exceed maximums) since 1995 when the previous plan, in which tort liability was widely permitted, was replaced. The $68 million bodily injury payments made in 1997 were in respect of tort liability claims made under the former system.

**British Columbia**

Tort liability plays a significant role in British Columbia’s public auto insurance system.

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### TABLE A4

<table>
<thead>
<tr>
<th>Injury Claims/Health-Care Costs for Road Accident Victims (Saskatchewan Auto Fund, 1997)</th>
<th>$ million</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bodily injury claims (former system)</td>
<td>68</td>
</tr>
<tr>
<td>Permanent impairment</td>
<td></td>
</tr>
<tr>
<td>Medical expenses/care benefits</td>
<td>34</td>
</tr>
<tr>
<td>Death</td>
<td>10</td>
</tr>
<tr>
<td>Permanent rehabilitation</td>
<td></td>
</tr>
<tr>
<td>Income replacement</td>
<td>9</td>
</tr>
<tr>
<td>Current system</td>
<td>12</td>
</tr>
<tr>
<td>Accident benefits</td>
<td>5</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>70</strong></td>
</tr>
</tbody>
</table>

(Saskatchewan Auto Fund, 1997)

Injury Claims/Health-Care Costs for Road Accident Victims

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under the former system, the payments to auto accident victims in Saskatchewan have been made on a model.
Reforming the Disability Insurance System

Injury Claims/Health Care Costs for Road Accident Victims

(Insurance Corporation of British Columbia, 1997)

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount ($ million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income replacement</td>
<td>299</td>
</tr>
<tr>
<td>Medical/rehabilitation</td>
<td>169</td>
</tr>
<tr>
<td>General damages (pain and suffering)</td>
<td>438</td>
</tr>
<tr>
<td>Death</td>
<td>6</td>
</tr>
<tr>
<td>Other</td>
<td>178</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,090</strong></td>
</tr>
</tbody>
</table>

Accident claims, a form of no-fault insurance, are compulsory in all provinces except Newfoundland. Accident benefit levels are significantly lower in the six provinces with private plans where tort liability plays a dominant role. The 1998 claims-incurred data below (which, as noted, are not comparable to the 1997 claims-paid data) show that total claims incurred from accident benefits ($830 million) are similar to those incurred from third-party liability, the data for the public systems. The 1998 claims-incurred data below (which, as noted, are not comparable to the 1997 claims-paid data) show that total claims incurred from accident benefits ($830 million) are similar to those incurred from third-party liability, the data for the public systems. The 1998 claims-incurred data below (which, as noted, are not comparable to the 1997 claims-paid data) show that total claims incurred from accident benefits ($830 million) are similar to those incurred from third-party liability, the data for the public systems.
<table>
<thead>
<tr>
<th></th>
<th>1998</th>
<th>2007</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accident</td>
<td>604</td>
<td>513</td>
<td>830</td>
</tr>
<tr>
<td>Benefits</td>
<td>54</td>
<td>39</td>
<td>93</td>
</tr>
<tr>
<td>Other Benefits</td>
<td>50</td>
<td>40</td>
<td>90</td>
</tr>
<tr>
<td>Funeral/Death</td>
<td>50</td>
<td>25</td>
<td>75</td>
</tr>
<tr>
<td>Disability/Income</td>
<td>50</td>
<td>25</td>
<td>75</td>
</tr>
<tr>
<td>Medical/Rehabilitation</td>
<td>50</td>
<td>25</td>
<td>75</td>
</tr>
<tr>
<td>Accident Benefits</td>
<td>50</td>
<td>25</td>
<td>75</td>
</tr>
<tr>
<td>Total</td>
<td>884</td>
<td>963</td>
<td>1,847</td>
</tr>
</tbody>
</table>
| Source: Insurance Bureau of Canada.
DISABILITY SUPPORTS AND SERVICES IN THE SOCIAL UNION
Roy Hanes and Allan Moscovitch

INTRODUCTION

This case study describes and assesses the operation and governance of programs that provide supports and services to working-age people with disabilities, principally those with little or no income of their own. The focus is on the effects of the change in governance associated with the replacement of federal-cost-sharing under the Canada Assistance Plan (CAP) by the Canada Health and Social Transfer (CHST) under which the federal government disburses almost condition-free block grants to the provinces. The chapter begins with a definition of disability supports and services currently available across the country with particular reference to six of the provinces. Section two describes the federal-provincial regime type that predominates in the provision of disability supports and services. The third section outlines the federal government’s role in the welfare of people with disabilities, tracing the origins of the present Canadian welfare and a brief historical overview of the role of the welfare state in the lives of people with disabilities. The fourth section outlines the origins of the present Canadian welfare and a brief historical overview of the role of the welfare state in the lives of people with disabilities. The fifth section describes the federal-provincial regime type that predominates in the provision of disability supports and services. This case study describes and assesses the operation and governance of pro-

THE SOCIAL UNION
DISABILITY SUPPORTS AND SERVICES IN
"Disability supports and services" refers to a wide range of goods and services that are used by persons with disabilities to assist them in their daily living. Examples include the provision of devices such as prosthetics, beds, wheelchairs, and canes, and aids such as bandages or the provision of dietary foods. Supports and services may also include many items available to those who for other reasons may be in need. They include counselling and advice, dental care, employment training, furniture, transportation, appliances, special clothing, diet supplements for mothers, as well as possible home/caregiver supports. While the availability of publicly funded disability supports and services vary by province, the provinces are alike in that most public funding is subject to the provinces' discretion. The federal government has established general guidelines, but the provinces have the autonomy to provide supports and services according to their needs and priorities.
Disability Supports and Services in the Social Union

Federal compensation programs and federal pensions for veterans were initiated during the First World War. In 1936, the federal Old Age Pension program, begun in 1927 and administered by the provinces, was extended to blind persons over the age of 40. A more comprehensive program was not initiated until 1953 when the federal government began an income-support program for disabled persons in response to the needs of the many disabled war veterans. In 1966, that program, with others, was folded into the federal Canada Assistance Plan.

CAP offered federal cost-sharing for the three major groups of persons in need of income support: widows and single parents, the unemployed, and the disabled. The federal government paid half of eligible provincial costs; the provinces administered the program. CAP encouraged the early development of provincial programs providing income support to persons with disabilities. CAP's subsequent extension to cover 50 percent of the costs of services to people with disabilities, expanded the development of special schools, training programs, sheltered workshops, rehabilitation programming, and facilities. The end of World War II provided the foundation for today's rehabilitation arrangements.

Social policy has been at the center of federal-provincial controversies since the 1970s. The federal-provincial social assistance arrangements that developed in response to the needs of people with disabilities, especially in the provision of care and maintenance of people with disabilities, have evolved significantly. Services for people with disabilities were not available in institutional settings until the 1970s. Supports such as special hospitals and after-care facilities, summer camps and recreational programs, as well as special helps and inducements to families and individuals, all expanded the provision of services to people with disabilities. The federal government and provincial governments also extended their programs to include rehabilitation services for veterans and members of the armed forces. In 1968, medicare became available in Canada, covering hospitalization and physician services. These programs, along with the development of rehabilitation services for people with disabilities, have been instrumental in creating a Canadian welfare state that reflected the views of those who believed in federal cost-sharing in areas of exclusive provincial jurisdiction.
in state intervention and in a larger federal role in social policy. Shortly after, the Quebec government rejected the social role that cost-sharing had given the federal government. Since the Victoria Conference in 1971, successive Quebec governments have attempted to claim back what was indisputably within their jurisdiction in the 1940s. Federal governments have defended their spending in social areas on the grounds that it is supported by constitutional amendment (pensions and unemployment insurance) or because it is legitimate to use federal revenues to provide an incentive to provincial spending.

In 1984 a federal Conservative government was elected which brought to office considerable scepticism about the role of social programs. At the same time, conservative provincial governments wanted changes in CAP that would provide cost-sharing for workfare schemes. In 1986, without legislative change, federal and provincial governments agreed to effectively bypass the CAP provisions prohibiting workfare. This, together with the 1990 imposition of the ceiling on cost-sharing in three provinces, set the stage for the elimination of CAP in 1996. CAP’s strength was that, in return for federal funding, provinces were required to accept a common administrative framework that brought a measure of consistency to the administration of income-security programs. But by the mid-1990s, CAP and its federally imposed framework had come under serious attack by several provincial governments wanting greater freedom to institute their own distinct programs without regard for national standards.

The elimination of CAP and the introduction of the CHST have substantially altered the social roles of federal and provincial governments. Social assistance and social services, including disability supports and services, are now exclusively in the hands of the provinces. Each province determines independently which benefits and services to provide, when and how to provide them and at what level they will be provided. The federal government has no role to play beyond the transfer of revenues in return for which the provinces are prohibited from instituting a residency requirement. Some have argued that the substantial reductions in the federal expenditures on social programs were made easier under these arrangements.

To summarize, until well into this century, limited disability supports and services were available, provided mainly by families and private charitable organizations. Those government programs that did exist, often operated by municipal governments, were only available to those with little or no income of their own. While the role of the provinces and the federal government in this area began to grow in the 1930s, it has only been since the mid-1960s that they have both taken an active role in providing disability supports and
Disability Supports and Services in the Social Union

services. The disappearance of CAP in 1996 returned virtually all responsibilities in this area to provincial governments.

THE LEGISLATIVE FRAMEWORK

This section provides an overview of the legislation (as of 1999) that governs the provision of the supports and services that provinces provided to persons with disabilities. The focus here and throughout the chapter is on 18- to 64-year-olds who qualify for supports and services because they receive social assistance, other public benefits or because they have a low income. The six provinces examined for this case study — Newfoundland, Nova Scotia, New Brunswick, Ontario, Saskatchewan, and Alberta — all have legislations offering persons with disabilities the right to receive supports and services to meet their specific needs.

The provincial statutes set out the disability-related supports and services that will be provided to those eligible for social assistance (or the related programs in Ontario and Alberta). In general, these statutes determine: (i) how and in what context supports and services will be provided to persons with disabilities; (ii) the criteria for eligibility; (iii) the range and extent of supports and services provided; and (iv) the responsibilities of the provincial governments.

