

**THE POLITICS AND PROCESSES OF SOCIAL ASSISTANCE GENDER REGIME SHIFT
IN NOVA SCOTIA: FROM VOLUNTARY 'REHABILITATION'
TO COMPULSORY 'EMPLOYABILITY', 1980 - 2001**

By

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ABSTRACT

This thesis contributes to knowledge about the politics and processes of social welfare restructuring in a context of unequal and gendered power relations, changing socio-economic conditions, and shifts in policy and political discourses. It employs a feminist approach and draws on welfare regime literature to explain social assistance gender regime change in Nova Scotia and its implications for lone mothers.

Fiscal pressures, federal-provincial relations and new ideological forces contributed to the policy dynamics of regime change, but the gendered and residualist legacies of the social welfare regime were also important. Yet, given the specificity of provincial social assistance and conditions that prevail locally we cannot assume that regime change was accomplished solely through high level policy change or that the dynamics of restructuring were the same at the provincial level.

In Nova Scotia, the two-tier system, gendered labour market conditions, and limited capacity to deliver or support employability programs were obstacles to applying job-seeking requirements to lone mothers. Yet small changes to CAP and a series of experimental employability initiatives opened the way for more active interventions. The federal-provincial Employability Enhancement Initiative enabled bureaucratic and service delivery actors to negotiate the spaces between institutionalized regime legacies, program demands, and local conditions to identify obstacles and build capacity to deliver welfare to work programs at the local level. Fiscal restraint, the demise of CAP and provincial downloading to municipalities in the early 1990s fostered income assistance harmonization and a political environment conducive to restructuring. A single tier system based on universal employability requirements, however, depended on re-

directing resources through the National Child Benefit offset to support employability. This enabled Nova Scotia to restructure its benefit system for low-income families, further develop its employability delivery infrastructure, and institutionalize 'gender-neutral' welfare to work measures.

Though the shift to a single tier system incorporating compulsory welfare-to-work requirements in 2001 was contested by political and social actors and resisted by some in the service delivery sector, unequal power relations and a neo-liberal political discourse ensured that the nature of social assistance change was primarily determined by federal and provincial governments.

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I began research for this thesis in the early 1990s to show the impact of the Employability Enhancement Initiative (EEI) on the Nova Scotia Family Benefits program and the structure of opportunities for lone mothers moving into the labour market. I abandoned work on the thesis in 1995 after a year of activism responding to the federal social security reform agenda. This, together with my work as a policy researcher for the Nova Scotia Advisory Council on the Status of Women, made it apparent that the EEI was just part of a longer, more complex story about social assistance gender regime shift. I hoped that one day I would be able to write about it. Yet I would not have been able to complete a thesis on this topic without the advice, assistance and support of numerous colleagues, friends and family members.

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Stella Lord, April 2009.

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INTRODUCTION

Lone mothers on welfare in Nova Scotia were relatively protected from compulsory employability requirements until the Employment Support and Income Assistance Act (2000) came into effect under new regulations in 2001. The Act deemed that all recipients physically or mentally capable of doing so are required to look for employment or participate in pre-employment activities in order to remain eligible for social assistance. The two-tier system in which recipients became eligible for either short-term municipal assistance or long term provincial Family Benefits based on family status and assumptions about employability was restructured and a single tier 'gender-neutral' system based on universally applied employability criteria came into effect. Unlike the Family Benefits program which had relied on a voluntary transition to employment, new gender-neutral processes and practices assess and monitor the progress of lone parents as they take steps to become 'self sufficient'. Lone parents are eligible for child-care subsidies and limited incentives to move from welfare to work, but they have little control over the timing or nature of the transition from welfare to work.

As Boychuk (2004: 16-17) argues, since the 1990s more provincial social assistance regimes in Canada have institutionalized labour market activation approaches based on gender-neutral assumptions. Yet if the institutionalized legacies and logics of regimes are difficult to change, as regime approaches tend to assume, questions need to be raised about the politics and processes entailed in such changes in specific cases. Indeed, although institutional legacies influence the conditions within which contestations about welfare arise, as Mahon (2008) argues, the way 'new' social risks are framed and identified and courses of action pursued occurs under specific historical circumstances

which have as much to do with how shifting power relations shape “the politics of need” as with addressing actual changes in social and economic conditions. Why and how did maternalist assumptions that protected women from labour market activity give way to gender-neutral assumptions about employability? How did policies based on compulsory measures emerge and develop; and what are the implications of these social assistance gender regime changes for lone mothers?

