

Social Policy in Canada – Looking Back, Looking Ahead

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This paper discusses recent policy trends, the changing role of the various actors in the system, international comparisons and a range of other social policy topics. The immediate purpose of the paper is to examine the reasons why social policy analysts need to look into the future, and to explore ways of managing the inevitably large risks associated with such future-looking exercises. The underlying purpose, however, is simply to introduce a range of important Canadian social policy topic to students and others who are interested in social policy, but without much previous background in the areaⁱⁱ.

The first part of the paper was taken directly from a 1994 presentationⁱ that was intended to provide outside social policy experts (from Latin America in this case) with an overview of the Canadian social policy landscape, particularly of recent trends and possible future directions, mainly from a federal government perspective. At that time, major reform of social security policies was being discussed and I tried to give our visitors some flavour of the background to that reform, with particular emphasis on the

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ⁱⁱ Indeed, this is a revised version of an introductory reading that was drafted for use in a 2008 social policy course in the MPA program at the Queens University School of Policy Studies. The students came from different academic backgrounds and I was unable to find an off-the-shelf reading that: a) would quickly introduce them to recent social policy trends in Canada and to topics that are of current concern; b) that took the perspective of someone who has been actively engaged in social policy analysis and development inside government, and c) that was reasonably short and accessible.

challenges of undertaking reforms in a time of constrained resources. That presentation ended with a discussion of possible future directions in social policy in Canada.

The timing of that conference was interesting in hindsight. 1994 may have been the last year in which an optimistic paper could have been written about comprehensive social policy reform in Canada, at least at the federal level. The years since then have had a very different look and feel, with much greater emphasis on smaller marginal changes, use of different social policy instruments particularly tax instruments, new relationships between the federal and the provincial and territorial governments, a different fiscal climate, and some new thinking about the purposes of social policy. In reality, this shift had started well before 1994; the reforms that were being discussed then might be thought of as the last gasp of a faded era.

The second part of the paper assesses the 1994 forecasts in light of hindsight. It describes what has happened in the intervening period and makes some observations about the newer forces that might drive social policy in the future.

An assessment of the success of current policies is an important factor in determining the nature and scale of the changes that may be needed in the future. Are there big problems to be fixed, or will incremental changes be sufficient in order to assure that we remain world leaders? Many criteria can be used to assess current success. A particularly powerful approach is to compare ourselves with other countries who are recognized world leaders. That is the subject of Part Three of the paper.

The final part of the paper returns to the way in which the 1994 paper discussed future directions and suggests that a more nuanced approach is needed. There are quite different reasons for looking to the future, each with its own methods and risks. We need to be clear about which purpose is being served if we are to find a better way of managing the risks of looking into a, largely unknowable future.

PART I. SOCIAL POLICY CANADA: A VIEW FROM 1994

I started the 1994 presentation by providing some historical context...

Recent Trends, As Seen in 1994

The social security system in Canada in the mid 90's was greatly shaped by initiatives taken between 1964 and 1971. Those initiatives did not simply fall out of the sky. They all had antecedents and it is possible to portray the development of the welfare state as the outcome of a longer evolution going back to WWI and WWII and to pressures flowing out of the industrialization of Canada and to the great depression.

However, the initiatives introduced in a relatively few years surrounding Canada's centennial year, 1967, amounted to much more than a series of separate reforms on different social policy tracks. When taken as a whole, they brought the various separate pieces of social policy together in a reasonably coherent way that defined the Canadian version of the welfare state. The ground was laid for a huge expansion of postsecondary education. Helped by federal financing, the provinces set about doubling the university capacity and creating a new system of colleges. The framework for adult training was also put in place at this time. The structure of the social assistance system was set with the passage of the Canada Assistance Plan (CAP), which provided federal, cost-shared financing for provincial social assistance – or welfare as it is often known. Extensive reforms were introduced in the area of health and income security for seniors.

"Active manpower policy" was also introduced in Canada at this time. This involved a stronger government role in labour market adjustment, including counselling, training, support for mobility, and community economic development. The Royal Commission on the Status of Women put a new focus on equity in social programming. The Bilingualism and Biculturalism Commission report of 1965, and the Official Languages Act of 1969, brought language and multicultural issues to centre stage.

At the end of this period, in 1971, there was a major expansion of unemployment insurance. Since then, there has been a paring back in some areas and additions in others, but the unemployment insurance system in 1994 was still fundamentally based on the 1971 reform. In many ways, unemployment insurance became and remained the defining Canadian social security program for adults, going well beyond the usual scope of insurance and into matters like regional development, training, and special benefits like maternity leave. Unemployment insurance represented both the strengths and vulnerabilities of social security in Canada.

The result of these reforms was a mature welfare state. It provided Canada with the kind of safety net that had been the goal of social policy since the Great Depression, but one that made sense for the society and economy that had emerged in postwar Canada.

This was a period where, at least in a stereotyped, middle-class version, children grew up in a stable family environment, with a father at work in a steady job and most mothers at home raising children. Children got their education at school, graduated, and found reasonably stable jobs themselves. Layoffs occurred during economic down-turns but the jobs would still be there when the economy recovered. If people were unable to participate in the labour market for reasons of serious disability, institutional care would be available. Real incomes were rising and people could plan based on optimistic assumptions, with strong incentives to work. People saved for retirement and employees stopped working about the age of 65.

Although a stereotype, this vision of "normal" society was widely supported by popular culture. Its assumptions were at the heart of the new Canadian social security system. Some of these assumptions never did apply to large segments of the population. (For example, part-year work and unemployment were common; and single-headed families have always existed). Hardly any elements of this vision remained valid in 1994.

The changes in the structure of Canadian society since the 1960s were very large on many dimensions. The examples that follow show that, in case after case, indicators of fundamental social change had by 1994 doubled, or halved, in a period of less than 30 years:

- The number of one-parent families had doubled from about 8% to 16%.
- Average unemployment rates doubled from around 5% to 10%.
- The duration of unemployment jumped from about 17 to 25 weeks.
- Although the average schooling among young people grew considerably, youth unemployment rates jumped from about 10% to about 18%.
- The annual rate of growth in real family incomes fell from about 4% to about 2%, whereas the annual rate of growth of real individual incomes in constant dollars plummeted from around 9% to practically zero.
- The percentage of families with both parents working had almost doubled from about 32% to 61%.

- Women's participation in the labour force doubled from 34% to 68%.
- Average age of retirement for men fell dramatically. In the 1960s, about 26% of men over age 65 were still working. This had fallen to about 10% by 1994.
- The share of immigration from outside of Europe and the United States doubled from about 37% to about 76%.
- Social security spending (not counting seniors benefits) doubled as a percentage of gross domestic product (GDP) from about 7% to 14%.

Government social policies support and help overcome the weakness of the main social structures of a country, especially markets and families. Given the depth of the changes in the underlying social arrangements and structures just described, it would therefore have seemed normal to anticipate equally radical changes in social policies. In 1994, it seemed clear that this would involve reducing the cost of some social programs. Government deficits had to come down and social programming, which made up an increasing portion of government spending, would have to be part of expenditure restraint. However it was also understood that change was not only a matter of reducing expenditures and the size of the deficit. Reforms were needed in response to deeper problems in social programming. Existing social trends, if they continued, would result in social programs that were simply not sustainable.

The underlying problem was that, in 1994, Canadians were spending less time in paid work. This was happening at both ends of life. Canadians were spending more of their early years in school and more of their older years in retirement. In people's middle years, there was more unemployment, unstable work, and work in the underground economy. In the hours that were worked, productivity trends had been stagnating, as had real individual earnings.

In 1994, however, these underlying factors were disguised by an offsetting trend with more women participating in the labour market and, with the large baby boom generation still in the work force, the result was a temporary swelling in the number of employees. That is, there was a growth in the number of producers in the economy relative to the total number of consumers in the population. The presentation explained that the growth in women's participation could, obviously, not continue indefinitely and that, in the not too distant future, the baby boomers would reach retirement age, re-enforcing (as opposed to offsetting) trends towards fewer workers to support more consumers.

The presentation made the case that it was a simple matter of arithmetic that, eventually, the people in a society cannot continue to work and earn less over the course of their lives and, at the same time, be able to support themselves at the same, or more generous, levels during the growing periods of their life when they were not working. There would have to be an increase in some combination of taxes, productivity, total hours spent working, or in policy effectiveness. Otherwise social spending for those not working would have to fall. Immigration and demographic patterns could accelerate or slow the relentless path of this logic, but only temporarily. Under constrained resources, something would have to give. There could be no magic escape from this logic.

A common view in 1994 was that the best outcomes from those listed in the paragraph above would involve some combination of increased earnings through productivity growth, increases in the amount of time spent working (at least as it results from reduced unemployment) and more effective social policies. The final section of the presentation

addressed the latter but, before doing so, it reviewed the then existing social policy arrangements in Canada.

Arrangements in Canada in the mid 1990's

In Canada, the terms *social policy*, *social security policy*, and, more recently, *human resources development policy* have typically been used loosely, and often interchangeably. Social policy can be defined broadly to include income support such as seniors' benefits, unemployment insurance and tax credits, employment and labour programming, education, health and social housing, and social services. In practice, however, the presentation was mainly limited to those areas of social policy that were under review in Canada at that time: those related to employability programming, income security, and learning.

In Canada in 1994, the federal department of Human Resources Development (HRDC) administered or contributed to the financing of most of the programs within the scope of the review that was then taking place. This included unemployment insurance, student loans, transfers to the provinces to share the cost of social assistance and postsecondary education, and a wide range of employment and social development programs. Programming was administered through a decentralized network of regional and local offices. HRDC also administered programs that provided pension benefits to seniors and a number of programs related to equity and to labour legislation in areas of federal jurisdiction.

Federal tax policy also influenced social policy in a variety of direct and indirect ways. The child tax credit was a particularly important element. Options relating to it were included in the Discussion Paperⁱⁱ referred to below. Other federal departments had responsibilities for related programming in areas like health, public safety, and social housing. Statistics Canada produced information about most dimensions of the social system.