The provincial statutes also provide for the provision of supports and services to persons with disabilities. These services are provided under programs governed by the provincial Family Benefits Act. Local jurisdictions also provide supports and services that they are short term or for people who are not eligible for social assistance.

All provinces and territories provide a program to meet the basic day-to-day living needs of persons with disabilities, including persons who receive social assistance. Other public benefits or because they receive social assistance. The focus here and throughout the chapter is on 18- to 64-year-olds who qualify for social assistance, other public benefits or because they receive social assistance. The focus here and throughout the chapter is on 18- to 64-year-olds who qualify for social assistance, other public benefits or because they receive social assistance.

This section provides an overview of the legislation (as of 1999) that governs all responsibilities.
disabilities, for example, via home-based care, institutional care, individualized funding (which permits individuals to purchase their own supports and services); (ii) who determines and diagnoses disabilities, for example, medical practitioners, disability program administrators; (iii) the range and extent of services to be provided, for example, travel and transportation, dental care, vision care, assistive devices, attendant care, furniture, special clothing, consumer durables, counselling and other personal services; (iv) the funds to be allotted for supports and services, the transferability of supports and services within the province; etc.; (v) eligibility criteria for supports and services, the definition of disability and such matters as the treatment of personal assets, family trusts, income from employment; and (vi) which department in each government will administer which program for persons with disabilities.

The definitions of disability found in the provincial statutes/regulations deserve further attention. The provincial definitions generally link disability, and therefore eligibility for supports and services, to the ability to support oneself and one's family. In Newfoundland, for example, disability is defined as:

Adults, children or families who, through mental or physical incapacity, are unable to provide, in whole or in part, by their own efforts, necessities essential to maintain, or assist in maintaining, a reasonably normal and healthy existence, are eligible for social assistance.

In New Brunswick, disability is defined as:

A major physical or psychological impairment verified by the medical advisory board using objective medical findings, which are likely to continue indefinitely, and render an individual severely limited in activities corresponding to normal living; such impairment results in severe limitations in daily living.

Ontario's recent legislation notes that:

Under the new definition a person has a disability if they have a substantial and is expected to last at least one year, which includes personal care, functioning in the community, and in the workplace; medical or physical impairment that restricts one or more activity of daily living; and is expected to last at least one year.

In Saskatchewan a "disabled person is one whose major reason for requiring assistance is a mental or physical disability. Disability includes: mental or physical illness, mental or physical disability, unemployability resulting from personality problems, mental retardation." While the definition of disability person with disabilities.

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Disability Supports and Services and Intergovernmental Regimes

With the passage of the Canada Assistance Plan in 1966, the federal government assumed a major role in the provision of supports and services to people with disabilities. During the CAP period, the federal government provided a framework for the delivery of services, but the actual delivery of these services was largely the responsibility of the provinces. This resulted in substantial variation across the country in the range and quality of disability supports and services provided.

The inclusion of an employability element in these disability definitions is a departure from the World Health Organization (WHO) definition of disability which references: "any restriction or lack (resulting from an impairment) of ability to perform an activity in the manner or within the range considered normal for a human being." The WHO also provides definitions for "impairment" and "handicap." An impairment is any loss or abnormality of a psychological, physiological, or anatomical structure or function. A handicap is a disadvantage for a given individual resulting from an impairment that limits or prevents the fulfillment of a role that is normal, depending on age, sex, social and cultural factors for that individual.

While the provinces determine all the essential features of the programs that disburse disability-related supports and services, there is substantial variation across the country in the range and nature of these services. There is also variation within those provinces where a two-tier (provincial/municipal) system of administration operates. "There are no common standards or common definitions of disability and capacity to work across the country in the range of services provided and the level of financial support they attract. There is also variation in the definition of disability-related supports and services, it is not surprising to find that there is substantial variation across the country in the range of services provided and the level of financial support they attract. There is also variation within those provinces where a two-tier (provincial/municipal) system of administration operates." 12

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While there was considerable interprovincial variation in the provision of supports and services to people with disabilities, the Canada Assistance Plan (CAP) was a major step forward in the provision of these services. During the CAP period, the federal government assumed a major role in the provision of supports and services to people with disabilities. However, the actual delivery of these services was largely the responsibility of the provinces. This resulted in substantial variation across the country in the range and quality of disability supports and services provided.

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with disabilities. CAP provided for 50-50 federal cost-sharing of eligible provincial expenditures on these supports and services (together with social assistance and related expenditures); provinces continued to administer the social assistance and social service programs. In return for the cost-sharing, the federal government established a range of standards in law, regulation, and administration that determined the framework for policy development and implementation in the provinces. As the following sections will show, these standards were not as extensive as they might have been.

This chapter considers that CAP was an example of a mixed regime: unidirectional collaboration, where there is a working relationship between provinces with no federal involvement; and unilateral federalism, where the federal government, without provincial approval, attaches conditions to financial transfers to provincial governments in an area of exclusive provincial jurisdiction.

In 1996, CAP was replaced by the CHST. The latter provides block grants to the provinces for social assistance, social services, postsecondary education, and health care. Only one condition now applies to the use of these funds: provinces cannot impose a provincial residency requirement on the beneficiaries of social assistance. It appears that even this limited requirement does not apply to the social services. A province need only abide by the provisions of the Canadian Charter of Rights and Freedoms and human rights legislation in the provision of social services including disability supports.

The concept paper Federalism, Democracy and Social Policy identifies four federal-provincial regime types that may be applied to policy development and implementation:

- **Unilateral federalism**, where the federal government, without provincial approval, attaches conditions to financial transfers to provincial governments in areas of exclusive provincial jurisdiction;
- **Classical or disentangled federalism**, where each order of government acts independently in its areas of constitutional competence; in areas where each order of government has jurisdiction and chooses to exercise it, the two orders of government act independently of each other;
- **Collaborative federalism**, where the two orders of government, recognizing their interdependence, act jointly with no undue reliance on “carrots or sticks”; and
- **Interprovincial collaboration**, where there is a working relationship between provinces with no federal involvement.

For federal-provincial regime types that may be applied to policy development and implementation in the provision of social services including disability supports and provisions of the Canadian Charter of Rights and Freedoms and human rights legislation, unilateral federalism has been dominant. While there have also been elements of unilateral federalism in the provision of social assistance and related expenditures, these have been less extensive than in the provision of social services.

In 1996, CAP was replaced by the CHST. The latter provided block grants with discretionary, CAP provided for 50-50 federal cost-sharing of eligible pro-

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Key Themes and Analysis

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Disability Supports and Services in the Social Union

The characterization of the CHST as "classical federalism" where each order of government operates essentially independently of the other, is

the characterization of collaborative federalism were also present. In sharp contrast to the case of CAF, the federal government did not establish the rules governing the program. Instead, it provided funds to the provinces on a conditional basis, requiring them to meet certain criteria.

In sum, there are clear grounds for describing the federal-provincial relationship as one of unilateral federalism. The federal government unilaterally imposed conditions on the provinces, determined what should be funded, and retained the right to unilaterally change the program's rules. The provinces were not able to negotiate the terms of the agreement, and their role was largely that of implementing the federal government's decisions.

The federal government's unilateral approach to the CHST is further evidenced by its actions during the program's existence. In 1996, the federal government unilaterally terminated the program, despite the fact that it had been in place for more than 15 years.

While the 1960s period of social policy development is often described as one of collaborative federalism, it is also clear that unilateral federalism was present in the case of the CHST. The federal government's role was dominated by the availability of federal funds, and the provinces were largely passive recipients of these funds.

A clear hierarchy existed between the two orders of government in the case of the CHST. The federal government was responsible for the program's design, implementation, and funding, while the provinces were primarily responsible for its administration.

In conclusion, the characterization of the CHST as "classical federalism" is not entirely accurate. While there were aspects of collaborative federalism present, the federal government's role was largely one of unilateral imposition, with the provinces playing a passive role in the program's operation.
In the last 15 years, and particularly during the recent period of fiscal restraint, several provincial governments reduced social-assistance benefits for the able-bodied unemployed and tightened definitions of disability. The result was a decline in intergovernmental regime (from federal unilateral to classical) that was associated with the replacement of CAP by the CHST. This section assesses the impact on key policy goals.

Equity

Impact on the provision of disability-related supports and services. This section assesses the impact on the provision of disability-related supports and services. The change in intergovernmental regime (from federal unilateral to classical) that characterized able-bodied, unemployed individuals, and especially single, unemployed individuals, undermined social supports. Provinces reduced social-assistance benefits to some of the bill via a new responsibility. While the federal government passed some of the bill via federal responsibility, while the federal government passed some of the bill via federal responsibility.

POLICY GOALS AND OUTCOMES

goals and outcomes. These under the Charter of Rights and Freedoms and standards outside its role as protector of the rights of people with disabilities, with minimal impact on the realm of supports and services. Hence there is a higher degree of independence from the federal government in both policy development and the implementation of supports and services. Both levels of government share an interest in addressing the needs and concerns of people with disabilities. The result is an application which requires verification of both the disability condition and the income and assets of the applicant. The restrictive access ensures that supports are available only to people who have a medically verifiable condition.
Disability Supports and Services in the Social Union

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higher service jurisdictions, politicians representing low-service areas face less pressure to provide adequate supports and services. A rights-based paradigm to adequate for greater control of the decision-making process and disagilities to advocate for people with disabilities. Above all else, the rights-based paradigm has encouraged people with disabilities and delivery of support services to people with disabilities.

Human Development

In recent decades there has been a "paradigm shift" in the exploration and explanation of disability-related issues. This paradigm shift depicts a more human rights-based model that emerged in the Independent Living Movement. Over the past two decades this paradigm shift has had a significant impact on the exploration and explanation of disability-related issues. This paradigm shift depicts a more rights-based model that emerged in the Independent Living Movement.

