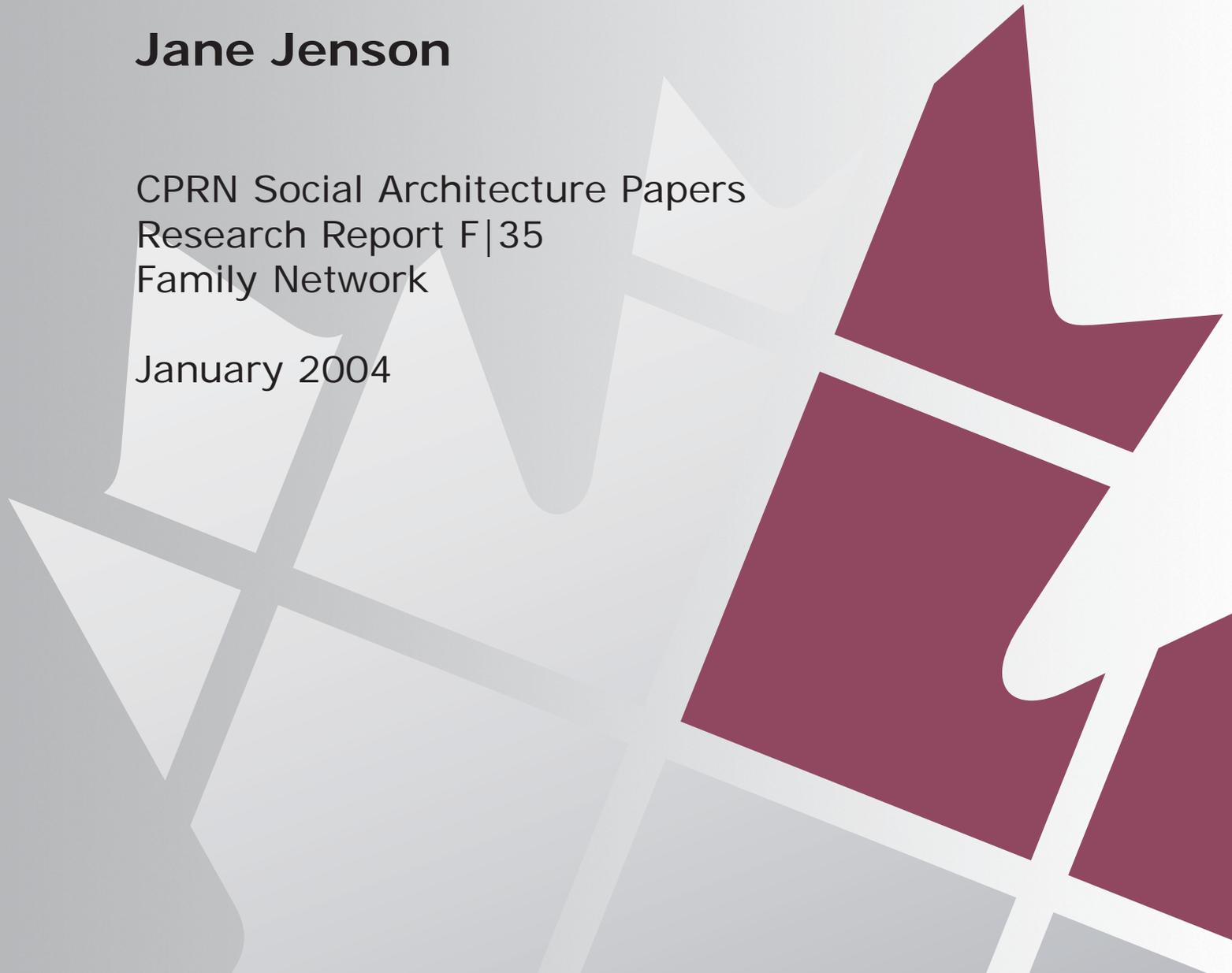


Catching Up to Reality: Building the Case for a New Social Model

Jane Jenson

CPRN Social Architecture Papers
Research Report F|35
Family Network

January 2004



Canadian Policy Research Networks Inc. (CPRN)

600 – 250 Albert Street, Ottawa, Ontario K1P 6M1

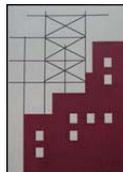
Tel: (613) 567-7500 Fax: (613) 567-7640

Web Site: <http://www.cprn.org>

**Catching Up to Reality:
Building the Case for a New Social Model**

By

Jane Jenson



CPRN Social Architecture Papers
Research Report F|35
Family Network

Contents

Tables, Boxes and Figures	ii
Foreword	iii
Executive Summary	v
1.0 Introduction	1
2.0 Setting a Path: Social Knowledge into the 1960s	3
3.0 Social Conditions at the Start of the 21st Century	9
3.1 An Ageing Society	9
3.2 New Family Structures	15
3.3 An Increasingly Diverse Immigrant Society	21
3.4 Out of the Shadows: Aboriginal People Living in Canada	26
4.0 Work, Employment and the Market	31
4.1 Employed Women	32
4.2 Income Inequality – Slow Change but Rising	33
4.3 Low-income Intensity	37
5.0 Moving Forward	39
Bibliography	43
Advisory Team	49
Our Support	51

Tables, Boxes, and Figures

Tables

Table 1	Patterns of Social Change over Time in Canada	6
Table 2	Some Challenges Arising from Current Social and Economic Conditions in Canada	40

Boxes

Box 1	Policy Challenges Arising from an Ageing Society	15
Box 2	Policy Challenges Arising from Changing Homes and Families	20
Box 3	Policy Challenges Arising from Changing Patterns of Immigration	26
Box 4	Policy Challenges Arising from the Experience of Aboriginal People Living in Canada	30
Box 5	Patterns of Earnings and Income Distribution in the 1990s	31
Box 6	Policy Challenges Arising from Changing Patterns of Employment and Income Distribution	38

Figures

Figure 1	An Ageing Population	9
Figure 2	Families in Low Income by Age of Major Income Earner	17
Figure 3	Young Adults Living in the Parental Home, Canada	17
Figure 4	Distribution of Children Aged 0-14 by Family Structure, Canada (1981-2001)	19
Figure 5	Prevalence of Canadian Children in Low Income Before and After Taxes by Family Types, 2000	19
Figure 6	Immigration by Census Metropolitan Area, 2000-2002	22
Figure 7	Public Expenditure for Preschool Education (Age 3-6 Years) in the G7 Countries, 1998	33
Figure 8	Index of Real Annual Earnings of Paid Male Workers, by Age, 1969-1999	34
Figure 9	Total Income Share by Quintiles Across All Family Units, Canada	35

Foreword

In every society, there are four sources of well-being for citizens: market income, non-market care and support within the family, state-sponsored services and income transfers, and community services and supports. The roles and responsibilities of actors in markets, state, communities and families vary considerably from one country to another, and they can change over time. Certainly, all four sources of well-being have been transformed by economic, demographic, political and social trends both within and beyond Canada's borders in recent years.

During the 1940s, as government leaders looked ahead to the post-war period, they were convinced that fundamental changes would be needed to ensure that Canada would avoid another Depression and begin to create a better life for all Canadians. They therefore commissioned Leonard Marsh, a young McGill professor who was an advisor to the federal Committee on Post-War Reconstruction, to write a report on social security for Canada. Marsh had been educated in England and was influenced by William Beveridge, the architect of the British welfare regime. The *Marsh Report*, as we have come to call it, was published in 1943 and had a major impact on the design of Canada's social policies over the next three decades.

Since 1980, governments have tinkered with many of the policies put in place in the first two decades after the war. They have recognized the existence of new realities and tried to address them. But the underlying principles governing the roles for market, family, communities and state have not been thoroughly discussed since the years of the *Marsh Report*. Canada again, therefore, needs to go back to first principles. CPRN has commissioned the Social Architecture Papers, a series of nine research reports, all designed to undertake a serious look at these issues. Some research reports examine Canada's history and others look to the experience of neighbouring countries and jurisdictions. A final synthesis report will summarize what this research suggests for a basic social architecture that will maximize well-being for all Canadians in the 21st century.

In this, the first of the Social Architecture Papers, Jane Jenson goes back to the 1940s and traces the way social and economic patterns have shifted over time. She identifies the new social realities of Canada in 2004, and argues that the roles and responsibilities of market, family, state and community need to catch up – the time has come for a new social model for Canada.

Jane Jenson has conceived and directed the Social Architecture Papers. She is Director of CPRN's Family Network and professor of political science at the Université de Montréal, where she holds the Canada Research Chair in Citizenship and Governance. We want to thank the people who provided peer reviews of this paper, the four members of the Advisory Team, and the participants at a CPRN roundtable in October for their helpful comments and advice on the paper. We are also grateful for the funding provided by six federal departments and agencies, and three provincial ministries, listed at the back of this document.

Jenson will return with a final synthesis report to summarize our findings and propose the building blocks for a new social architecture for Canada. All nine papers will be released in the first six months of 2004. Stay tuned.

Judith Maxwell
January 2004

Executive Summary

Social architecture is the term used to describe the welfare mix as well as the governance arrangements used to design and implement that mix. In other words, it comprises the roles, responsibilities and relationships among a variety of sources of well-being.

We can identify four sources of well-being, linked in the form of a *welfare diamond*. For the majority of people, by far their major source of welfare is *market* income, earned themselves or by someone in their family, such as a spouse or a parent. But we also gain part of our welfare from the non-marketized benefits and services provided within the *family*, such as parental child care, housework and care for elderly relatives. Access to welfare also comes from *states*, via public services such as child care, health care or other services for which we are not required to pay full market prices, as well as by income transfers. The fourth source is the *community*, whose volunteers and non-market exchanges generate welfare by providing a range of services and supports, such as child care, food banks, recreation and leisure.

Choices about the welfare mix and governance arrangements are made according to a country's own traditions, values and preferences, and within its political institutions. Of course, constraints come from the specific economic and social challenges it faces, as well as its financial situation.

The premise of this research report, as well as the research program of which it is part, is that Canada, like many other countries, faces a moment of fundamental choice. The social knowledge that informed both the first three decades after 1945, and the years of neo-liberal politics that followed, is being re-evaluated. New challenges exist, arising from profound structural changes.

It is important, therefore, to have good information and social knowledge about the new patterns. This research report proceeds in three steps. In Part 2, it briefly sketches a narrative about the socio-economic patterns from the 1940s through the 1960s, paying particular attention to the social knowledge about typical homes, families, and workplaces, as well as the general principles that informed state actions. Parts 3 and 4 describe the ways in which an ageing society, new family structures, changing immigration patterns, and the circumstances of Aboriginal people living in Canada, as well as altered patterns of income and work in a knowledge-based economy and society (KBES), pose significant challenges to the welfare mix designed in the earlier period, and therefore to public policy. Part 5 raises questions for discussion about how to design a welfare mix for the 21st century.

At the end of the Second World War, in their ideas as well as their actions, decision-makers in both the private and public sectors were designing a new set of rules for the division of responsibilities among states and markets as well as among families and communities. The private sector had the responsibility to create well-being by going about its business profitably. In addition, collective agreements negotiated between unions and employers would provide further protections, such as pensions and supplementary benefits. Families also had a major responsibility for meeting their economic needs and providing care across generations, while communities provided supplementary services. Governments constructed a social safety net for those left behind by the rising tide of post-war economic boom, as well as by macro-economic policies.

These actors developed policies and programs based on notions of *typical* homes, families and workplaces, ones that for the most part corresponded to the realities of demography, employment, and settlement in the first post-war decades. Typical homes were composed of two parents, several children and perhaps an elderly relative. Women's labour force participation rates were low, because they tended to stay home to care for their children, the house, and perhaps their elderly kin. The age structure of the population was one in which youth predominated. Immigration has always shaped Canadian society but, in 1951, only 15 percent of the population was foreign-born and, before 1961, 94 percent of immigrants came from either Europe or the United States.

Wages were sufficiently high that having a full-time job usually brought the capacity to support oneself and one's family. Real wages continued to rise through the 1970s. Those at risk of low income were, then, men temporarily without work or other categories of the population at risk of poverty or low income because they were disabled, or considered otherwise occupied by raising children.

All the assumptions and understandings embedded in this social knowledge – and the policy designs that have followed from them – have been called into question in the last 25 years.

The visions of the 1940s and the policy developments of the 1960s have bumped up against the constraints of the 1980s. Operation of globalized markets, new technologies, the knowledge-based economy and society (KBES), and other factors have forced rethinking.

Four differences in social conditions now constitute challenges to the policies designed to ensure well-being in the first three post-war decades. These are: an ageing society, new family structures, an increasingly diverse immigrant society, and intensification of challenges in Aboriginal communities.

As the *population ages*, the number of people who are over 65 increases dramatically; the percentage increase of those over 80 is even more dramatic. After World War II, providing *income security* for the elderly was a priority. Basic public old age pensions were designed to provide a real measure of economic security and autonomy to seniors, whether they had participated in the labour force or not. In the 1960s, this basic pension was supplemented by a contribution-based one (Canada/Quebec Pension Plans) and a low income supplement. People are now living, however, on their retirement income much longer than expected when the programs were designed. In 1960, for example, men's life expectancy was 68 years, which meant on average three years in retirement. Today, men live on average until 76, that is, for 11 years on their retirement income. The sustainability of retirement income systems need to be addressed in any new social architecture. We also need to ensure a quality of life in these years. A social architecture seeking to promote an *active ageing* model will have to address labour markets (how to ensure greater flexibility, if longer employment is the goal), and housing markets (to ensure appropriate housing options), as well as the community (so dependent on the volunteer work of active seniors). *Intergenerational exchanges* of help and even money are an important pillar of well-being for many Canadians. Policy design clearly needs to revisit assumptions embedded in the welfare diamond of the post-1945 years about family care responsibilities and about the complex patterns of intergenerational exchanges.

Family structures have altered in major ways. The social knowledge of the first post-1945 decades relied extensively on the vision of the typical family as living in a home, separate from the workplace and being composed of two married adults with several children, and perhaps a senior relative, all dependent on a male breadwinner. Since then, none of these assumptions describes the current situation.

Home is no longer only the supposedly private space of unpaid work and informal care. It has again become a workplace, especially for older workers preparing to retire and young women trying to balance work and family life. Homes are also less often “family homes” than in the past; the number of one-person households has been rising steadily over the last decades. While the tradition of an elderly relative living with adult children has declined, young people are staying in the parental home much longer. They are, then, taking longer to form stable couples and have children. *Changing families* are also a policy challenge. One of the most visible social transformations in the post-war years is the rise in the number of lone-parent families created by divorce or child-bearing outside marriage. Families with only one earner have a much harder time making ends meet, and the children in them have a higher risk of suffering the consequences of growing up in low-income families.

Canada has always been a society of immigrants, now it is becoming an *increasingly diverse society*. Recent years have brought a significant shift in the sources of immigration. Immigration policy has been a driver of these changes. When new legislation was adopted in the 1960s, *source countries dramatically multiplied* in number. Asia is now by far the largest source region, providing more than 63 percent of all newcomers in 2001, and the vast majority of immigrants are, according to Canadian discourse, “visible minorities.” There is also now a *concentration of newcomers*, rather than dispersal across the country. Toronto, Vancouver and Montreal receive the overwhelming proportion of newcomers, generating numerous challenges for integration and other services. *Unsettlingly patterns* with respect to integration success also exist. Some categories of newcomers are achieving economic mobility much more slowly than previous immigration waves, while Canadian-born, as well as recently arrived immigrants who are visible minorities, report disturbing levels of discrimination.

The social knowledge that informed the post-1945 social architecture paid little attention to the situation of *Aboriginal peoples*. In part this was due to their social isolation and in part to their relatively small numbers. The consequences of that relative neglect – in the form of numerous court challenges both about ill-treatment and about land claims – as well as an explosion of their numbers (due to better health conditions) and their presence at the heart of many cities has changed that situation. Any social knowledge for the 21st century must put the situation of Aboriginal people at its centre. *Education* levels (particularly for college level post-secondary education) among this group have increased, but remain below Canadian averages. Most troubling is the *deep and sustained poverty* in which many Aboriginal peoples, including children, live both on reserve and in urban centres.

It is perhaps in the area of market relations, and especially in the labour market, that social architecture needs to be adjusted. The premise of post-1945 policy design was that strategies for “full employment” made it possible to rely on the market to generate sufficient income, thereby allowing markets and families to distribute well-being. Policy-makers could assume that a single market income would meet family needs.

It has become evident that employment, even with two adults in the labour force, is not generating sufficient income to keep all families out of poverty. Moreover, young people, including young men, have a harder time earning enough to think of founding a family. Single-earner families, with or without children, have even greater difficulties earning enough income. These difficulties stem from patterns of rising inequality of incomes and polarization, and from an intensification of low income. They also result from labour force restructuring, which multiplies the numbers of vulnerable workers. And then there are “spillover” effects of these new pressures, as families struggle to provide care for children and other family members.

The *increase in women’s labour force participation* is one of the factors that has made re-thinking necessary. The stay-at-home mother is a vanishing breed. Women’s labour force participation rate rose from 24 percent in 1951 to 60 percent in 2001. Among mothers with a school-age child under 15, the participation rate was fully 81 percent. This major shift in behaviour and the resulting need to balance work and family responsibilities has brought a rising level of stress, and its consequences for the well-being of adults and their children. In addition, it has increased the demand for early childhood education and care (ECEC). Canada lags significantly behind other countries in its resource commitment to the provision of such services, leaving parents to face the quandary of how to provide for their children’s needs.

Earnings inequality has also increased significantly over the last decades. While the “mobilization” of more labour (that is, women and young people taking jobs) has been the strategy followed by many families, earnings inequality among families is at a significantly greater level than in 1989, as indicated by both the gap between the top and the middle and the top and the bottom of the annual market income distribution. Male median earnings have stagnated for two decades, while, from the mid-1990s, there has been an increase in the proportion of men with annual earnings of more than \$60,000.