Feminist analysts have demonstrated that there has been a trend towards the adoption of gender-neutral policy assumptions across liberal social welfare regimes (O’Connor, Orloff and Shaver, 1999). Several analysts have correctly located the more widespread use of gender-neutral welfare to work policies in the rise of neo-liberalism in political and policy discourse and the shift towards greater reliance on the market during the 1980s and 1990s (Brodie, 1995; Peck, 2001; Bashevkin, 2002; Boychuk, 2004). Indeed, Peck (2001) has argued that liberal social welfare regimes have been moving away from welfare towards labour market activation and workfare for some time.

In the Canadian context, the long-term policy changes that contributed to such changes have tended to be overshadowed by an emphasis on the effects of cuts to transfers and the demise of CAP in 1995. Moreover, analyses of the shift towards gender-neutral compulsory measures have tended to be based on the Ontario experience where, immediately following the 1995 federal budget and the restructuring of federal transfers, a newly elected Conservative provincial government launched a workfare program in which welfare eligibility became conditional on the performance of some kind of work activity (Baker and Tippin, 1999; Baker, 2002; Bashevkin, 2002; Evans and Wekerle, 1997; Herd, Mitchell and Lightman, 2005; Peck, 2001; Shragge, 1997). Yet, with a few

exceptions (Hunter and Miazdyck, 2003), there has been little analysis of how policy developments preceding and following the federal budget of 1995 contributed to provincial social assistance change in other parts of the country. This has left gaps in our knowledge about the federal-provincial policy dynamics behind social assistance change and the politics and processes surrounding changes in specific provinces (Graefe, 2006).

The emphasis on the events of 1995 has also tended to obscure how, in the face of shifting gender relations and significant social and economic changes, longstanding unresolved policy issues affecting women, and a turn away from gender equality provisions not only established conditions for gender-neutral assumptions within provincial social assistance programs but has also affected the environment within which lone mothers must now seek to become 'self sufficient'. In the context of inequality in the labour market and gendered residualism in the social welfare regime, women are particularly vulnerable to poverty and reliance on social assistance. Questions also need to be raised, therefore, about the gendered nature of social assistance reform and its implications for lone mothers.

Detailed case studies of social assistance change will contribute to a more complete understanding of social welfare restructuring in Canada and its effects. This thesis examines the politics and processes through which social assistance gender regime change was accomplished in Nova Scotia in the context of institutional barriers specific to the Nova Scotia regime and a series of policy changes and initiatives developed at the national level. In the process, it calls attention to shifts in the political economy, the burgeoning forces of neo-liberalism in political and policy discourse during the 1980s and 1990s, and the gendered and residualist legacies of the Canadian social welfare

regime that, by maintaining provincial needs based programs of last resort and failing to address unresolved policy issues affecting women in the face of shifting gender relations and social and economic change, contributed to the conditions driving regime change.

I argue that social assistance gender regime change in Nova Scotia was embedded within a broad national process of social welfare restructuring that began in the wake of the failure of a federal-provincial social security review in the late 1970s with a shift towards neo-liberalism, a new emphasis on global competitiveness and supply-side, targeted approaches to higher unemployment, escalating social assistance caseloads and increasing poverty. In Nova Scotia localized projects and a voluntary career-planning program in the early 1980s fostered an assumption that lone mothers should be encouraged to move from welfare to work, but due to the effects of regional under-development, poor labour market conditions, and the institutional legacies of Nova Scotia's two-tier regime, conditions to broadly apply the concept of employability to lone mothers were lacking.