Examples include the Canadian Charter of Rights and Freedoms, employment standards, and the equality in the exploration and explanation of disability-related issues. This paradigm shift depicts a more rights-based model that emerged in the Independent Living Movement.
Despite the evidence of progress in recent decades there is no doubt that federal and provincial governments have accelerated the establishment of direct relationships with the national disability rights organizations such as the Council of Canadians with Disabilities (CCD) and the Canadian Association of Independent Living Centres (CAIL). In recent years many of these initiatives were abandoned but national disability rights organizations such as the Council of Canadians with Disabilities and the Canadian Association of Independent Living Centres (CAIL) have maintained access to federal government ministers. However, in recent years their influence over policy development appears to have been reduced.

In reference to intergovernmental regimes, it appears that a relationship between people with disabilities and federal or provincial governments has shifted back and forth between unilateral federalism and classical/disengaged federalism. For example, COPOH (Coalition of Provincial Organizations of the Handicapped) developed and maintained a direct relationship with the federal government in the early 1980s, with the rise of a rights-based paradigm. Although limited in results, COPOH through its direct access to the federal government was able to draw significant attention to the needs of people with disabilities. For example, COPOH was influential in the development of the Parliament of the Handicapped (POPH), a national strategy to advance the rights of people with disabilities.

In reference to intergovernmental regimes, it appears that a relationship between people with disabilities and the federal government is being essential to the maintenance of existing rights and the possible extension of others. Federal governments must establish a direct relationship with the national disability rights organizations such as the Council of Canadians with Disabilities and the Canadian Association of Independent Living Centres. Consequently, many people with disabilities view their engagement in the federal government as being essential to the maintenance of existing rights and the possible extension of others. Federal governments have accelerated the establishment of direct relationships with the national disability rights organizations such as the Council of Canadians with Disabilities and the Canadian Association of Independent Living Centres. In recent decades there is no doubt that the provision of more policy and services delivery reforms are required. Herein lies a major challenge for provincial governments.
mobility
Disability Supports and Services in the Social Union

provided in another. And the variation in social-assistance benefit levels may be so great as to eliminate the possibility of relocation.

The relationship between these mobility problems and an intergovernmental regime is, as above, somewhat ambiguous. If, in designing CAP in the mid-1960s, the federal government had provided for more nationwide standards than it did, the mobility difficulties described above would have been reduced. With the CHST, the possibility of nationwide standards is much more remote with the result that the very significant barriers to economic and geographic mobility now apparent and the consequent reduction in the opportunities for employment, housing, and education will continue. The seriousness of the problem is the greater given that the constitution's guarantee of mobility rights has not been interpreted in such a way as to require provinces to provide a consistent set of disability-related supports and services across the country.

Efficiency

Disability-related supports and services are not currently provided in a way as to require provinces to provide a consistent set of disability-related supports and services. Without the federal government's involvement, fewer employees are needed. The termination of federal oversight, however, has some beneficial efficiency effects. Without the federal government's involvement, fewer employees are needed.

The change from unilateral to classical federalism in disability-related supports and services may be so great as to eliminate any realistic prospect of relocation.

Efficiency
Roy Hanes and Allan Moscovitch of CAP has meant a reduction in the federal complement of approximately 100 positions and there have likely been some provincial reductions in administrative staff as well. In those provinces that have cut costs by reducing access to disability-related supports and services it can be argued that this course was facilitated by the change in intergovernmental regime. The reduction in short-term costs may be efficient in the narrow sense that less money is spent, but in the longer term these may be societal losses through a reduction in the well-being of persons with disabilities.

A key feature of an efficient system is the capacity to innovate. The very existence of CAP encouraged provinces to develop modern systems of social assistance and care. The federal government refused to change CAP in a way that would make these schemes cost-sharable. Since 1996, the classical governance of the CHST has meant that provinces have been free to innovate in any way they wish, unrestrained by federal regulations.

Democratic Values

The change in governance of disability-related supports and services from federal unilateralism to classical federalism does not appear to have had much impact on the extent to which democratic values have been upheld. For example, the existence of CAP encouraged provinces to develop modern systems of social assistance and care, whereas federal rules, although political, limited innovation.

Since 1996, the classical governance of the CHST has meant that provinces have been free to innovate in any way they wish. The very existence of CAP encouraged provinces to develop modern systems of social assistance and care. The federal government refused to change CAP in a way that would make these schemes cost-sharable. The reduction in short-term costs may be efficient in the narrow sense that less money is spent, but in the longer term these may be societal losses through a reduction in the well-being of persons with disabilities.

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Disability Supports and Services in the Social Union

Many disability rights advocates would prefer a strong federal regime because it means one government to work with instead of 13. If the federal government could be persuaded of an approach to supports and services then it would be much more important than the nature of the prevailing intergovernmental regime. Organizations that will aggressively advance the interests of their clients are much more important than the sovereignty role of the province.

Disability rights groups of Canada's provinces have abandoned in its wake. As a result, disability supports and services are now hollowed out. Advocates for disability rights groups have the capacity to invest in research, education, and lobbying at both the federal and provincial level in order to have any influence in the development of public policy. Only forms of disability advocacy groups that have the political leverage of both provincial and federal government level in order to influence the development of public policy.

DIVISION OF POWERS/Political Sovereignty

Division of Powers/Political Sovereignty

In recent times governments have neither welcomed nor needed the advice of disability rights groups. Whose have been opportunities for legislation in recent years, the House of Commons has promoted the rights of disabled persons. As the federal government reduced its role in disability issues, the House of Commons has also reduced its role in disability issues. From the OBSTACLE Report in 1984 to the recent federal Task Force on Disability Issues, the House of Commons has reduced its role in disability issues. From the OBSTACLE Report in 1984 to the recent federal Task Force on Disability Issues, the House of Commons has reduced its role in disability issues. From the OBSTACLE Report in 1984 to the recent federal Task Force on Disability Issues, the House of Commons has reduced its role in disability issues.

Through a range of committees and special task force reports, the federal government has promoted public understanding of disability issues. From the OBSTACLE Report in 1984 to the recent federal Task Force on Disability Issues, the House of Commons has reduced its role in disability issues. From the OBSTACLE Report in 1984 to the recent federal Task Force on Disability Issues, the House of Commons has reduced its role in disability issues. From the OBSTACLE Report in 1984 to the recent federal Task Force on Disability Issues, the House of Commons has reduced its role in disability issues. From the OBSTACLE Report in 1984 to the recent federal Task Force on Disability Issues, the House of Commons has reduced its role in disability issues. From the OBSTACLE Report in 1984 to the recent federal Task Force on Disability Issues, the House of Commons has reduced its role in disability issues.
would become national in scope. Such a centralized approach has a benefit and a cost — if the federal government takes a position that increases the range and extent of support and service programs then they expand everywhere. But the federal government could also reduce benefits with the result that conditions worsen across the country. Provincial rights advocates argue not only that social programs are the responsibility of the second tier of government, but also that experimentation typically occurs there as well. They argue that provincial authority will not necessarily produce poorer conditions for Canada's disabled persons.

In future, the CHST is likely to produce more widely varying conditions across the country than was previously the case. It is a result that some with disabilities would welcome. The stick was the standards that were established under CAP. The carrot was a substantial increase in the funds available for administrative expenses. The federal government did not retain the federal standards that had been established under CAP. It passed the federal government did not retain the federal standards that had been established under CAP.

When the CHST was passed, the federal government did not retain the federal standards that had been established under CAP. It passed the federal government did not retain the federal standards that had been established under CAP. It passed.
Provincial/Territorial Council of Ministers on Social Policy Renewal no agreement has been reached on the provision of disability-related programs. While it is too soon to be definitive, the discussions so far provide an indication of the difficulty of finding agreement between governments divided by conceptions of federalism, by region, by language and culture, and by ideology.

ASSESSING THE PROVISION OF DISABILITY SUPPORTS AND SERVICES: A SUMMARY

Of the three assessment criteria adopted by this project — the achievement of policy goals, the upholding of democratic values and of the principles of federalism — the preceding assessment suggests that most of the problems with the public provision of disability supports and services lie in the policy sphere. The policy problems are serious: the wide variation in the availability of disability supports and services significantly compromises equity, both vertical and horizontal; the same variation drastically reduces both economic and geographic mobility.

The chapter finds that democratic values are more or less upheld in the provision of disability supports and services and that the regime shift associated with the change from CAP to the CHST is not likely to have an effect on these values.

The classical federalism regime of the CHST is likely to exacerbate these problems. The classical federalism characterized by some collaborative elements. The policy problems were a feature of CAP. The CHST era is characterized as one of unilateral administration. The wide variation in administration has ensured that the provision of disability supports and services is characterized by the provision of national standards.

Some, but not all, of these problems are associated with the intergovernmental regime. The wide variation in administration has contributed to the fact that the political sovereignty and the division of powers are more or less upheld in the provision of disability supports and services.

These considerations suggest that the abandonment of CAP and the adoption of the CHST have changed the direction of an important part of Canadian social policy, including the provision of disability supports and services. While the classical federalism regime of the CHST respects historic principles of federalism, it is more likely to produce wide variations across the country in the conditions of federalism by region, by language and culture, and by ideology.
The goal of policy reform is a system of disability supports and services that:

1. Enablers of equal legal standards across the nation is essential....

2. Federal

3. provinces....

4. Federal

5. provinces....

6. Funding for these needs should be at 100% to guarantee equality and

7. accessibility and opportunities to learn.

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Disability Supports and Services in the Social Union

The CHST has ushered in a new era in federal-provincial relations characterized by a collaborative intergovernmental regime where direct funding initiatives could be shared between the federal government and the provinces. This section outlines two options for the reform of disability supports and services. The purpose is to present only a broad-brush description of the options that might become the subject of discussion in future and not to deal with the many design and implementation details that would need to be addressed.

National Standards

The Social Union Framework Agreement agreed to in 1999 by the federal government, nine provinces, and the territories will influence not only the options that might become the subject of discussion in future but also the intergovernmental regime to implement future policy. In the agreement, the federal government undertook not to introduce a Canada-wide initiative in social assistance and social services, whether block-funded or cost-shared, without the agreement of a majority of the provinces. On the other hand, if the federal government establishes a new Canada-wide initiative funded through direct transfers to provinces, the federal government undertook not to introduce a Canada-wide initiative in social assistance and social services within the agreement. This suggests that the Social Union Framework Agreement is not applicable to the federal government’s initiatives in social assistance and social services.