Workers are also experiencing *increasing vulnerability*, because they have only non-standard work (low-paid, without benefits, part-time and/or temporary). Through the 1990s, *low-income intensity* in Canada increased significantly. Analysts from Statistics Canada make a convincing case that the increase in low-income intensity during the 1990s was due to governments’ decisions to substantially reduce transfer payments. The highest low-income intensity rates are in Alberta and Ontario, both provinces that transformed their policies on income security in the last decade.

The final section of the research report asserts that decision-makers – in policy communities and ordinary citizens – now find themselves in the same situation as their fellow Canadians who faced the much-altered world after World War II. There is a clear understanding that change is necessary, that old practices are not solutions to new problems. There is also an appreciation that more than marginal adjustments are required. The policy communities of the 1940s proceeded with a sense of urgency, but they also acted with a sense of vision, inspired by the notion that multiple opportunities lay ahead to do things better. No less is needed now.

Table 2 summarizes the issues, organizing them with respect to the four actors in the welfare diamond. Mapping the issues this way clearly reveals that the social and employment changes described raise questions about the roles and responsibilities of all corners of the welfare diamond, and that there is, therefore, a need for a wide-ranging conversation about social architecture.

Catching Up to Reality: Building the Case for a New Social Model

1.0 Introduction

Social architecture is the term used to describe the roles and responsibilities of the welfare diamond as well as the governance arrangements that are used to design and implement relationships across that diamond. It is, then, about the roles, responsibilities and relationships among a variety of sources of well-being. We can identify four sources of well-being, and most people receive their welfare from a mix of these four sources.

For the majority of people, by far their major source of welfare is *market* income, earned themselves or by someone in their family, such as a spouse or a parent. But we also gain part of our welfare from the non-marketized benefits and services provided within the *family*, such as parental child care, housework and care for elderly relatives. Access to welfare also comes from *states*, via public services such as child care, health care or other services for which we are not required to pay full market prices as well as by income transfers. The fourth source is the *community*, whose volunteers and non-market exchanges generate welfare by providing a range of services and supports, such as child care, food banks, recreation and leisure.

Each country makes its own choices about the shape of its welfare diamond and therefore the welfare mix it wants. For example, while all rely heavily on the labour market as the primary source of income, some (like Canada) are reluctant to allow markets to distribute access to all goods and services (such as health care or post-secondary education). While all countries assume that parents have primary responsibility for ensuring the well-being of their children, some countries leave parents on their own to purchase what they can afford in the market. Still others provide low cost or free services (child care, health benefits, and parenting supports, for example) and/or ensure that parents have adequate income to meet the needs of their children.

Choices about the mix of welfare and governance arrangements¹ are made according to a country's own traditions, values and preferences, and within its political institutions and economic circumstances. The options available are given by the *social knowledge* of the time. In general, social knowledge is needed to *identify*, *diagnose*, and *prescribe* for a social problem. Social knowledge involves knowledge about the policy and social interventions that could be used to alter patterned relations and interactions among states, markets, families and communities, as well as about the details of social and economic situations.

Keynesian theory is a classic example of social knowledge. It identifies the problem as one of a lack of equilibrium, diagnoses a lack of sufficient demand, and prescribes demand management by governments so as to create economic and social well-being and, particularly, stability. So, too, are public health and population health perspectives examples of social knowledge. Each has its own way of identifying problems, diagnosing the source of the difficulty, and prescribing solutions.

¹ The notion of governance used here is that it involves the processes of governing by public policy networks that include both public and private sector actors.

The producers of social knowledge have traditionally been individuals and groups working in institutionalized settings such as universities, research institutes, political parties, as well as third sector associations such as churches, charities, and foundations and other organizations with policy goals, as well as governmental bureaucracies.²

The premise of this research report (as well as the research program) is that Canada, like many other countries, faces a moment of fundamental choice. The social knowledge that informed both the first three decades after 1945 and the years of neo-liberal politics that followed is being re-evaluated. Whereas for Keynesians, social policy was a support for widespread well-being, for neo-liberals social spending was a burden, to be minimized as much as possible (Palier, 2003). Now, a third position is taking hold. We recognize that social policy makes contributions to well-being in the knowledge-based economy and society (KBES), but also that there can be no simple return to previous policy formulae, precisely because so many socio-economic situations are profoundly different from what they were in the post-1945 decades. New challenges exist, arising from the five areas of profound structural change that are analyzed in this paper.

Therefore, it is important to have good information about the new patterns. This research report seeks to identify and diagnose the reasons for the new patterns and it proceeds in three steps. First, in Part 2, it briefly sketches a narrative about the socio-economic patterns and some of the social knowledge that informed policy choices from the 1940s through the 1960s. This periodization is relevant because, by the mid-1960s, the post-war Canadian social model had been fully constructed. This section pays particular attention to the social knowledge about typical homes, families, and workplaces as well as the general principles that informed state actions. Parts 3 and 4 describe the ways in which an ageing society, new family structures, and changing immigration patterns, as well as altered patterns of income and work in a knowledge-based economy and society (KBES), pose significant challenges to the mix within the welfare diamond designed in the earlier period, and therefore to public policy. The report also describes some of the social knowledge available for prescribing policy responses to these challenges. And finally, Part 5 raises questions for discussion about how to design a welfare mix for the 21st century.

² Sometimes these producers are termed policy intellectuals. For a historical discussion, see, for example, Reuschmeyer and Skocpol (1996). For use of the concept similar to here, see Jenson (2001) and Maxwell (2003).

2.0 Setting a Path: Social Knowledge into the 1960s

In 1945, Canadians and their governments, as in almost all other liberal democratic countries, feared a repeat of the 1930s and 1940s. Both worldwide depression and world war were to be avoided at all costs. But it was not only fear that guided choices. There was also a widely shared *vision*. Policy-makers saw themselves building a country, one that for the first time in its history would achieve all the potential of its immense space and resources, its diverse population, and its hard-won place as an independent player in the modern world. Nation-building goals were part of the post-war social policy agenda, as were education, housing and other programs designed to re-integrate veterans into the mainstream after their war-time service.

Post-war policy-makers understood that market failures in the 1930s had left hundreds of thousands of men willing to work but without employment and, therefore, there was a need to provide an alternative source of income. They were beginning to see the need for pan-Canadian and cross-province sharing of risks as well as benefits, rather than leaving social assistance to local governments. Thus, Unemployment Insurance, instituted in 1941, would serve for decades as a major instrument for ensuring security for families, the vast majority of whom were assumed to have a wage-earner who, with a full-time job, would earn enough to support his family.

While many hoped this insurance-based system would provide security for all, they also understood that there was a goodly portion of the population that could not count on it as a source of replacement income. One in ten Canadian families with young children had a sole parent.³ It was necessary to ensure their security and inclusion by providing a social safety net. Moreover, policy communities were aware that they would have to confront the legacy of previous decades, in which little provision had been made for the elderly. Universal old age pensions (1952) and hospital insurance (1957) were instituted to provide for the elderly and the sick. In the 1960s, there were also major new programs, such as the Canada/Quebec Pension Plans, Guaranteed Income Supplement for seniors in 1966, and the pan-Canadian health care system, passed into federal law in 1968.

Part of the post-war story, albeit quite a controversial one, involved a new role for the federal government as an active representative of all Canadians, constructing tighter social bonds among individual Canadians. While many policy-makers in Ottawa adhered to this position, the provincial governments were not unanimous in their support of this vision; Quebec's insistence on opting out and setting up its own pension plan in the 1960s was only one example of this opposition over intergovernmental relationships. Nonetheless, the federal government's financial clout and willingness to spend, especially through conditional grants, meant that its vision could take shape.

In their ideas as well as their actions, decision-makers in both the private and public sectors were, in essence, designing a set of rules for the division of roles and responsibilities among states and markets, as well as families and communities. The private sector had the responsibility to create well-being by going about its business profitably. In addition, collective agreements negotiated between unions and employers would provide further protections, such as

³ At 9.8 percent (1941 and 1951) and 11.4 percent (1961), the number of lone-parent families hovered around the one-in-10 mark. The percentage did not begin to rise significantly until 1971 (13.2 percent). See Table 1 below.

pensions and supplementary benefits. Governments would construct a social safety net for those left behind by the rising tide of post-war economic boom, and regulate demand by ensuring that economic downturns did not result in a collapse of purchasing power. Families would also have a major role, having the primary responsibility for meeting their economic needs and providing care across generations. Communities would provide supplementary services as well.

Central to this social architecture were public programs that expressed a commitment to the collective good, being a representation of what Canadians owed to each other. Family Allowances and the Old Age Security (OAS) programs are good examples. The result was a mixed pattern.⁴ Canada never went as far as those European countries that were building generous welfare states to cushion citizens from many of the effects of market society. Canadians chose to define several key social rights of citizenship as *safety nets*, rather than seeking to promote greater equality of condition or actively structure labour markets. Our universal programs were limited to education, health care, family allowances and old age pensions, while regulations and contributory programs provided additional social protection for workers and the retired.⁵

Two general principles, or political values, underpinned state action in these decades – those of liberalism and of social equity. The combination generated a position that might be termed “social liberalism.” These two values led to several key premises. First was the notion, dominant in the liberal internationalism of the time, that space was “national.” In the years after World War II, anti-colonialism and the internationalism of the United Nations generated a vision of the globe as carved into national spaces. The Canadian government was not alone, then, in seeking to firm up its borders by clearly distinguishing “us” from “them,” both in the British Commonwealth and on the other side of the 49th parallel.⁶

A second premise, also imported from liberalism, was that the “public” and “private” were clearly distinct. This meant not only that the public and private sectors would be autonomous, albeit interdependent, it also meant that the workplace and home were two distinct locales. Workers were to arrive at the factory or office door “unencumbered” by their family ties. Any employer responsibility was expressed through the wage package and employment contract to the individual worker, who was then expected to care for his (more rarely her) family.

In addition to markets and state, the family and the voluntary sector were key locations of welfare production, although less visible. In popular visions, as well as state policies, families had responsibility for distributing well-being for current and future generations.⁷ Parents were assumed

⁴ Of course this construction did not fall from the sky. It was created by a series of political actors who disputed among themselves, but who also shared a certain consensus – from the CCF/NDP on the left to the Progressive Conservatives, and from the Tories of Ontario to the Quiet Revolutionaries in power in post-1960 Quebec. For a more detailed analysis of the debates among the major actors in these decades – that is, political parties, unions, advocacy groups and state officials, both federal and provincial – see: for parties, unions and provinces (Jenson, 1989), for policy communities, including commissions (Bradford, 1998), about poverty (Haddow, 1993), about unemployment insurance (Banting, 1987), about social welfare, families and gender (Mahon, 2000), and about social justice (Pal, 1993), among many others.

⁵ For a comparison of Canada with other countries, see Goodin *et al.* (1999: Chapter 1).

⁶ With its *Citizenship Act* in 1946, Canada was the first country in the Commonwealth to create a separate citizenship and thereby to break with the alternate myth of the imperial subject as both a legal and subjective identity.

⁷ This description and an argument about its history and future are developed further in Beauvais and Jenson (2001).

to have complete responsibility for ensuring that their preschool children would thrive and be prepared to enter school. Schools had responsibility for overseeing the education of older children, but the rest of their development remained in the hands of their parents. Only if parents “failed” would the state step in and take children into the child protection system. The elderly were also assumed to be the responsibility of their kin, cared for by them unless they were unable to do so.

While the voluntary sector was actively involved in the social policy of this paradigm, little attention was actually devoted to its role or contribution. The exception to this silence was in Quebec, where the Catholic Church had been responsible for delivering welfare to the Catholic population (schools, hospitals, charities, and so on) until the Quiet Revolution. Quebec’s relatively tardy development of public spending led, in the 1960s, to a lively debate about public and private roles and responsibilities. Elsewhere, however, the fact that the Children’s Aid Society was delivering virtually all child protection services in some provinces, that churches ran schools and hospitals in part with public funds, that the Victorian Order of Nurses provided publicly financed home care, or that the Canada Assistance Plan (CAP) required that non-profit associations deliver much of publicly subsidized child care did not attract a great deal of attention.

A third key premise was that, because to the extent possible, markets and families should and would distribute well-being, social policy spending was necessary only for limited purposes. It was to fill gaps and weave the net of social programs for those who *could not participate* in the labour market so that they would not be excluded from other markets (such as those for housing, consumer goods, and so on). There was a certain amount of help available to *provide market access*, whether in the case of housing (low-cost mortgages, for example) or child care (the Child Care Expense deduction, for example). But labour markets remained primordial for the distribution of many benefits that, in other countries, were provided by the state. Labour markets, via collective agreements, distributed supplements to basic public pensions, parental leaves, health and dental benefits, and so on, as well as distributing jobs and income.

In many ways, then, the post-war social contract was not that different from the years of neo-liberal dominance in the 1980s and 1990s, when the so-called “return of the market” occurred.⁸ The commitment to equity was never banished completely, and the belief that markets would distribute sufficient income, absorb all available labour, and guarantee positive outcomes was present in both time periods. What does distinguish the two moments were the definition of *how* equity should be achieved and *who* in the population deserved to be recipients of state spending. Targeting became an important policy mechanism (Myles and Pierson, 1997).

In addition to the general principles of social liberalism, we can see a pattern of social knowledge underpinning program design. It identified, diagnosed and prescribed according to notions of *typical* homes, families and workplaces. For the most part, these visions corresponded to the realities of demography, employment, and settlement in the first post-war decades, as Table 1 helps us to see.

⁸ This similarity is not surprising, given that Canada has been a “liberal welfare state” according to the usual classification system since 1945 and, therefore, one in which the rules of markets have always taken precedence (Esping-Andersen, 1990; Goodin *et al.*, 1999).

Table 1.
Patterns of Social Change over Time in Canada

	1941	1951	1961	1971	1981	1991	2001 ⁴
Total fertility rate ¹	2.8	3.5	3.8	2.1	1.7	1.7	1.5
Divorces per 100,000 married couples ¹	–	180	180	600	1180	1235	1222*
Births to non-married women, as a percent of all births ¹	4.0	3.8	4.5	9.0	16.7	28.6	36.3*
Lone-parent families, as a percent of all families with children ¹	9.8	9.8	11.4	13.2	16.6	20.0	24.7
Women's labour force participation, as a percent of women over 15 ²	20.7	24.1	29.5	38.7	51.9	58.4	59.7
Men's labour force participation, as a percent of men over 15 ²	85.8	83.8	77.7	77.3	78.7	75.1	72.5
Population over 65 as a percent of total population ³	6.7	7.8	7.6	8.0	9.6	11.4	13.0
Population over 85 as a percent of the population over 65 ³	4.7	4.8	5.8	7.9	8.2	9.8	10.7
Persons over 65 living with their extended family, as a percent of those over 65 ³	–	–	–	16	11	8	13
Persons over 65 living alone, as a percent of those over 65 ³	–	–	12.4	18.3	26	28.2	26.9
Population reporting Aboriginal ancestry (origin), percent of total population ⁴	1.4	1.2	1.2	1.5	2.0	3.6	4.4
Proportion of immigrants born in Europe or the United States ⁵	–	–	94.4	75.5	42.9	29.6	22.3
Proportion of immigrants born in Asia ⁵	–	–	3.2	12.1	33.3	47.2	58.2
Urban population	54.3	61.6	69.6	76.0	75.7	76.6	79.4
<p>Notes:</p> <ol style="list-style-type: none"> 1. Data in these rows (with the exception of 2001) are from Beaujot (2000: Table 4). 2. Statistics Canada (1999). 3. Health Canada (2000). 4. Data in this column are from Statistics Canada Web site. *Statistics for 1996. 5. The dates are not census dates, but are the following: before 1961; 1961-70; 1971-80; 1981-90; 1991-2001. Statistics Canada (2003b: 39). Statistics Canada includes the Middle East in "Asia." 							

Typical homes were composed of two parents, several children and perhaps an elderly relative. The baby boom after World War II meant that many families had three or more children. The divorce rate was low and births to unmarried women rare. Therefore, if 10 percent of families with children were lone-parent ones through the 1940s and 1960s, these families were largely created by death of a spouse rather than by “illegitimate births” or divorce. Moreover, in most homes, the male breadwinner model predominated through the 1970s. Women’s labour force participation rates were low, because they tended to stay home to care for their children, the house, and perhaps their elderly kin.

By the 1970s, these patterns were changing, some quickly and some more slowly (as Table 1 documents). Women’s labour force participation and divorce rates were climbing, while fertility was falling. These patterns accelerated into the 1980s and 1990s. However, in the 1940s and then the 1960s, when the basic social protection programs were being designed, lone parents were still overwhelmingly widowed wives. Therefore, most provinces designed social assistance benefits with them in mind, and permitted them to substitute child care for employment, such that their situation would resemble that of their female neighbours and kin (Boychuk, 1998). Other routes to lone parenthood were thereby assimilated to a model that had been under construction since the time of mothers’ allowances for deserving widows.

From the 1940s to the 1980s, the age structure of the population was one in which youth predominated. The segment of the population that was older than 65 remained below 10 percent. Although it was growing, the increase was slow, rising less than five percentage points in the eight decades between 1921 and 1981, and less than two percentage points between 1951 and 1981.⁹

However, Canadian women born in the first two decades of the 20th century had unusually high rates of childlessness and low rates of fertility, as well as little labour force participation (Martin-Matthews, 2001: Introduction, p. 3). In addition, this generation was likely to have husbands or sons who died in one of the world wars, or to have been married to men whose life expectancy was considerably shorter than women’s.¹⁰ Therefore, by the 1960s, a social problem had become visible. Elderly women were significantly at risk of poverty in old age. Of course, elderly men were also at risk because private pension plans were by no means universally in place, and even those developed in the post-war years were limited. Therefore, the retirement-income regime was designed both to address the needs of low-income persons (with a component targeted to low-income elderly) and to provide a reliable pension based on contributions levels.