The provincial and territorial governments were responsible for education, social assistance, and social services – key areas that were within the scope of the social security review. They too had student assistance programs, their own income taxes, and, to varying degrees, employment development programs. Depending on the program, provincial decision-making was also decentralized to local areas – in some cases, more decentralized than was the case at the federal level, sometimes less.

In the years before 1994, Canada had begun moving toward a more integrated approach to social policies, which implied thinking of income support and services such as training and education as being part of the same human resource development package. In 1993, at the federal level, the creation of HRDC was a big step forward. The new department brought together responsibilities that were formerly in four separate departments. The scope of the then current reform exercise was another manifestation of a broader, more integrated approach. Provinces had similarly been active in integrating and rationalizing their programming, although not always following the same path.

The presentation explained that the particular split of social security policy across the two orders of government, i.e., federal and provincial/territorial, was uniquely Canadian. Finding good working arrangements was an important dimension of the social security reform process. While there is no doubt that the split jurisdiction for social policy added complexity, it also resulted in a situation where the whole country could benefit from the experience of a province that took the lead in a particular area of social policy.

Saskatchewan is famous in Canada for taking the lead in health care insurance. Québec is often a leader in many areas of social policy, including in early learning and child care.

In terms of partnership with non-government players, Canada in 1994 was perhaps less developed than some other countries. For example, the machinery was not yet in place for governments, labour, and business to act in full partnership in labour market policies, an area of direct interest to all parties. This, however, was changing. At the federal level, business and labour were playing an increasing role through organizations such as the Canadian Labour Market and Productivity Centre and, later, the Canadian Labour Force Development Board, which provided advice on matters relating to training and other labour market programming. Similar boards existed or were being planned at the provincial and local levels. Some industry sectors were also becoming more organized in their approach to human resource development.

In terms of program design, Canada tended to follow traditional models. That is, a fixed set of products – a cheque, service, or some information – was offered to people who were eligible. Each set of products was administered separately with relatively little cross linkage – even though the same individual might have need for support from more than one source. There had been some progress, however, in breaking down these program boundaries in the years before 1994.

For example, the local staff of HRDC had, in 1994, good experience in flexible, responsive service delivery, but generally only in the use of tools that were within the departmental tool kit. On the other hand, there had been experiments that combined unemployment insurance, social assistance, and employability measures into an integrated package. Often these had been used to help welfare recipients gain the skills and the self-esteem needed to prepare for work, together with help in finding real jobs. There had also been pilot programs that involved the joint federal and provincial delivery of service. And Canada had a good record in undertaking large scale evaluations that looked at the outcomes of its programs and policies. Overall, the Canadian record was good in these areas, compared with other countries, particularly in the areas of local decision-making, program evaluation, and experimentation.

However, by 1994, and in common with many other countries, attention was shifting away from outcomes and effectiveness towards more input and process issues such as compliance with eligibility criteria and high quality in the delivery of services.

The Policy Context

In 1994 Canadians addressed social policy reform within an intellectual framework that was quite familiar, at least among OECD countries. The presentation therefore reviewed this received wisdom for our Latin American colleagues before turning to the specific reform proposals.

Perhaps the fundamental policy direction that was seen in 1994 was a greater focus on individual citizen's needs and abilities. This could be seen in the commonly used themes of investing in people, mutual obligations, caring, social integration, and in the emphasis on active supports to help people to learn and find jobs. The underlying argument was that social security policy must help individuals adapt to a rapidly changing world. It would have to go beyond passive safety nets.

By 1994, there was an increasing recognition that social policy must be rooted in a deeper understanding of human complexity and of human development. It required an

understanding that events at one stage of a person's life can have important consequences later on and it recognized a continuum of need and opportunity. Most people, most of the time, were near the self-sufficient end of this continuum of need and opportunity. At the other end of the spectrum, perhaps one person in five faced multiple or severe barriers. They required more assistance to participate on a level playing field. In general, most people need some assistance at some stage of their lives. Often these would be at the big transition points that cross the main institutions of society – from school to work, leaving the parental family and starting a new family, family breakup, work to retirement, or finding work after a period of joblessness.

Compared with their counterparts in many other countries, most Canadians of 1994 were nearer the self-reliant end of the spectrum. The basic supports – family, community, jobs, learning – were mostly there.

The presentation then went on to make some observations about trends in these social institutions that could have an effect on social policies.

First, *families* provide the main support for individuals throughout life, especially for children.

- The nature of the family was changing rapidly. Social security policies in support of families, including child care and child benefits, needed to catch up with the new realities.
- More "flexible" labour markets – where some people work fewer hours than they would like and others work more – often created inflexibilities in families, such as time deficits and the need for both parents to be working and some supports such as affordable child care were missing.
- There was growing recognition that we did not know enough about what was happening inside families and how families and communities were evolving. Future policy should be supported by better data and research on these issues.

The *market* is the second dominant social institution that supports individuals, especially in their middle years.

- Labour markets provide income and opportunities for productive activities. The nature of work, however, was seen to be changing rapidly, mainly because of changes in trade and technology.
- There was a long-run upward trend in unemployment that was bad in itself and fostered other social problems.
- Increasingly, the key social policy objective in this context was to help people find jobs and to encourage the development of human resources in terms of the skills and abilities that would be available to the workforce.
- Much greater attention was paid to human resource development on the job, including the role of employers and unions in shaping jobs and in providing learning opportunities. This attention to "internal labour markets" was a new policy direction for Canada.
- Some Canadian observers in 1994 were concerned about trends toward a polarized labour force and the split between good jobs and bad jobs.

- Despite some evidence of a trend towards polarization, most of the emphasis during that period was based on the idea that any job is better than no job.
- Perhaps the main discussions in Canada in this area were related to the impact of payroll taxes on employment growth. Compared with policy discussions in other countries, there were relatively few proposals to increase wage flexibility in order to increase employment.
- Relatively more attention was paid to labour market flexibility with respect to hours, but even here there were not the kinds of debate around the length of the work week or work-sharing schemes that were being seen in some European countries.

Education, health care, and a range of other established social services are the third of the main ways that society supports individuals.

- Common policy themes of the mid-90's were the greater use of prevention and hence less need for remedial care; learning to learn as opposed to learning specific skills; measurement of outcomes; more market-based incentives and freedom of choice; better counselling, case management, and assessment and referral processes; and more community-based action and less reliance on big institutions.
- Jobs, learning, health, crime, early childhood development, and social well-being were beginning to be seen as being intimately linked, with their combined impact being most important for social policy. Policy discussions of the day recognized that more needed to be known about these impacts and about the consequences of interventions at different stages of an individual's life.
- In Canada, perhaps more than in most advanced countries, child care and early childhood development was underdeveloped and improvement was seen as a particularly important priority for action, as were transitions from school to work.

Governments are the fourth in this list of the big institutions of society that support individuals.

- Governments carry out their role as employers in their own right, in the financing of services like education and health care, in the direct provision of other services including employment development services, in income support and taxation, and in regulation, and in the setting of standards. It is this support from governments that was the prime focus of the social security reform being launched in 1994.
- The fast pace of change in the role of individuals, families, jobs, and services was seen to require changes in what governments did and how they did it. The early 90's were marked by perhaps three trends in Canadian thinking about the role of government in social policy.
 - First, much commentary suggested that there should be a shift in the relative balance of programming toward services, especially learning. This was based on policy trends that favoured prevention rather than remedial interventions, and active interventions rather than passive income support alone. The result was a major change in the focus of social policy.
 - In the 1960s and 1970s, the heavy focus was on matters of equality, particularly in income distribution, and on risk mitigation –

particularly risks associated with sickness, unemployment and loss of living standards upon retirement.

- To this has been added a new focus on meaningful work and learning and on human development issues generally.

Lying behind this trend was a new emphasis on the importance of jobs and employment growth – with both social and economic policy supporting job growth. This trend was by no means limited to Canada. 1994 was the year in which the OECD published its hugely influential Jobs Study.

- o Second, was a trend toward solutions that involved cost savings, greater rationality across categories of social programming, and more effective interventions such as those that were community-based (as opposed to relying on big institutions). In consequence, much attention was placed on the costs and disincentive effects of income security programs such as unemployment insurance and social assistance. A very new trend had been to look to effectiveness issues, particularly moving service-based programming to a more evidence-driven "what works" approach.
- o Third, there had been a greater recognition of the continuum of individual needs and opportunities described earlier. This meant more and better use of information, less expensive interventions, and encouragement of market forces for the great majority of people who had the ability and opportunity to adapt by themselves. It also meant more costly, tailor-made interventions for those in most need, nearer the other end of the self-sufficiency continuum.

The Social Security Review of 1994

On 18 September 1994, the Prime Minister of Canada announced a jobs and growth agenda. Its components were improving social security, ensuring a healthy fiscal climate that supports economic and job growth, reviewing government programs, and strengthening the performance of the Canadian economy in investment, innovation, and trade.

On 5 October 1994, the minister of HRDC released a discussion paper (see endnote ii) on the first of these components, social security. The paper, "Improving Social Security in Canada," described directions for change and offered a range of options for redesigning federal programs in the areas of working, learning, and security. These programs include unemployment insurance, employment services, and federal support for postsecondary education and social assistance.

The discussion paper was issued to provide a framework for a consultative process. A parliamentary committee would hold public hearings and would generally be the focal point of the consultations.

The discussion paper set three objectives for renewed social programs: helping Canadians to get and keep jobs; supporting those most vulnerable, especially children living in poverty; and ensuring affordability. A number of guiding principles were also proposed. These included creating opportunity, investing in people, sharing mutual responsibility, preventing future problems, putting people first, and ensuring greater fairness and affordability.

In the section on working, the discussion paper proposed ways of improving employment development services. These included better counselling, better information, improving basic skills, classroom and workplace training, and incentives for hiring unemployed people. It stressed the importance of better management including measuring results, community leadership, and better ways for the federal and provincial governments to work with each other.

Two basic approaches were proposed in the area of unemployment insurance. The first involved creating a new "employment insurance" program. The second would tighten rules of the existing unemployment insurance program, for example, by making it harder to qualify for unemployment insurance and reducing the periods during which a person could draw benefits. Both approaches could be used.