The CHST has ushered in a new era in federal-provincial relations characterized by a collaborative intergovernmental regime where direct funding initiatives could be shared between the federal government and the provinces. This section outlines two options for the reform of disability supports and services. The purpose is to present only a broad-brush description of the options that might become the subject of discussion in future and not to deal with the many design and implementation details that would need to be addressed.

Income security can be most appropriately handled at the national level because the federal government is best suited to handle the national-level policy issues that cross provincial boundaries. The purpose is to present only a broad-brush description of the options that might become the subject of discussion in future and not to deal with the many design and implementation details that would need to be addressed.
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social policy there is little dispute that it is the province that holds authority. In the past the federal government used its control over revenues to establish an incentive framework that directed the provinces to develop aspects of social policy that the federal government wished to support. This was the cost-sharing approach used in the Canada Assistance Plan. It was brought to an end by the CHST in 1996.

The first option is a new program that would establish conditions for the funding of disability supports and services under the aegis of a classical federalism regime. A new federal and provincial program for persons with disabilities would be introduced on the grounds that persons with disabilities require the active protection of the national government despite the issues of sovereignty. The exercise of mobility rights also requires that there be national conditions for supports and services in the country. Further, without a national program conditions will vary widely across jurisdictions, making it impossible for disabled persons to access services if they are unable to access services in one jurisdiction. From a human rights perspective this is not acceptable. The exercise of mobility rights also requires that there be national conditions for supports and services in the country. Further, without a national program conditions will vary widely across jurisdictions, making it impossible for disabled persons to access services if they are unable to access services in one jurisdiction. From a human rights perspective this is not acceptable.

A new program could be established in the following way:

First, under the social union framework a joint federal-provincial council would be established. This committee would be the Federal/Provincial/Territorial Council on Social Policy. The joint committee would be responsible for:

- Establishing national program conditions for the availability of disability supports and services in the country.
- Establishing a consultation process with disability rights organizations to develop program conditions.
- Ensuring that conditions include eligibility, methods of determining disability, purpose of the funding, and a common list of supports and services.
- Attendant care should be included in the new program.

Second, the goal would be to make a significant portion of the funding available to individuals rather than to agencies or institutions. In this way, disabled persons would be empowered to choose the range and extent of services available to them.

Third, following precedent and the CHST provisions, the federal government would pass legislation that would enshrine the agreed conditions for provincial expenditures for supports and services for persons with disabilities. This legislation would contain provisions that would parallel the CHST health-care transfers which are conditional on meeting standards set out in the Canada Health Act.
Health Act. (The CHST also calls for further discussion with the provinces of a set of “shared principles and objectives.”)

Fourth, the federal government and the provinces would agree on the amount of federal funds within the CHST to be allocated to disability supports and services. (The CHST currently provides a block grant to provinces for the four areas of programming: social assistance, social services, health, and postsecondary education. Federal funding for supports and services for persons with disabilities is a part of the social services funding. No specific amount of the block grant is identified with any of the four areas.) The agreed conditions would apply to participating provinces. Non-participating governments that agreed to meet the principles and objectives of the program within their own jurisdictions would also receive their share of any new available funding.

The strength of this approach lies in the difficulty of achieving some form of federal-provincial agreement. If agreement could be reached, personal mobility would be much easier and there would be greater emphasis on distributive equity. The rights of a neglected minority would be promoted. Greater efficiency would be achieved through reduced administrative costs. Transparency and accountability could be built into the program.

The weakness of this approach lies in the difficulty of achieving some type of federal-provincial agreement.

A Refundable Disability Expense Tax Credit for Supports and Services

The second option is the development of a refundable disability expense tax credit (DETC). Such an approach involves the transfer of funds for supports and services.
Roy Hanes and Allan Moscovitch

and services directly to all eligible persons with disabilities rather than to agencies or institutions. It would do this through the income tax system, establishing a direct relationship between the federal government and individuals with disabilities. A similar relationship was established by the Millennium Scholarship Fund under which the federal government provides scholarships directly to students. While this brought the federal government into an area of exclusive provincial jurisdiction, it justified the program on the basis that the constitution does not prevent it from making direct payments to persons. Acting unilaterally is one way to proceed; it could also attempt to collaborate by establishing a partnership between the provinces that provides for provincial participation and/or greater levels of support by the federal government. The two levels of government would come to an agreement between them before any action is taken. If the federal government collaborated with the provinces, it is possible that federal-provincial agreements could result in the provinces electing to establish their own programs. The federal government could then proceed with the program, but the provinces would be required to administer it. If some provinces choose not to participate, a likely result would be a clause in the program that would allow provinces that do participate to opt out. This would leave the federal government with a difficult choice between partial implementation of the program or no program at all.

Under the second scenario, the federal government would proceed on its own. This would give rise to two difficulties. First, Revenue Canada would have to establish a system to determine who is eligible. It would have to establish a system to administer the program. The two levels of government would have to work together to ensure that the federal government’s program is consistent with the provincial programs. Second, many disability supports and services are provided directly to all eligible persons with disabilities rather than to agencies or institutions. If the federal government does not have control over the provincial programs, it will be difficult to ensure that the federal program is consistent with the provincial programs. A similar problem arises with the Millennium Scholarship Fund under which the federal government provides scholarships directly to students. While this brought the federal government into an area of exclusive provincial jurisdiction, it justified the program on the basis that the constitution does not prevent it from making direct payments to persons. Acting unilaterally is one way to proceed; it could also attempt to collaborate by establishing a partnership between the provinces that provides for provincial participation and/or greater levels of support by the federal government. The two levels of government would come to an agreement between them before any action is taken. If the federal government collaborated with the provinces, it is possible that federal-provincial agreements could result in the provinces electing to establish their own programs. The federal government could then proceed with the program, but the provinces would be required to administer it. If some provinces choose not to participate, a likely result would be a clause in the program that would allow provinces that do participate to opt out. This would leave the federal government with a difficult choice between partial implementation of the program or no program at all.
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CONCLUSION

Federal-provincial agreement on the implementation of a refundable tax credit for disability supports and services expenses could result in a standardized nationwide program that would promote equity and economic and geographic mobility. The federal government would be unlikely to proceed unilaterally on a federal-provincial approach since this step would be opposed by the provinces. Unilateral implementation could also result in a large federal funding commitment. A collaborative approach would have a greater chance of success. However, the federal government would likely be reluctant to proceed without the agreement of a significant group of provinces, a result that would likely be difficult though not impossible to achieve in the present political conjuncture.

CONCLUSION

The federal reforms of 1963 to 1972 created a Canadian welfare state that represented in law the expression of those who believed both in state intervention and in a greater federal role in social policy. Some of these reforms came with the Canada Assistance Plan, 1966, which confirmed a federal role in funding and setting standards in social assistance and social services. If despite these political obstacles, a refundable disability support and service expense tax credit were implemented, it would likely have some of the following characteristics:

- A refundable disability expense tax credit could take the form of a reimbursement up to a maximum. This form of tax credit would require the submission of receipts, and an administration to process them could be either federal or provincial. Administration would likely be managed at the provincial level, though the federal government would fund the program and enforce its regulations.
- Claims for payment would be made through the annual filing of an income tax return. Funds would be made available through quarterly income tax refunds. Each person would be required to report changes in their status as they occur, and adjustments would be made in the next quarter.
- Based on joint agreement with a sufficient number of provinces, the federal government would be prepared to assume some of the bulk of the costs of the provision of disability supports and services.
Disability supports and services (and disability income support) were caught up in this rearrangement. The chapter characterizes the governance of CAP that was associated with these changes as unilateral federalism with some collaborative elements.

Post-CAP, the governance of the provision of disability supports and services is now classical federalism. Under the CHST, provinces determine their own priorities in this and in many other areas of social policy. The result is a high degree of provincial independence from the federal government both in policy development and in the implementation of programs. The chapter finds that this change in intergovernmental regime has had negative effects on policy outcomes. In some provinces, the principal result has been a reduction in social-assistance benefit rates, stiffer eligibility requirements for the able-bodied unemployed, and a move in the direction of providing supports to only the most severely disabled. Lower benefits and the virtual elimination of national standards mean that equity, economic and geographical mobility, and efficiency have been compromised; the expectation is that the situation will worsen over time.

The impact of the change in intergovernmental regime on the extent to which principles of democracy and federalism are upheld is mixed. While there have been concerns about the reduction in federal presence, there are also arguments that federal presence has decreased in recent years, and a stronger federal presence can produce equal access to programs and services across the country. The authors consider that the policy advantages that a strong federal presence can produce are offset by the provisions that are solely responsible for the provinces. The chapter acknowledges that provinces have become more responsible for their social programs, but that a strong federal presence is necessary to ensure that social programs are implemented effectively. To address these problems, disability rights advocates generally argue for a strong federal presence to guarantee that programs are national in scope and that there is a national standard for the provision of disability supports and services. Provincial rights advocates argue that social programs are the responsibility of the provinces and that the country benefits from the experimentation inherent in a variety of provincial approaches. The authors consider that the policy advantages that a strong federal presence can produce are necessary to ensure that programs are effective and efficient.

The chapter sets out two options for reform. The first is for the federal government to propose, within the social union, that provinces participate in a process of establishing principles and objectives for the provision of disability supports and services under the CHST. Within the context of the CHST and the slice of funds being expended for supports and services, the provinces would be identified. The author considers that the policy advantages that a strong federal presence can produce — equal access to programs and services, economic and geographical mobility, and efficiency — are necessary to ensure that programs are effective and efficient. The second option is to establish a refundable tax credit that would reimburse individuals with disabilities for their supports and services expenses.
A federal unilateral or a collaborative approach are both possible here but each route has advantages and disadvantages. The experience of the current Federal/Provincial/Territorial discussions on disability suggest that this and other options would be the subject of prolonged debate.

These considerations suggest that new initiatives will necessarily involve federal-provincial collaboration. Further, past experience suggests that governments would be unlikely to establish new initiatives of the kind described unless they were subjected to substantial, continuing, and informed pressure from the disability rights organizations and their supporters.