My thesis demonstrates that institutionalizing gender-neutral assumptions and employability measures within the Nova Scotia social assistance regime was a relatively long, protracted and contested process that involved policy and program change at federal, provincial and local levels. A series of national level employability initiatives and policy changes between 1985 and 1998 established the required conditions, yet I argue that due to divided jurisdiction for social assistance we cannot assume that the policy dynamics of change will be replicated at the provincial level or be similar in each province. In the Nova Scotia case, I argue that regime change was shaped in the context of the specific legacies of the Nova Scotia regime and by pressure from above as well as

below. Moreover, the changes in programs, policies and practices that brought it about were largely accomplished at provincial and local levels by political, bureaucratic and service delivery actors through processes of social learning, capacity building and program development. At the same time, unequal power relations, shifting federal-provincial relations and a new 'politics of need' that emerged at national, provincial and local levels, were also critical to the nature and policy dynamics of regime change.

A federal-provincial employability enhancement initiative in the mid-1980s enabled service delivery and bureaucratic actors at all three levels to negotiate spaces between the legacies of the regime, local conditions and the new labour market activation policies of the federal government to develop a welfare-to-work infrastructure with the capacity to deliver employability programming more broadly, including to lone mothers. This increased capacity and the politics of need thrown up by fiscal pressures and downloading to second tier municipal income assistance in the early 1990s, garnered broad support for harmonization under provincial control. Federal cuts to social transfers and the demise of CAP in 1995 established a climate conducive to a formal process of social assistance restructuring, but a crucial condition for gender regime change was created when a federal-provincial agreement in 1997 allowed provinces to offset child benefit supplements and re-direct these to support employability measures. Though contested by social and political actors and resisted by some in the service delivery sector, political support for a single tier system and gender-neutral welfare to work policies was garnered first through a province-wide consultation process and then through a political discourse pitting working poor lone mothers against those on social assistance.

This thesis, therefore, contributes to knowledge about the politics and processes of gender-neutral social assistance regime change under specific circumstances in a single province. Yet by examining the inter-play of policy changes and the roles of actors at national, provincial and local levels in shaping, accommodating, or resisting institutional and policy change, it contributes to knowledge about the political and policy dynamics of welfare state restructuring in a state where responsibility for social welfare is shared between different levels of government. It also brings light to bear on the nature and implications of social assistance gender regime change and highlights the failure of the Canadian social welfare regime to address unresolved policy issues affecting women's relationship to welfare, work and care in a context of shifting gender relations and economic change. It thus adds to a growing body of knowledge about the gendered nature of welfare state restructuring and raises questions about the kind of policy changes that could produce more equitable outcomes for lone mothers.

Social Welfare Regimes, Gendered Residualism, and Provincial Social Assistance

The research problematic—the politics and processes of social assistance gender regime change—and the concepts 'social welfare regime', 'gendered residualism' and 'provincial social assistance regime' derive from the body of knowledge that emerged out of Esping-Andersen's seminal comparative analysis of welfare states in *The Three Worlds of Welfare Capitalism* (1990) and the critical debates that ensued in response, particularly by feminists. Regime theorists argue that the development of welfare states has been about how societal goals for social welfare have been defined, structured and institutionalized in relation to institutions such as the family, the market, the state

(Esping-Andersen, 1990), the community (Valverde, 1999) and the voluntary sector (Jenson, 2001a).

Esping-Andersen (1990) argued that in the context of democratic struggles, conflicts and accommodation in the pre- and post-war period, three distinct types of regimes emerged—corporatist or conservative, social democratic and liberal regimes. Each of these regime clusters was organized around different ideological orientations regarding social welfare goals and the respective roles of the state, the family, and the market. These distinctions are important because they define the conditions under which social welfare is organized and delivered. They also help to determine the terms, rules and conditions whereby claims may be made (or not) and, reciprocally, the obligations and responsibilities associated therewith (O'Connor, Orloff and Shaver, 1999). Social welfare regimes in most English speaking countries (Canada, the United States, Australia and the United Kingdom) are defined as 'liberal' because they channel social welfare through market institutions more so than Nordic social democratic regimes or the conservative/corporatist regimes of continental Europe. Consistent with reliance on the market, they also depend more on residual, needs-based programs as a last resort for people living in poverty.

Esping-Andersen's regime typology has been criticized on a variety of grounds. Feminists have been particularly critical of the emphasis on class and the role of organized labour in the development of welfare regimes, arguing that not unlike other mainstream accounts, the role women's organizations in the democratic struggles that contributed to welfare state development and the impact of welfare states upon women is largely ignored. The community (Valverde, 1999) and the voluntary sector (Jenson,

2001a) in which women played key roles have been and remain important in the provision of social welfare in Canada and should be included in the regime concept.