Immigration has always shaped Canadian society. However, in 1951, only 15 percent of the population was foreign-born, a number that was significantly lower than the 1931 high of 22 percent. Selection practices embedded in immigration policy also resulted in the situation described in Table 1. European sources predominated into the post-1945 years, with the arrival in Canada of many persons displaced by the war, by the “Iron Curtain” clanging down, by the Cold War, and so on. Before 1961, 94 percent of immigrants came from either Europe or the United States, and while change began in the next decade, three of every four immigrants still came from those two sources between 1961 and 1970. This meant that immigration had not yet

⁹ In 1921, 4.8 percent of the population was older than 65.

¹⁰ The gap between Canadian women’s and men’s life expectancy is now narrowing but remained large for a number of decades.

begun to change the face of Canada, nor was the immigrants' portion of the population as high as it would become later.

Typical patterns of employment also shaped social knowledge and the social programs to which it gave rise. The male breadwinner model was strong, given the low rates of labour force participation by women. But beyond that, the post-war boom created a labour market in which employment provided protection against poverty. Wages were sufficiently high that having a full-time job brought the capacity to support oneself and one's family. Real wages continued to rise through the 1970s (Statistics Canada, 1984). Therefore, those at risk of low income were men temporarily without work, that is, those who were unemployed because of job turnover or for structural reasons such as seasonal work. Other categories of the population at risk of poverty or low income were those unable to work, because they were disabled or considered otherwise occupied by raising children.

Such patterns of social knowledge led policy intellectuals to design social and employment programs that maintained a clear distinction between being "in" and being "out" of the labour force, and with different programs for each group. The recipient of social assistance imagined by policy communities deploying this social knowledge was a citizen "unable" to seek work, while retirement pensions or Unemployment Insurance was for the rest, including everyone from people fishing seasonally to new mothers and parents. Thus, access to social protection was clearly organized according to one's relationship to the labour force, while the labour market functioned as the best safety net of all.

All the assumptions and understandings embedded in this social knowledge – and the policy designs that have followed from them – have been called into question in the last 25 years.

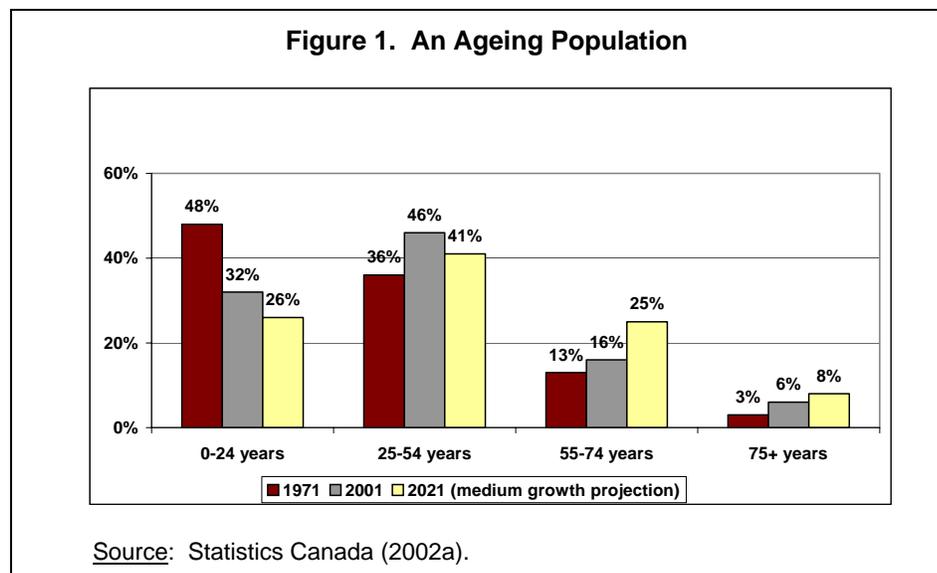
The visions of the 1940s and the policy developments of the 1960s have bumped up against the constraints of the 1980s. Operation of globalized markets, new technologies, the knowledge-based economy and society (KBES), and other factors have forced rethinking. Labour markets as much as markets for goods and services have been restructured in the last decade. Their capacities and their functioning are no longer the same: the growth of real wages slowed and income differentials expanded; new forms of non-standard work such as part-time and temporary contracts have become widely prevalent and increased vulnerabilities; new and flexible skills are in demand, to which everyone does not have access; immigrants are not being integrated into the mainstream in the same way; and social problems in Aboriginal communities remain intractable, despite some improvements. Nor are the demographic practices and family structures the same. All these patterns have provoked a need for a wide-ranging conversation about the appropriate roles and responsibilities across all four sources of welfare.

3.0 Social Conditions at the Start of the 21st Century

Few of the post-1945 assumptions about typical homes, families and workplaces adequately capture the reality of Canadian society now. New social knowledge, based on an analysis of current circumstances, is therefore needed. Obviously, work has been done throughout these decades to update social knowledge, by identifying new fault lines hindering inclusion and solidarity, and by thinking about ways to achieve long-standing as well as new goals.¹¹ For example, since the late 1960s, notions of equity have expanded to incorporate gender equality, while some new challenges have become increasingly visible, such as the integration of immigrants and ensuring fairness to Aboriginal people living in Canada. The next two sections provide an overview of some of this new social knowledge, focusing primarily on the identification of new patterns and some of the diagnoses available. These are both needed before adequate policy prescriptions can be made.

3.1 An Ageing Society

Figure 1 presents the basic information that causes many people to describe Canada, as much of the OECD world, as an ageing society. Not only did the median age of the population reach an all-time high of 37.6 years in 2001, a jump of 2.3 years since the last census, but it is expected to reach 41 by 2011. In addition, this population is composed of fewer young people, and more older working people. The median of the working age (20-64) population rose to 41.3 in 2001, and is expected to reach 43.7 by 2011 (Statistics Canada, 2002a: 4).



¹¹ Cynthia Williams (2003) provides a brief overview of this updating process, linking shifts to a series of important reports and commissions: the Marsh Report in the 1940s, the Royal Commission on Bilingualism and Biculturalism in the 1960s, the Royal Commission on the Status of Women in the 1970s, the Macdonald Commission in the 1980s, and the Royal Commission on Aboriginal Peoples in the 1990s. See Bradford (1998) for a similar emphasis on the key role played by royal commissions in updating and altering social knowledge.

Behind these basic statistics are important cohort patterns as well. The group that was the fastest growing was those older than 80; it increased by 41 percent. If the cohort of “young retirees” grew by only six percent since the census of 1991, the next two decades are projected to see this group increase by fully 31 percent. At the other end of the life cycle, the cohort of young workers, aged 25-34 actually declined in size, falling 18 percent in the last decade (Statistics Canada, 2002a: 28). Similarly, the number of children aged zero to four declined 11 percent between 1991 and 2001.

Statistics Canada makes the following prediction about the “ends” of the life course, projecting from both increases in life expectancy and declines in the fertility rate. It estimates that in 2011, the number of the oldest of the old, those over 80, will reach 1.3 million while the number of preschool children will be only 1.6 million.

Of course, not all categories of the population display precisely the same demographic patterns. The Aboriginal population in Canada is actually quite different (Statistics Canada, 2001). The Aboriginal share of the Canadian population is increasing. It now represents 4.4 percent of the population, up from 3.8 percent in 1996. One-third of the whole Aboriginal population is under 14 years old, reflecting significant declines in infant mortality as well as a fertility rate one-and-a-half times higher than the Canadian average.¹² The result is that almost six percent of all Canadian children are of Aboriginal origin.

The demographic patterns identified here are very different then from those upon which the social knowledge shaping the social architecture in previous decades depended. Table 1 documents several key differences that have focused attention on work and retirement as well as on conditions for active ageing.

Ageing, Pensions and Labour Markets

After World War II, providing income security for the elderly was a priority in Canada as in most other advanced industrial countries (Myles, 1984). Public old age pensions provided a real measure of economic security and autonomy to seniors, whether they had participated in the labour force or not. One of the great success stories of Canadian social policy has been the capacity of public policy to alter patterns of retirement income so as to significantly limit poverty among seniors.

As John Myles documents, the maturation of the Canada and Quebec Pension Plans (CPP/QPP) brought rising real incomes that went disproportionately to lower income seniors, contributing to a decline in low-income rates (Myles, 2000: 8 and *passim*). The CPP/QPP as well as the Guaranteed Income Supplement have decreased the percentage of elders living with incomes below the low income cut-offs (LICOs), although there are still significant gender and family disparities in income. Couples and men still have substantially higher retirement incomes than unattached women, who are generally more dependent on government transfers (Ulysse and Lesemann, 1997: ii).

¹² The two changes together are important because in the 1960s the Aboriginal birth rate was fully four times higher than the Canadian average, but the population was growing more slowly.

Of course, not all retirement is “chosen.” If the average age of retirement in Canada is now 61, some people “retire early” for lack of an alternative. For example, between 1989 and 1994, years of economic downturn, the number of people reporting they had retired early because they were laid off and could find no other work increased by 30 percent (Maclachlan, 2000). Others, however, claim they “will not retire.” When surveyed in 2002, almost one-fifth of the population aged 45 to 59 gave this answer, while the percentage of those unable to say *when* they would retire reached one-third of this age group. Nor was this uncertainty always due to any “love of the job.” There was a strong income effect, with people with personal incomes under \$20,000 more than three times more likely to say they would not retire, and recent immigrants much less likely to have clear retirement plans. Lack of adequate preparation for loss of earnings was a major factor in their inability to specify their retirement plans. Therefore, retirement incomes may not be adequate in the future to achieve what they do today, a situation in which fully two-thirds of recent retirees report no change or an improvement in their financial situation (*The Daily*, 2 September 2003, reporting of GSS findings).

People are now living on their retirement income much longer than expected when the programs were designed in the mid-1960s. As Peter Hicks (2003: 4) writes: “...as recently as 1960, men might expect to work for 50 years and not be at work (mainly going to school and have a short retirement) for 18 years, for a total average life expectancy of 68 years. That has changed in recent decades. Today men live until 76 with half of their lives spent in activities other than work.” If they were to stay in their jobs until 65, they would live for 11 years rather than three on their retirement income; many people now retire much earlier, however.

One result is pressure on the sustainability of pension systems in many countries (Hicks, 1998). The growth in the retirement age population as a proportion of the population means that there are fewer working-age people “supporting” each retired person. Therefore, sustainability of a key public program is one clear challenge to face. The pool of people paying significant amounts of taxes and other contributions is shrinking and this has consequences both for fiscal balance and for productivity. There are fears that underemployment of older workers and little flexibility in employment relations may be a threat to efforts to increase economic output (Cheal, 2003).

Whether such fears are shared or disputed, social knowledge is needed to design the best policy mix for a future of longer periods of retirement and also for generations that may not have had the same access to employment income as the baby boom generation did. As John Myles’ analysis documents, the reduction in low income that occurred in Canada with the maturation of the CPP/QPP may not continue. Nor do we necessarily want to achieve such a decline exactly in the way this one was achieved, and as described in the second half of this next sentence: “The *relative* gains in incomes of the elderly since 1980 are, on the one hand a product of their own biographies (the rising wages and better pensions that followed the war) and, on the other, the relative stagnation in wages and incomes of working-age families in more recent decades” (Myles, 2000: 19).

Peter Hicks (1998) summarizes the debate across the OECD; the issues are relevant for any discussion of Canada's social architecture as well.

In recent years, pension reform has largely been driven by fiscal concerns alone – which will become increasingly insistent in the period after 2010 unless actions are taken now. But new social-policy considerations are beginning to influence the pension reforms being considered as the debate shifts to examine the nature of retirement itself, not only its financing. The traditional concentration on choice between competing sources of pensions – often between public pay-as-you-go schemes and advance-funded individual-account schemes – is being dropped in favour of an analysis of the best balance among multiple pillars or tiers, often involving new mixes of pension elements and non-pension sources of retirement income. Attention is likewise shifting from an almost exclusive focus on the relative generosity of pension benefits to include their duration.

What kinds of programs are needed to ensure sufficient retirement incomes and sustainability? There are challenging issues that merit attention. But they do not exhaust matters raised by and in an ageing society.

Active Ageing

Despite the policy success of the various income support programs for persons over 65, new challenges exist. As Ulysse and Lesemann (1997) summarize the post-1945 situation:

The aim of the measures introduced at that time was to respond to an urgent situation of material poverty, poor health and social isolation. However, these major developments thus sanctioned the institutionalization of aging by leading governments in industrialized nations to set the retirement age, i.e. the age of entitlement to old age benefits, at 60 or 65 years of age, thus engendering an administrative approach based on a formal association between entry into old age and this chronologically fixed age. But the financial, health and social situation of the elderly has changed significantly over the past 30 years.

Life expectancy has increased and, for the first time since 1951, the gender gap in life expectancy in Canada is narrowing. While women still predominate in the oldest age groups, in 2001 there were 75 senior (over age 65) men for every 100 women, an increase from the 1991 figure of 72. An explanation for this gain is that people no longer age as they did in earlier decades. At the same time, life expectancy improved (although still being lower than general Canadian averages) in the Aboriginal population, such that the numbers of Aboriginal older persons increased by 40 percent in the five years between 1996 and 2001. Life expectancy at birth for male status Indians has risen from 59.2 years in 1975 to 68.9 years in 2000, while for women it increased from 65.9 to 76.3.

Recognition of such changes and access to new social knowledge has led many to advocate a policy of “active ageing.” This is an approach that seeks policies to support people, as they age, to continue to live productive lives in society and the economy. There is no question that many

now do so: for example, the economic value of seniors' volunteering is calculated at between \$764 million and \$2.3 billion annually while one-quarter of them provide unpaid (informal) care to family members or friends and they are the largest per capita donors to charity in the Canadian population (Maclachlan, 2000). Programs inspired by the notion of active ageing seek to extend possibilities to more people.

Such an extension can involve policies ranging from employment conditions being made more flexible to attention to housing and healthy living. It is clear that seniors today not only live longer but also enjoy better health. "The majority assess their health positively. This high level of physical and psychological well-being is however dependent on effective social integration and a relative absence of chronic disease" (Ulysse and Lesemann, 1997: ii; also Rosenthal, 2000). The latter, for their part, are unevenly distributed, according to gender (women live longer but have more health problems and chronic illness) and family situation (those living in a couple are much more likely to eat well, be physically active, and not smoke) (Maclachlan, 2000; Ulysse and Lesemann, 1997).

Active living also means being able to maintain one's autonomy. If the expectation about the typical family in post-1945 social knowledge was one of multiple generations living in the same household, the multi-generational family is no longer society's norm. Indeed some of the much remarked upon intergenerational living present in *immigrant populations* may be due more to lack of choice than to culture. "A study of poverty among seniors who identified themselves as Chinese, Aboriginal, Ukrainian, Jewish, Black, Greek or Italian on the 1991 Canadian Census found that, except for the Ukrainians, all of these groups were poorer than the average senior in Canada. Visible minority seniors (Chinese and Black populations) were the poorest" (Maclachlan, 2000).

A social architecture seeking to promote an active ageing model will need to address labour markets (how to ensure greater flexibility, if longer employment is the goal), and housing markets (to ensure appropriate housing options), as well as the community (so dependent on the volunteer work of active seniors).¹³ What are appropriate expectations about family responsibilities, and what should the role of the state be in ensuring these all contribute to promoting active ageing?

Ageing and Intergenerational Equity

Studies find that family ties across generations remain more solid than popular perceptions might suggest (Ulysse and Lesemann, 1997). Many seniors who are parents are in quite frequent contact with their children: 12 percent see at least one of their children daily, a further 31 percent see a child at least weekly, and an additional quarter see their children once a month (Rosenthal, 2000). They also provide child care within the family; one in five reports caring for a child at least once a week (Maclachlan, 2000). Of course, such contact depends on residential proximity.

¹³ While an active living model is appropriate in many situations, it is important to avoid the excess of "... some images of 'successful aging' [that] almost seem to suggest that with proper attention to a 'healthy lifestyle' the aging process can be halted in its tracks" (Rosenthal, 2000).

Income transfer among generations also exists. Whereas children born before World War II might have expected to enter into their inheritance, if there was one, in their middle-age if not earlier, they now might themselves be over 65 and retired before inheriting. Income transfers from seniors to both the “middle generation” and to their grandchildren are common, however. Public policies sometimes, and especially in wealthy families, encourage such transfer via tax incentives, with the result that inequalities are also passed on (Hicks, 1998). Other forms of support also exist, such as when a grandparent is able to provide financial, housing or other support to a child and grandchildren at the time of a divorce, for example.

Of course, there is also much popular literature that focuses on the negative, fearing for the “sandwich generation” caring for both children and elderly relatives or even a breakdown in social cohesion as intergenerational conflicts intensify. Cheal (2003) puts these two issues on a list of six concerns about the negative consequences of ageing.

Recent findings (Statistics Canada, 2003d) show that 41 percent of Canadians over 65 receive informal care for a long-term health problem and that men and women between 45 and 65 are most likely to be the carers of others over 65. Twenty-five percent of men 45-54 report providing informal care and 24 percent of women say the same. The next largest group of carers, and again virtually at the same rate for women and men, is that aged 55-64 (Statistics Canada, 2003d: Table 2.1).

While there are only very small gender differences in overall rates of caring for a person over 65, measures of consequences, especially on employment, of caring *are* gendered. Among women caring for a person over 65 and themselves aged 45-65, 17 percent reduced their hours of work, but only 11 percent of men in the same situation did the same. Fourteen percent of working-age male carers changed their work patterns and 22 percent of women did, with those aged 45-54 being even more likely to have done so (Statistics Canada, 2003d: Table 4.1). Both men and women reported significant consequences on other aspects of their life, such as sleep, health and leisure, again with women 45 to 65 reporting the largest consequences (Statistics Canada, 2003d: Table 3.1). This responsibility Canadians undertake in caring for elderly relatives obviously has consequences on their own well-being, both in the present (health, needed leisure, income and so on) and into the future (changes in work hours and patterns may have consequences for future retirement income of carers).