Finally, in the further development of these or other options it is crucial that people with disabilities and their representatives be closely involved in the policy process on a partnership basis. They have greater insight into their needs and how they should be met than many able-bodied professionals. The “consumer control” their participation would entail would improve the proposals and the chances that governments would respond favourably to them.

NOTES

7 K. A. Garland (Queen's University Press, 1986), pp. 61–75.
8 P. S. Neiman (Queen's University Press, 1990), pp. 1–75.
9 Canadian Intergovernmental Conference Secretariat, News Releases (8 March 1998); Persons with Disabilities: An Overview of the Current
Non-Programs, July 1998; Canadian Intergovernmental Conference Secretariat, News
Situation: Backgrounder for the Federal/Provincial/Territorial Ministers of Social Services. Policy Working Group on Disability (22 September 1997); Media Backgrounder to the “Federal/Provincial/Territorial Ministers Responsible for Social Services Announce Progress on Disability Related Issues.” Based on Concept of “Vision” (18 September 1997); Media Backgrounder to the “Federal/Provincial/Territorial Ministers Responsible for Social Services Announce Progress on Disability Related Issues.” Based on Concept of “Harmonization.” (No Vision) (18 September 1997).


Ibid., p. 13.


Backgrounder: Ontario Disability Supports Program

Based on Concept of “Harmonization” (No Vision). (18 September 1997).

Based on Concept of “Harmonization” (No Vision) (18 September 1997).
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APPENDIX I
HIGHLIGHTS OF SOME PROVINCIAL SUPPORT AND SERVICE-RELATED PROGRAMS

Supports and services as discussed in this chapter relate to provincially funded programs that are provided to people with disabilities who qualify for coverage. Despite the vast differences in the provision of supports and services from one province to the next there appears to be enormous similarities in type of supports and services across Canada. For example, the range of supports and services from one province to the next that are provided to people with disabilities who qualify for coverage are discussed in this chapter relate to provincially funded single-tier supports and service programs. However, this does not mean that all people who have disabilities will always receive the same supports and services in every province. People living in one province may get more or less universally covered through different provincial government programs, whereas people living in another province may get less universally covered.

Single-Tier Supports and Service Programs

The provision of supports and services involves a complex array of government departments, legislation, and eligibility determination criteria. In single-tier supports and service programs there is a direct relation between the provincial government and the disabled person. These supports and services are tied to the provincial welfare assistance programs.

Newfoundland

Legislation: Social Assistance Act.

Primary Administrative Department: Human Resources and Employment.

Determination: medical criteria, evaluation and reporting.

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Pensioners and persons with disabilities are eligible for benefits and services through provincial and municipal programs.

**Two-Tier Supports and Service Programs**

In some provinces, such as Manitoba and Nova Scotia, funding for supports and services is provided through provincial and municipal programs.

**Manitoba**


Primary Administrative Department: Social Services.

Determination: Medical criteria, evaluation and reporting.

**Saskatchewan**

Legislation: Saskatchewan Assistance Act and Regulations.

Primary Administrative Department: Social Services.

Determination: Medical criteria, evaluation and reporting.

**Quebec**


Primary Administrative Department: Human Resources Development.

Determination: Income Security Act and Regulations.

**New Brunswick**

Legislation: Welfare Assistance Act and Regulations.

Primary Administrative Department: Health and Social Services.

Determination: Welfare Assistance Act and Regulations.

**Prince Edward Island**

Legislation: Welfare Assistance Act and Regulations.

Primary Administrative Department: Social Services.

Determination: Medical criteria, evaluation and reporting.

**Newfoundland**

Legislation: Social Assistance Act.

Primary Administrative Department: Social Services.

Determination: Medical criteria, evaluation and reporting.

**Nova Scotia**


Primary Administrative Department: Social Services.

Determination: Medical criteria, evaluation and reporting.

**Prince Edward Island**

Legislation: Welfare Assistance Act and Regulations.

Primary Administrative Department: Social Services.

Determination: Welfare Assistance Act and Regulations.
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Nova Scotia

Legislation: Provincial level:
Family Benefits Act and Regulations

Municipal Level: two types of programs
(i) regional municipalities such as Halifax/Dartmouth, industrial Cape Breton and Queens, Income Assistance Programs funded by the province;
(ii) smaller municipalities, General Welfare Assistance which provides benefits for short-term and special situations.

Determination: medical criteria, evaluation and reporting.

Non-Direct Social Assistance Related Programs

In addition to single-tier and two-tier programs, the provinces of Alberta, British Columbia and Ontario have established supports and service programs that are not directly connected to social-assistance programs. Instead, these governments of these provinces establish programs that are distinct to people with disabilities. In addition, determinations for eligibility and services are guided by principles of social assistance which allows the opportunity for people with disabilities to be eligible for the same basic coverage offered to all other recipients and to be eligible for the same basic coverage offered to all other recipients if they qualify for medical and financial assistance, regardless of whether they may be excluded to include provincial disability received or disability needs are met by another source.

Source for the above material is from: Federal-Provincial Working Group on Benefits and Services for Persons with Disabilities and Persons with Disabilities in Canada, Inventory of Programs and Measures (Ottawa: Canadian Communication Group, 1997).
The AISH program is an alternative to social-assistance programs, and people with disabilities who are covered under the AISH program are eligible for the same supports and services as those covered through social-assistance programs. For example, AISH covers funding for equipment, medication, dental care, income allowance, medical supplies, etc. According to the Ontario Disability Support Program Act, this includes medical supplies and equipment, prosthetic, orthotic, and other rehabilitation devices. This program is considered more complex than other provincial and territorial programs.

Disabled persons who qualify for the Disability Benefits Act may be eligible for coverage under the British Columbia Benefits Act and the Continuing Care Act. Attendant-care services are provided under the Continuing Care Act. However, the British Columbia Benefits Act has two levels of support: the first level provides a “severe” disability, and the second level coverage is for those persons who have been determined to have a “severe” disability. The Disability Benefits Act also includes medical criteria, evaluation and reporting can include evaluation from a physician or may include evaluation from an “assessor” — usually a professional in the health-care or education fields such as a social worker, occupational therapist, teacher, or physiotherapist.

The Disability Benefits Act has two levels of support. The first level provides a “severe” disability, and the second level coverage is for those persons who have been determined to have a “severe” disability. The Disability Benefits Act also includes medical criteria, evaluation and reporting can include evaluation from a physician or may include evaluation from an “assessor” — usually a professional in the health-care or education fields such as a social worker, occupational therapist, teacher, or physiotherapist.

This program is criticized for having a restrictive definition of disability and is considered to be more complex than other provincial and territorial programs.

The AISH program is an alternative to social-assistance programs, and people with disabilities who are covered under the AISH program are eligible for the same supports and services as those covered through social-assistance programs. However, the AISH program is considered more complex than other provincial and territorial programs.
This chapter outlines work to date on a case study of disability policy that is one of four being conducted as part of the Governance of the Social Union research initiative sponsored by the Institute of Intergovernmental Relations at Queen's University. The Roeher Institute proposed this case study because of its view that better positioning of community support systems to carry out the important tasks they have been given would improve the overall effectiveness of the community support systems and where possible, point to reforms of the intergovernmental regimes that would better position the community support systems to carry out the important tasks they have been given. This chapter outlines work to date on a case study of disability policy that is one of four being conducted as part of the Governance of the Social Union research initiative sponsored by the Institute of Intergovernmental Relations.
The complexity of the topic, however, makes this chapter only a first step toward the goal of a thorough understanding of the influence of the prevailing intergovernmental regimes on community support systems. 2

The chapter begins by describing the make-up and operation of the community support systems that deliver disability-related supports: here, the chapter concludes that community support systems are comprised of a complex web of agencies whose organization and responsibilities vary across the country. The chapter then describes the intergovernmental arrangements, or regimes, that currently govern the disability area. It finds that disentanglement of intergovernmental relations and responsibilities vary across the country. The chapter then describes the intergovernmental arrangements and responsibilities that currently govern the support systems for community services. Here, the chapter concludes that community support systems are comprised of a complex web of agencies whose organization and responsibilities vary across the country. The chapter then describes the make-up and operation of the community support systems specific to the disability-related sector.
care facilities (both public and private sector); (iii) voluntary organizations (e.g., those that include many of the community agencies funded to provide services, but also encompasses local charitable organizations that provide funding for disability supports in some communities: Lions Clubs, Rotary Clubs); and (iv) disability advocacy organizations (e.g., local Independent Living Centres, Learning Disability Associations, Associations for Community Living, often service providers, and informal networks and coalitions).

Together, these organizations deliver disability supports to the 15 percent of Canadians who self-identify as having a disability, and in doing so, they play a key advocacy role. Their expertise in dealing with disabilities, such as the extent to which people can move about in society, interact with others, access education and training opportunities, and participate in the economy, is crucial to ensuring that people with disabilities have meaningful responsibilities: they determine who gets what kinds of supports and in what amounts.

The atomistic nature of many elements of community support systems makes them difficult to inventory and describe, particularly since the nature of the systems vary across provinces (e.g., Centre local de services communautaires [CLSCs] in Quebec, regional boards in Prince Edward Island). Despite their fluid nature, and the difficulty in conceptualizing, the systems are active providers of services (e.g., Centre local de services communautaires) since the nature of the services they provide is highly context-dependent.

The recognition that these systems play in delivering rehabilitation services, for example, those that connect with workers' compensation boards, insurance agencies, employers, and individuals to deliver rehabilitation services, is often overlooked. Without the support and encouragement of these organizations and their networks, it would be difficult to coordinate the services, advocacy services, support services, and environmental accommodations that are needed to help people with disabilities achieve their goals and participate in society.

