



Report prepared by Victoria Bell
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**New Century, New Risks:
Challenges for Social Development in Canada**
November 18-19, 2004

The New Century, New Risks conference, put on jointly by the McGill Institute for the Study of Canada and Social Development Canada, was billed as an opportunity for bureaucrats, politicians, academics, advocates, and interested citizens to come together in the discussion of Canadian social policy.

The conference was well-attended by those involved in the development of social policy in Canada, and by researchers who work to influence the development of social policy. Only a small handful of front-line workers and 'interested citizens' were present.

My purpose with this report is to present a particular recurring line of argument, or theme, which ran throughout the conference and which was taken up by several speakers. Most of the speakers at the conference are not mentioned in this report, and it should be noted that a few of them gave presentations which are in direct contradiction to the ideas mentioned below.

Opportunities such as this conference for policy-makers and researchers to come together in dialogue are extremely valuable. Differences in view are not a problem, and are in fact quite important. It is important for bureaucrats and politicians to have exposure to the research and theory of academics, and to have the opportunity to understand alternative views. It is equally important for academics to have exposure to the world of government, and to have the opportunity to understand better how their work might have an impact. It is unfortunate that there was not an even greater diversity of view and experience presented¹.

Canadian Federalism and Human Capital

Two recurring and related themes in the conference were *problems with Canadian federalism* and the *importance of human capital in the new economy*. The way that federalism is currently

¹ As noted by Tara Lyons in her report, there was little demographic diversity among the speakers or audience members, and little or no discussion of immigration, rural Canada, Native peoples, or minority groups.

exercised is seen to severely constrain the possibilities for our social architecture, making it difficult for policies and institutions to be formed in ways which will best develop the human capital of the country. Communities and localities play a large role in providing the services and care needed by people, but they are not adequately supported and the ability of people to care for themselves and their families is undermined by policies which focus on income and do not address services.

Tom Kent gave the opening address of the conference, with a talk entitled: *Socio-Economic Policy in Federal Canada: A Contemporary Focus*. Kent argued that in the new economy, a country's greatest resource is its human capital, and therefore, "the public services that will do most for the national product, for employment and income, are the services that enhance people. . . They are, in large part, the services that used often to be thought to be in conflict with the hard realities of economics."

Kent pointed to several aspects of today's federalism which make it difficult to correct the deficiencies of present social policy. Below is an outline of his argument:

- "The reason why we have in Canada such firmly distinct boxes for economic and social policies reflects the politics of 1867 rather than policy analysis today. It's more because they were assigned to different jurisdictions than because they're inherently different either in purpose or in method"
- When social programs were started in Canada, the federal government got credit because they promised to reimburse half of provincial costs. "Once the programs were well established, however, a fixed federal share of the money became a non-event in the media and the public mind." Federal politicians became unhappy about having to raise revenue while the provinces got credit for delivering the programs.
- As a result, federal politicians prefer to engage in 'sugar-daddy federalism' – giving periodic donations to provincial programs – rather than repairing and continuing the commitment to cost-sharing.
- This "elevates the politics of the moment over reliable, sustainable public policy. It ensures continual tension in federal-provincial relations."
- The responsibility of the federal government should not be to provinces, but to people; its role should be to ensure that all Canadians have access to quality services by supporting people directly, rather than by subsidizing provinces.

Kent's arguments about the need to change the way in which governments support people and services appeared to be compelling to much of the audience. However, when I spoke with a couple of women from Social Development Canada after the talk they told me that, "unfortunately, that's not the way things are going". Current policy development is looking more and more like 'sugar-daddy federalism' and shows no signs of moving away from that trend.

Judith Maxwell, president of the Canadian Policy Research Networks (CPRN), also argued for changes to Canadian federalism in terms of how government supports services. Making reference to the "well-being diamond" developed by Jane Jenson which recognizes the state, the family, the market, and the community as the principle points of well-being, Maxwell asserted

that the diamond is out of kilter – communities are over-loaded; they are under-capitalized; there is huge inequality in the capacity of communities.