Policy design about care clearly needs to revisit assumptions embedded in the welfare diamond of the post-1945 years about the responsibilities of families and women within them. And it would help to do so by examining the whole life cycle. As Carolyn Rosenthal (2000) points out:

Studies of help patterns in families repeatedly show that help flows in both directions: not only from adult children to their senior parents, but also from these seniors to the adult children and the grandchildren. Moreover, older people tend to give more help than they receive until they reach a very old age. In a life-long perspective, parents provide more help to their children over much longer periods of time than they receive in return.

A well-designed social architecture will be one sensitive to this complexity. It will be one that can adopt a life-course analysis and thereby demonstrate social interdependencies more than conflicts.

Box 1

Policy Challenges Arising from an Ageing Society

- What kinds of programs are needed to ensure sufficient retirement incomes and that retirement pension systems, both public and private, will be sustainable?
- What place is there for labour markets to continue to distribute income to over-65s, by extending the retirement age?
- What should the role of the state be in promoting active ageing? What is the role of the community in ensuring it? What expectations about family responsibilities are reasonable to make?
- Canadians provide care for elderly relatives and this has consequences for their own well-being, both in the present and into the future. Policy design clearly needs to revisit assumptions embedded in the welfare diamond of the post-1945 years. What is the role of the family, of the market, of the community and of the state?
- How can social architecture be sensitive to the complex patterns of intergenerational exchanges?

3.2 New Family Structures

We have noted that the social knowledge of the first post-1945 decades relied extensively on the vision of the typical family as living in a home, separate from the workplace, and being composed of two married adults with several children and perhaps a senior relative, dependent on a male breadwinner. Since then, none of these assumptions describes the current situation. Homes are occupied differently, family structures are changing, and an adequate income often requires two earners.

Changing Homes

Homes are changing, in both composition and what happens within them. Home is no longer only the supposedly “private space” of unpaid work and informal care that it briefly became over the 20th century. Instead, we find that homes are again becoming workplaces, as the patterns of labour force participation change.¹⁴ The picture that emerges from the statistical portrait of those working at home has two faces. One is a young woman, trying to juggle work and family responsibilities. The other is an older man, who works at home as he prepares to exit the labour

¹⁴ The number of self-employed in the labour force rose in the 1990s. Between the 1991 and 1996 censuses, there was a major jump, although the increase was less rapid between 1996 and 2003 (Vosko *et al.*, 2003). For more details, see Statistics Canada (2003a).

force.¹⁵ In both cases, homes are serving varied and novel functions, and providing their inhabitants with relationships to work and living space that have not been seen for decades.¹⁶

In 2001, eight percent of Canadians usually worked at home, and more than half of these were self-employed. In a survey conducted in 2000, more than two-thirds of self-employed workers reported having a home-based business, and almost four-fifths of the self-employed who worked alone did so from home (Lowe and Schellenberg, 2001: 18).

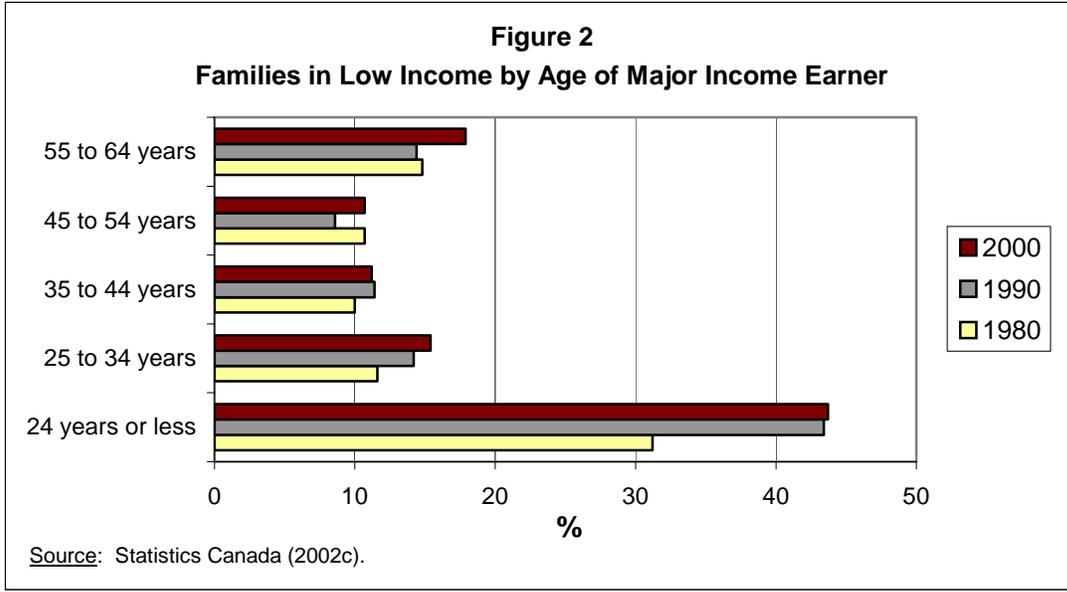
Homes are also less often “family homes” than in the past. The number of one-person households has been rising steadily over the last decades and, in 2001, accounted for one-quarter of all households (Statistics Canada, 2002b). Of persons living alone, almost two in five were older than 65, and half of those were women. While living at home reflects a desire for autonomy and so on, there are also downsides to the trend. Those at greatest risk of finding themselves with housing affordability problems are those who live alone.¹⁷

We can clearly identify a waning of the traditional multigenerational extended family home (see Table 1), that is, an elderly relative living with adult children. In the decade and a half before 1996, the percentage of seniors living in an extended family dropped by more than half, although in the last half decade there has been a slight pick up in the rate. At the same time, there has been a rapid change at the other end of the life cycle. Recent trends in the labour market, education, and the housing market, as well as rising student debt loads, are making it more difficult for young people to become financially independent. First, the school to work transition has been extended over time, adding a full two years to its duration (Beauvais, McKay and Seddon, 2001: 80). Second, the youngest age cohorts suffer economic disadvantage that is reflected in earnings that do not raise the young family out of low income (see Figure 2) and in higher unemployment rates (10.8 percent for 20-24 year-olds compared to 6.6 percent for 35-44 year-olds).

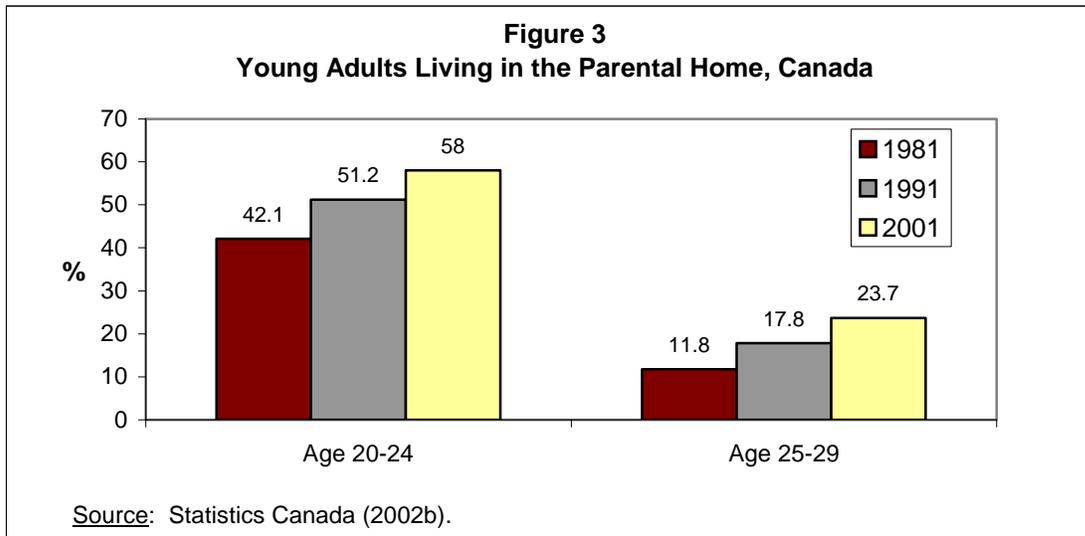
¹⁵ Although working at home is still relatively rare, among the women who do it, more than half (54 percent) are aged 25 to 44. Almost half the women working at home were doing so part-time. Among men who work at home, it is those aged 35 to 54 who make up half the group.

¹⁶ Earlier, the distinction between workplace and home was much less clear, of course. Artisans, shopkeepers, farmers and agricultural workers, among others, made their living by working in the home, while the family economy depended on the labour of virtually all family members, including children. The creation of factories during industrialization in the 19th century then brought a separation of work and home, although the family economy still often depended on several members' earnings (child labour laws are only 125 years old, at best, in Western Europe), and many women continued to produce their incomes *in the home*. Women took in laundry, cared for (and even nursed) other women's children, rented rooms, and sewed piece work. At the same time, small shopkeepers and farmers continued to “work at home.” These patterns prevailed well into the 20th century. Therefore, the decades in which home was *not* a place for earning money were few in number indeed. The separation of home and earning applied primarily to the homes of the urban middle and upper classes, and to the situation of adult men. See the classic analysis of Tilly and Scott (1978).

¹⁷ They are the largest group in the 26 percent of Canadian households with affordability problems, and the percentage of the group in this situation went up one percent a year between 1991 and 1996, from 37 to 42 percent. In other words, more than two of every five one-person households are considered to be paying too much for their housing, and are forced to skimp elsewhere.



These factors have combined to produce a major social change in the last decades. Figure 3 documents the huge increase in young adults living in the parental home. For the younger group, the increase is 16 percentage points, that is, a 38 percent increase. For the 25-29 year-olds – a prime child-bearing and family formation age – almost one in four are still living at home, an increase since 1981 of 101 percent. In both age cohorts, young men are more likely than young women to be living with their parents (Statistics Canada, 2002b). When neither social housing nor the market offer adequate options, the family home is often used as a *de facto* safety net.



We can find the consequences of these new patterns immediately in the statistics on formation of unions. In both age cohorts, the number of young people living as a couple is in decline (Statistics Canada, 2002b). In other words, young people are postponing forming a union. In addition, the proportion of common-law couples is on the rise, such that the percentage of married couples in these groups has been significantly reduced in the last 20 years.

A first implication of this failure to attain economic independence is on child-bearing. With both the lengthening school to work transition and delays in leaving the parental home, young women may find themselves “squeezed out” of their prime childbearing years (Beauvais, McKay and Seddon, 2001: 80). Ensuring housing and adequate income for young people and young families is a major policy challenge.

Changing Families

A change in the structure of families is also identifiable. A family may be composed of a single generation (a couple with no children), two generations (the “traditional” nuclear family or a lone parent with children), or several generations (an extended family). It may be composed of same-sex or heterosexual partners; in 2001 (the first census for which data are available) 34,200 couples identified themselves as same-sex common-law couples. Of these, 15 percent of female and three percent of male same-sex couples had children living with them.

Figure 4 identifies the change over time in the situation of families with children under 14. One of the most visible social transformations in the post-war years is the rise in the number of lone-parent families created by divorce or child-bearing outside marriage.¹⁸ Figure 4 demonstrates that the diagnosis of change is more complicated, however. While the percentage of children living with *married* parents has declined substantially in two decades, the largest change is in the category of those living with common-law parents; there has been an increase of 10 percentage points. These are children who live with *two adults* who have chosen not to marry, whether their biological parents or in recomposed families.

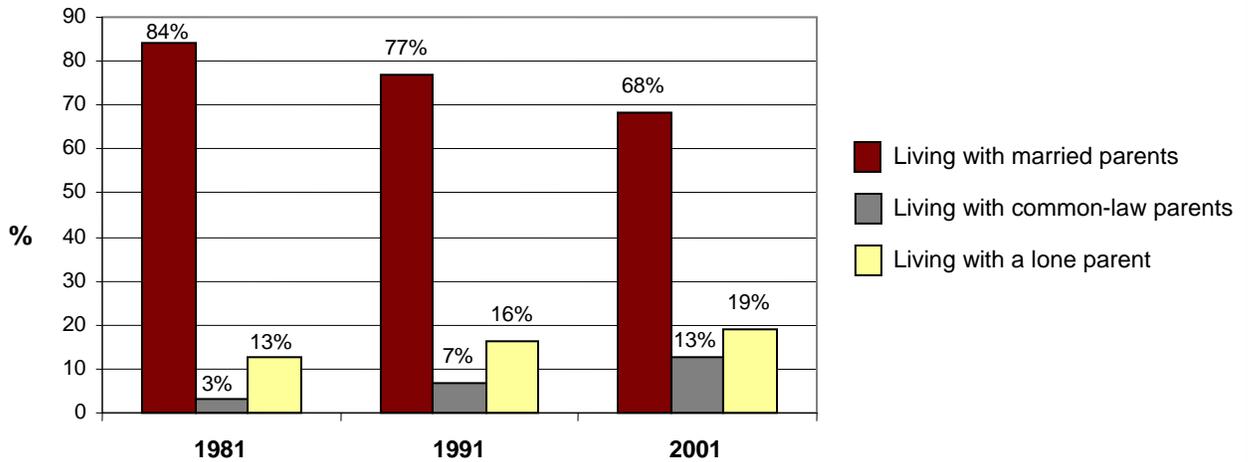
The average for Aboriginal children living with a lone-parent is substantially higher. On reserves, 32 percent of Aboriginal children live with a lone parent and in large urban areas the figure is substantially higher, being 46 percent. Moreover, almost five percent in large urban areas live with an adult who is not a parent (Statistics Canada, 2001: 9).

Social knowledge has developed significantly about the consequences of lone-parent families having greater responsibility for raising children, and about the fact that children at some point in their childhood are likely to live in a lone-parent family. We know that lone-parent families are at a much higher risk of low income (see Figure 5).¹⁹ The changing structure of work means that the male-breadwinner model has given way to a situation in which it often takes two earners to keep a family out of poverty. Therefore, families with only one earner have a much harder time making ends meet.

¹⁸ Divorces per 100,000 population rose from 137.6 in 1981 to 294.0 in 1991 and then fell to 231.2 in 2000.

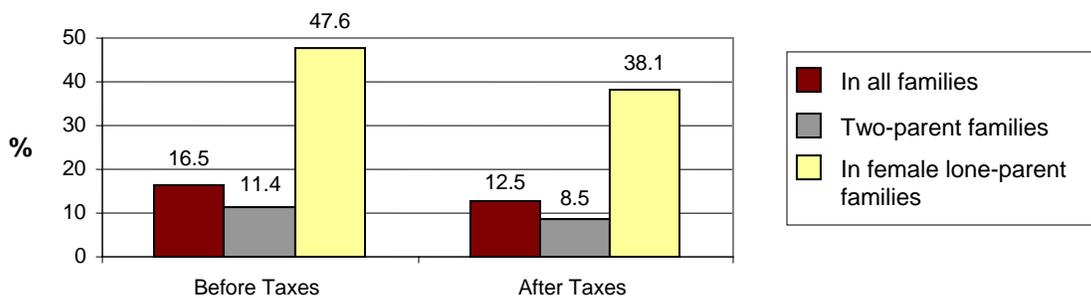
¹⁹ This observation cannot be allowed to obscure another key statistic, however. *More children* who are living in poverty are living with two adults than with one.

Figure 4
Distribution of Children Aged 0 to 14
by Family Structure, Canada (1981-2001)



Source: Statistics Canada (2002b).

Figure 5
Prevalence of Canadian Children in Low Income
Before and After Taxes by Family Types, 2000



1. Person under 18 years of age. Statistics Canada produces two sets of low income cut-offs and corresponding rates – those based on total income (i.e., income including government transfers, before the deduction of income taxes) and those based on after-tax income. After-tax income is total income, which includes government transfers, less income tax. It may also be called income after tax.

Source: Statistics Canada, 2002c.

The form that prescriptions have taken is to focus on reducing the poverty of children and young families, because studies within child development and population health paradigms, among others, identify and provide solid diagnoses of the long-term dangers of income poverty. It is associated with higher vulnerability, both for health and for social inclusion. The policy challenge is to design programs that will provide income to be sure, but also to reduce other risk factors of being a child in a poor family. Are these diagnoses and prescriptions adequate?

Fertility Changes

The average number of children per family has also declined, to make families smaller than in the decades before 1945. As in many other countries, we can identify a plummeting Canadian fertility rate. It was 3.8 in 1960 and fell to 1.7 in 1990, with a further decline to 1.5 in 2001.²⁰ Part of the diagnosis for this decline is the postponement of child-bearing, linked to the length of time it takes to achieve financial independence and stability. Since 1944, the average age of mothers at the birth of their first child has risen from 25 to 27 years and, in the mid-1990s, the proportion of women in their 40s giving birth surpassed the proportion of those 15-19 (HRDC/Manitoba, 2003: 2).

Access to reliable contraception allows men and women to control their projects for family formation much more than ever before. Most experts would say that in large part the decline in fertility is because families face new risks related to obtaining adequate income and the stress of combining multiple responsibilities makes effective parenting difficult. Lack of supportive services in the community is also often a problem. Such conditions cause adults to think carefully before deciding to engage in a long-term and costly family project.²¹ Obviously the decision to have a child goes well beyond a cost-benefit analysis, but such factors are certainly a consideration, and perhaps even more so when parents are considering a second or third child. Is declining fertility only a family matter, or is there a public concern?