A number of policy goals:
In Unison notes that in order to secure the overall goal of "full citizenship" for people with disabilities, community development in all sectors and a "healthy infrastructure of disability organizations" is needed. Government policy on its own cannot achieve the policy goal. The Social Union Framework Agreement notes the important role played by community organizations in developing social policies and delivering programs. Working Together, a recent federal report on the voluntary sector, cites four key roles played by the over 175,000 non-profit community organizations across Canada, many of which deliver disability-related supports: to provide a vehicle for public policy dialogue; to deliver government-fund services; to build links across diverse communities; and to build links across diverse communities, cultures, regions, and with other nations. The report's recommendations are designed to strengthen the capacity of these organizations to have meaningful input into social policy development. The federal government's recent Future Directions report provides a framework for implementing its commitment to the In Unison agreement to strengthen the capacity of disability organizations not only to provide services and supports, but to foster community participation and accountability. The report emphasizes the need to strengthen the capacity of community organizations and, through a framework for implementing the agreement, to achieve the goals of the agreement. The report's recommendations are: to strengthen the capacity of community organizations, to provide services and supports, to build links across diverse communities, and to build links across diverse communities, cultures, regions, and with other nations. The government policy on the Social Union Framework Agreement notes the importance of playing an active role played by community organizations in developing social policies and delivering government-funded programs. In Union notes that in order to secure the overall goal of "full citizen-
Governance Regimes in Disability-Related Policy and Programs

In these programs and others, governments may relate to each other differently and/or pursue different goals. In order to determine which of these intergovernmental regimes govern the

- Opportunities Fund, a federal government support program for employment for unemployed people with disabilities;
- National Strategy for the Integration of Persons with Disabilities, a collaboration among provinces, territories, and the federal government;
- Deinstitutionalization Initiative, a part of the recently completed National Strategy for the Integration of Persons with Disabilities, a federal program that replaces the Vocational Rehabilitation program under the Canada Assistance Plan (CAP), a now-defunct federal program that replaced the Vocational Rehabilitation program under the CAP and other programs;
- Labour Market Development Agreements (LMDAs), federal-provincial agreements that transfer federal labor market functions from the federal to provincial governments;
- the Canada Health and Social Transfer (CHST), a federal-provincial social services-fund family supports, and education-funded teaching social services-fund family supports, and education-funded teaching programs;
- the Canada Assistance Plan (CAP), a now-defunct federal program that cost-shared a wide range of provincial social assistance and related expenditures and which replaced Employment Assistance; and
- the Opportunities Fund, a federal government support program for employment for unemployed people with disabilities.
A fifth development, not reflected in the table, is an increasing devolution of responsibility for children's services, health care, and services for people with disabilities. After the 1990s, the actions that displaced earlier collaborative arrangements with the federal government (e.g., the capping of funding to “have” provinces in the case of collaboration defined by CAP) gave way first to increased federal unilateralism and, subsequently, to disentangled governance. The table does not reflect the devolution of responsibility for children's services, health care, and services for people with disabilities.

First, a program can operate under various governance regimes at different stages in the policy-making process: for example, one regime may be in place for the purpose of setting broad policy directions while another is in place for the purpose of formulating funding arrangements, and yet another is in place for the purpose of choosing policy measures, etc.

Second, disentangled regimes dominate most stages of the policy process in the disability sector with the lead role sometimes being taken by the federal government and sometimes by the provincial governments. With respect to CAP, the lead role sometimes being taken by the federal government is sometimes associated with the CHST.

Table 1 is meant as a heuristic tool to explore the operation of intergovernmental regimes. It uses the classification of four intergovernmental regimes to characterize the governance regime that operates at each stage of the policy process for each of the seven programs described above. The classifications provided in the table are not meant to be definitive: other perspectives and additional research may lead to revisions. With this proviso, the table is meant to be a heuristic tool to explore the operation of intergovernmental regimes and to deliver arrangements and mechanisms for program delivery and information collection/dissemination.
### TABLE 1
Intergovernmental Regimes at Different Stages in the Policy Process

<table>
<thead>
<tr>
<th>Policy Instrument</th>
<th>Initiating and Setting Broad Policy Directions</th>
<th>Establishing Financing Arrangements</th>
<th>Choice of Policy and Program Measures</th>
<th>Program Delivery Arrangements</th>
<th>Monitoring and Information Surveillance</th>
</tr>
</thead>
<tbody>
<tr>
<td>CHST</td>
<td>(provincial lead) with some unilateral federal conditions</td>
<td>disentangled (federal and provincial leads)</td>
<td>disentangled (federal lead)</td>
<td>disentangled (federal lead)</td>
<td>disentangled (federal lead)</td>
</tr>
<tr>
<td>LMDAs</td>
<td>disentangled (federal lead) and collaborative federalism</td>
<td>collaborative disentangled (provincial lead)</td>
<td>disentangled (provincial lead in most provinces)</td>
<td>collaborative (federal and provincial leads)</td>
<td>disentangled (federal lead)</td>
</tr>
<tr>
<td>EAPD</td>
<td>collaborative and interprovincial collaboration</td>
<td>collaborative disentangled (provincial lead)</td>
<td>disentangled (provincial lead)</td>
<td>disentangled (federal lead)</td>
<td>disentangled (provincial lead)</td>
</tr>
<tr>
<td>NSIPD – Deinstitutionalization</td>
<td>collaborative disentangled (provincial lead)</td>
<td>disentangled (provincial lead)</td>
<td>disentangled (provincial lead)</td>
<td>collaborative (federal and provincial leads)</td>
<td>disentangled (provincial lead)</td>
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<tr>
<td>Opportunities Fund</td>
<td>disentangled or unilateral disentangled or unilateral disentangled or unilateral disentangled or unilateral</td>
<td>disentangled (federal lead)</td>
<td>disentangled (federal lead)</td>
<td>disentangled (federal lead)</td>
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<tr>
<td>Canada</td>
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</table>

**Gender Regimes in Disability-Related Policy and Programs**

**TABLE 1**
This section seeks to assess the impact that changes in intergovernmental regimes have had on the operation of community support systems: most of the focus is on the shift to an increasingly disentangled governance in the disability sector. Some may argue that the link between what happens “on the ground” in communities — the daily struggle to try and get one more person with a disability a job, or to find a way to cobble together some funding and volunteer support — and the processes and decisions that take place in government is too far removed for these regimes to make a difference.

There is widespread agreement that the human development and social security of people with disabilities is severely hampered by unequal access to disability-related supports. This problem has two dimensions: first, there are wide variations in the disability supports available to people with similar needs; for example, some individuals and families receive adequate disability supports while the supports available to others living in a particular institution are plainly inadequate. Second, there are wide variations in the disability supports available to people with similar needs: for example, some individuals and families receive adequate disability supports while the supports available to others living in a particular institution are plainly inadequate.

The chapter adopts the framework set out in *In Unison,* which articulates principles that “shape the social union... compassion, dignity, sharing, fairness, equity, equal opportunity and independence.” The guiding vision for policy development is “full citizenship” defined as the inclusion of people with disabilities in all aspects of Canadian society. The principles include mutual respect among jurisdictions, citizen engagement and public accountability.

Community support systems require a benchmark against which to measure them. The chapter suggests, however, that the manner in which federal and provincial/territorial governments work together (or not) is important in the making and managing of disability-related policy, even if all of the factors and details of the linkages require further exploration. An assessment of community support systems requires a benchmark against which to measure them. The chapter adopts the framework set out in *In Unison,* which articulates principles that “shape the social union... compassion, dignity, sharing, fairness, equity, equal opportunity and independence.” The guiding vision for policy development is “full citizenship” defined as the inclusion of people with disabilities in all aspects of Canadian society. The principles include mutual respect among jurisdictions, citizen engagement and public accountability.

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ally not portable between provinces and, with increasing regionalization of disability policy, even among jurisdictions within some provinces, this restricts inter/intraprovincial mobility. The lack of portability also arises when the availability of the needed supports is tied to a particular program or institution, for example, a group-home resident who is ready to leave but still needs the disability supports often cannot take the funding with him/her to purchase the supports elsewhere.

The result for those who fall through the substantial cracks in the system is that the often significant costs of disability supports must be met out of pocket and/or the proportion of informal care provided by family members must increase with all the attendant economic and personal implications arising from this “burden of care.” These deficiencies represent a serious departure from In Unison goals.

To a significant extent, the problems outlined above stem from the design of community support systems. Most of the public resources directed to disability supports are allocated through a “supply-side” approach: governments provide funds to community agencies and mandate them to provide specific types of supports to people with disabilities and their families who then must approach individual service agencies, each of which has its own eligibility criteria. In the absence of an overall public mandate to provide for an equitable distribution of disability-related supports, the distribution that results from the agencies’ choices may not reflect the preferences of society as a whole.

This design of community support systems raises an issue of accountability. While the boards of many of the thousands of community agencies that provide disability-related supports are democratically elected and provide a valuable forum for debate on disability-support issues, the agencies have no broader democratic forum in the community that can hold the agencies accountable. The public funder, the community, is often there to help account for the services but does not purchase them. These deficiencies are exacerbated because the primary accountability is to the public funder, the community, rather than to the agencies or the clients who use the services but do not purchase them.

The supply-side design of community support systems also raises an issue of accountability. While the boards of many of the thousands of community agencies that provide disability-related supports are democratically elected and provide a valuable forum for debate on disability-support issues, the agencies have no broader democratic forum in the community that can hold the agencies accountable. This diminishes the scope for citizen engagement in policy development in the disability sector — an aim central to In Unison and the Social Union Framework Agreement.

Part of these supply-side difficulties stemmed from the increasing federal unilateralism that characterized CAP’s development. For example, under the welfare services provisions of CAP, provinces could receive federal cost-sharing for expenditures on rehabilitation services, counselling, etc. offered by the federal government. The provinces could then allocate these funds to community agencies, which provided the services. This federal/provincial funding model provided perverse incentives for the development of supply-side supports that were not aligned with the needs of the people who used them. The result was that supply-side supports were often not aligned with the needs of the people who used them, and the agencies that provided them were not accountable to the people who used them.

The result was that the people who used the supports were often not engaged in the policy development that determined the supports they received. This was a significant problem, as the people who used the supports were often the most vulnerable members of society. The result was a lack of accountability for the people who used the supports and a lack of engagement in the policy development that determined the supports they received.

This lack of accountability and engagement was a serious problem, as it meant that the people who used the supports were not engaged in the policy development that determined the supports they received. This was a significant problem, as the people who used the supports were often the most vulnerable members of society. The result was a lack of accountability for the people who used the supports and a lack of engagement in the policy development that determined the supports they received.