It was suggested that a new employment insurance program could have two components: basic insurance and adjustment insurance. Basic insurance would be for occasional unemployment insurance claimants, i.e., people who use the program infrequently. For them, the unemployment insurance program would work much the same as it does now – income support while looking for another job. It would also include current sickness, parental, maternity, and adoption benefits. Adjustment insurance would be for frequent unemployment insurance claimants, i.e., people who experienced recurring unemployment problems. These benefits might be lower than basic insurance, but frequent claimants would also get more active assistance in finding a job. Other proposed changes related to the coverage for nonstandard work.

In the section on working, the discussion paper also dealt with the financing of unemployment insurance and employment development services, including options relating to the level of payroll taxes, counter-cyclical financing and experience rating. Other options dealt with better ways of meeting the needs of working parents.

The section dealing with learning mainly concentrated on the financing of postsecondary education. It raised issues around greater use of loans to students, particularly those that could be repaid later in life based on current income. The discussion had particular relevance in Canada at that time. The formula by which the federal government transferred funds and tax points to the provinces for postsecondary education was such that cash transfers would disappear within a decade. The exploration of alternative uses of that cash was, therefore, timely. Another option related to the possible use of registered retirement savings plans to pay for education and training.

The section dealing with security discussed alternatives to the existing federal mechanisms for financing provincial social assistance programs. Existing arrangements were thought to be inflexible. They did not support provincial efforts in areas such as active programming and child development services. They made it hard to overcome welfare traps. Much attention was paid to options that addressed child poverty, including the use of tax credits.

Concluding Observations: the view from 1994

The presentation concluded with a description of the Canadian experience in using social policy to better support a country's competitiveness and in providing social security in an affordable manner. It looked ahead to likely future directions.

Perhaps the most familiar policy response in 1994 was to keep social payments, particularly income support, as low as possible within the acceptable norm for a country

– in order to avoid disincentives to work and to lower government expenditures and hence taxes. Doing that would support economic growth, other things equal. More jobs would be created and the need for social programs would be thereby reduced. In Canada, for example, unemployment insurance had been tightened up in a series of reform measures in the years before 1994.

However, the presentation pointed out that many people in Canada believed that this familiar “tightening up” solution, that had been so associated with the Reagan and Thatcher years in the United States and the United Kingdom, would not be enough. The presentation said that there would have been little public appetite in Canada for even deeper cuts to programs, ones that would undermine social equity or basic income security. However, unemployment insurance was a relatively easy target because many Canadians observers, although certainly not all, felt that it was still too generous and caused too many distortions in the economy.

The presentation suggested that, while further tightening up would certainly continue to be one avenue of reform, more radical approaches would be needed for the long term. These included:

- Shifting toward human resource development strategies.
- Greater flexibility and integration across the big institutions of society.
- Information as a product of the social policy system.

Human Resource Development Strategies

Future reform should make programs more effective, not only less costly. This meant looking at the benefit as well as the cost side. With a focus on benefits, it would become increasingly clear that many programs, particularly income support programs, simply did not make sense. They were aimed at the wrong objective. In particular, programs that simply supported people through long periods of joblessness, without helping to prepare them to find new jobs, were simply out of touch with the realities of the changing job market. People needed new skills, and a competitive, good jobs economy depended on a skilled labour force. A human resource development strategy based on building skills could address key social and economic objectives simultaneously.

A shift toward a human resource development approach would be a move in the right direction, but would be no panacea. Solutions would not be easy to implement. First, they involved more upfront cost. While they could be defended in investment terms in light of their subsequent payoffs, the reality was that government accounting in this area had traditionally not been done on an investment basis. The information to support accurate calculation of costs and benefits had not then been developed.

Indeed, evaluations of active labour market programs in Canada and other countries had shown quite mixed results. Programs such as adult training had worked on balance, but often not by much and not in all cases. Some of us believed we knew the reasons for this and how to introduce programming that would work far better. Solutions would involve much greater tailoring of programming to individual needs and a shift to an output oriented set of incentives. However, these solutions would not be quick or easy. Upfront investments would be required, not only in the design of the interventions themselves, but in developing the information and applying the knowledge required to implement results-oriented programming.

On the positive side, the presentation suggested that the mid 90's would be a good time to make a shift towards placing more attention on human resource development. Economic recovery in Canada was beginning to lessen the pressure on existing social programs, at least a little, and a major shift to active measures such as training would be easiest when the economy was improving and the number of jobs was growing. In downturns, the question of "why train, if there are no jobs" is often raised.

(It is interesting to note, however, that people who asked this question seldom asked the seemingly corollary question "why stay in school, if there are no jobs." Presumably, people had more faith in the long-term payoffs from initial education than from adult training. They might have been right. Unfortunately, empirical evidence in this area was not strong. We could not yet base strategies for lifelong learning based on hard data about what works best.)

The presentation suggested, as had been mentioned earlier, that the most promising area for expanded social investments in lifelong learning was in the area of early childhood learning. If this were done by expanding quality childcare systems, there would be the double payoff of gains in learning among the young children with future social payoffs, and of supporting a jobs and employment agenda in the present by allowing mothers to return to the labour market more quickly after having children.,

Flexibility and Integration across Social Institutions

A second, long-run approach to effective social policy might involve using social policy to increase flexibility across social institutions – work, community service, schools, and family. One example would be better integration of learning and work. This would involve more flexibility in the transition from school to work along the lines of extended apprenticeship, internship, and cooperative education models. But it would also apply throughout life – with more structured approaches to lifelong learning, including possibly the development of skill and occupational standards.

More flexibility in work arrangements would be another example, involving more flexibility in hours, work-sharing, leave, and so on. But this must be done carefully to avoid simply offloading rigidities in one system to another equally important system. All too often, workplace flexibility means that some people work more than they want (often creating time pressures that decrease family flexibility) and others work less (resulting in a different set of pressures on family life).

More flexibility was also needed in the transition between work and retirement. When unemployment is high, trends toward early retirement provide relief in the labour market. Over the longer term, however, flexibility should include more choice in the paths from work to retirement. One of the most dramatic features of society in the coming decades would be the growing numbers of healthy, skilled people who would be over the current retirement age.

The presentation suggested that social policy in Canada should give more weight to the role of community service and non-market activities – both in terms of the intrinsic value of those activities and in their role in providing learning and meaningful activity at different stages of life. Examples included work in the home and in the volunteer sector, particularly in the care of children and the elderly, and in a wide range of environmental, community, and charitable undertakings.

It was sometimes claimed that government social services could undermine individual initiative and the roles of the family and community. In reality, these impacts were rarely taken into account in estimating the costs and benefits of programs. The data and research to determine the magnitude of these impacts simply did not exist. Nor was there good data and research that showed how interventions at one stage of life impacted on later stages. Nor was there good research on intergenerational impacts.

The presentation noted that governments had many social policy levers that could be mobilized to increase flexibility and integration across the big institutions of society – from labour standards, to parental benefits, to promotional stay-in-school campaigns, to apprenticeship certification, to age of entitlement to seniors' benefits. They had not, however, been used in a concerted fashion. There was a lack of policy-oriented research to guide policymakers in this complex area. This appeared to be an area of considerable potential for policy research and, later, action.

Information as a Product of Social Policy

A final, long-term push toward greater effectiveness might be in the greater use of information as a product of the social policy system, taking its place along with the more traditional instruments of income support, regulation and services. Information was relatively inexpensive, and it had potential for getting good results. It fit in with a strategy of prevention, taking action that would prevent problems from arising.

Better information could, in principle, help individuals, families, employers, unions, community groups, and a whole range of service providers make better decisions. It could improve the self-reliance that was a central goal of social policy.

- First, as a consequence of the use of better technology, that there would likely soon be a great increase in the amount of readily accessible, integrated information that would help match individual and family needs with available services – such as social services, or learning opportunities like evening courses offered by schools, or employability services. This information would, in turn, encourage the growth of more market-based incentives in the provision of social services, with some gains in efficiency. There could also be a growing use of these techniques to help people assess their needs in light of available services.
- Second, there would likely be a steady increase in accessible information that would allow self-learning and the development of new skills. This would be an extension of distance learning that was already well-advanced in Canada and that was built on new communication and computer technology. The challenge would lie not so much with the information technology, but with the content – including matters of standards and certification. The pace of development would be driven by the ability to make progress on these substantive topics.
- Third, there would likely be a rethinking of the role of promotional or social marketing information. Marketing has many purposes. It could promote awareness of problems – like children at risk or discrimination or illiteracy. It could help raise funds for service providers. It could promote certain behaviours like the Canadian "Stay in School" media campaign. It could support concerted action and cooperation – often by designating years or days that recognize something of value, like the International Year of the Family. A stronger focus on prevention would suggest a larger future role for promotional activities. Yet, in the area of social security, not enough attention had been paid to issues such as

costs and benefits, uses and potential misuses, and priorities for action. More discussion and study would be warranted.

- Fourth, the presentation predicted a trend toward major new investment in gathering general intelligence about the operation of the labour market, the learning systems, the family, information about the changing nature of social problems, and information on best practices. These included the basic data collected by Statistics Canada and more research-oriented longitudinal surveys. General intelligence information could improve the overall performance of the social security system. It could also help individuals make better educational or job search decisions.
- Fifth, and at the other end of the spectrum from general intelligence data, would be an automation of the very specific "micro" information needed to help many thousands of job seekers and employers get together. These would include proposals for an "electronic hiring hall" – an automated means whereby individuals could enter their qualifications and employers could enter their job vacancies into a system that would allow for highly automated screening and matching of people's skills and job openings.

How can a substantive reform agenda be formulated in a time of restraint?

Finally, the presentation asked how a practical reform agenda could be formulated in a way that would move in these desirable longer run directions and that would also save money. There could be no easy answers. Balancing winners and losers and balancing competing objectives is never easy. It is especially hard in a time of overall restraint. In Canada that was a particularly difficult task because of a strong regional dimension to social programming. Policy changes can result in winners and losers among the provinces as well as among groups of people. Large-scale reform in Canada has often failed in the past because of an inability to reconcile place-based and people-based reform agendas.

There were, as always, both *process considerations* and *substantive considerations* in developing a reform agenda.

First, *from a process point of view*, there were the inevitable choices to be made between incremental change and big bang reforms.