A major problem in *Three Worlds*, however, was that post-war welfare regimes were classified in terms of whether they supported the rights of workers through de-commodification (how social welfare protections and entitlements shield workers from the vagaries of the labour market) and the extent to which they reduced household-based social stratification. As critics point out, the emphasis on de-commodification glosses over the fact that capitalist welfare states do not simply de-commodify labour, they also 'enforce' it. Moreover, while liberal regimes place greater reliance on the market and residual, needs based programs (Peck, 2001), most regimes, even social democratic ones, support the marginalization of some workers in relation to state entitlements through labour market segmentation (Marklund and Svallfors, 1987).

Feminists also argue that the emphasis on de-commodification ignores how regimes are gendered. In liberal regimes female workers have been some of the most marginalized because income security has historically been bifurcated according to labour force attachment (Myles, 1988; Pulkingham, 1998; Fudge and Vosko, 2002; O'Connor, Orloff and Shaver, 1999). Amongst other things, this has made the risk of reliance on residual, needs-based social assistance programs particularly high for women, especially lone mothers. As important as de-commodification is to social welfare, focusing on this as a main criterion reinforced a long-standing orientation in welfare state analysis that emphasizes relations of production and class struggle, but marginalizes gender relations and women's struggles for equality (O'Connor, Orloff and Shaver, 1999; Sainsbury, 1999).

Despite these critiques, the social welfare regime concept has been usefully employed by those who work within both political economy and historical institutional traditions to compare the development of welfare states, analyze specific policy domains, as well as the limits and possibilities of policy and regime change (Esping-Andersen, 1990; 1999; Jenson, 2004; Streeck and Thelen, 2005). In the Canadian context, it has been used to explain the nature and development of the Canadian welfare state, the long tenure of residualism and the politics of social assistance regime change at the federal-provincial level (Haddow, 1993); the direction of specific policy domains (Myles, 1998; Boychuk, 2005) and of the social welfare regime more generally in the current conjuncture (Jenson, 2004; Mahon, 2003). Given that prime responsibility for social assistance in Canada falls to the provinces and variations in provincial policy legacies have been evident over space and time, the regime concept has also been applied specifically to the domain of provincial social assistance (Boychuk, 1998; 2005). Feminist theorists have also adapted the concept to apply to gender regimes—the specific way in which social welfare articulates state, market, community and family institutions as sources of social welfare for women (O'Connor, Orloff and Shaver, 1999).

Operationalized in terms of the extent to which policies maintain women's financial dependency on male support in the household or support women's employment, reinforce a gendered division of family care, and enable reproductive choice and social bonding, O'Connor, Orloff and Shaver (1999) identified three policy domains in liberal regimes that have an impact on gender relations and women's autonomy—the labour market and the terms and conditions for access to paid work, including services that take into account care-giving responsibilities; state provision relating to material conditions and how social

rights are claimed; and reproductive rights. In the four regimes they examined (the United Kingdom, the United States, Canada and Australia), they found that there were differences in the extent to which policy regimes supported a gender order based on traditional family roles but that while there was a general trend towards support for increased labour force participation, there was also a common trend away from approaches grounded in gender equity towards gender-neutral policies (O'Connor, Orloff and Shaver, 1999).

In both Canada and the United States in particular women's labour force participation was reducing gender-differentiated work-based entitlements but gender-based policies persisted within some policy domains and policies to support women's equality were uneven. In this regard, they drew particular attention to reduced gender differentiation in social assistance policies, increased reliance on gender-neutral employability requirements and limited consideration of labour market inequality and provision for care (224-230). Policies that treated lone mothers differently were not based on gender equity. Yet it can be argued that the shift towards gender neutral social assistance policies stands out due to the continued reliance of these social welfare regimes on residualist policies of last resort that continue to differentially affect women.

