

## Weathering the Social Review

Here's the forecast for the social security review.

The fog index in Ottawa is still high. It is expected to clear as the federal government gets ready to release its Action Plan this summer.

The Action Plan will present options to restructure Unemployment Insurance, welfare and social services. It also will explore ways to change the financing of post-secondary education.

Canadians are likely to blow hot and cold over this document.

The Action Plan no doubt will provoke an icy response from the provinces. They will accuse Ottawa of breathing too closely in their jurisdictional airspace. Federal proposals regarding Unemployment Insurance, education, training and social services likely will be viewed with suspicion; there will be open hostility to even a hint of federal 'offloading.'

The February Budget provides an accurate barometer of the probable reaction to certain proposals. Ottawa's announcement that it was extending entrance requirements to the Unemployment Insurance program from 10 to 12 weeks of work sent a chill through provincial capitals. They are concerned about the fall-out of this change on their welfare caseloads. There is no doubt that provinces will resist strongly and 'shovel-your-snow-onto-my-driveway' proposals from the federal government.

The response to the Action Plan from business will be different – but no less predictable. Employers will continue to accuse Ottawa of raining on their parade. They will protest that the Action Plan does not cut enough from social programs. They will point out how the high cost of social programs dampens economic recovery. They will complain about drowning in a sea of payroll taxes.

In the meantime, the temperature is rising fast in other parts of the country. The Action

Plan is expected to generate a great deal of heat among labour and social policy groups. They are concerned that low- and middle-income Canadians will get burned by the social security review. Many believe that the entire process is nothing more than an exercise in deficit reduction. They will question the federal commitment to Canada's social programs. They are worried that the proposals represent a major shift in the country's social climate.

This forecast is instructive because it points to some fundamental concerns that must be addressed. First, the frosty provincial response to the Action Plan may spark a long-needed debate about the respective roles of the federal and provincial governments in social policy.

Perhaps Ottawa and the provinces finally will decide that it is the country's best interest to cooperate around social programs. Or maybe they will decide that it is best to work apart. But at least let them decide. The country has been threatened for too long by constitutional storm clouds that hang over every discussion of social policy.

Business concerns about the bottom line raise important questions about the financing of social programs. We never have had an informed national debate on funding issues, despite the fact that this issue is central to the continued health of social programs.

Are payroll taxes really a drain on the economy? If so, what funding sources would be more appropriate to finance Unemployment Insurance? Should we pay for all social programs through general revenues, collected from income taxes, corporate taxes, the GST and excise taxes?

Finally, labour and social policy groups want reassurance that Canadian values and the quality of life made possible by our social programs will be protected. Canada has just received top billing on the United Nations' Human De-

velopment Index. Labour and social policy groups want to ensure that we maintain that status.

Ottawa should take seriously the questions that will be raised in relation to the Action Plan. Provinces, business, labour and social policy groups have legitimate concerns that should be addressed. In fact, the questions they will pose can help set the stage for informed public discussion – not only on key aspects of social programs but more generally on fundamental issues of government, taxation and Canadian identity.

Once and for all, the debate sparked by the social security review may help clear the air about who does what in the area of social policy, who should pay the costs and what is the extent of our national commitment to social programs.

But the players outside government should do more than simply ask the right questions. They should participate actively in developing new and creative approaches to the difficult social problems Canadians face – mass unemployment, persistent poverty and the need for family and personal supports, like child care and services for persons with disabilities.

Canadians often fly south in the winter when the climate gets tough. Let's hope that in weathering the social review – and in trying to find answers to the fundamental questions it raises – we don't feel compelled to go south of the border for our solutions.

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