

## *Disentanglement or Disengagement?\**

Ontario has just announced the biggest shake-up of powers and pursestrings in the history of the province. The changes come on the heels of the work of the disentanglement committee whose mandate was to sort out who does - or should do - what in the province. Many of its recommendations appear to have been virtually ignored.

In what was billed as a *quid pro quo* announcement, the province said that it was assuming responsibility for education and child welfare. Child welfare services intervene in cases of child neglect or abuse by providing family supports and counselling. When necessary, children are placed in foster care (a temporary arrangement) or adoption (a permanent arrangement).

Municipalities, in turn, will be expected to pick up more of the tab for welfare, child care and home care, and all of the costs of public health (except for immunization and communicable disease control), social housing, public trans-

portation (including parallel transit for the disabled), certain highways and land ambulance services.

It will take some time before the full impact of these transfers is fully understood. Preliminary estimates raise serious doubts as to whether this will be a cost-neutral exchange or whether it is simply a way of shifting the burden of the provincial deficit onto municipal backs.

But cost implications are not the only worry. The availability and quality of human services in Ontario will be irreparably damaged.

Welfare already took a beating when the province introduced a 21.6 percent across-the-board benefit cut. But the program will suffer again - this time at the hands of regional councils.

There are serious problems with turning more welfare costs over to municipalities. During the Depression, many municipalities went bankrupt under the crushing burden of paying widespread

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relief. The problem was resolved by moving the financing responsibility to higher levels of government which have the fiscal capacity, through their broader income tax base, to raise the revenues required to pay for social programs.

Municipalities, by contrast, rely on a property tax base that is far more limited in scope and ill-prepared to sustain the inevitable increase in welfare caseloads that occurs during recessions. Moreover, a property tax base is 'regressive.' Because it is not linked to ability to pay, it creates a higher burden on lower-income households.

In the area of child care, financing will shift from an 80-20 to a 50-50 provincial/municipal split. Municipalities unable or unwilling to pay the added costs will close services, allow longer waiting lists, or impose and raise user fees.

The newly-announced changes will also transfer the cost burden of home care and community health to the local level. Yet the aging population is creating a great demand for home care in particular. There are - and will continue to be - more seniors who need this service.

Hospitals are under growing pressure to discharge patients as early as possible. They rely on home care to ensure the health of many released-too-soon patients. The likely result of the *quid pro quo* exercise will be to cut crucial home care or hike user fees - making the service accessible only to those who can afford it.

All these changes have been made in the name of disentanglement - in the guise of cleaning up the complex network of programs and services to simplify their respective delivery and financing systems. Ironically, the disentanglement process is shaping up to be very messy. And the financing arrangements actually will be far from disentangled - raising questions as to the real motivation behind the move.

Disengagement seems a far more plausible driving force.

The services for which the province will assume responsibility are effectively 'essential' services. Clearly, we can't do without an educated population - especially in a high-knowledge economy. Of the range of existing social services, only child welfare was ever considered a *statutory* service - i.e., funding *must* be made available for neglected or abused children.

The province appears to have put itself in charge of the must-do services. In exchange, it has turned over the 'frills' to municipalities which can figure out how to pay for these 'non-essential' supports - if they so choose.

Ontario has made it starkly clear that it does not believe in the need for an income safety net. The change will expedite welfare's transition to workfare. This government has never actively supported extra-parental child care and does not include the financing of a child care infrastructure as among its priorities. Social housing distorts the mighty market. And home care is likely considered an individual, private responsibility.

In short, the shift to municipal responsibility and financing for most human services is a sure-fire - and perhaps deliberate - recipe for disengagement. 'Who doesn't do what?' may soon become the far more relevant question for Ontarians to address.

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