Bashevkin (2002) and Baker and Tippin (1999) also noted the shift towards gender-neutral social assistance policies and programs and link this to neo-liberal policy approaches and shifting labour markets. As they demonstrate, gender-neutral policies are based on false notions about equity and render invisible the grounds for women's inequality. In the context of a turn towards neo-liberalism, the emphasis on labour force participation and gender-neutral policies are unlikely to take account of the grounds for

women's inequality and the particular relationship of mothers to welfare, work and care. They are, therefore, likely to have negative outcomes for women.

The Canadian social welfare regime and gendered residualism

The development of liberal social welfare regimes and their outcomes, therefore, look significantly different from a feminist perspective. As Jenson (1986) has argued, welfare state development has not only been about production and economic security through employment, but also about ensuring biological and social reproduction and care. Yet the way that liberal welfare states have organized reproduction and care has been a basis for women's dependency on male support, for women's inequality in the family and the labour market and for women's vulnerability to poverty (McKeen, 2005). Gendered assumptions embedded within liberal social welfare regime have supported different sources of welfare for women and men, and have done so in ways that maintain unequal gender relations and women's inequality (Lewis, 1997; O'Connor, Orloff and Shaver, 1999, Orloff and Shaver; 1999; Sainsbury, 1999; Daly and Rake, 2003).

Several analysts have pointed out though that while all liberal regimes are gendered and they share a similar market oriented approach to income security, they developed within different social and political contexts and along somewhat different trajectories. Relations of power and influence in relation to social welfare provision vary and there are important variations in the extent and quality of entitlements and in how particular policies and policy domains maintain women's inequality (O'Connor, Orloff and Shaver, 1999; Sainsbury, 1999).

In Canada, the early development of what Myles (1988) calls the 'social assistance state' advanced regulatory provisions in the fields of labour, family law and child welfare

in ways that promoted a gender order based on the male breadwinner/female housewife family and ensured women's responsibility for care (Ursel, 1992). Means tested Mothers Allowance programs emerged in several provinces to assist mothers who could not depend on a male breadwinner. In the post-war period, the 'income security state' reinforced the responsibility of mothers for family care and created a gendered system of income and social security that largely ignored women's work in the home. Women supported men's paid work through their unpaid work in the home, usually to the detriment of their own independence and economic security (Christie, 2000; Luxton, 1990; McKeen, 2004). Yet the gendered organization of the Canadian social welfare regime created a dual channel system of social security entitlements that made women who could not depend on male support reliant on needs based programs (Christie, 2000).

Despite the rise of feminism and a social liberal approach to welfare state development during the 1960s and 1970s, policy responses did not adequately come to terms with the nature of women's inequality and their vulnerability to poverty (McKeen, 2004). Until well into the 1970s, government policies excluded women—even those employed full time—from the same entitlements that 'de-commodified' male workers (Porter, 2003). Though policies increasingly supported the idea of women's labour force participation and overt gender discrimination in the labour market was addressed, the legacies of the failure to come to terms with women's unequal relationship to social welfare, work and care has contributed in a variety of ways to the social construction of gender relations and to various forms of gender-based inequality today.

Since the 1970s, social and economic changes have been visible in the decline of the male breadwinner family, greater reliance on the labour force participation of mothers,

and an increase in mother-led single parent families. Despite these changes, women are still more likely to be employed in certain kinds of low-paid jobs or sectors and even in female dominated sectors then are less likely to be employed in the highest paid jobs. Gender-based divisions of labour persist and women are more likely to perform family and care responsibilities, yet there is limited support for publicly funded child and dependent care and provision is increasingly privatized (Jenson, Mahon and Phillips, 2003). The pressure to balance employment and care means that women are more likely to be employed part-time or in temporary or contractual employment where workers have limited access to employer or state benefits (Armstrong and Armstrong, 2001, Fudge and Vosko, 2002; Vosko, 2006).