To a significant extent, the problems outlined above stem from the design of community support systems. Most of the public resources directed to disability supports are allocated through a “supply-side” approach: governments provide funds to community agencies and mandate them to provide specific types of supports to people with disabilities and their families who then must approach individual service agencies, each of which has its own eligibility criteria. In the absence of an overall public mandate to provide for an equitable distribution of disability-related supports, the distribution that results from the agencies’ choices may not reflect the preferences of society as a whole.

This design of community support systems raises an issue of accountability. While the boards of many of the thousands of community agencies that provide disability-related supports are democratically elected and provide a valuable forum for debate on disability-support issues, the agencies have no broader democratic forum in the community that can hold the agencies accountable. This diminishes the scope for citizen engagement in policy development in the disability sector — an aim central to In Unison and the Social Union Framework Agreement.
within sheltered day-programs for adults with disabilities. However, CAP required that such services had to be provided by provincially approved agencies: individuals could not be provided with funds to be used to purchase the needed services. The result was that the application of the CAP rules, which reflected a growing federal unilateralism in the plan, provided an incentive for providing disability supports in a segregating way, one that tended to deny people the opportunity to make transitions to the mainstream labour market and other forms of community participation. In doing so, CAP strengthened a supply-driven system of community supports, rather than a demand-driven one. Such a system is unable to meet the goals of portability and flexibility in transition.

The replacement of CAP by the CHST changed the governance of disability supports from the growing federal unilateralism of CAP to a more fully disentangled financial arrangement for disability supports. Under the CHST, funds for disability supports become available to provinces on a per capita basis, and provinces are free to use these funds as they see fit. This has allowed provinces to develop more flexible and responsive systems of community supports, which in turn has helped to meet the needs of individuals with disabilities.

A recent deinstitutionalization project in Newfoundland helps illustrate the impact that a fully disentangled financial arrangement for disability supports can have on community support systems in poorer provinces. Through a federal-provincial partnership (including provincial and national disability organizations), a collaborative regime was established under CAP to produce a deinstitutionalization policy. This regime was financially disadvantageous for poorer provinces which could no longer rely on cost-sharing for each dollar of provincial investment in disability supports.

The replacement of CAP by the CHST changed the governance of disability supports in a way that has helped to meet the needs of individuals with disabilities. However, CAP's per capita funding has made it difficult for poorer provinces to provide the same level of support as richer provinces. This has led to a greater reliance on cost-sharing, which has had a negative impact on the ability of provinces to provide the support needed by individuals with disabilities. The result has been a greater need for federal-provincial partnerships to provide the necessary funding for these initiatives.

In Unison articulates the need for a more flexible and responsive system of community supports, which can help to meet the needs of individuals with disabilities. The CHST has provided the opportunity for provinces to develop such systems, which in turn has helped to meet the needs of individuals with disabilities more effectively.
A second negative effect of disentanglement in the disability policy arena is the diminished role of the federal government in the disability policy process. As a result, the interprovincial and other inequities referred to above in information collection/dissemination and monitoring can no longer be highlighted as effectively and the capacity of community support systems to engage with federal and provincial governments, and other stakeholders, is reduced. This means a "local issue" mentality continues to prevail in all provinces.

A second negative effect of disentanglement (and the devolution of responsibilities) is that local and regional authorities are now less able to address inequities that affect people with disabilities, their families, and their advocates. This further entrenches a piecemeal approach to disability supports, with all the disadvantages that that approach brings.

Reporting requirements were a feature of CAP and VRDP. These were a feature of the CHST regime in the Canadian context of disability-related policy and programs. The changes in the CHST regime resulted in a new era of information collection and dissemination. While the information base was not ideal, it has been an important tool for policy makers. The transition to a more disentangled arrangement under CHST has not addressed the need for more comprehensive information systems. This is particularly true for the information base developed under the CAP regime that addressed the many challenges of collecting and disseminating information on disability-related policy and programs.

Reporting requirements were a feature of the CHST regime in the Canadian context of disability-related policy and programs. The changes in the CHST regime resulted in a new era of information collection and dissemination. While the information base was not ideal, it has been an important tool for policy makers. The transition to a more disentangled arrangement under CHST has not addressed the need for more comprehensive information systems. This is particularly true for the information base developed under the CAP regime that addressed the many challenges of collecting and disseminating information on disability-related policy and programs.
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federal-provincial accountability and monitoring framework for EAPD, VRDP's successor, is still being worked out.) The absence of an information base or the adoption of one that is only local and provincial in nature greatly increases the difficulty of raising national issues regarding community support systems. Moreover, it severely compromises any auditing and monitoring capacity, which means that the goals of disentanglement are reached and their limits are in part because of a lack of transition funding. For example, a community-wide effort in Tunnel, a community-based reform scheme are reaching their limits, in part because of a federal-provincial accountability and monitoring framework, some of whose innovations precede the CHST to CAP shift, shifts into effect with the most challenging disabilities and most excluded from the labour market. While these negative effects of disentanglement are serious and wide-ranging. But disentanglement is not inherently negative: the disentanglement in the disabiliy area associated with the CAP to CHST change has the potential to bring beneficial effects. The case of sheltered day-programs discussed above, is instructive. The conditions on CAP funding provided inducements to invest in segregating options, rather than the individualized supports that would assist adults to participate in the mainstream labour market, or in volunteer and other social activities in the community. But now that CAP has been replaced with the CHST, decisions about program measures and delivery arrangements for community support systems are in evidence in many communities: for example, individualized funding, innovation in individualized employment supports and advocacy supports to individuals and families, which should improve accountability and lead to more individualized and independent planning and living arrangements. These negative effects of disentanglement are in evidence in many communities: for example, significant innovations in community support systems, significant innovations in community support systems, significant innovations in community support systems, significant innovations in community support systems, significant innovations in community support systems.
Governance Regimes in Disability-Related Policy and Programs

...would be utilized. The shift would require a scale of change similar at least to that of closing a major institution with the attendant financial pressures. However, as a project evaluation study indicated, without some transition dollars like those arranged for the Newfoundland deinstitutionalization initiative, the shift was going to be difficult to make. As with closing an institution, both the old and the new support systems would be funded simultaneously for a limited period.

Other features of a more flexible and responsive, demand-driven community support system would also likely find more fertile ground if the choice of policy/program measures and program-delivery arrangements were disentangled such that the different kinds of support supplies would disappear. But different kinds of supplies/suppliers/arrangements would still be necessary. Moving toward a demand-driven system does not mean that supply-side...
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in arranging for supports; to support various negotiation and contracting processes associated with emerging markets.

These examples of the impact on community support systems of the increasingly disentangled governance in the disability sector suggest the following conclusions. Increasing disentanglement has given rise to, or is at least associated with, severe fiscal pressures, especially in poorer provinces. Disentanglement encourages innovation and local responsiveness in community support systems, and therefore is an effective intergovernmental regime with respect to two stages in the policy process: choosing policy/program measures and designing delivery systems. Disentanglement at other stages of the policy-making process: setting broad national policy directions, establishing funding arrangements and collecting/disseminating information and auditing outcomes — appears to be weakening the capacity of community support systems to fulfill their mandate, at least to the extent of community delivery systems. A more collaborative intergovernmental regime could provide a set of policy directions that would hold both orders of government accountable for addressing the growing inequities and help to develop collaborative mechanisms for some aspects of policy development.

Establishing collaborative mechanisms for some aspects of policy development is critical to fulfiling their mandate, at least to the extent of community delivery systems. A more collaborative intergovernmental regime could provide a set of policy directions that would hold both orders of government accountable for addressing the growing inequities and help to develop collaborative mechanisms for some aspects of policy development.

DIRECTIONS FOR REFORM

This section briefly recaps the strengths and weaknesses of community support systems and outlines two main problem areas with community support systems: (i) the supply-side design of the system contributes to the differential treatment of people in similar situations, the lack of portability of supports and services, and the lack of accountability to the clients of the many different support systems; and (ii) the system is underfunded, while the access to supports of people in similar situations, the lack of portability of supports and services, and the lack of accountability to the clients of the many different support systems; and (ii) the system is underfunded.

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supply-side related problems are not wholly the result of the CAP legacy with its collaborative federal-provincial arrangements and some features of federal unilateralism. But the program did have an effect on restricting development of alternative system designs. And the increased disentanglement associated with the CAP to CHST change contributed to serious financial difficulties especially for poorer provinces, for example, those engaged in deinstitutionalization is slowing down in Canada, and in many provinces comments that had been made to deinstitutionalization reformation. Reform requires a fiscal constraint.

Second, with respect to deinstitutionalization, reform requires new fiscal constraint.

There has already been movement in this direction: individualized funding initiatives exist in most provinces and territories and policy frameworks are beginning to evolve. These provide insights into the implementation issues that would need to be addressed if the demand-driven alternative were aggressively pursued. Labour organization, for example, becomes an issue. In a supply-side system, since the agencies are the employers, collective bargaining is straightforward: in a more individualized system the employers are either independent contractors or the people with disabilities and their families, alone or in groups. Organizing labour, for example, becomes an issue. In a supply-side system, since the agencies are the employers, collective bargaining is straightforward: in a more individualized system the employers are either independent contractors or the people with disabilities and their families, alone or in groups. Organizing labour, for example, becomes an issue.

Second, with respect to deinstitutionalization, reform requires new financing. Progress in deinstitutionalization is slowing down in Canada, and in some provinces there is retreat. This is happening at a time when the knowledge base for supporting people with disabilities and very complex health needs is growing substantially. Two instruments are necessary: first, a national fund for supporting people with disabilities and very complex health needs; some provinces have noted that these issues are important. This would provide incentives into the implementation issues that would need to be addressed if the demand-driven alternative were aggressively pursued. Labour organization, for example, becomes an issue. In a supply-side system, since the agencies are the employers, collective bargaining is straightforward: in a more individualized system the employers are either independent contractors or the people with disabilities and their families, alone or in groups. Organizing labour, for example, becomes an issue.