Box 2

Policy Challenges Arising from Changing Homes and Families

- What are the responsibilities of the family, the state and the market for ensuring that young adults will be able to achieve residential as well as economic autonomy?
- Ensuring housing and adequate income for young people and young families is a major policy challenge. Are the diagnoses and prescriptions for dealing with child poverty adequate?
- Are particular measures needed to address the even higher rate of Aboriginal children living in lone-parent families and with adults who are not their parents?
- Is declining fertility only a family matter, or is it a public concern?

²⁰ The 2001 Canadian fertility rate actually reflected a slight increase, for the first time in a decade, after a record low in 2000. It rose from 1.49 to 1.51, with the biggest increases being in Quebec and Ontario (*The Daily*, 11 August 2001).

²¹ The Manitoba Department of Food and Agriculture has, for many years, tracked the cost of raising children. It calculates that, on average, the cost of raising a child to 18 is \$159,563 for a boy and \$158,149 for a girl.

3.3 An Increasingly Diverse Immigrant Society

Canada has always been a society of immigrants. However, in recent years we can identify a significant shift in the sources of immigration, as Table 1 indicates. Social knowledge has also changed. The country began, in the 1970s, self-consciously to describe itself as “multicultural” and, by the 1990s, “diversity” had become the watchword.

Changing Sources

Canada’s first immigration policies were based on a settler model. Newcomers, with their families, were expected to distribute themselves across the land and especially to fill what were perceived as “empty spaces.” They were selected according to their perceived capacity to “fit into” the norms of Canadian society.²² This meant a selection process that overwhelmingly favoured immigrants from Europe or the United States.

By the late 20th century, however, immigration policy shifted in three key ways. The 1967 *Immigration Act* introduced the point system and ended explicit discrimination based on country of origin. From then on, immigrants were first selected based on their skills, supposedly responding to the needs of Canada’s labour market, rather than selected on the basis of their country of origin. As a result, source countries dramatically multiplied in number, a trend intensified by the global patterns of population mobility from the South and East. Asia is now by far the largest source region, providing more than 63 percent of all newcomers in 2001. The vast majority of immigrants are thus, according to Canadian discourse, “visible minorities.”²³

A second change was the decision made in 1978 to formalize the practice of attracting business class immigrants, that is, those who have sufficient resources to finance a business in Canada and hire employees.²⁴ The third change was the worldwide increase in refugees and asylum-seekers and Canada’s commitment to opening its doors to those in need of protection.²⁵

It is easy to identify the ways in which the Canadian population has been transformed by these policy choices. First, immigrants make up a greater proportion of the population. The foreign-born population rose to 18.4 percent, up from the 14.7 percent in 1951 (Statistics Canada, 2003b: 5). Second, the 2001 census found 13.4 percent of the total population identified as a visible minority, up from 4.7 percent in 1981. Those of Chinese ancestry formed the largest minority group in Canada, 26 percent of the visible-minority population. One in every four persons of Chinese ethnic origin was born in Canada (Statistics Canada, 2003b: 10-11).

²² Various policy tools were used to limit immigration from “less desirable” origins, such as the infamous Head Tax of 1885, making the costs of admission to Canada prohibitive for Chinese families.

²³ According to the Employment Equity Act, visible minorities are defined as individuals who are non-white in colour and non-Aboriginal or non-Caucasian by “race.” In practice, this means people who have origins other than European.

²⁴ The program was consolidated in 1986 with the introduction of the “investor” class for would-be immigrants with a net worth of at least \$500,000 willing to invest in Canada. The majority of people entering Canada through this category in the 1980s and 1990s were from Hong Kong.

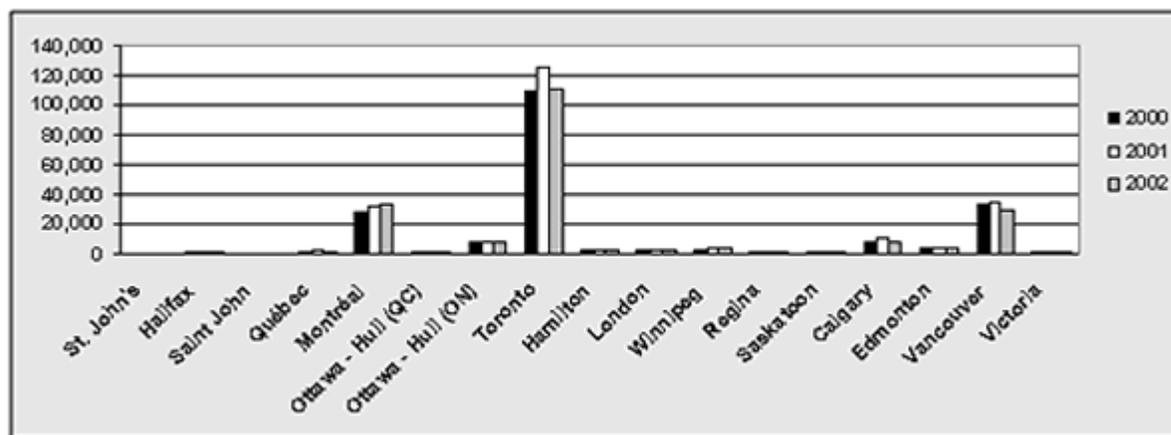
²⁵ In 2001, skilled workers accounted for 54 percent of all newcomers, immigrants under the family class 27 percent, refugees 11 percent and business class immigrants six percent (Papillon, 2002: 6).

A third transformation is the concentration of newcomers, rather than their dispersal across the country. While 36 percent of the Canadian population lives in areas other than the Census Metropolitan Areas (CMAs), only six percent of immigrants and refugees in the 1990s settled in non-CMAs. Three cities are the locations of choice for newcomers. Toronto received 43 percent of all immigrants in the 1990s (79 percent of these being visible minorities), Vancouver 18 percent, and Montreal 12 percent.

Immigration is a – Varied – Urban Phenomenon

There is now a huge “diversity difference” between these three city-regions and the rest of the country (Figure 6). Of Toronto’s population, 44 percent was born outside the country, and fully 39 percent of them had arrived in the 1990s (Statistics Canada, 2003b: 28). In that city, 36.8 percent of the population identified as a visible minority in 2001, while 36.9 percent in Vancouver did the same. The Canadian average is 13 percent.

Figure 6
Immigration by Census Metropolitan Area, 2000-2002



Source: Papillon (2002: 7).

While change is easy to identify, diagnoses of the consequences are more difficult. Because much of this concentration results from post-1960s immigration, these three cities are among the most multicultural in the world, with all that it implies in terms of the “diversity advantage” as well as specific challenges for services, urban planning, infrastructure and other fields. Richard Florida (2000) argues that environmental quality as well as cultural dynamism and a sense of public safety, among other things, are what make a “livable city” with a comparative advantage in the global knowledge-based economy. As Neil Bradford (2002: 1) puts it: “knowledge-based innovation, critical for success in the global economy, thrives in those local places that cluster economic producers, value diverse ideas and culture, and involve all residents in learning opportunities.” But there are also challenges. In profoundly multicultural cities, education and health services, for example, must be adapted to the linguistic, cultural and religious diversity of the population. Adapting such services often requires additional financial resources and professional expertise (Papillon, 2002: 2ff).

The composition of in-migration varies considerably from one city to another. While Toronto receives the largest number of immigrants, it receives a lower proportion of immigrants from the wealthier business class than Montreal and Vancouver. Montreal receives the highest proportion of refugees. The experience and needs of newcomers will vary considerably depending on the reasons for and conditions of their arrival in Canada. Refugees often come from their country of origin under difficult conditions, leaving relatives in precarious, if not dangerous, situations. The needs of refugees, in terms of socio-economic and psychological support, are often greater than those of immigrants from the skilled worker or family categories who planned their settlement in Canada and have greater resources to rely on once in the country. The diversity of experiences is an important factor to consider when addressing needs and planning services.

Spatial Concentration and Integration

From the beginning, citizens and policy-makers have been concerned, if not fearful, of the effects of the concentration of immigrants in their own communities. As Daniel Hiebert and David Ley (2001) remind us about “the strongly Anglocentric community of Toronto in 1840s,” there was unease and dismay about immigrants, especially the Irish, who “created the city’s first large minority population, one that was economically marginalized, lived in a distinct residential environment and that refused to adopt the Protestant religion.”

Since then, and especially in the United States, there has been concern that residential concentration will hinder *assimilation* (Hiebert and Ley, 2001; Smith, 1998). An influential diagnosis since the interwar years has relied on the notion that the successful *social assimilation* of any minority group (that is its economic, political and cultural membership in the host society) was dependent on *spatial assimilation*, that is, living in mixed neighbourhoods.²⁶ Later studies of Black Americans found that residential segregation – often termed ghettoization – was itself a factor in the intergenerational transmission of disadvantage, because of the lack of access to job opportunities and other bases for integration into mainstream society. Recently, commentators have again picked up this theme, especially the concern about social ties and social capital. Policy communities do not agree on diagnosis and prescription, however.

Diagnoses of the consequences of spatial concentration of newcomers as negative or positive are disputed by geographers, sociologists, and others. Residential concentration may be a source of job options and community support in the transitional stages of settlement, as well as creating the ethnic neighbourhoods often sought after by the “creative classes” in “innovative cities.” “Little Italy” and “Chinatown” are proudly promoted by civic leaders in several cities. But, the downsides of segregation due to ethnic or “racial” discrimination are also well-known. Population concentrations in poor neighbourhoods and low-income housing projects are viewed as spawning grounds for violence and disadvantage, and even the growth of an urban underclass.

The Canadian data are not clear, making diagnosis even more difficult. While pockets of poverty certainly exist, and newcomers may be poorer than Canadians on average, there is little evidence that *ethnic enclaves* exist. Various studies of Vancouver find a “*small* tendency towards greater levels of ethno-cultural concentration between 1971 and 1996” (Hiebert, 2003: 28, emphasis in the original), while in Montreal neighbourhoods recent immigrants tend to share residential space with

²⁶ This is the position of the *Chicago School of Urban Sociology*, active in the 1930s and still influential today.

others of different origins, and with people of French or British origins, creating a cosmopolitan landscape where diversity, rather than ethnic or racial concentration, is the rule. This phenomenon is also evident in Toronto, Vancouver and smaller centers such as Calgary and Ottawa-Gatineau (Papillon, 2002: 13). Ley and Germain (2000) write that immigrant settlement patterns reflect “not so much a mosaic of little ‘homelands’ as a more subtle model of ethnic diversity.”

Overall, then, the data on spatial concentration are hard to interpret, while its consequences are uncertain. And, indeed, the issue – to the extent there is one – may be less a matter of immigration than of diversity. Experiences of ghettoization and poverty, where they have been identified, may be due to discrimination more than to immigration *per se*; many native-born Canadians are also affected.

The recent *Ethnic Diversity Survey* (*The Daily*, 29 September 2003), found that one in every five visible minority persons reported feeling they had experienced discrimination based on ethnicity, culture, race, skin colour, language, accent or religion in the past five years. Moreover, the rate was virtually the same for newcomers who arrived in Canada in the last decade (20 percent), for those who came before 1991 (21 percent) and for those who were two or more generations in Canada (18 percent). Only one in 10 of post-1991 immigrants who were not part of a visible minority similarly reported such experiences while 32 percent of Blacks – newcomers and citizens alike – reported at least one incident of unfair treatment or discrimination. Ensuring that visible minorities as well as immigrants are integrated and discrimination avoided is still a challenge, despite the commitment by Canadians and their governments to Canada’s diversity model.

Unsettling Patterns in Economic Integration

As Elizabeth Ruddick (2003: 16) describes the situation (see also Hou and Picot, 2002):

The “tradition” for most immigrants was to come to Canada to experience a transitional period of low income but then, over the medium to long term, to “outperform” the Canadian-born. It was clear that over time immigrants managed to succeed, to find work and to prosper.

For their part, in the past, skilled immigrants often exceeded Canadian income norms immediately upon entry (Biles and Burstein, 2003: 13).

Beginning in the early 1980s and continuing through the mid-1990s, data revealed different patterns, however:²⁷

- There was a substantial decline in the entry wages of new immigrant workers. In the early 1980s, 66 percent of skilled-worker principal applicants initially earned more than the Canadian average. In 1996, only four percent earned more than the national average at entry.

²⁷ For an overview of the situation of immigrants from which these data are drawn, unless otherwise indicated, see *Horizons*, 2003, Vol. 5, No. 2, and *Canadian Issues*, April 2003.

- There was a significant jump in the proportion of newcomers living in poverty. In 1980, the percentage of newcomers (in Canada less than five years) living below the LICO was 24 percent. By 1995, the statistic was 47 percent. Indeed, the low-income rate of recent immigrants is increasing much faster than that of Canadian-born (Hou and Picot, 2002).
- The low-income rate of children with at least one parent who immigrated in the previous decade was 20 percent in 1980 and 33 percent in 2000 (the overall child poverty rate was 18.4 percent in 2001). When both parents had immigrated in the last decade, the comparable figures were 22 percent in 1980 and 39 percent in 2000 (Statistics Canada, 2003b).
- There was a high rate of poverty even among immigrants who arrived as children and, therefore, have had the benefits of language skills and Canadian educational credentials (Kazemipur and Halli, 2001: 1144-1145).
- There was a distinction between the experience of economic immigrants and those admitted in the family unification or humanitarian categories. The latter two groups did less well and have not experienced an upturn recently.
- There was a lower rate of return on investment in human capital for newcomers than for Canadian-born. At the same educational and training levels, immigrants earn less than Canadian-born, raising the problem of credential and work experience recognition. Despite a massive increase in their educational attainment, recent immigrant men employed on a full-year, full-time basis saw their real earnings fall 7 percent on average from 1980 to 2000. During the same period, however, real earnings of Canadian men went up 7 percent (*The Daily*, 8 October 2003).

While the economic up-turn in the late 1990s brought improvements in some of these patterns, experts are still concerned that structural factors and policies may hinder any return to the pre-1980 situation and especially to that of the 1950s and 1960s. Moreover, as Hou and Picot (2002) conclude in their diagnosis of sources of low income in Canada in the 1990s, much of the change in aggregate low income was associated with low income among immigrants, particularly recent ones.

While there has been “a decline in the explanatory power of labour market factors” (Biles and Bernstein, 2003: 14), this does not mean that diagnosing labour market factors effects is not important. The labour market of the knowledge-based economy and society (KBES) puts a premium on certain forms of skills and training. It also contributes to polarization of incomes and increased risk of social exclusion. While Canadian-born youth, young families, Aboriginal peoples and others are negatively affected by these trends, so too are newcomers.

In the past, immigrants traditionally started at the bottom and worked their way up; this is the – correct – myth of integration. However, when the income and employment structure is polarized, and it is harder for everyone to move “up,” newcomers may stay concentrated, along with many other Canadians, at the margin.

In addition, when the skills demanded put a premium on communication, on manipulation of knowledge, and on “representation” of the product and the company, the routes to successful

economic integration may be blocked for those whose language skills are adequate but limited, whose knowledge is other than that demanded (or not recognized as such) and whose capacity to “represent” the product may be limited by racial prejudice in the broader society as well as cultural or gender factors. On the latter point it is worth noting that the combination of the transition to a service economy and the willingness of Canadians to represent themselves as “diverse” may have opened more jobs, albeit not necessarily well-paying ones, for female newcomers (as for Canadian-born women) than for men (Hou and Picot, 2002; *The Daily*, 8 October 2003).

Box 3

Policy Challenges Arising from Changing Patterns of Immigration

- In profoundly multicultural cities, public and community services must be adapted to the linguistic, cultural and religious diversity of the population. Adapting such services often requires additional financial resources and professional expertise. Which actor in the welfare diamond is responsible?
- The diversity of experiences of immigrants – whether refugees, business immigrants or skilled workers – is an important factor to consider when addressing needs and planning services. Which actor in the welfare diamond is responsible?
- Is spatial concentration of immigrant communities as “ethnic enclaves” a factor to discourage or accept? Does it matter?
- Ensuring that visible minorities and new immigrants are integrated and discrimination avoided is still a challenge, despite the commitment by Canadians and their governments to Canada’s diversity model.
- When the income and employment structure is polarized (as it seems to be in the knowledge-based economy and society – KBES) and it is harder for everyone to move “up,” newcomers may stay concentrated, along with many other Canadians, at the margin. What can market actors do to overcome this blockage? What is the role of the state in doing so?

3.4 Out of the Shadows: Aboriginal People Living in Canada

The social knowledge that informed the post-1945 social architecture paid little attention to the situation of indigenous peoples. With the exception of a small number of federal officials responsible for the *Indian Act*, the circumstances in which both on-reserve and off-reserve Aboriginal peoples lived seemed to have little bearing on the lives of the rest of Canadians. Indeed, the 1951 census found only 1.4 percent of the population had Aboriginal ancestry.

Silence clearly no longer reigns. Constitutional recognition and ongoing struggles about political institutions and powers are one obvious reason for this new attention. Mobilization of several pan-Canadian as well as provincial and local groups representing Aboriginal peoples has ensured that their claims can be expressed, if not yet all heard and met. However, beyond the political explanations are social and economic factors that can be identified as changing the circumstances of indigenous peoples living in Canada.

Growing in Numbers and Increasingly Urbanized

The proportion of the population that self-identifies as Aboriginal has been climbing in recent censuses. Some of this increase is accounted for by factors such as fewer incompletely enumerated reserves and an increased tendency of people to identify as Aboriginal. As Statistics Canada (2001: 5) puts it: “The trend to increased reporting of Aboriginal origins or identity has been evident since the 1986 Census and is thought to have resulted from an increased awareness of Aboriginal issues. This could have occurred as a result of numerous events, such as the Oka crisis, the Royal Commission on Aboriginal Peoples, recent court decisions on Aboriginal rights and the creation of the territory of Nunavut.”²⁸

Beyond such measurement effects, however, changes in health and longevity can be identified as important. The median age of the Aboriginal population is 24.7 years, fully 13 years lower than the all-time high for the non-Aboriginal population of 37.7 (Statistics Canada, 2001: 7). While not equal to averages of the Canadian population, both a declining infant mortality rate (from 27.6 deaths per 1,000 live births in 1979 to 8.0 in 1999) and increasing life expectancy have contributed to a population increase. In addition, a fertility rate about 1.5 times higher than the Canadian average and a birth rate twice the Canadian rate play a role (Health Canada, 2003). A population boom – due to improved health and altered living conditions – peaked among the indigenous population in 1967, a decade later than Canada’s post-war baby boom (Statistics Canada, 2001: 5).