- Big reforms were the norm when the big pieces were being added to the welfare state in the 60's and 70's as discussed earlier.
- As the welfare state became mature, the need was mainly for smaller-scale adjustments. Reform therefore tended to become incremental, focussing on smaller changes to existing programs.
- However, Canadian experience has suggested weaknesses in incremental reforms, particularly with a tendency towards "solving" problems in one program by offloading these problems to other programs or social systems, leaving the basic issue unresolved. There was also a problem of transparency since the changes in question were often quite technical and difficult to understand – raising larger issues about trust in government and public engagement in the policy process.
- Big reforms, with a larger number of programs on the reform table, could allow an easier resolution of this off-loading problem and also could provide more latitude for balancing winners and losers and competing objectives. Comprehensive reform of unemployment insurance in Canada had often failed in

the past because people could see only the proposed cuts to the program, not the design of better replacement programs.

- However, it might be easier to introduce such larger-scale reforms in a favourable fiscal environment, where there was more flexibility in balancing winners and losers. In a time of fiscal restraint, some of the potential shorter-term wins might have to disappear in order to reduce overall government costs and to begin attacking the debt. In such times, incremental changes, where losses are small or not readily apparent, might prove far easier to implement

Second, the success of reform initiatives often depends on finding the right balance between, on the one hand, consultation and consensus building and, on the other hand, taking leadership in quickly implementing reforms that are needed but that may be unpopular with some groups. However, I doubt that there are many lessons here that could be shared internationally; the right balance would likely be unique to a particular country and a particular time.

A third process consideration would involve the use of flexible reform strategies based around pilots, experiments, strategic initiatives, encouraging creativity among front-line staff in developing new approaches, and so on. These could complement bigger changes in the program building blocks and financing arrangements, thereby reducing the risk of large and often costly mistakes. It would be important to remember that evaluations have shown that many social programs are not very effective in meeting their stated objectives. Learning about what actually might work well through experiments could therefore both improve social well-being and reduce costs.

In terms of substantive ways of making reforms with constrained resources, the presentation pointed out that it may be possible to get savings, without undermining the basic purposes on the program, by more careful targeting of programs on areas of greatest need. At least this had been the Canadian experience.

- One way would be to use the income tax system either to deliver cheques only to those who most need them, as in tax credits, or to tax-back universal benefits to high-income families. New computing technology had allowed for more precise targeting of this sort.
- Targeting could also be accomplished by more closely tailoring programs to individual needs, so that those in less need do not get more than they require. (Careful targeting to need would also mean that those in greater need could receive not only more support, but also more effective support.) This kind of targeting could happen at the level of individual interventions. It could also be used to aim programs at more specific audiences – unlike the Canadian unemployment insurance system that has multiple objectives.
- Another approach to targeting would be to examine need over the course of life. In some cases, individuals could contribute a greater amount to their own income security through social programs that spread costs and benefits over different stages of life. Examples would be income contingent repayment loans for students and various forms of registered savings plans. Pensions are, of course, an existing instrument for supporting this kind of life-course reallocation.

Still another approach to finding savings without endangering basic objectives would be through improved efficiency in delivery. By the mid 90's there had been growing experience with the kind of social service interventions that work far better. These were

programs that were individually tailored, community based, and knowledge driven. Other candidates included reduction of overhead costs, overlaps and duplication, better control over abuse, and more joint work with other partners. Although these were hardly new ideas, the presentation suggested that they were particularly promising at the time as a result of the use of computer and communications technologies that were becoming increasingly accessible.

One way of getting savings – moving to low unit cost, one-size-fits-all services programming – would be a mistake. This kind of programming is cheap but it does not work. Cutting back on information technology and research overheads is another bad idea that will cost more in the end.

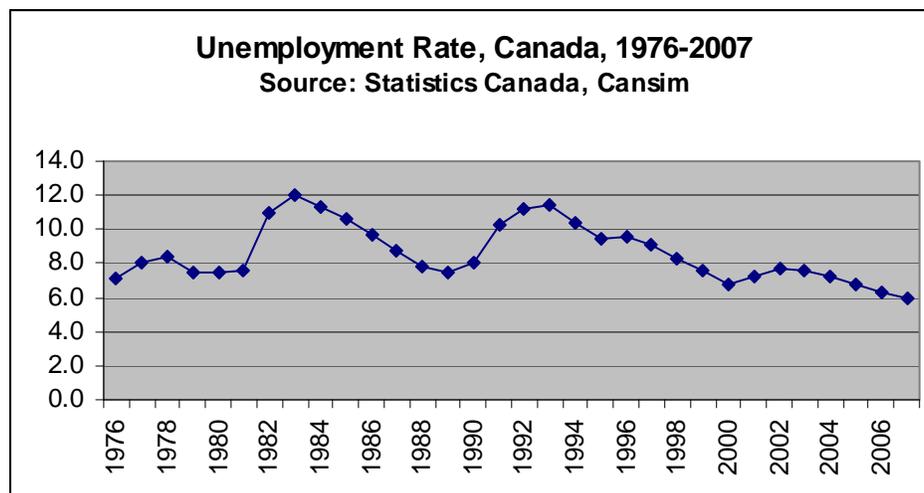
PART II. SOCIAL POLICY IN CANADA: A REVISIONIST VIEW FROM 2008

We now move to today, in 2008, and look back at the forecasts in the 1994 presentation. I certainly got a lot of it wrong, especially around the timing of reforms. On the other hand, the presentation did a reasonably good job in setting out many of the underlying policy trends that did in fact influence subsequent policy development.

However, before we turn to this discussion of what happened and why, the following charts summarise the social policy environment during the period since the mid 90s.

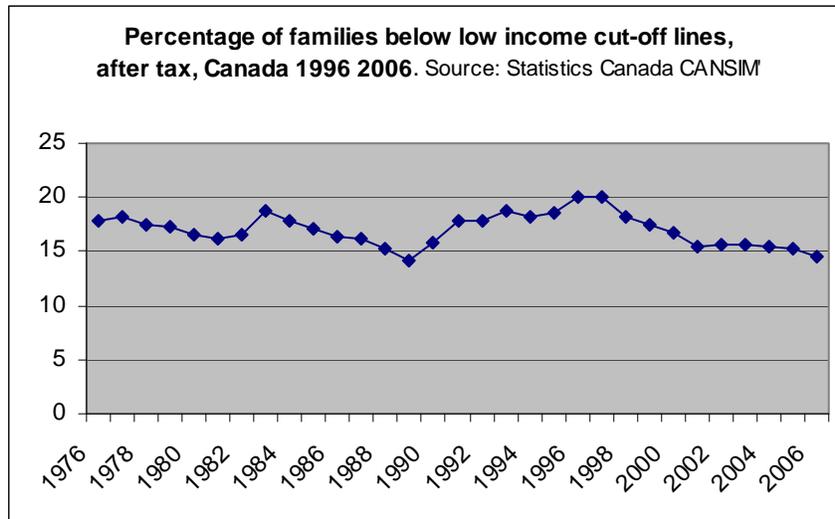
What actually happened?

Unemployment is an important driver of the social security system. The first chart shows the unemployment rate from 1976 until 2007. The rate fluctuated quite dramatically over this period. We can clearly see the down-turns of the early 80s and early 90s – followed by quite steady improvements over nearly the entire period since then.



The next chart also goes back to 1997 and shows the percentage of people living below low-income cut-off lines. The percentage of poor families has also fluctuated over time, but (of course) not nearly as much was the case with the unemployment rates. There has not been much change in the underlying trend over the entire period. In the most recent

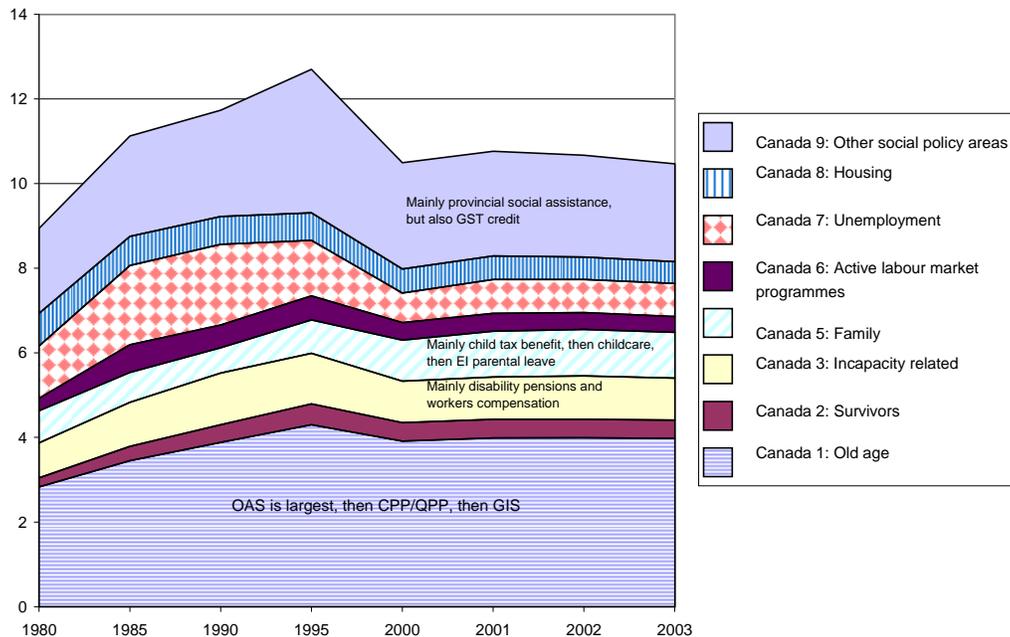
period, poverty rates were relatively high in the mid 1990s, fell until about 2002 and remained quite flat after that.



In other words, during the period since the 1994 paper, the risk of unemployment has been dropping and, with it, the pressures placed on the income safety net. This is shown in the improved poverty numbers during the same period. In more recent years, both series have been quite stable. In this kind of environment, it would be natural to expect a policy environment market by incremental change, not major changes or expansions. The next chart on social spending re-enforces this sense of an era marked by relative stability.