As a means of correcting the imbalance of the well-being diamond in Canada, Maxwell suggested the need to create “holistic, place-based policies” and to “create public spaces for national and local conversations”.

Maxwell’s focus was on the need for the federal government to support services offered locally by communities and in communities. This seems in-line with Tom Kent’s argument for funding ‘people rather than provinces.’ Needs vary not only from one province to the next, but from one community or locality to the next. It remains unclear to me what exactly is meant by ‘place-based policy,’ but it seems that it has to do with recognizing the role that community plays in the well-being of citizens, and working to increase the capacity of communities to provide services and support to people.

Alex Munter, of the University of Ottawa, led a break-out session following Maxwell’s presentation in which he elaborated on her assertion that in order for place-based policies to be created, front-line experts and community organizations need to be included in policy development. Munter first re-affirmed the importance of place-based policy by arguing that governments do not have the capacity to relate with the rapid changes in society through social policy, and that we need to bolster the ability of local communities to take on these challenges.

He then posed the question:

What steps can government take to meaningfully engage front-line experts and poor people in policy development?

One practical response given by an audience member was that in order to avoid false consultation conducted for marketing purposes, we need to narrow the distance between those who formulate policy and those who implement policy. The current practice is to consult citizens and front-line workers in the early stages of policy development, and then to go off and formulate the policy without further input. The result is a disconnect between policies, the subjects of the policies, and the people who’s job it is to implement the policies. Involving front-line workers and poor people (community organizations, etc.) in the actual development of policy would be very different from what we are currently doing, and would be a necessary step in creating effective place-based policy.

The presentation by **Jane Jenson** on the second day of the conference brings us back to some of the arguments made by Tom Kent in his opening address about the new economy. Jenson pointed to two main lessons which we can learn from the deficiencies of the neo-liberal policies developed in the 1980s and 90s: that economic development depends on social development; and that a job is not sufficient to ensure income security for everyone.

Jenson argued for a new social architecture in Canada which will: produce human capital; support low-wage workers to meet the needs of their families; and ensure that care is available in the new economic and family contexts. She pointed out that the strategy of government has been to supplement incomes, but that this is not sufficient because it does not provide *services*. Social

security has to do more than share risks and bring income security. The structures of the system need to deal with *care*.

Towards the end of conference, there was a panel discussion on **municipalities**, which further elaborated the notion of localizing social policy. **Francis Lankin**, of Toronto, reiterated that the structure and culture of the federal government makes it very difficult to relate to local issues. The same problem exists with provincial governments. She argued that the localization of social policy, which is occurring through the New Deal for cities, makes relationships between sectors even more important. The public sector and the voluntary sector are key, and capacity needs to be built “through action in support of local leadership”.

There was no explicit discussion of rural Canada in any of the sessions which I attended. While this was a serious and unfortunate oversight, I believe that the discussions of federalism, localized policy and the necessary fusion of social and economic policies in the new economy, all speak to rural and ‘community’ issues and are significant to the work of the New Rural Economy project.

The use of federal resources to empower communities and ‘people’ is argued here to be an important aspect of the governance of the new economy. There is a great deal of interest in (or at least a great deal of use of) the term ‘capacity’. The idea of capacity is tied to an interest in localized service provision, and the localization of social policy. There is a focus on localized policy in terms of large cities in Canada; this could indicate a potential interest in ‘municipalities’ in general and the services provided by municipalities and ‘communities’.

The problems created by ‘sugar-daddy federalism’, as presented by Tom Kent, and the fact that those at Social Development Canada either do not feel empowered to take the suggestions of scholarly think tanks such as CCSD and CPRN, or are not interested in the ideas of academics, are serious issues to be worked with in Canadian social policy. These problems do not make the work of Jane Jenson, Judith Maxwell, and others irrelevant, but it is all the more important to continue to develop spaces in which meaningful dialogue can occur between scholarly researchers and policy-makers in Canada.