

The Health and Welfare of Social Programs*

It is too soon yet to tell whether the dismantling of the Department of Health and Welfare into two new departments spells good news or bad news for social programs. It is probably a bit of both.

When Prime Minister Kim Campbell announced her Cabinet on June 25, she also introduced a profound change to the department that traditionally has been responsible for social programs in Canada. The Department of Health will continue to look after health-related concerns including public protection, research and promotion. The fate of programs operating under the welfare side of the former Department of Health and Welfare is far less certain.

We know that income security programs such as old age pensions and social assistance as well as social services will move to a newly-created superministry – the Department of Human Resources and Labour. This is probably good news in that it will at least put in place the bureaucratic machinery required to deliver better integrated labour market and income security programs.

The structure explicitly recognizes the fact that social policy and economic policy are intimately linked – that the demand for social programs and the need for financial assistance through such programs as welfare are a direct function of economic performance.

The data clearly support this conclusion. The recession of the early nineties, which generated high rates of unemployment, saw corresponding substantial jumps in the numbers of unemployment insurance and welfare recipients. By pooling resources directed toward Canadians who recently have lost their jobs as well as those who have been marginal to the labour market, the new superministry may be able to address more effectively the problem of high unemployment that has created such a great pressure on social programs in recent years.

The Caledon Institute of Social Policy fully supports efforts in the fields of training, education and literacy that will help people find jobs. At the same time, we are concerned that jobless Canadians may be blamed for their unemployment. Policies directed toward getting people

back to work should focus not only upon the individuals who are deemed to be deficient in their education, skills or experience, but also upon the economy which has not been creating enough employment – let alone high-wage, high-quality jobs. A jobless economic recovery simply will sustain the demand for social programs.

Moreover, we are concerned that the newly-fashionable ‘active’ approach to social policy which emphasizes labour market preparation and participation will regard certain social programs as unworthy of support. Important programs such as child care, child welfare and personal supports, including homemaker assistance and attendant services may be judged wanting because they do not ‘fit’ neatly with the new thinking.

Child care provides supervision as well as play and learning opportunities for children whose parents work, participate in training programs or attend educational institutions. If child care is viewed as a service that is essential to employment-related activity, it may come out unscathed under the brave new world order. However, the status quo is not enough, given the inadequate supply of licensed child care spaces. Whether or not the government will proceed with the long-standing federal promise to increase the number of licensed child care spaces is uncertain; any growth in public expenditure on child care likely will be tied to spaces associated with educational and training programs.

Child welfare services, by contrast, could be on more tenuous ground. These services provide supports to families as well as assistance and protection to children who have been neglected, abused, abandoned or orphaned. The potential problem in realigning these services under the new superministry is that they cannot be construed as ‘active’ services as the philosophy governing social program now requires.

Child welfare services have no explicit and direct link with the labour market (aside from the fact that parents who are unemployed experience high levels of stress that may translate, in extreme cases, into child abuse). Will the fact that these are ‘passive’ program make them less important in the eyes of the public funder?

Other services that may be vulnerable under the proposed reorganization include various forms of personal supports such as homemaker assistance and attendant services. Homemaker assistance refers to help with household tasks such as shopping, cooking and cleaning. Attendant services refer to the assistance provided for personal care including bathing, dressing and eating.

The demand for these personal supports likely will increase dramatically as a result of the growing proportion of elderly Canadians as well as the continuing deinstitutionalization of persons with disabilities. Yet the labour force ‘imperative’ associated with these services is limited. The primary role of these supports is because of age or disability – to carry out the activities of everyday living. In the new order will quality-of-life arguments carry sufficient weight to justify public support for these programs?

One way of ‘protecting’ these programs is to incorporate them within the Department of Health that will remain in place after the welfare side of the former department is removed. The main problem with this ‘solution’ is that personal supports traditionally have been delivered inappropriately as health care programs under the dominance of the medical profession. Persons with disabilities, in particular, have argued that personal supports should be viewed as integral to the range of community-based supports – including income assistance and affordable

housing – required for independent living. The possible inclusion of personal supports within the Department of Health would represent a step backwards by promoting a medical – rather than a citizenship – base to these programs

Personal supports connect to the labour market only to the extent that many persons with disabilities require attendant services at school or work. Ironically, the legislation that permits federal contributions for the so-called ‘welfare services’ – the Canada Assistance Plan – makes it extremely difficult to share the costs of personal supports provided in settings such as schools or workplaces. This is a serious limitation of the current funding arrangement – one which runs directly counter to the ‘active’ philosophy the government is trying to promote.

In fact, the costs and anticipated rise in demand for services supported through the Canada Assistance Plan has placed this funding arrangement itself under scrutiny. While the terms of any revised fiscal agreement are unknown at this time, it is no secret that the federal government is seeking a fundamental restructuring of this legislation.

The current arrangement in which the federal government matches provincial and territorial expenditure on social programs makes it difficult for Ottawa both to anticipate and control costs in this area. Its initial foray into cost containment is represented by the now-infamous ‘cap on CAP.’ The cap effectively transformed CAP from 50-50 cost sharing with no spending limit to a fixed cost arrangement for three provinces by limiting federal transfer payments to Ontario, Alberta and B.C. to five percent a year from 1990-91 through 1994-95. The freeze was serious not only because it curbed these provinces’ ability to support social programs but also

because of the precedent it represented – a unilateral change to bilateral agreements.

We are concerned as well about the security of programs such as National Welfare Grants which provides funds for research on social issues as well as financial assistance to support the core operations of voluntary organizations in this field. Despite the fact that the allocations are very modest, many organizations would disappear altogether without the small but critical support they now receive under the program.

In short, while the details of the proposed dismantling of the Department of Health and Welfare are as yet unknown, it is not too soon to conclude that the planned reorganization will have a profound impact upon social programs. Some of the directions appear positive and will help consolidate certain initiatives – particularly those which may be construed as ‘active’ programs – that now are delivered in a fragmented and disjointed fashion. In other cases, the restructuring of the department may seriously jeopardize the health and welfare of social programs – especially those that focus more generally upon human well-being.

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