Note that time scale of this chart is different from those above, but the shows a similar pattern. Expenditures fell quite sharply in the 90s and then levelled off. Basically, nothing much has happened in the last decade, at least as measured by total spending. Note however, that there has been a significant change in the composition of social spending, particularly a decrease in spending on employment insurance. This reflects both lower unemployment and changes made to the employment insurance program.

Social Spending in Canada, excluding health, as a % of GDP
Source OECD SOCX



Against this backdrop of relative improvements followed by stability during the period since 1994, let us now turn in more detail to the predictions that I made in that year. The final section of the paper set out some thoughts on more likely directions of future reform. Most of these simply reflected views that were widely-held by social policy observers in Canada at that time, although I added a few personal twists based on research being undertaken in HRDC at that time.

The 1994 paper was reasonably successful in its assessment of general pressures and policy responses

The implicit assumption was that future reforms would be about on the same scale and ambition as those of the preceding period, particularly during the 80s. Remember that the 80s were marked in a number of countries by what many saw as the Reagan/Thatcher dismantling of the welfare state. However in Canada, in the 80s, there had certainly been retrenchment on some fronts, but expansion on others including a large increase in active labour market programming in the mid 80s. Restraint was very real in 1994, but the economy was becoming stronger and it seemed reasonable to expect that there would be room for new steps, as well as cutting back.

So, while I (along with many other policy observers of the day) did not foresee any radical overhaul of the social policy system, I did see much room for significant incremental reform on many fronts, particularly around using then current computer technologies to target policies more closely to individual needs, thereby both improving effectiveness and reducing costs – and doing so in a way that would not be intrusive.

I expected to see particularly large gains in the effectiveness of services such as employment programming and a substantial increase in the quality of our information about the operations of social systems. This new ‘what works best’ knowledge would

empower individuals by supporting more empirically-based decision-making, enable better functioning of markets (the labour market in particular), and reduce government costs since information is relatively cheap to produce.

I did not put as much emphasis on population aging and gender issues as some might have done in 1994. The coming retirement of the baby boom generation would prove to be a big problem in countries with rigid labour markets and costly pensions system, but this was not the case in Canada. Many issues of gender inequality remained of course, including achieving full equality in the labour market, but it seemed to me we were making progress about as quickly as possible, so it was more a question of persisting with action along the then current lines, rather than starting out on new directions.

I did not place as much emphasis as some would have on the effects of globalization on social policy, particularly the alleged effects of globalization on ‘the race to the bottom’. These are the pressures arising from international competitiveness that were expected to encourage countries to move towards convergent, low-cost social programs – ones that would allegedly greatly weaken the traditional safety net of countries such as Canada. I am not sure now whether I overlooked this theme (perhaps because it would seem irrelevant to a Latin American audience), or because I did not believe that globalization would have that these alleged effects. I hope it was the latter, since much of the subsequent literature has shown that these fears about globalization have not been realized.

I only mentioned health and long-term care issues in passing. This was not because I thought they were unimportant. Rather, they were not within the scope of my presentation.

In essence, I foresaw a fundamental improvement in the operation of our social system, particularly as it related to the labour market – but based on reforms that would mainly operate within existing program structures.

- Although I did not put it this way, along with many other observers, I had expected that we would continue to edge incrementally towards the negative income tax version of a Guaranteed Annual Income, which is perhaps the best way of capturing what many feel is an appropriate ‘end state’ for social policy in Canada – the kind of system that we are gradually working towards.
- This would be supplemented by a continuing shift towards active, social investment measures with a focus on jobs and encouraging labour market participation. I expected that this would result in even greater emphasis on post-secondary education, in starting to fill the large gap in early learning and childcare, and in introducing more effective active training and employment measures for adults.
- Information would play a much larger role in improving the functioning of those active measures and in directly supporting individual Canadians and institutions in making better labour market and social development choices.
- Most changes would result in some shift in funding towards deficit and debt reduction.

Some of that did happen, more or less.

- The intervening years did see much greater use of the tax system, particularly tax credits, to provide targeted income support. Some examples are given below.

- 1996 saw the introduction of a major change in the unemployment insurance legislation, renamed as Employment Insurance. Many changes in rules were introduced. Some tightened up on eligibility and benefits. Others increased accessibility by shifting eligibility to an hours worked basis. Much greater attention was placed on active labour market measures to help workers find jobs. This reform was bigger than the incremental reforms that I had expected would be the norm, but otherwise followed the anticipated pattern.
- A major reform of pensions was proposed in the 1996 budget that would have combined two existing public pensions and some tax credits into a single, targeted Seniors Benefit and would have also produced some fiscal savings. While this was finally not introduced, it was a good example of the kind of reform that I had thought would be likely – a significant shift towards a rational, targeted guaranteed income system.
- A 1997 reform was introduced to the contributory Canada Pension Plan to support fiscal sustainability – again moving in anticipated directions. In essence, contribution rates were increased so that the ratio of benefits to contributions would be sustainable into the indefinite future, including during the period when the baby boomers were retiring. The increased revenues went into a fund that was invested in the market.
- The NCB (National Children’s Benefit), introduced in 1998, is a classic case of a measure that simultaneously moved in the direction of the negative income tax version of a guaranteed annual income and that also placed an emphasis on jobs and social investment. It did this through a combination of federal tax credits and provincial services that resulted in more funding directed to children in low-income families and increased incentives for the parent(s) in poor families to participate in the labour market. The NCB is also a classic case of the success that can be achieved when both orders of government work in harmony in the area of social policy – and also of the complexity of the programming that can result.
- Registered Educational Savings Plans, tax-protected savings to cover costs associated with subsequent education, were introduced in 1998. There was originally no income targeting, but extensions were introduced in 2004 that provided an additional grant to those who saved in these accounts, with greater amounts for low-income families – and that provided \$500 to lower income families that opened such an account. These initiatives corresponded with our expectations about the greater use of the tax system, more attention to social investment and a greater attention to life-course and family issues. A most interesting experiment, Learn\$ave, was also introduced to see whether matching grants would provide incentives for low-income people to open savings accounts for learning and other purposes.
- In 2001, the parental leave provisions under Employment Insurance were increased substantially from 10 to 35 weeks and workers were allowed to take EI for compassionate care leave while caring for a dying relative. This reflected the anticipated trend towards more priority being placed on work-life flexibility. It also reflects the anticipated trend towards continued use of incremental reforms based to existing instruments – not always to good effect. For example, EI is not a strong base on which to build compassionate care provisions, and take up has been low.

- The introduction of a refundable tax credit, the WITB (Working Income Tax Benefit) in 2007 was another significant step in moving us ever further in the direction of a negative income version of a guaranteed annual income – but again with labour market incentives. The measure is addressed to the needs of the working poor.

Also, as anticipated, proposals for big, comprehensive reforms did not drive policy agendas in the intervening years, at least at the national level. Even at the time the 1994 paper was delivered, there were already signs that the comprehensive reform package that was discussed in the paper would have a rough passage, with fiscal restraint trumping most broadly-based social policy agendas. And, in fact, this exercise was largely overtaken by other agendas, although it did leave an important legacy in the large employment insurance reform listed above. The proposals to create the Seniors Benefit and to modify the Canada Pension Plan were far-reaching but they were introduced and debated on separate tracks – not as an integrated plan for overall reform of public pensions. Perhaps the NCB reform was the nearest to a comprehensive reform package that was seen in this period.

(Outside of government, a number of proposals for comprehensive changes to the income security architecture have been made, including to employment insurance, social assistance, tax credits, children's benefits and other program components. Perhaps the most notable example was a 2006 proposal that was drafted by a Toronto coalition of business, labour and civil society representatives. The underlying concern was that the existing income support system would not provide sufficient security if there should be a major economic down-turn in Toronto. At the provincial level, Québec has introduced a more comprehensive policy agenda that focussed on poverty. However, none of these more comprehensive approaches has been adopted at the federal level.)

The 1994 assessment also missed the mark on many fronts

However, I was quite wrong on many other elements, especially in being too optimistic about the pace of reform.

- In particular, my assumption that there would be steady progress ahead in investments in early learning and child care was dramatically wrong. History here has been characterised by false starts and by a return to a fundamental debate on the very purposes of government support of early learning and child care, including issues of targeting versus universal provision.
- My optimistic view on the role of information in improving social policies and the operation of labour and social services was unwarranted. If anything we have lost ground in the past 15 years. My optimism about the role of experiments and pilot studies was similarly unfounded (with Learn\$ave being one of the few exceptions).
- Equally there has been, counter to my expectations, little progress in improving the effectiveness of social service programming. Indeed the topic has slipped off policy agendas of the last 15 years.
- I had placed much attention on issues of life-course flexibility and the linkages across the main institutions of society (work life balance, work-to-retirement transitions, household care-giving, school-to-work transitions, lifelong learning, work in community organizations, etc.).

- This was a correct assessment up to a point. Life course considerations continued to be referred to in policy discussions and have gained considerable momentum in recent years. And as noted, they have played a role in policies to support private savings for education and learning. There were also important innovations in parental leave.
- Nevertheless, life-course perspectives never really gained the momentum on policy agendas that I had anticipated. A real problem has been the lack of analytic tools that would help us quantify the effects of different policies in addressing life course issues.

In particular, a faulty assumption about institutional stability

While I did refer to the importance of the balance among government leadership, partnerships and public engagement, my implicit assumption was that Canada had the basic institutions in place to support a reasonable balance in these areas. I assumed that we could anticipate some institutional stability. That, in turn, was one of the reasons for being optimistic about the pace of reform. However that stability did not materialize.

At the federal level, there was obvious lack of stability in institutional arrangements. The promise of the then newly-created HRDC in integrating a range of social and labour market issues was never realized.

- The department became mired in controversy over alleged lack of control over its contribution agreements with third parties and never really had the opportunity to take charge of an integrated policy agenda, a tough act at the best of times in an era of fiscal restraint.
- The department was split up into its social and economic components, and then brought together again. Service Canada was created by splitting it out from the policy side of the department. HRSDC (Human Resources and Social Development Canada, as it is now called) is only now emerging, once again, as a source of integrated social and labour market leadership.
- And, at the federal level, the growing use of the tax system as an instrument of social policy, together with the priority placed on fiscal restraint, has meant an increased role for the Department of Finance in social policy formulation and leadership.