These population health statistics must be attributed to factors such as access to health services and information, following from a decrease in isolation of settlements and an increase in urbanization. Despite the upward trends, however, Aboriginal persons, particularly those living on isolated reserves or in rural communities, still do not have 100 percent access to basic sanitation and safe water (Health Canada, 2003: Section 4). Indeed, water quality is an ongoing issue for many people; fully one-third of the Inuit reported having experienced an episode of water contamination in the last year (almost three of every four in Nunavik in Northern Quebec said the same) (*The Daily*, 24 September 2003). Moreover, by all indicators of individual and population health, the Aboriginal population measures less well than the Canadian population as a whole. HIV/AIDS, Fetal Alcohol Syndrome, tuberculosis, and other diseases continue to ravage its communities.

Demographic and spatial shifts have consequences. One is the increased presence of Aboriginal persons in the general population. In 2001, almost one of every two Aboriginal persons lived in an urban area, and one-quarter lived in 10 Census Metropolitan Areas (CMAs), with Winnipeg having the greatest number and the largest proportion – eight percent of its population. Outside of CMAs, concentrations of about one in 10 persons being Aboriginal are not uncommon in some urban centres (Statistics Canada, 2001: 10). Some provinces have even more significant concentrations. For example, in Manitoba and Saskatchewan, 14 percent of the whole population is of Aboriginal origin, and fully 24 percent of children (Richards, 2003). These children are coming in contact with school systems, child care providers, health service providers, and so on. No less than newcomers to Canada, their particular needs and

²⁸ Canada is not alone in experiencing this trend; similar increases are observed in the census of Australia, the United States and New Zealand.

circumstances must be addressed when planning policies, programs and services. As the on-reserve proportion of the population steadily declines, services can no longer follow a geographical and status line of demarcation. Diversity and cultural recognition have become a requirement for policy design.

Increasing Education

Aboriginal peoples have lower secondary school completion rates than other Canadians, although the percentage of the population that had completed high school increased between 1996 and 2001, from 21 percent to 23 percent (Statistics Canada, 2003c). First Nations people are more likely than Inuit to go beyond grade school and slightly more likely to obtain a university degree. While the share of the young population with post-secondary qualifications increased from 33 percent to 38 percent between the last two censuses, “more specifically, the proportion with a trade certificate increased from 14% to 16%. Similarly, college diploma holders increased their share of the working-age population from 13% to 15%. About 8% were university graduates, up from 6% five years earlier” (Statistics Canada, 2003c; also Health Canada, 2003).

These numbers show a clear selection pattern. Aboriginal students are moving into the college system, and even have a higher than average participation rate among those holding a trade certification. University graduation rates are still well below the average for the non-Aboriginal population, however.

Diagnosis of reasons for non-completion of programs are both similar to the non-Aboriginal population – boredom, for example – and slightly different. An effect of the higher than average birth rate among young Aboriginal women (Health Canada, 2003) surfaces in the overview of educational attainment, when more than one in three women attributes the lack of completion of post-secondary schooling to family responsibilities. For Aboriginal men, the major reason cited is financial, with one in four mentioning cost as the reason for non-completion (*The Daily*, 24 September 2003).

These numbers contain two messages then. One is a story of improvement, while the other is a story about the long road still to travel. Moreover, both women’s reasons – family responsibilities – and men’s – cost – reflect the fact that Aboriginal people living in Canada are poorer than average, and therefore accumulate the disadvantages associated with poverty.

Sustained Poverty

The improvements in Aboriginal persons’ living conditions and educational attainment have not dispatched a major issue. Identification of poverty rates finds them well above average, and even scandalously high in some situations. In a study based on data from the mid-1990s, Kevin Lee found Aboriginal people in cities were more than twice as likely to live in poverty as non-Aboriginal people. “On average, 55.6 per cent of Aboriginal people in cities were living in poverty in 1995, compared to 24 per cent of non-Aboriginal people” (Lee, 2000: xv). Aboriginal persons on average constituted 1.5 percent of the total population but 3.4 per cent of the poor population in all cities in 1995. Moreover, “most of the cities with the highest proportions of

Aboriginal people were also those with the highest Aboriginal poverty rates. In Regina, Aboriginal people accounted for 24.3 per cent of the poor population – more than three times their proportion of the total population. Saskatoon also had a large share of Aboriginal people among its poor population – 22.5 per cent of all the poor in that city” (Lee, 2000: 39).

Kevin Lee diagnoses these high poverty rates as a result of difficulties in the labour market and in particular to problems getting and keeping a good job, as well as discrimination. A set of challenges exist, and the Federal-Provincial-Territorial Working Group (2001) on Aboriginal Participation in the Economy summarizes the situation this way:

- “Aboriginal participation in the labour force and employment rates are lower than those for non-Aboriginal people. Only 54% of working age Aboriginal people are employed, compared to 71% of the non-Aboriginal population. To achieve employment parity, an additional 80,000 jobs are required now.
- In 1998/99, First Nation (on-reserve) communities had a social assistance dependency ratio of 39%.
- Sectoral employment patterns indicate that Aboriginal people off-reserve more often work in lower skill industries than non-Aboriginal people. Aboriginal people on-reserve are polarized at the top and bottom skill levels.
- Only 54% of working age Aboriginal people have a completed high school education (37% on reserve) compared to 65% for all Canadians. At the provincial level, some 60% of Aboriginal people in Manitoba and Saskatchewan have less than secondary education.
- Over the period 1985-1995, the average individual income of non-Aboriginal Canadians increased to \$19,831 (1986 constant dollars) compared to \$13,020 for Aboriginal Canadians as a whole, \$13,995 for Métis, \$12,268 for Inuit, \$13,830 for Status Indians off-reserve, and \$10,528 for status Indians living on-reserve.”

The report concludes, however, that the demographic situation is a note of hope. “The Aboriginal population is much younger than the overall non-Aboriginal population. In 1996, 35% of the Aboriginal population was under age 15, compared to just 20% of the non-Aboriginal population. These statistics highlight the importance of increasing the participation of Aboriginal people and communities in local, provincial and national economic initiatives. The growing population holds tremendous potential that can be tapped into if all parties work together.”

The challenge is to realize and not squander this potential.

Box 4

Policy Challenges Arising from the Experience of Aboriginal People Living in Canada

- Aboriginal populations are growing in Canada's cities, and public and community services must be adapted to the cultural diversity of the population. Adapting such services often requires additional financial resources and professional expertise. Which actor in the welfare diamond is responsible?
- The demographics of the Aboriginal populations mean that children are coming in contact with many school systems, child care providers, health service providers, and so on. Their particular needs and circumstances must be addressed when planning policies, programs and services. Adapting such services often requires additional financial resources and professional expertise. Which actor in the welfare diamond is responsible?
- While educational levels of the Aboriginal population are rising, rates of non-completion of schooling are linked to family responsibilities (especially for women) and cost. Which actor in the welfare diamond is responsible for reducing these blockages?
- Labour market challenges for Aboriginal people remain significant. What is the role of market actors, communities, and the state in ensuring these challenges are reduced?

4.0 Work, Employment and the Market

It is perhaps in the area of market relations, and especially the labour market, that social knowledge has had to be adjusted the most in the last decade if an appropriate social architecture is to be designed. Sections 3.3 and 3.4 identifying and diagnosing the situation of both immigrants and Aboriginal people have already demonstrated this need for adjustment. As noted in Section 2.0, the premise of post-1945 policy design was that strategies for “full employment” made it possible to rely on the market to generate sufficient income, thereby allowing markets and families to distribute well-being. Policy-makers could assume that a single market income would meet family needs. Indeed, in 1951, one salary supported, on average, three family members. By 1981, however, analysis identified a new situation; one salary only covered two family members, as family size fell and women’s labour force participation rose (Statistics Canada, 1984: 8). Moreover, the demands of the knowledge-based economy for different skill mixes and working patterns had significant effects on the interface between the economic and the social.

Box 5

Patterns of Earnings and Income Distribution in the 1990s

Numerous studies of the distributional effects of the 1990s labour market exist. Heisz *et al.* (2002: 25) provide the following summary:

- Little change in family disposable income inequality over the 1970s, 1980s, and to the mid-1990s as the tax/transfer system served to mitigate the polarization of family earnings. There is evidence, however, that family disposable income inequality had increased at the end of the 1990s.
- An increase in earnings inequality among families in the 1990s as the fraction of single-parent families increased and “like marry like” more often.
- No increase in individual earnings inequality overall, but important increases in earnings inequality among men.
- A significant improvement in the labour market outcomes for women but a general deterioration for men.
- A continued decline in the real earnings of young men up to 1996, followed by modest recovery between 1996 and 2000 as the economy strengthened.
- A recent rise in the real weekly wages of university educated 20-34 year olds.
- A higher low-income rate in the late 1990s than during the 1980s.
- Deterioration during the 1990s in the average depth of low income, even during the strong economic recovery to 1998, following substantial improvement in the depth of low income during the 1980s.

Over the last decade, policy communities have had to grapple with the fact that, for many Canadians, employment, even with two adults in the labour force, is not generating sufficient income to keep a family out of poverty. Moreover, young people, including young men, have a harder time earning enough to think of founding a family. Single-earner families, with or

without children, have even greater difficulties earning enough income. These difficulties arise from patterns of rising inequality of incomes and polarization, from an intensification of low income, and from the effects of labour force restructuring, which multiply the numbers of vulnerable workers. There are, then, “spillover” effects of these new pressures as families struggle to provide care for children and other family members.

4.1 Employed Women

The increase in women’s labour force participation is one of the factors that has contributed most to the declining utility of social knowledge deployed in earlier decades. In the last 30 years, women’s labour force participation rate rose from 24 percent in 1951 to 60 percent in 2001 (Table 1). Moreover, in 2001, the participation rate for mothers of children at home was *higher* than the Canadian average of all working-age women. While only 61 percent for all women between 15 and 65 were in the labour force, 66 percent of women with a child under age three were in the labour force, while for those with a child aged three to five the rate was 73 percent. Finally, among mothers with a school-age child under 15, the participation rate was fully 81 percent (Childcare Research and Resource Unit, 2003: 1). The stay-at-home mother is a vanishing breed.

Diagnoses of the reasons for the increase in participation rates focus on a number of factors. Women, having substantially increased their human capital investments by attending university, now seek to balance labour force participation and motherhood. But, a second major factor is changes in income distribution patterns. Between 1980 and 2000, the average income (before taxes) of a two-parent family with children under 18 and a single earner increased only 10 percent. In contrast, the average income of the same type of family, but with two earners, increased in the same thirty-year period by 17 percent. The larger increase is due to the fact that families mobilized more labour, with both parents working. However, mothers of young children work fewer hours than men or women with older children, which is part of the explanation for the low incomes of young families (Figure 2) (HRDC/Manitoba, 2003: 5). Women’s chances of achieving equality in the labour market are thereby reduced.

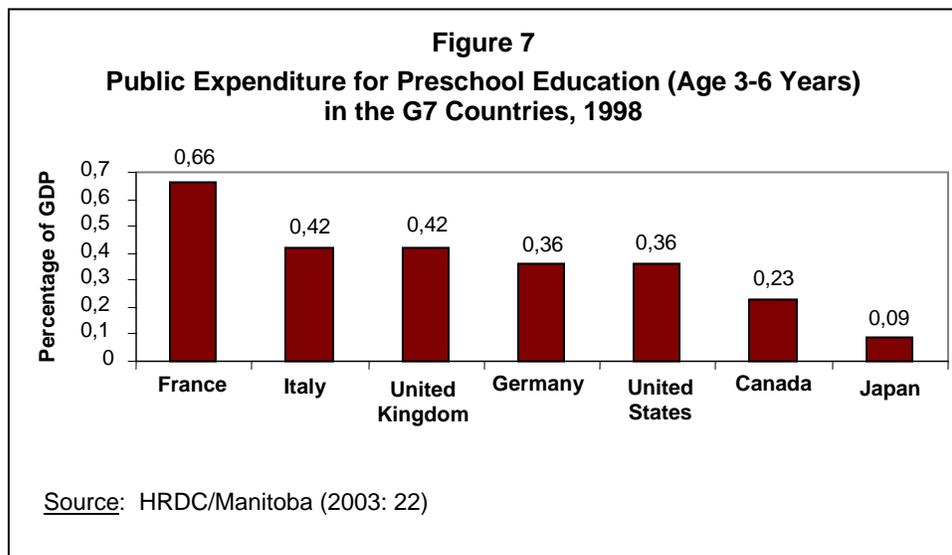
After identifying these new patterns of employment, diagnoses of health and child well-being often focus on the consequences.

- One of the results of this need to seek employment is increased levels of stress and ill-health, as parents struggle to juggle multiple responsibilities. In general, Canadian parents are working longer hours and reporting high levels of personal stress. Fifty percent of working mothers and 36 percent of working fathers report having difficulty managing their family time (Vanier Institute of the Family, 1997).
- Data from the *National Longitudinal Survey of Children and Youth* (NLSCY) document that low-income parents are four times more likely to feel chronically stressed than parents with high incomes.
- Not having enough money to buy household essentials was one of the main stressors reported by parents. “Parents experiencing chronic stress are far more likely to be distracted, hostile and abusive towards their children than are parents who feel happy and in control of their

lives” (Ross and Roberts, 1999: 8). Chronic stress is also related to parental depression, which itself is associated with emotional and conduct disorders among children.

Most obviously, when mothers are employed, families must find both reliable and good quality care for their children. But access to non-parental care is one of the most difficult issues parents face, and it is itself therefore a cause of stress for parents, as well as a very expensive proposition. Few parents arrive at the workplace anymore “unencumbered” by concerns about family, about caring arrangements, and about time.

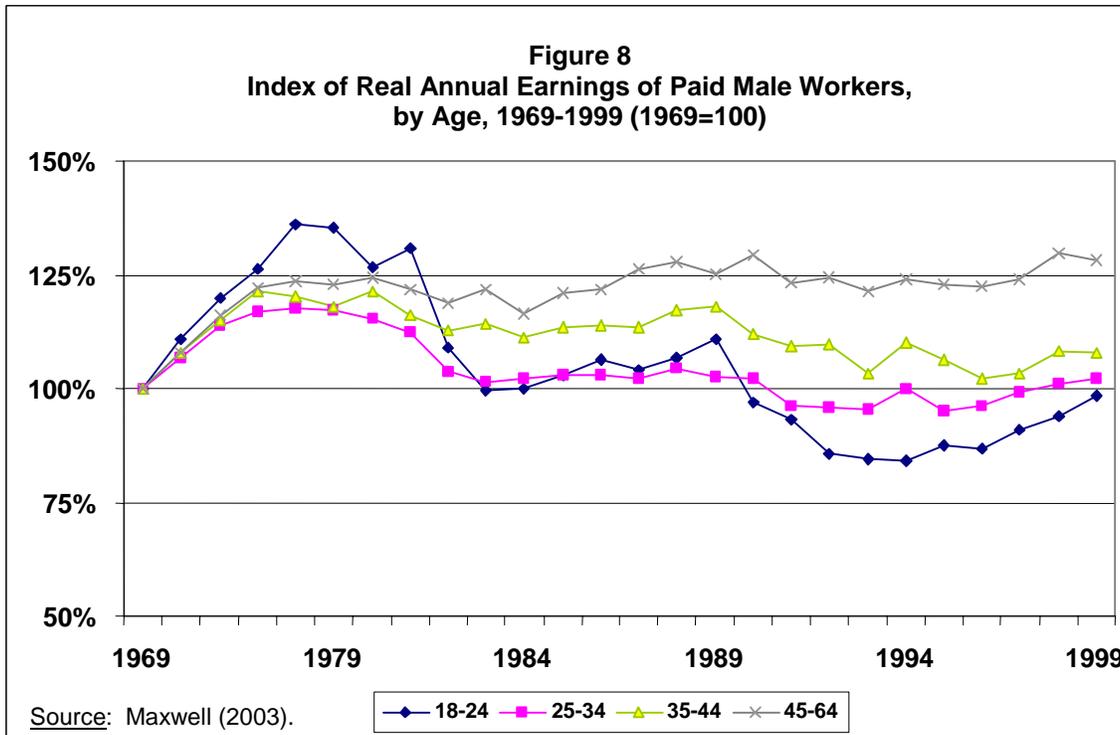
Any new social architecture will have to take into account the fact that fathers and mothers are simultaneously responsible for their family and their job. The gender division of labour of the post-1945 decades exists no more, but public policy and employers’ in Canada have been slow to catch up, as Figure 7 shows.