The articulation of these problem areas suggests the direction that reform should take: first, a widely discussed policy response to the difficulties of supply-side design of community services is to move to a demand-driven alternative. This would place resources directly in the hands of people with disabilities and let the providers adjust to the demand of those with the needs and the capacity to meet the demand. This would provide incentives into the implementation issues that would need to be addressed if the demand-driven alternative were aggressively pursued. Labour organization, for example, becomes an issue. In a supply-side system, since the agencies are the employers, collective bargaining is straightforward: in a more individualized system the employers are either independent contractors or the people with disabilities and their families, alone or in groups. Organizing labour, for example, becomes an issue.

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supports for people with disabilities. The CHST has not provided the financ-
ing mechanisms to redress this imbalance. More targeted cost-sharing
mechanisms are needed, even if they are short-term as in the example of New-
foundland. Enhanced tax measures for disability supports are one mechanism
for getting more dollars for supports into the hands of consumers. But with the
non-refundability of many existing measures, and the reality that rates of pov-
erty among individuals with disabilities and their families are so high, any
measure that does not genuinely improve the situation of persons with
disabilities will not be sufficient to address the inequity. And while the same
disentanglement has occurred among better-off individuals as well, the
same disentanglement has not occurred among better-off individuals. Thus,
村镇者们需要更多资金来支持残疾人，但目前
的机制并未提供足够的支持。通过增加个
人负担机制，即使是短期的如纽芬兰的情况
，可以达到目的。增加税收措施是其中一个机
制，可以使更多的资金流入消费者的手中。但
由于许多现有措施的非退税性，以及残疾人
家庭的贫困率如此之高，任何不真正改善残
疾人情况的措施都无法满足需求。而同样的
疏远已经发生在更好的个体中，但同样的疏
远没有发生在更好的个体中。因此，像纽芬
兰的情况一样，任何不真正改善残疾人情
况的措施都无法满足需求。
labour for funding research, establishing criteria for an auditing, etc. could be established.

These then are the broad outlines of a reform agenda: a demand-driven system, additional funds for poorer provinces in respect of deinstitutionalization and community support systems, and an information and auditing function that rests on an understanding of the best-practices of governments and organizations across the country. Together, these would greatly improve all aspects of the policy-making process, from setting broad policy directions, choosing policy/program measures, establishing accountability via information and auditing, to the actual delivery of services. Successful implementation of these reforms requires collaboration between federal and provincial governments, and between governments and community support systems. The chapter concludes that a more collaborative regime would strengthen the capacity of community support systems to fulfill the mandate they have been given. The evidence shows that collaborative regimes are not only better suited to different stages of the policy-making process, but also to different types of governments. Therefore, the choice of intergovernmental regimes should be seen as a policy choice that affects the entire policy process.

CONCLUSION

Evidence shows that collaborative regimes are best suited to different stages of the policy-making process. But when a regime is not well-suited to a particular stage, it may not be able to effectively deliver on its mandate. The remaining two key factors need consideration:

1. Disability organizations and community support systems have a unique understanding of the nature of social and economic exclusion and its policy implications. New collaborative regimes should be established for research, establishing criteria for an auditing, etc. could be established.

2. The choice of intergovernmental regime should be seen as a policy choice that affects the entire policy process. Successful implementation of these reforms requires collaboration between federal and provincial governments, and between governments and community support systems. The chapter concludes that a more collaborative regime would strengthen the capacity of community support systems to fulfill the mandate they have been given. The evidence shows that collaborative regimes are not only better suited to different stages of the policy-making process, but also to different types of governments. Therefore, the choice of intergovernmental regimes should be seen as a policy choice that affects the entire policy process.
choice is made it should not be considered forever fixed, the choice of regime needs to be sensitive to the national issue at hand and to the provincial/territorial context. It is possible to establish community support systems which can address the inequities that people face and can provide conditions for their citizenship and inclusion in society. That much is clear. Strengthening capacities of community support systems to do so will undoubtedly take additional public investment. But, as we have seen, absence of a clear conception about the regime for managing that investment will likely frustrate achievement of the intended policy goals. CAP made many kinds of investments possible, but the outcomes in some instances defied widely shared policy goals. In part, this was because attention to the CAP governance regime was more focused on the broader politics of federalism. It was less a question about the kind of regime needed to get the job done in the disability sector. Community support systems act as a kind of “intervening variable” between intergovernmental reforms and the extent of achievement on the three assessment criteria. This case study is “in progress.” It provides a conceptual framework for examining the hypotheses that people face in the disability sector, community support systems are linked to intergovernmental reform, and changes in the nature of achievement on the three assessment criteria. The Roeher Institute proposed a case study as part of this research initiative.

NOTES

1 The Roeher Institute proposed a case study as part of this research initiative to explore the hypothesis that when it comes to the disability sector, community support systems act as a kind of “intervening variable” between intergovernmental reforms and the extent of achievement on the three assessment criteria. This case study is “in progress.” It provides a conceptual framework for examining the hypotheses that people face in the disability sector, community support systems are linked to intergovernmental reform, and changes in the nature of achievement on the three assessment criteria. The Roeher Institute proposed a case study as part of this research initiative.

2 The background research for this chapter included a review of a number of studies undertaken by the Roeher Institute examining disability-related support systems and provincial/territorial contexts. A major challenge in the work has been to conceptualize how community support systems are linked to intergovernmental regimes and to design a methodology for community case studies to help make that link work. In part, this was because attention to the CAP governance regime was more focused on the broader politics of federalism. It was less a question about the kind of regime needed to get the job done in the disability sector. Community support systems act as a kind of “intervening variable” between intergovernmental reforms and the extent of achievement on the three assessment criteria. The Roeher Institute proposed a case study as part of this research initiative.
as well as key informant interviews about community support systems in five communities: Alberta, Ontario, Quebec, Prince Edward Island, and Newfoundland.

- The "Family, Friends, Community" initiative was announced by the Alberta government in 1994 as a joint effort with the federal government and the non-governmental organization disability sector to assist families with children with disabilities and complex medical needs to be supported in the community. The project focused on the Edmonton region, and the Rosecrest facility in that city, which provides short- and long-term health care for children with complex medical needs. See The Roeher Institute, *Towards Inclusion* (Toronto: The Roeher Institute, 1999).

- Local agencies serving people with developmental disabilities and disability advocacy organizations in Thunder Bay launched a "System Re-Design" initiative in the early 1990s to "individualize" the dollars contracted to the agencies so that families could purchase the supports they required in the community, and to give them status in the contracts between the provincial government and service agencies. See The Roeher Institute, *Evaluation of the Choices Project in Thunder Bay: Final Report* (Toronto: The Roeher Institute, 1997).

- "Choice and Opportunity" was a federal initiative announced in Longueuil, Quebec in 1994, as a partnership between the federal and Prince Edward Island governments. The project "Intégration sociale des enfants handicapés en milieu scolaire (ISEHMS)," operating in communities throughout Quebec, is funded, in part, through Health Canada's Community Action Program for Children. The project aims to provide school-based, child-care services inclusive of children with disabilities. It involves partnerships between educational institutions, child-care agencies, and disability organizations. Research for this chapter examined, through key informant interviews, operation of this project in Longueuil. See *Towards Inclusion* (Toronto: The Roeher Institute, 1999).

- Supports and services to people with disabilities have been undergoing similar shifts in Newfoundland as in other jurisdictions. Creation of regional health authorities, deinstitutionalization, individualized funding initiatives, federal-provincial-NGO partnerships, and the demographics of a growing population of people with disabilities are all part of the new landscape. The shift from CAP to CHST was projected to improve the services provided to people with complex medical needs. See The Roeher Institute, *Towards Inclusion* (Toronto: The Roeher Institute, 1999).
The title page of a document that discusses various initiatives and funding arrangements for community support systems. The text mentions the involvement of both federal and provincial governments, and highlights the importance of understanding the roles and responsibilities of each level of government in implementing policy goals. It also references a recent provincial policy trend in regionalization of health and social services. A directory of disability organizations is noted, listing over 5,000 specific organizations in the voluntary sector, excluding generic community agencies and public and private for-profit sectors. The text references several works and datasets, including a directory of disability organizations published by the Abilities Foundation, which lists over 5,000 specific organizations in the voluntary sector alone in Canada. The text also references recent provincial policy trends in regionalization of health and social services.
disability community shares with other groups a sense that a broader notion of citizenship — focused on participation — is required if cultural, linguistic, ethno-racial, and other forms of diversity are to be fully accounted. Fostering citizenship in this sense will help to secure the "deep diversity" that Charles Taylor suggests is necessary for social and political cohesion in Canada. But it also raises new questions about the respective roles and obligations of both levels of government concerning the advancement and ensuring citizenship in Canadian society. See, for example, Will Kymlicka and Wayne Norman, "Return of the Citizen: A Survey of Recent Work on Citizenship Theory," *Ethics* (January 1994): 352-81; and Charles Taylor, "Shared and Divergent Values," in *Options for a New Canada*, ed. R.L. Watts and D.G. Brown (Toronto: University of Toronto Press, 1991).

Reports from government consultations include, for example, the 1983 and 1985 reports of the federal-provincial, *Study of a Comprehensive Disability Protection Program* (Toronto: The Roeher Institute, 1997); the report of federal and provincial ministers of social services, *Mainstream 1992* (Toronto: The Roeher Institute, 1994); the 1996 report of the federal Task Force on Disability Issues, *The Will to Act* (Toronto: The Roeher Institute, 1996); and various reports of the Standing Committee on Human Rights and the Status of Disabled Persons. Policy research informing the analysis of *In Unison* and the policy objectives include a number of studies, including background papers prepared for the federal Task Force on Disability Issues, and various studies by the Roeher Institute, including *Nothing Personal: The Need for Personal Supports in Canada* (Toronto: The Roeher Institute, 1993); *On-Target? Canada's Employment-Related Programs for Persons with Disabilities* (1992); *Poor Places: Disability-Related Residential and Support Services* (1990).


Information networks and Websites for this kind of information have been developed, or are being developed by the Canadian Council on Rehabilitation and Work, the National Institute on Disability Management and Research, the Canadian Abilities Foundation, and the Canadian Association for Community Living, among others.