Nor did the arrangements between the federal government and the provinces/territories remain stable.

- In 1999, SUFA (Social Union Framework Agreement) introduced a new set of ground rules for doing business. It was signed by all but Québec. The agreement dealt primarily with processes and it is not clear what it, and subsequent federal-provincial territorial arrangements, have had on the substance of social policies.
- Federal government cost-sharing of provincial social assistance programming was replaced by the essentially unconditional Canada Health and Social Transfer.
- HRDC entered into a protracted period of devolving responsibilities for much active labour market programming to the provinces.

Nor have arrangement between the government and non-governmental bodies remained stable.

- In 1994 there was much interest in the potential of third party labour market boards and sectoral partnerships that represented business and labour at local and national levels. These high expectations were never fully realized and many of these initiatives faded away.
- There have also been deep changes in arrangements with non-governmental community organizations who once delivered much federal social service programming under contribution agreements. In part, that change was a simple reflection of the transfer of programming to the provinces. However, some also reflected a new preference for instruments such as tax credits that established a direct tie between the government and citizens, with less reliance on intermediary bodies.
- As well, the emphasis on the importance of relations between the two orders of government, together with a growing recognition of the important role played by municipalities in social policy, may have tended to marginalize non-governmental agents.
- Since 1994, the policy analysis literature has placed more attention on social capital – the social networks that can provide people with needed support. These networks include not only membership in formal organizations, but also connections with the extended family, friends, neighbours and colleagues. This literature is still exploratory in terms of any direct implications of social capital for policy design. However, it has clear potential in policy analysis, i.e., in helping us understanding the world that is impacted by social policiesⁱⁱⁱ.

And some of the pressures on social policy were not clearly foreseen

Nor did my 1994 remarks foresee the importance of some social changes that in fact have helped shaped the social policy climate since then.

Of course, I could not have foreseen the success of the economy recovery that has marked most of period since then. The economy has proven very strong in producing jobs, with the result that there has been perhaps less emphasis on the need for active labour market programming than I had thought likely – although the rhetoric of social investment remains as strong as ever. With continued emphasis on debt reduction and a strong economy, there may have been less overall priority placed on social issues than had been the case in earlier decades.

A strong labour market is, of course, very good news for social policy – although some are concerned that we may have become complacent and worry about the adequacy of a reduced safety net should there be a serious economic downturn. That concern is compounded by the relatively small investments that have been made in tools, such as experiments or effectiveness measurement, that would help improve the effectiveness of active policy instruments.

I commented on the importance of family, care-giving and female labour market participation. However, I did not truly appreciate the importance for social policy of the gender revolution that was taking place.

ⁱⁱⁱ For example, the 1994 paper discussed the changing social roles of families, markets, public institutions such as schools, and governments. In a paper written today, we would likely expand this typology of social policy agents to also include the formal voluntary sector and informal social networks

- Women have already surpassed men in the post-secondary system and are now achieving equality in many areas of the labour market. Two-earner families are the new norm. That has profound implications for social policy.
- For example, we define poverty in a relative way and, with the new norm being the two-earner couple, then those families with no, or only one earner, are at risk of becoming a new group of poor people.
- People with low earnings can no longer be assumed to be poor; we must also look at the earnings of spouses.
- The implications of the two-earner family are also deep in areas of child care and support, and in the care of elderly parents.
- These gender/family-based changes have resulted in more complex family arrangements with fewer children. The resulting changes in household living arrangements make a surprisingly large difference to our measures of low-income and equality. For example, declining household sizes can increase our measures of poverty because these measures take account of what is known as household economies of scale. That is, a family of four (say two parents and two children) does not require twice as much income as a family of two in order to maintain the same living standards,
- Our traditional welfare state policies are not based on these new realities, and our traditional tools of analysis often do not allow us to understand the implications of what is happening before our eyes.
- This lack of understanding can undermine enthusiasm for big social policy reform, and can lend support for either the status quo or smaller incremental changes. It has already triggered much policy-relevant research in the area.

A similar shock to our understanding occurred about a decade ago when new analysis showed that most poor people were poor for relatively short durations of time. Further, those people who did stay poor for long periods of time were often members of groups where traditional forms of income support, taken in isolation, would not be enough to end their exclusion from society – aboriginal Canadians, people living alone, visible minorities, people with disabilities, recent immigrants. These new understandings about exclusion and the dynamics of low income are quite different from the understanding that underlies our traditional welfare state apparatus.

Finally, I had not paid enough attention to social policies for recent immigrants and aboriginal Canadians, both growing segments of the population. For example, the very large growth in recent immigrants in some cities provides many pressures on the provision of social services. It also makes us reflect on the purposes of social policy. To what extent should public policy place priority on the exclusion faced by recent immigrants themselves? What is exclusion in a multicultural society? Or should there be less social focus on recent immigrants themselves and more on the children of immigrants who are born in Canada – i.e., on our policies for giving all children an equal opportunity to develop themselves to their full potential?

It is no surprise that projections are imperfect. They usually are. In Part Four of the paper, we will return to the need to make forecasts in the first place and, if it is necessary, how we can do it better. Before we do that, however, we turn to a description of where Canada stands internationally on social policy matters.

Why are international comparisons important in looking to the future? When we look ahead to possible future policy directions, it is important to have a sense of the magnitude of the challenges ahead of us. Are there major social problems that need major policy solutions? Or are we doing a reasonably good job with a need for only incremental adjustments to meet changing needs or to fix a relatively small number of remaining problems.

An important approach to assessing the magnitude of the challenges ahead is to compare ourselves with others. If our society is among the best in the world on a whole range of social issues, then major reforms may not be needed. If it isn't broken, don't fix it. On the other hand, larger reforms may be needed if there are areas where we are lagging behind other countries that share our social objectives and who have similar economies and societies.

International comparisons provide only one kind of assessment of course. Even if we were lagging other countries, it does not mean that we have catch up all fronts. Even if we were leading, it does not mean that we should coast rather than putting even more effort into making things even better. That said, international comparisons provide a sound starting point in assessing our strengths and weaknesses and in determining what needs to be done.

PART THREE: WHERE CANADA STANDS INTERNATIONALLY

We need to compare ourselves with countries whose economies and societies are subject to similar pressures as our and who share about the same social values. Among these, we selected:

- The United States, because of our deep economic and cultural connections with that country and because it is our usual point of comparison.
- Australia, because it is also a big country geographically but with a smaller population – and a history and a system of governance that is similar to ours in many ways.
- Sweden, because it is typically used as the example of the typical socially-advanced Nordic model.
- France, because it had a strong social system that arises from a quite a different European welfare state tradition.

This is a select group of highly developed countries. We are comparing ourselves with the best.

The data are taken directly from the 2006 version of the OECD publication *Society at a Glance*, which shows a wide range of social indicators from all OECD countries. We have arbitrarily picked only a handful^{iv} of these for purposes of illustration.

The table shows social indicators in four areas of interest to social policy analysts:

^{iv} For example, the full publication also includes health indicators which we have excluded from this paper. It shows trend data, more details on important indicators and short, sensible explanations of where the data comes from and what it means. Students interested in a deeper understanding of where Canada stands internationally would be well advised to look at the full publication. It is much the best source of this kind of information.

- General context indicators that show the basic economic and demographic trends that play a large role in driving social policy directions.
- Next are self-sufficiency indicators, reflecting the newer goals of social policy that we discussed earlier: social investment, jobs, active society measures and human resource development more generally.
- Equity indicators which reflect many of the objectives that were of primary interest when the current welfare state was constructed and that continue to be core goals. They refer to social or labour market disadvantage, and equality of opportunity. Equitable outcomes are measured mainly in terms of the access by households to resources.
- Social cohesion indicators which reflect the overarching objectives of social policy, including well-being and a sense of belonging and participating in the community – although available measures fall far short of giving us a comprehensive understanding of that.

In the last three areas, the measures are identified with either an *S* or an *R*:

- *S* stands for social status indicators. Social status indicators describe those social outcomes that policies try to influence.
- *R* stands for societal responses: information about the scale and nature of social policy interventions, *i.e.* what society is doing to affect social status.

The context indicators basically tell us that Canada is not all that different from other advanced countries:

- We have a high material standard of living as shown by national income per capita, well below that in the United States but a little higher than in the other three countries.
- Immigration is high, but not as high as in Australia.
- Our demography is favourable in that a little more of population is currently of working age when compared with the other countries, although we face a steeper increase in the number of older people over the next 25 years than do many others.
- We are in the middle of the pack when it comes to family stability, at least as measured by marriage and divorce rates – but we have lower fertility than the other countries. Note that it is only the United States that has a fertility rate higher than the replacement rate of 2.1.

The self-sufficiency indicators show:

- That we are in a good position on employment. Our employment rate is however not quite as good as in Sweden. High taxes on payrolls and incomes are societal responses that discourage employment. Our ‘tax wedge’ on labour is the middle of this pack for this group of countries. Note that Sweden has both high employment and a high tax wedge, suggesting that they are doing a lot of things right on other fronts.
- On unemployment, we occupy a middle ground, which represents an improvement since our unemployment rates have traditionally been high.

- When people are out of work, how generous are the benefits provided by the state? Looking at both employment insurance and social assistance, Canada and Australia are similar, much more generous than the United States, but well below the levels of support provided in Sweden and France.

Selection of Social Indicators taken from the 2006 version of the *OECD publication Society at a Glance*ⁱⁱⁱ.