4.2 Income Inequality – Slow Change but Rising

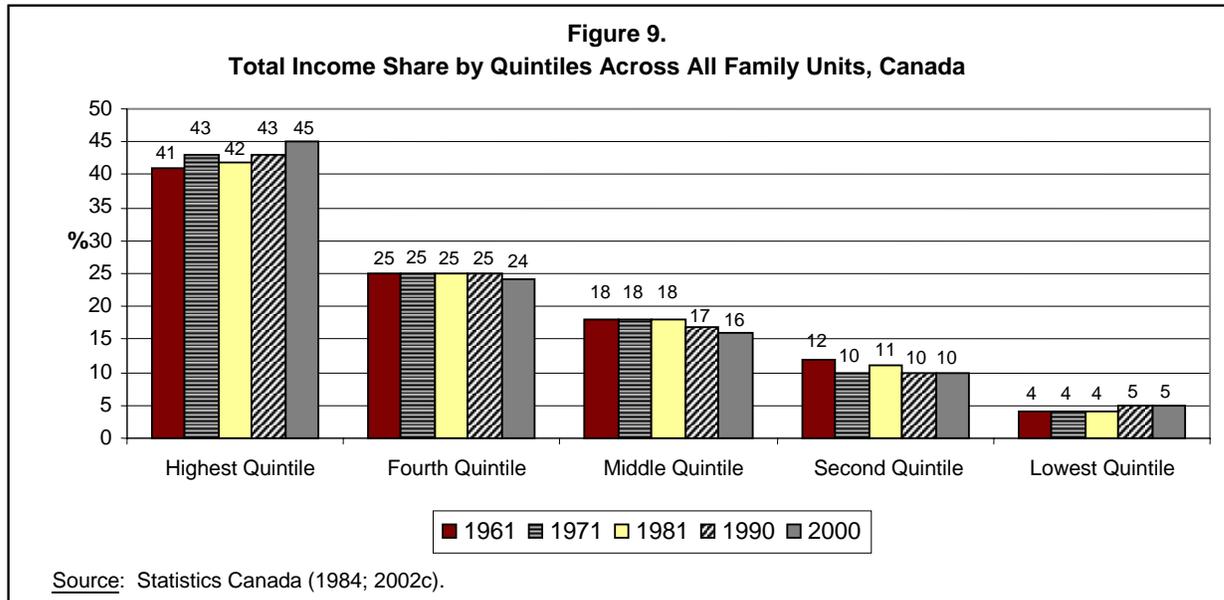
The data on income over time identifies several trends that put paid to post-1945 assumptions about rising incomes, as well as adequacy and patterns of earnings. Ross Finnie summarizes the directions of change. There is a “general increase in earnings inequality over time due to cyclical effects as well as to more structural shifts in earnings patterns” (Finnie, 1998). He identifies three major changes – one that has lessened inequality and two that have increased it. First, although women’s earnings remain generally lower than those of men, they have caught up somewhat, especially through the early-1990s recession. The earnings gap is narrowed, which therefore weakens the overall tendency towards inequality (see also Zyblock, 1996). However, younger workers have experienced a deterioration in their earnings relative to older workers, including an absolute decline in average real earnings levels (Figure 8). Third, there have been increases in earnings inequality *within* most age-sex groups, as high earners pull away from the pack. The only exception noted by Finnie is women between 35 and 54 years of age, whose

earnings became more equally distributed over time. Figure 8 (reproduced from Maxwell, 2003) shows that the gap in earnings for male wages has widened considerably, and at the cost of young men's incomes, which have not held their own over the last 30 years.



As Jackson (2003: 3) recently described this pattern, “earnings inequality is at a significantly greater level than in 1989, as indicated by both the gap between the top and the middle and the top and the bottom of the annual market income distribution. Male median earnings have stagnated for two decades, while, from the mid-1990’s, there has been an increase in the proportion of men with ‘high’ annual earnings of more than \$60,000.”

Another way to look at this change is to observe that, over the last decades, there has been a redistribution of income, such that all quintiles except the highest have lost a significant share of the total. Figure 9 presents this information. From 1980 to 2000, the highest quintile captured three more percentage points of total income, while the lowest quintile increased its percentage of total income one point between 1980 to 2000, primarily due to the effects of income transfers. This meant that the fourth, middle and second quintiles – the “middle class” – lost four points all together. This pattern clearly diverges from the post-1945 decades, when between 1951 and 1981 the fifth quintile *lost* a point and the lowest quintile was stuck at four percent. It was only after 1981 that the lowest quintile made a gain, increasing its portion by one point (Statistics Canada, 1984: 6; Statistics Canada, 2002c).



This pattern of distribution matters, especially for families with young children, precisely because they are most likely to be found in the lower-income quintiles (see Figure 2). The squeeze on their income since 1980 has been significant, even more than that felt by individual earners.

New Patterns of Labour Force Vulnerability

Analysts have identified other changes that affect incomes in major ways, and the diagnosis points to the structure of the labour market. For example, after assessing the reasons for a growing income gap between immigrants and Canadian-born workers (reported above from *The Daily*, 8 October 2003), a Statistics Canada research paper (Statistics Canada, 2003e) concludes that real earnings of *young* Canadian-born men have also dropped substantially during this period. Therefore, the problems faced by recent immigrants may not be “immigrant” problems but the result of conditions faced by *all new entrants* to the Canadian labour market, no matter whether they were born in Canada or elsewhere (see also Ruddick, 2003).

One of the diagnoses for these patterns is the polarization of working time, between full-time workers who are increasing their hours and part-time workers who tend to be low-paid and involuntarily in part-time employment (Battle, 2001: 192-193). These patterns have been identified as the result of the increase in “non-standard” work that occurred in the early 1990s (Vosko *et al.*, 2003: 17-18).²⁹ In a significant effort at unpacking the situation, Leah Vosko and her colleagues provide a typology of non-standard work, in order to track the shift away from full-time permanent employment. Doing so helps to specify certain patterns, such as women’s – both salaried and self-employment – higher rate of part-time work and young people’s as well as

²⁹ Non-standard work is defined as a departure on one or more dimensions from the standard of a full-time, full-year permanent paid job. Thus, non-standard employment includes temporary contracts, self-employment, part-time jobs, multiple job holding, and so on.

women's concentration in precarious forms of employment, such as temporary work and own account self-employment (Vosko *et al.*, 2003: 23-24).

Diagnosing the observed patterns in the longitudinal data, Solon and Baker (1999) find “that the growth in earnings inequality reflects both an increase in long-run inequality and an increase in earnings instability” with the latter due in part to workers' various forms of vulnerability. “Vulnerability,” as Saunders and Maxwell (2003: 4) summarize the situation, means:

The new labour market is, to some extent, characterized by highly educated “knowledge workers” whose skills are in demand. However, while the share of high skill jobs in the economy has increased, many low-paid jobs still exist. ... A large part of the labour force works for low pay, without representation, and with poor prospects of improving their conditions of work. Many of these workers are highly educated. ... the issue [has] two dimensions – the incidence of low paid work and access to employment rights and benefits.

As the post-industrial – now termed knowledge-based – economy has intensified, this fundamental cleavage has deepened, and helps to account for the levels of low income and challenges to existing social architecture. No country is completely protected from this re-structuring. Even in Sweden, long described as one of the countries where a large public sector helped to limit low-paid work and poverty, recent statistics reveal lone parents at an increasing risk of low income because they lack sufficient work.³⁰

Andrew Jackson (2003: 5) summarizes the interconnections across labour markets, incomes, and family situations in this way:

The limited data that we have from longitudinal surveys ... suggest that most adult low paid workers (particularly women and those with low levels of education) remain low paid, and that many working poor families cycle in and out of poverty and near poverty as they find, or fail to find, enough weeks of work at decent wages in a year. Even full-time, full-year jobs must pay about \$10 per hour just to keep a single person above the pre-tax LICO line in a large city, and the incidence of annual unemployment among low-wage workers is at least double and even treble the average monthly rate.

³⁰ A recent inquiry in Sweden, the *Welfare Commission*, worried about a rise in poverty among lone parents. After analysis, the Commission rejected any diagnosis in terms of human capital or social background. Rather, it wrote: “The single most important explanation of why single mothers' income trends were so much poorer than those of other groups was that their income from gainful employment was lower. First of all, it was more common for single mothers not to have a job at all. In 1998/99, just under three quarters of all single mothers were in gainful employment, while the figure for mothers with partners was four of five. The group was particularly badly affected by unemployment, with the consequences of losing a job being particularly serious for single breadwinners. Secondly, the wages of working single mothers improved only little in the 1990s, largely because the number of hours worked per week did not increase” (Welfare Commission, 2002: 69-70).

4.3 Low-income Intensity

For the overwhelming majority of people, earnings remain the major source of their income. In 2000, 75 percent of Canadian families' total income was identified as coming from employment, with only 12 percent from government transfers.³¹

Nonetheless, the fact that three-quarters of all income is earned does not mean that three of every four families or individuals are living comfortably. Through the 1990s, *low-income intensity* in Canada increased significantly, even though GDP growth was positive *and* the unemployment rate fell (Picot *et al.*, 2003: 5).³² Low income was becoming deeper and even more persistent. Describing the 1990s in Canada and comparing the period of economic recovery and growth between 1993 and 1997 to that of the 1980s, analysis finds that “inequality in *family* market earnings increased substantially ... during the 1990s. It is earnings patterns at the family level, and not at the individual level, that influence low-income trends” (Picot *et al.*, 2003: 1; Heisz *et al.*, 2002).

Such patterns contributed to the increase in low-income intensity precisely in groups most likely to be candidates for forming new families or raising children, young men in particular. It also means government transfers are essential to many families' welfare. For example, if couple families had a median income of \$56,700, for lone-parent families the amount is \$25,400 (*The Daily*, 18 July 2002). Government transfers constituted 22 percent of lone-parent families' income, while they contributed only nine percent to couple families.

Lowering or raising taxes and changing tax rates will affect the distribution of income by quintile. Picot, Morissette and Myles (2003; see also Heisz *et al.*, 2002: 21) provide a diagnosis of the increased intensity of low income observed in Canada as a product of government action. They make a convincing case that the increase in low-income intensity they observe in the 1990s, one that is much more substantial than that of the 1980s, was due to the decisions of governments to substantially reduce transfer payments in the 1990s. They observe the highest low-income intensity rates in Alberta and Ontario, both provinces that transformed their policies on income security in the last decade. The rate of polarization of income by quintile was also greater in Ontario in the 1990s than in Canada as a whole.

These patterns of growing income inequality and polarization put pressure on social policy. Knock-on effects are felt in social assistance levels, child poverty, training needs, housing shortages, and so on. Therefore, any proposals for a new social architecture will need to take these patterns into account and imagine ways of addressing and reducing their effects. Will a new social architecture continue to increase the intensity of low income?

³¹ The remaining 11 percent came from private pensions (six percent) or investment income (*The Daily*, 18 July 2002).

³² Low-income intensity is a measure combining both the low-income rate and the low-income gap taking both market income and transfers into account (Picot *et al.*, 2003: 2).

Box 6

Policy Challenges Arising from Changing Patterns of Employment and Income Distribution

- For many Canadians, employment, even with two adults in the labour force, is not generating sufficient income to keep a family out of poverty. Which actor in the welfare diamond is responsible for improving this situation?
- Young people, particularly young men, have a harder time earning enough to think of founding a family. Is this a concern of public policy, or only of families and communities? Why are young men – whether Canadian-born or immigrants, educated or not – having such labour market difficulties? Should policy communities be concerned?
- Women's chances of achieving equality in the labour market are reduced by their higher rates of part-time and other non-standard employment relationships. Is this a concern of public policy, or only of families? What is the responsibility of market actors?
- Whose responsibility is it to improve the income situation of young families and reduce the squeeze on their incomes?
- Within the welfare diamond, which actors have responsibility for enabling a healthy and sustainable work-family balance that will benefit children and their parents?
- The intensity of low income increased in the second half of the 1990s, in relationship to changes in government policy. Is this a strategy to pursue in the future social architecture?

5.0 Moving Forward

Decision-makers – in policy communities and ordinary citizens – now find themselves in the same situation as their fellow Canadians who faced the much-altered world after World War II. There is a clear understanding that change is necessary, that old practices are not solutions to new problems. There is also an appreciation that more than marginal adjustments are required. The policy communities of the 1940s proceeded with a sense of urgency, but they also acted with a sense of vision, inspired by the notion that multiple opportunities lay ahead to do things better. No less is needed now.

Efforts to make changes and corrections at the margin are insufficient. The goal of this paper was to examine five areas in which change is so significant that it forces us to go back to first principles. The social knowledge set out in this paper has helped to identify and diagnose results following from such large-scale changes. We have observed the patterns of distribution of income and work, of needs for services, and of family types, for example, and shown how they have changed over time. We have also surfaced some reasons for major changes: for example, the effects of the knowledge-based economy and society (KBES), why fertility rates might have declined, what the consequences of smaller working-age populations are for the stability of income security policies for retired people, and what consequences the lack of access to quality early childhood education and care might have.

Table 2 summarizes the issues of the previous four sections, this time organizing them with respect to the four actors in the welfare diamond. Mapping the issues this way clearly reveals that the social and employment changes described in Parts 3 and 4 raise questions about the roles and responsibilities of all corners of the welfare diamond, and reveal the need for a wide-ranging conversation about social architecture.

The social and employment patterns identified and diagnosed in previous sections as well as in the first column of Table 2 are important to understand. But knowing that something *has happened* does not tell us what *to do*. There are no obvious, taken-for-granted policy conclusions to draw from such observations. Nothing in any policy or plan of action is automatically determined by the “facts.” That is why the second column raises a long list of questions. There are real *choices* to be made about roles and responsibilities and only real actors, such as employers, families, associations and governments, can make such choices. It is here that conversation about first principles is so important in order to find viable options.

Currently, confusion about roles and responsibilities is actually making forward progress more difficult in many cases. For example, in the early 1990s, the federal government decided to reduce the role of the state in social housing and to leave much of the responsibility for the supply of affordable housing to the market. Among other things, this decision failed to take sufficient account of the incentive structures of housing markets, in which low-cost housing is not a very attractive investment for private business, and of the consequences for families of a substantial increase in housing costs. Housing need has risen in many locations across the country, with particularly negative effects for families with young children and Aboriginal people.

Table 2.
Some Challenges Arising from Current Social and Economic Conditions in Canada

	Identification of Issue	Diagnosis of Issue
Market	<ul style="list-style-type: none"> • Labour markets are characterized by increased income inequalities, particularly for new entrants (young people, recent immigrants). • Aboriginal people do not have reliable access to the labour market. • Labour markets do not generate enough income; working families can still live in poverty. 	<ul style="list-style-type: none"> • The problem does not seem to be one of education qualifications or training, so what is the diagnosis? • Lower credentials and educational levels still exist; blockages in terms of costs and family responsibilities exist. • Part of the difficulty is related to the issue of “new entrants” (above); part is due to families not being able to mobilize two full-time workers, because of care responsibilities.
Family	<ul style="list-style-type: none"> • Family structures are changing rapidly, becoming “longer” (multi-generational) and thinner (fewer people in each generation). • Young families accumulate disadvantages. • Lone-parent families are particularly at risk, of poverty and other forms of disadvantage. • Work-family balance concerns are on the increase. 	<ul style="list-style-type: none"> • Low birth rates put pressures on carers, and on those needing care (whether children or seniors). • Rates of family formation are slowing, as young people remain dependent on their parents for much longer. • Lone-parent families face challenges in the labour market, and therefore in other markets (housing, and so on). • Work-family balance concerns generate stress, both for young families and for those with responsibility for elderly relatives.
State	<ul style="list-style-type: none"> • An ageing society challenges existing program designs. • Families can not be assumed to be able to take on caring responsibilities. • Immigrants are facing integration challenges. • Aboriginal people are making only slow progress. 	<ul style="list-style-type: none"> • Income security programs as well as programs for active ageing need attention. • Programs for care givers and carers need attention, for child care and other vulnerable family members. • The “diversity advantage” as well as immigration policies need attention. • The RCAP proposals remain to be implemented.
Community	<ul style="list-style-type: none"> • Organizations are facing issues of “overload.” • Capacity to “represent” threatened by need to “provide.” 	<ul style="list-style-type: none"> • How to fill the gaps in the safety net? How to adapt to increasing demands to provide services under contract to the state? • Is there a “community” mandate to protect?

There are, of course, examples of successful policy design. The National Child Benefit initiative, for example, provides a good example about the benefits of integrated thinking that sought to combine policy analysis of work, income, health, and preschool education and care so as to generate a policy package to meet the real needs of Canadian families. Its goal was also to help governments redesign their social assistance spending in the face of rising costs and to help communities organize their contribution to service provision. While some improvements to the National Child Benefit are still needed, it does represent a good example of the payoffs of examining all dimensions of the welfare diamond in a careful fashion *before* setting up a new policy instrument or taking a major spending decision.

Thus far, we have been too often puzzling through changes to the social architecture rather than thinking in an integrated way. For example, it has been clear that one key notion of post-1945 social knowledge – that social assistance recipients could substitute child rearing for labour force participation – was abandoned awhile ago. Nevertheless, we are still struggling with how to ensure a balance in work and family life, and to ensure adequate income for all families, including lone-parent ones. We still waver over what the best mix of roles and responsibilities will be among all the corners of the welfare diamond. We now have to move beyond a piecemeal approach to policy. This research report is intended to help start the conversation.