<i>(The data refer to the most recent year for which data is available, often 2005 or 2004. See publication for definitions of the indicators.)</i>	Canada	United States	Australia	Sweden	France
GENERAL CONTEXT INDICATORS					
<i>Net national income per capita</i>	\$26,900	\$34,700	\$26,500	\$24,600	\$25,000
<i>Age-dependency ratio.</i> (Share of population aged less than 20 and more than 64 as a percentage of the 20-64 population)	63	69	67	70	71
<i>Total fertility rate.</i> (Replacement fertility rate is 2.1)	1.53	2.05	1.77	1.75	1.91
<i>Migration.</i> Foreign born population as a percentage of total population	18.0	12.8	23.6	12.2	10.0
<i>Marriages and divorces</i> per 1,000 population. The marriage rate is shown first. (The divorce rate is shown in brackets.)	4.6 (2.2)	7.4 (3.7)	5.5 (3.6)	4.8 (2.2)	4.3 (2.1)
SELF-SUFFICIENCY INDICATORS					
<i>S. Employment.</i> Percent of people 20-64 who are employed	72.5	71.5	71.6	73.9	62.3
<i>S. Unemployment.</i> Unemployment rate	6.8	5.1	5.2	7.8	9.9
<i>S. Mothers in paid employment.</i> Differences in employment rates between childless women and women with two or more children	8.3	13.9	12.2	0.1	14.5
<i>S. Child care costs.</i> Percentage of household net income spent on child care by single parent with average earnings and two children,	27	38	17	5	15
<i>R. Tax wedge on labour</i> (income and payroll taxes as a % of total labour costs)	31.6	29.1	28.3	47.9	50.1
<i>R. Out-of-work benefits</i> (Net income, including unemployment insurance and additional social assistance, when out of work compared with income when in work)	50	30	52	72	62
<i>S. Students' performance.</i> Average score of 15 year olds on a mathematics scale	532	483	527	509	511
EQUITY INDICATORS					
<i>S. Material Deprivation.</i> Share of household reporting an inability to afford a healthy diet	8	7	–	1	4
<i>S. Earning inequality at the top.</i> Ratio between 9 th and 5 th gross earnings deciles, full-time employees	1.9	2.3	1.9	1.7	2.0
<i>S. Earning inequality at the bottom.</i> As above but between the 5 th and 1 st decile	2.0	1.6	1.6	1.4	2.1
<i>S. Gender wage gaps.</i> Difference between male and female median earnings of full time employees, expressed as % of male earnings.	22.6	21.6	14.4	14.8	11.7
<i>S. Intergenerational mobility.</i> A measure of the extent to which income differences among fathers are passed on to their sons. Note: a low number means high mobility.	0.20	0.48	0.18	0.28	0.40
<i>R. Public social spending.</i> Gross public social spending as a % of adjusted GDP	19.6	17.4	20.3	37.1	33.1
<i>R. Total social spending.</i> Total public and private spending including effects of taxation as a % of adjusted GDP	24.0	27.0	23.4	30.8	32.1
<i>S. Poverty persistence.</i> Percent of population that were persistently poor over a 3 year period (poverty being defined as having less than half of the median income).	6.6	7.2	6.5	–	2.8
<i>R. Old age pension replacement rates.</i> Income from mandatory	58.6	51.8	55.8	64.3	61.8

<i>(The data refer to the most recent year for which data is available, often 2005 or 2004. See publication for definitions of the indicators.)</i>	Canada	United States	Australia	Sweden	France
pension plans as a % of the pre-retirement earnings of men with average earnings. (The number for poor people with only half average earnings is shown in brackets.)	(82.5)	(66.8)	(82.5)	(82.4)	(78.4)
SOCIAL COHESION INDICATORS					
S. Voting. Recent voter turnout as a % of population	55	55	79	77	71
R. Prisoners. Prison population rate (per 100, 000 population)	107	738	126	78	88
S. Suicides. Suicides per 100,000 population	10.6	10.2	11.1	16.3	15.1
S. Strikes. Work days lost per 1000 salaried employees (2000 - 2004)	171.4	46.8	48.6	34.2	101.0
S. Trust in political institutions. % of respondents with high trust in parliament	41	38	31	51	41
S. Life satisfaction. % of respondents reporting high life satisfaction	81	79	77	80	66

- In terms of gender, a goal is to reduce barriers to labour market participation, including caring for children. The measure used is the spread between the percent of women with and without children who are employed. Here we do OK, but far short of Sweden where the number of children does not seem to affect the labour market participation of the mother. Part of the reason may well be shown by the indicator on child care costs, where our record is poor, although not as bad as in the US.
- However, our school system works well in comparison with the others, as we score very high on mathematical skills – as well as on reading and science scores which are not shown here.

In terms of the equity indicators:

- Our scores for absolute poverty as measured by actual deprivation from the basics of life are, of course, good by world standards, but we score worst among this group of 5 elite countries.
- In terms of the gap between the rich and the poor, the picture is mixed. When we compare the gap between people with high incomes and those average incomes, the pattern is quite similar across the five countries. However, when we compare between people with average and very low income, we see a bigger gap in Canada and France than in the other three. (Note that the very rich are excluded from these calculations.)
- In terms of those who are persistently poor, Canada, the United States and Australia have similar numbers, much higher than is the case in France.
- In terms of the gender wage gap, we are the worst in the five, but the United States is only slightly better.
- On the other hand, in terms of intergenerational mobility (i.e., the extent to which poverty is passed on from generation to generation), Canada and Australia score very well, well above the United States and France – and even better than Sweden on this measure.

- Turning to policy responses, Canada and Australia have similar levels of total government spending on social programs, a little above the figure for the United States but well below that for Sweden and France. However the gap between the countries narrows a lot if we take into account private social spending and if we also take taxation into account. (For example some social benefits are taxed in Sweden but not in the United States.) When we look at this total, United States social spending is actually higher than it is here in Canada – with Australia and Canada moving to the bottom.
- When looking at whether mandatory pensions allow people to maintain their living standards on retirement, Canada is in the middle. (Other OECD analysis found that when all sources of income were taken into account people in all the countries could retire with little change in their material living standards.) Mandatory pensions provide much higher levels of support for those with low incomes.

Finally, the social cohesion measures also provide a mixed message:

- Voter turnout is low in Canada and the United States.
- We are in the middle with respect to the percent of the population in prison, but dwarfed by the amazingly high figure for the United States.
- Canada, the United States and Australia share similar figures for suicides, below the levels of Sweden and France.
- We do not have a good record of cohesion in the work force. Strikes are more common here than in the other countries. Strikes in France are often in the news, but there are considerably more days lost to strikes in Canada than in France.
- We are in the middle of the pack when it comes to trust in government.
- On the other hand, when it comes to the most comprehensive measure of all – perceived satisfaction with life – we have the best score, although not by much. France scores lowest here.

What do we make of all of this in terms of looking to future directions in social policy in Canada?

First, these comparisons should warn us against complacency. We should look to the future based on the assumption that significant social policy reform will continue to be needed, as it has in the past. We are not leaders in all areas of social policy now, and if we do not continue to improve our policies, we run the risk of falling behind. The rhetoric of social policy does not always match the reality. Many Canadians assume that our social policy record is better than it actually is and that, in particular, that we invariably score better than the Americans on all things social. Sometimes we do, sometimes we do not. There are clear weak points and areas for improvement.

Second, while the comparisons provide a good starting point for an exploration of possible reform directions, it is still only a start. Our priorities are not identical to those in other countries. As noted, we do not need to be a leader on all fronts. The differences among countries also reinforce the perhaps obvious truth that there is no one correct reform model. We have to build on what is already there and respect the values and priorities of citizens of the day.

Third, we compared ourselves with a most elite group – a small handful of the most socially developed countries in the world – and showed up well. In addition, our economic and fiscal position is strong compared with many other countries. This would suggest that the Canadian social system is mainly in good health. There is no need to think about future in terms of major crises or a major catching up. A continuation of recent trends in incremental reform would seem to be the most likely planning assumption, as least based on these international comparisons. That assumption is, of course, based on a continuation of existing economic trends, which seems unlikely. A serious or prolonged economic downturn may well show vulnerabilities in the social safety net of any of these countries, vulnerabilities that may well have to be addressed by larger policy changes.

PART FOUR: WHY FORECAST AT ALL? HOW CAN WE DO IT BETTER?

We started off by reviewing some of my 1994 thought about the future of social policy and then turned to a 2008 assessment of those forecasts. I got some things right and missed the boat on others. This always happens when we try to predict the future. There are just too many things that are unknowable. So why even try? What is the point of it?

Types of future-oriented examinations

In answering this question, it is important to distinguish among at least three kinds of exercise that look to the future.

First, it is important to understand the future consequences of proposed policy changes, including possible unintended effects on incentives to work or save. We want to be able to project the likely number of winners and losers – and the likely future costs of the proposed change. We want to know about likely effects on tax revenues and on related programming. A similar kind of ‘what if’ analysis is used for exploring the effects on social programming of various external changes or shocks. What, for example, will be the consequence on employment insurance premiums and benefits of a two point rise in the unemployment rate?

Second, it is important to understand the possible longer-term social and labour market consequences of longer-term trends. Examples include the effects of population aging on the future ratio of producers to consumers, the effects of the ongoing shift to the service economy on the demand for workers at different skill levels, the consequences of changes in the ratio of potential care-givers to the number of people in potential need of care, or consequences of the new norm of the two-earner family in terms of increasing the number of people with other household arrangements who will become poor as a consequence of this emerging norm.

Third, there is the development of future ‘end-state’ visions that are typically associated with incremental reform strategies. Because we have a reasonably mature welfare state with relatively few big gaps to be filled by entirely new programs, policies are typically changed through small incremental steps that respond to particular current problems. A big risk associated with an incremental reform strategy is that separate incremental changes in many inter-related systems can simply cancel each other – sometimes shifting a problem from one program to another program, rather than solving the problem. A

strategy for managing this risk to build understanding and consensus around a common end state:

- An end-state is a view of what we want the world to look like, not as a result of the particular incremental reform in question, but as the result of a series of incremental reforms over the years, starting with the one in question.
- If we can get agreement on where we eventually want to be, we reduce the risk that incremental reforms on different tracks will work at cross-purposes. A common understanding about where we are heading can help ensure that incremental reforms will not only address immediate problems but also that they will pull together in the same long-term direction.
- End-states can be cast a high level of generality (such as statements of principles, objectives, goals and general directions) or they can provide a summary sketch of the anticipated future policy architecture.

In summary, there are quite different reasons for looking to the future. The ‘what if’ applications that we listed first tell us that “if we do x, then y is likely to follow in direct consequence”. The second category goes well beyond answering a limited hypothetical question. It attempts the much more difficult task of forecasting what the future may actually hold under different assumption about underlying trends and drivers. The third end-state applications are quite different again. They are not about what is likely to happen; rather they are about what we want to happen.

Tools to help look to the future

Experiments and quantitative models, both micro and macro, are key tools for helping us conduct the first category of what-if projections.

- Experiments allow us to test things out on a small scale in order to get a better understanding of the likely future consequences of a reform before it is introduced on a full-scale basis. Some experiments are on a large scale, are costly and take many years to get results. Others can quick results, can be built into the implementation plans for new initiatives and even into the actual design of the program itself in order to develop programs that learn based on passed experience. There is serious underutilization of experimental methods in social policy around the world, including in Canada. We have hardly begun to use the potential of these methods and of the new computing technology that has made them possible.
- Modelling uses quantitative tools to make forecasts without the use of actual experiments. Models are, of course, much more limited in what they can predict. They basically assume that everything remains unchanged except for the particular change being examined. They therefore typically do a good job in predicting the immediate consequence of the change or shock in question, provided that we explore the effects of only one or two things at a time and provided that we do not try to look too far into the future – when other things are unlikely to remain the same.

The second category of forecasting is much harder to do with any precision. It is easiest with demographic analysis where we can predict for longer periods into the future. However, even demographic characteristics can change faster than is often realized. In any event, we can get a greatly distorted our understanding of the future if we concentrate

on only one the many factors that will influence that future simply because it is easier to do the analysis, as in demographic analysis. The implicit assumption that other things will hold the same simply does not make sense for longer term analysis. Solutions are of three sorts:

- Through the use of newer kinds of modelling and analysis that do allow us to take a much wider range of variables into account in our projections. Statistics LifePath microsimulation model is one example. Longitudinal data sets will provide a stronger empirical basis. Use of multiple streams of evidence, including qualitative as well as quantitative analysis will also help. However, no degree of sophistication will allow us to know the future with any great certainty.
- By avoiding making projections into the very long future whenever possible – and by adding lots of caveats to analysis to warn users of the uncertainties involved. Policies can evolve quite quickly and a 5 to 10 year forecasting period would be more than adequate for many policy applications. We are often tempted to show projections some 25 or even 50 years into the future, simply because our models have the technical capacity to do this. In fact such projections belong in the same category as those that arise from reading tea leaves, fortune cookies, generational accounting or ouija boards – except that they are more pernicious because they look as if they were empirically-based.
- By using scenarios where we make alternative assumptions about the future effects. A policy change that makes sense under most scenarios about future directions will be less risky than one that does makes sense in only one of those scenarios.

Many tools are available for use in the third, more values-driven look at future end-states:

- Developing goals or targets and setting out basic principles – including creating social indicators that have an implicit goal built into them.
- Learning what citizens want (through polls, focus groups, narrative accounts or by more intensive forms of e-consultation and public engagement) and disseminating that information.
- Ensuring that the objectives and outcomes of programs are clear and accessible to citizens and interested parties. This includes public reporting on the results of audits and evaluations that examine whether the objectives of policies and programs are clear and are being met.
- Establishing commissions, committees or think tanks to undertake major stock-taking reviews that look to the future and that try to foster understanding and consensus on the priorities for future reform.

Doing a better job as we look to the future

In sum, the answer to the question in the title of Part IV is that we have no choice but to try to look to the future. It is the very essence of good social policy analysis. But we look to the future for different reasons, each associated with its own tools and processes.

The second question in the title is how we can do better in looking to the future. We have discussed some of ways doing a better job above in the discussion of the tools for looking ahead.

Beyond that, over the longer-run we need to gradually develop a much more finely-grained and integrated tools for describing social policies and their effects. The tools and processes discussed above allow us to do a reasonably good job of analysing the bits and pieces separately, but not for weaving them into a more integrated overall story. Admittedly it is much easier to tell simple, communicable story if we deal with things one at a time. But in the real world, things are inevitably linked – and we are likely to get things wrong if we do not recognize that. A related paper^{iv} explores this topic in detail.

In the short-term, we can get better results a) if we are clearer about which of the three ways of looking the future we are discussing and, b) if we try to avoid an overly compartmentalized approach to looking to the future.

- For example, in several areas of my 1994 paper, I mixed up the second and third ways of looking ahead. I cast the discussion in terms of responding to external pressures, but I was actually describing what I felt was an emerging, if unformed, consensus on a new end state – the kind of society that we wanted to be build through our social policies.
- Our understanding can be weakened if look to the future only in the separate compartments of social policy, rather than through a more integrated approach that looks at the interactions among these compartments. For example, we often take a particular program and look at its effects independent of changes taking place in other programs. We tend to look to future consequences of changes in the roles of various actors in social policy system in a separate compartment from our examination of the consequences of fiscal changes – or from our assessments of the future effects of changing technology or changing public expectations about desired policy outcomes. As noted, we lack the tools for fully integrated analysis, but we can still move in that direction.

In order to illustrate this point about lack of integration, take two examples where I missed the boat in my 1994 conclusions: a) the role of information and knowledge as an important instrument that in shaping social policy, and b) the priority that would be placed on child care.

In my assessment of information as an important new instrument of social policy, I was primarily thinking of the opportunities that technological change was presenting for social policy. In the back of my mind was some quite exciting pilot work that was underway in using very rich data bases, together with new computing power, to produce real time estimates of the expected success from participation in various types of training and other forms of active labour market programming. In the pilots, we were able to calculate the likelihood of success of choosing a particular option based on calculations of the subsequent labour market success that former participants in these programs had experienced after they left the programs. And this was done in real time, to provide current potential participants (and their counsellors) with a powerful new source of information to help them make better choices. I was excited because this seemed to have many potentially interesting consequence: in improved efficiency and effectiveness of labour market programming, in the achievement of high levels of outcomes across the country (more than could ever be achieved by common standards or terms and conditions) plus much more transparency and accountability in the system since we would have good indicators of overall success in real-time.

In other words, my expectations about the future were shaped by considerations in four compartments of social policy:

- Pressures brought about by changing technology (opportunities in this case).
- Changed objectives, in the sense of setting much higher expectations for the outcomes of active labour market programming
- Finance, in the sense of taking account efficiency gains
- Instrument choice, in the sense that, by adding new knowledge instruments, we would establish direct links to individuals who would, in turn, be able to exercise more informed social development and labour market choices.

However I did not make the link to another, crucially important compartment – the role played by the various actors. It turned out that during the subsequent period the main emphasis in federal-provincial-territorial relations was on a devolution of responsibility for active labour market programming to the provinces – not the right time to be considering major new investments at the national level in the knowledge to support those programs. (The knowledge instrument would be best developed and administered at the national level because of economies of scale and in order to allow the sharing of lessons learned across the provinces.)

In hindsight, it is easy to see that the analysis could have been extended to include the changing role of the various actors. For example, the federal government could have developed the knowledge tools that were needed and given them to the provinces to use in the devolved programs. That would, in effect, have been meant a swapping of instruments in this area: with the federal government gradually getting out of the business of service instruments in return for playing an increasing its role in knowledge instruments. The result might even have been a clarification of roles and responsibilities as well greater efficiency and effectiveness in the programs themselves. However, considerations of this sort were simply not on the policy agendas of the day.

In the second example, the case of child care, my thinking about the future was even narrower – mainly concentrated on pressures and opportunities. The emphasis of the day was on investing in learning to meet a variety of social and economic challenges and early learning and was an obvious gap in our system. Also demand for early learning and child care was increasing as a result of the growing number of two earner parents and the increasing emphasis being placed on gender equality in the work place. I was also aware of likely future pressures to increase labour supply (including among highly educated women with young children) after the baby boomers started retiring, although this factor was not seen as being as important as it has since become. And, even though I did not say it the paper, I was well aware that the demographics were favourable in a fiscal sense – that is, with a relatively small number of children because of low fertility, the costs of introducing early learning and child care would be relatively smaller (although still very large).

What I did not take into account was what happening in the compartments of social policy dealing with objectives, financing, instruments and agents. And what happened there was important.

It turned out that there was not complete consensus about the objectives. Was childcare mainly intended for the mother, so that she could rejoin the labour force more quickly? Or was it ultimate about early learning and the development of the children? The lack of consensus was reflected in a number of ways, including a debate about the number of child care spaces to be created versus the quality of the learning that would take place in those spaces.

Similarly in terms of agents and instruments, there turned not to be consensus on best way of financing child care. Should the funds flow through the family so that parents would be empowered to make their own choices? Or should federal funds flow through the provinces to develop a capacity for providing high quality care and learning to many more children?

In hindsight again, the analysis might profitably have been extended to more innovative ways of looking at financing and to questioning our assumptions about the end-state. For example, if older workers delayed their retirement by a year or two, would the resulting savings be enough to finance longer periods of maternity leave and a more fully developed system of early learning and child care? Could we develop policy instruments that would allow people more choice in making life-course decisions such as time for caring for children, or returning to school in mid-careers or pensions savings? More generally, are there alternatives to an end-state vision where social policies have the effect of concentrating learning in the early stages of life, of concentrating leisure during the last third of life (in an ever-growing period of retirement when most people are skilled and in good health), and that cram work and care-giving in the middle years of life?

However, considerations such as these were not on the policy agendas of the mid 1990s. Life-course policy analysis was underdeveloped in the 90s and still remains an area that warrants more attention.

ⁱ A published (and slightly different) version of this presentation can be found in the publication that resulted from the conference at which it was presented: Peter Hicks, *Establishing an Effective Social Policy Agenda with Constrained Resources*, in 'Social Policy in a Global Society: Parallels and Lessons from the Canada-Latin America Experience'. Edited by Daniel Morales-Gómez and Mario Torres A. IDRC 1995. ISBN 0-88936-761-2

ii Government of Canada. 1994. Agenda: Jobs and growth. Improving social security in Canada. A discussion paper. Human Resources Development Canada, Ottawa, ON, Canada. 102 pp.

iii Society at a Glance: OECD Social Indicators 2006 Edition (Complete Edition - ISBN 9264028188)

iv Peter Hicks, The Olivia framework: Concepts For Use In Finely-Grained Integrated Social Policy Analysis, November 2008, Working Paper 45, School of Policy Studies, Queen's University.