Bibliography

- Banting, Keith. 1987. *The Welfare State and Canadian Federalism*. Montreal: McGill-Queen's University Press.
- Battle, Ken. 2001. "Relentless Incrementalism: Deconstructing and Reconstructing Canadian Income Security Policy." In Keith Banting, Andrew Sharpe, and France St-Hilaire (eds.), *The Review of Economic Performance and Social Progress*. Montreal: IRPP and CSLS.
- Beaujot, Roderic. 2000. *Canada's Demographic Future: Some Reflections on Projection Assumptions*. Prepared for a seminar on Demographic and Economic Perspectives of Canada: Years 2000-2050. Available at <http://www.sscl.uwo.ca/sociology/popstudies/dp/dp00-2.pdf>.
- Beauvais, Caroline, and Jane Jenson. 2001. *Two Policy Paradigms: Family Responsibility and Investing in Children*. CPRN Discussion Paper No. F|12. Ottawa: Canadian Policy Research Networks. Available at <http://www.cprn.org>.
- Beauvais, Caroline, Lindsey McKay, and Adam Seddon. 2001. *A Literature Review on Youth and Citizenship*. CPRN Discussion Paper No. C|02. Ottawa: Canadian Policy Research Networks. Available at <http://www.cprn.org>.
- Biles, John, and Meyer Burstein. 2003. "Immigration: Economics and More." *Canadian Issues*. *Immigration Opportunities and Challenges*. Special issue sponsored by Metropolis Project. April: 13-15.
- Boychuk, Gerard William. 1998. *Patchworks of Purpose: The Development of Provincial Social Assistance Regimes in Canada*. Montreal: McGill-Queen's Press.
- Bradford, Neil. 2002. *Why Cities Matter: Policy Research Perspectives for Canada*. CPRN Discussion Paper No. F|23. Ottawa: Canadian Policy Research Networks. Available at <http://www.cprn.org>.
- _____. 1998. *Commissioning Ideas: Canadian National Policy Innovation in Comparative Perspective*. Toronto: Oxford University Press.
- Cheal, David. 2003. "Aging and Demographic Change in Canadian Context." *Horizons* Vol. 6, No. 2: 21-23. See http://www.recherchepolitique.gc.ca/page.asp?pagenm=v6n2_index.
- Childcare Research and Resource Unit. 2003. *Early Childhood Education and Care in Canada 2001: Summary*. Briefing Note. Available at <http://www.childcarecanada.org>.
- Esping-Andersen, Gøsta. 1990. *The Three Worlds of Welfare Capitalism*. Princeton, NJ: Princeton University Press.

- Federal-Provincial-Territorial Working Group. 2001. *Report on Aboriginal Participation in the Economy to Federal-Provincial/Territorial Ministers Responsible for Aboriginal Affairs and National Aboriginal Leaders*. See <http://www.gov.ns.ca/abor/pubs/FPTA.pdf>.
- Finnie, Ross. 1998. *Earnings Dynamics in Canada: Earning Patterns By Age and Sex in Canada, 1982-1992*. Ottawa: HRDC, R-97-11E First Internet Edition. See <http://www.hrdc-drhc.gc.ca/sp-ps/arb-dgra/publications/research/abr-97-11e.shtml>.
- Florida, R. 2000. *The Economic Geography of Talent*. Working Paper. Heinz School of Public Policy and Management. Pittsburgh: Carnegie Mellon University.
- Goodin, Robert, *et al.* 1999. *The Real Worlds of Welfare Capitalism*. Cambridge: Cambridge University Press.
- Haddow, Rodney S. 1993. *Poverty Reform in Canada, 1958-1978: State and Class Influences on Policy Making*. Montreal: McGill-Queen's University Press.
- Health Canada. 2003. *A Statistical Profile on the Health of First Nations in Canada*. See http://www.hc-sc.gc.ca/fnihb-dgspni/fnihb/sppa/hia/publications/statistical_profile.pdf.
- _____. 2000. *Snapshots of Canada's Seniors*. Available at <http://www.hc-sc.gc.ca/seniors-aines/pubs/factoids/en>.
- Heisz, Andrew, Andrew Jackson, and Garnett Picot. 2002. *Winners and Losers in the Labour Market of the 1990s*. Business and Labour Market Analysis Division. Statistics Canada, Paper No. 184. See <http://www.statcan.ca/english/research/11F0019MIE/11F0019MIE2002184.pdf>.
- Hicks, Peter. 2003. "New Policy Research on Population Aging and Life-Course Flexibility." *Horizons* Vol. 6, No. 2: 3-6. See http://www.recherchepolitique.gc.ca/v6n2_e.pdf.
- _____. 1998. "The Policy Challenge of Ageing Populations." *The OECD Observer*. No 212 (June/July). Ageing Populations. See <http://www1.oecd.org/publications/observer/212/obs212e.htm>.
- Hiebert, Daniel. 2003. *Are Immigrants Welcome? Introducing the Vancouver Community Studies Survey*. Working Paper Series No. 03-06. Metropolis: Vancouver. See <http://www.riim.metropolis.net/Virtual%20Library/2003/wp03-06.pdf>.
- Hiebert, Daniel, and David Ley. 2001. *Assimilation, Cultural Pluralism and Social Exclusion Among Ethno-Cultural Groups in Vancouver*. Working Paper Series No. 01-08. Metropolis: Vancouver. See <http://www.riim.metropolis.net/Virtual%20Library/2000/wp0012.pdf>.

- Hou, Feng, and Garnett Picot. 2002. *Do Changes in Low-Income Rates Among Immigrants Account for Rising Low-Income in Canada?* Business and Labour Market Analysis Division. Statistics Canada. See http://cerf.mcmaster.ca/papers/june2002/Immigrants-low-income_June22_02.pdf.
- HRDC/Manitoba. 2003. *A New Generation of Canadian Families Raising Young Children. A New Look at Data from National Surveys.* See http://www.gov.mb.ca/hcm/pdf/raising_young_children.pdf.
- Jackson, Andrew. 2003. "Good Jobs in Good Workplaces": *Reflections on Medium-Term Labour Market Challenges.* Ottawa: Caledon Institute. See <http://www.caledoninst.org/PDF/553820541.pdf>.
- Jenson, Jane. 2001. *Shifting the Paradigm: Knowledge and Learning for Canada's Future.* CPRN Discussion Paper No. F|18. Ottawa: Canadian Policy Research Networks. Available at <http://www.cprn.org>.
- _____. 1989. "'Different' but not 'Exceptional': Canada's Permeable Fordism." *Canadian Review of Sociology and Anthropology* Vol. 26, No. 1.
- Kazemipur, Abdolmohammad, and Shiva S. Halli. 2001. "Immigrants and New Poverty: The Case of Canada." *International Migration Review* Vol. 35, No. 4: 1129-1156.
- Lee, Kevin K. 2000. *Urban Poverty in Canada: A Statistical Profile.* Ottawa: CCSD. See <http://www.Ccsd.Ca/Pubs/2000/Up/>.
- Ley, David, and Annick Germain. 2000. "Immigration and the Changing Social Geography of Large Canadian Cities." *Plan Canada* Vol. 40, No. 4.
- Lowe, Graham, and Grant Schellenberg. 2001. *What's a Good Job? The Importance of Employment Relationships.* CPRN Study No. W|05. Ottawa: Canadian Policy Research Networks. Available at <http://www.cprn.org>.
- Maclachlan, Maureen. 2000. "Older Canadians: Facts and Trend." *Transition Magazine* Vol. 30, No 3. A Society for All Ages. Ottawa: Vanier Institute. See <http://www.vifamily.ca/library/transition/284/284.html>.
- Mahon, Rianne. 2000. "The Never-Ending Story: The Struggle for Universal Child Care Policy in the 1970s." *The Canadian Historical Review* Vol. 81, No. 4: 582-615.
- Martin-Matthews, Anne. 2001. *The Ties that Bind Aging Families.* Ottawa: Vanier Institute of the Family, Contemporary Family Trends Series. Available at <http://www.vifamily.ca/cft/aging/table/htm>.

- Maxwell, Judith. 2003. *The Great Transformation: Implications for the Social Role of Government in Ontario*. Ottawa: Canadian Policy Research Networks. Available at <http://www.cprn.org>.
- Myles, John. 2000. *The Maturation of Canada's Retirement Income System: Income Levels, Income Inequality and Low Income among the Elderly*. Ottawa: Statistics Canada. Available at <http://www.statcan.ca/english/IPS/Data/11F0019MIE2000147.htm>.
- _____. 1984. *Old Age in the Welfare State: The Political Economy of Public Pensions*. Boston: Little, Brown.
- Myles, John, and Paul Pierson. 1997. "Friedman's Revenge: The Reform of 'Liberal' Welfare States in Canada and the United States." *Politics and Society* Vol. 25, No. 4: 443-472.
- Pal, Leslie A. 1993. *Interests of State: The Politics of Language, Multiculturalism, and Feminism in Canada*. Montreal: McGill-Queen's University Press.
- Palier, Bruno. 2003. "Gouverner le changement des politiques de protection sociale." In Pierre Favre and Yves Schemel (eds.). *Être gouverné. Mélanges offerts en l'honneur de Jean Leca*. Paris: Presses de Sciences Po.
- Papillon, Martin. 2002. *Immigration, Diversity and Social Inclusion in Canada's Cities*. CPRN Discussion Paper No. F|27. Ottawa: Canadian Policy Research Networks. Available at <http://www.cprn.org>.
- Picot, G., R. Morissette, and J. Myles. 2003. *Low-Income Intensity During the 1990s: The Role of Economic Growth, Employment Earnings and Social Transfers*. Research Paper, Business and Labour Market Analysis Division. Statistics Canada.
- Reuschmeyer, Dietrich, and Theda Skocpol (eds.). 1996. *States, Social Knowledge, and the Origins of Modern Social Policies*. Princeton: Princeton University Press.
- Richards, John. 2003. "A Better Way to Grasp the Future." *Globe and Mail*, 10 February 2003, A-11.
- Rosenthal, Carolyn. 2000. "The Triumph of Old Age". *Transition Magazine* Vol. 30, No. 3. A Society for All Ages. Ottawa: Vanier Institute. See <http://www.vifamily.ca/library/transition/284/284.html>.
- Ross, David P., and Paul Roberts. 1999. *Income and Child Well-being: A New Perspective on the Policy Debate*. Ottawa: Canadian Council on Social Development.
- Ruddick, Elizabeth. 2003. "Immigrant Economic Performance. A New Paradigm in a Changing Labour Market." *Canadian Issues. Immigration: Opportunities and Challenges*. Special issue sponsored by Metropolis Project.

- Saunders, Ron, and Judith Maxwell. 2003. *Changing Labour Markets: Key Challenges Facing Canada*. Ottawa: Canadian Policy Research Networks. Available at <http://www.cprn.org>.
- Smith, Heather, A. 1998. *Spatial Concentration-Residential Patterns and Marginalization*. Working Paper #98-04. Research on Immigration and Integration in the Metropolis. Vancouver: Metropolis. See <http://riim.metropolis.net/Virtual%20Library/1998/c9804.pdf>.
- Solon, Gary, and Michael Baker. 1999. *Earnings Dynamics and Inequality among Canadian Men, 1976-1992: Evidence from Longitudinal Income Tax Records*. Ottawa: Statistics Canada, Research Papers, Analytical Studies Branch. See <http://www.statcan.ca/english/research/11F0019MIE/11F0019MIE1999130.pdf>.
- Statistics Canada. 2003a. *Where Canadians Work and How They Get There, 2001 Census (Analysis series)*. Catalogue No. 96F0030XIE2001010. Ottawa: Statistics Canada. See <http://www12.statcan.ca/english/census01/products/analytic/companion/pow/contents.cfm>.
- _____. 2003b. *Canada's Ethnocultural Portrait: The Changing Mosaic*. Analysis Series. Catalogue No. 96F0030XIE2001008. Ottawa: Statistics Canada. See <http://www12.statcan.ca/english/census01/Products/Analytic/companion/etoimm/canada.cfm>.
- _____. 2003c. *Education in Canada: Raising the Standard*. See <http://www12.statcan.ca/english/census01/Products/Analytic/companion/educ/contents.cfm>.
- _____. 2003d. *2002 General Social Survey Cycle 16: Aging and Social Support Tables*. Catalogue No. 89-583-XIE.
- _____. 2003e. *Will They Ever Converge? Earnings of Immigrants and Canadian-born Workers over the Last Two Decades*. Analytical Study 11F0019MIE2003215.
- _____. 2002a. *Profile of the Canadian Population by Age and Sex: Canada Ages*. Catalogue No. 71F0004XCB. Ottawa: Statistics Canada. See <http://www12.statcan.ca/english/census01/Products/Analytic/companion/age/contents.cfm>.
- _____. 2002b. *Profile of Canadian Families and Households: Diversification Continues, 2001 Census*. See <http://www12.statcan.ca/english/census01/Products/Analytic/companion/fam/fam/contents.cfm>.
- _____. 2002c. *Income Trends in Canada*. Ottawa: Statistics Canada
- _____. 2001. *Aboriginal Peoples of Canada: A Demographic Profile*. See <http://www12.statcan.ca/english/census01/Products/Analytic/companion/abor/pdf/96F0030XIE2001007.pdf>.
- _____. 1999. *Labour Force Historical Review 1999*. Catalogue No. 71F0004XCB. Ottawa: Statistics Canada.

- _____. 1984. *Charting Canadian Incomes, 1951-1981*. Statistics Canada, Consumer Income and Expenditure Division. Catalogue No. 13-581E.
- Tilly, Louise, and Joan W. Scott. 1978. *Women, Work and Family*. New York: Holt, Rinehart and Winston.
- Ulysse, P.J., and Frédéric Lesemann. 1997. *Population Aging: An Overview of the Past Thirty Years*. Health Canada, Division of Aging and Seniors. See <http://dsp-psd.pwgsc.gc.ca/Collection/H39-564-1997E.pdf>.
- Vanier Institute of the Family. 1997. *Time Crunch*. Ottawa: Vanier Institute of the Family.
- Vosko, Leah, Nancy Zukewic, and Cynthia Cranford. 2003. "Precarious Jobs: A New Typology of Employment." *Perspectives* (Statistics Canada), October: 16-26.
- Welfare Commission. 2002. *Welfare in Sweden: The Balance Sheet for the 1990s*. English version of *Välfärdsbokslut för 1990-talet*. Available at: http://social.regeringen.se/propositionermm/ds/pdf/2002/ds2002_32a.pdf.
- Williams, Cynthia. 2003. *Why [is] an Integrated Approach to Social Inclusion So Hard to Achieve in Practice?* Remarks prepared for the 2003 Queen's International Institute on Social Policy, August 19th.
- Zyblock, Myles. 1996. *Individual Earnings Inequality and Polarization: An Exploration into Population Sub-Group Trends in Canada, 1981 to 1993*. Ottawa: HRDC W96-8E, First Internet Edition, 1998. See <http://www.hrdc-drhc.gc.ca/sp-ps/arb-dgra/publications/research/abw-96-8e.shtml>.

Advisory Team

This research program has benefited from the contribution of an Advisory Team composed of:

Keith Banting

Queen's Research Chair in Public Policy, Queen's University

Jane Jenson

Director, Family Network, CPRN

Canada Research Chair in Citizenship and Governance, Université de Montréal

John Myles

Canada Research Chair, Sociology Department, University of Toronto

Visiting Research Fellow, Statistics Canada

Bruno Palier

Chargé de recherches CNRS (CNRS permanent research fellow), France

Researcher at Centre d'Étude de la Vie Politique Française (CEVIPOF),

Fondation nationale des sciences politiques, Paris

Kent Weaver

Professor of Public Policy and Government, Georgetown University

Our Support

Funding for this project was provided by:

- **Canadian Heritage**
- **Government of British Columbia, Office of the Deputy Minister to the Premier**
- **Government of British Columbia, Ministry of Children and Family Development**
- **Government of Saskatchewan, Department of Community Resources and Employment**
- **Health Canada**
- **Human Resources Development Canada**
- **Indian and Northern Affairs Canada**
- **Law Commission of Canada**
- **Statistics Canada**

Donations:

BCE Inc.
BMO Financial Group
Clarica
COGECO Inc.
Le Groupe Canam Manac inc.
J. P. Bickell Foundation
Potash Corporation of Saskatchewan Inc.
Power Corporation of Canada
Scotiabank

Members of the Board of Directors, Campaign Committee and management team
Many *e-network* subscribers and friends of CPRN

Project Funding:

Corporations:

Bell Canada
Business Development Bank of Canada
DVA Navion
Home Depot Canada
Ketchum Canada Inc.
Ouimet Cordon Bleu Inc.
Scotiabank
TD Bank Financial Group

***Federal Government Departments,
Agencies and Commissions:***

Canada Mortgage and Housing Corporation
Canadian Biotechnology Advisory Committee
Canadian Heritage
Environment Canada
Health Canada
Human Resources Development Canada
Industry Canada
International Development Research Centre
Justice Canada
Law Commission of Canada
National Roundtable on the Environment and the Economy
National Secretariat on Homelessness
Parks Canada
Policy Research Initiative
Privy Council Office
Public Service Commission
Romanow Commission on the Future of Health Care in Canada
Statistics Canada
Treasury Board Secretariat

Provincial Governments:

Alberta

- Human Resources and Employment

British Columbia

- Ministries of Health
- Ministry of Children and Family Development

Ontario

- Ministry of Community and Social Services

Newfoundland and Labrador

- Royal Commission on Renewing and Strengthening Our Place in Canada
- Newfoundland and Labrador Statistics Agency

Nova Scotia

- Department of Health

Saskatchewan

- Saskatchewan Social Services

Municipal Governments:

City of Toronto
Regional Municipality of York

Foundations:

Aga Khan Foundation Canada
The Atkinson Charitable Foundation
The Bertelsmann Foundation
Canada Millennium Scholarship Foundation
Canadian Health Services Research Foundation
The Change Foundation
Frosst Health Care Foundation
The Hospital for Sick Children Foundation
The Laidlaw Foundation
J. W. McConnell Family Foundation
The Muttart Foundation
The Neptis Foundation

Associations and Other Organizations:

AFP Foundation for Philanthropy – Canada
AFP Calgary Chapter
AFP International
AFP Toronto Chapter
Association of Fundraising Professionals (AFP)
Canadian Cancer Society
Canadian Institute for Health Information
Canadian Labour Congress
Canadian Population Health Initiative
Coalition of National Voluntary Organizations
College of Physicians and Surgeons of Ontario
Conference Board of Canada
Federation of Canadian Municipalities
The Learning Partnership
United Way of Greater Toronto
University of Toronto (Faculty of Law)



Canadian Policy Research Networks • Réseaux canadiens de recherche en politiques publiques
600-250 Albert Ottawa, Ontario K1P 6M1 • tel (613) 567-7500 fax/télé: (613) 567-7640 • www.cprn.org