Whether employed or not, lone mothers who cannot rely on male support or state benefits are vulnerable to poverty. This is particularly the case for those who must resort to provincial needs based social assistance to survive. In some cases, due to the lack of other sources of income and the kind of employment opportunities and support to enable them to establish autonomous households, lone mothers were forced to rely on social assistance for a number of years. Though provincial social assistance programs vary, in general they have consistently maintained benefit systems that ensure welfare recipients live in poverty. For those deemed 'employable,' policies and practices have routinely incorporated coercive measures to ensure recipients look for paid work—a practice that is now increasingly applied to lone mothers. Yet welfare policies and programs erect significant barriers to enable recipients to improve their financial situations and offer only limited transition to employment services. Given the persistence of gender inequality in the labour market and the continued reliance on provincial needs-base programs of last

resort and the marginalization of women's relationship to welfare, work and care within the Canadian social welfare regime, women remain vulnerable to poverty. I use the term "gendered residualism" to characterize these legacies of the Canadian social welfare regime.

Provincial social assistance and the specificity of the Nova Scotia regime

The welfare regime approach assumes that there is a certain degree of institutional and policy coherence within national social welfare regimes, yet this is not completely the case in Canada because responsibility for social welfare is divided between the federal government and the provinces. Though federal involvement and responsibility for social programs increased in the post-war period, social services and residualist needs-based programs such as social assistance remained under provincial jurisdiction. Moreover, although provincial social assistance programs are embedded within the institutional arrangements and policy legacies of the national social welfare regime, they are also influenced by their own specific policy legacies and logics that emerged in the context of particular patterns of settlement, ideologies about work and welfare and regional economic and social differences (Boychuk, 1998). As Haddow (1993) has shown, and as my thesis will demonstrate, these institutional arrangements mean that the politics and processes of social welfare development are affected by federal-provincial relations. These factors have made a difference to how social policies developed, how programs are delivered, and the gendered nature of social welfare in Canada today.

Federal shared-cost funding conditions in 1966 ensured that provincial social assistance programs were based on 'need', but the weakness of these conditions meant that the policy legacies of provincial programs, reflecting different assumptions about

‘deserving’ and ‘undeserving’ poor persisted. Indeed, Boychuk (1998) demonstrated that there were variations in how women and men, and single and two parent families were treated within provincial needs-based programs as late as the mid-1990s. On this basis, he argued that different types of provincial social assistance regimes could be identified and that policies and programs varyingly promoted reliance on the family, the market, or the state.

As my thesis explains, the Nova Scotia social assistance regime maintained a poor law and indoor relief until the late 1950s and has continued to maintain a strong emphasis on residualism and the principle of ‘less eligibility’ for the ‘unworthy’ poor (those capable of employment). Under the Mothers Allowance program introduced in the early 1930s, ‘worthy’ lone mothers received outdoor relief and were somewhat protected from the requirement to look for work on the basis of their childcare responsibilities, but they were subject to moral supervision—a situation that persisted even after federal cost-sharing under the Canada Assistance Plan in 1966 allowed the provinces to ‘modernize’ their regimes (Fay, 2005; Little, 1998).

In the mid-1990s, Boychuk (1998) defined the Nova Scotia regime as “conservative” because it supported reliance on traditional gender roles in the family. The system was based on categorical eligibility and benefit criteria and on assumptions about employment that required single adults and male family ‘heads’ to look for employment, but protected lone mothers from similar job-seeking requirements. As in other conservative regimes, these assumptions were institutionalized within a two-tier welfare system. The first tier of income assistance delivered by the municipalities maintained a strong emphasis on the principle of ‘less eligibility’—the idea that welfare benefits should not exceed the lowest

wage—as well as compulsory job-seeking requirements for recipients deemed ‘employable’ (mostly single able-bodied adults or married males). Yet due to prevailing gender assumptions about women’s care-giving roles and the dependency of mothers on male support in the family, lone mothers were eligible for longer-term and higher provincial benefits until dependent children reached eighteen or became employed. While lone mothers on provincial Family Benefits were generally not required to look for work, the criteria for eligibility remained stringent and moralistic (Fay, 1997).

At the same time, the legacies of the regime, the effects of regional under-development, gender inequality in the labour market, and limited federal and provincial support for mothers to re-enter the labour market presented constraints on the ability of the province to deliver transition to work programs. Unless a lone mother on welfare (re)-married or had previous labour market experience with high levels of education and superior job skills, she could find herself dependent on welfare for some time.

Welfare state restructuring and social assistance regime change

Since the 1980s, several provinces (including Nova Scotia) have shifted away from the idea that lone mothers should be protected from labour market due to their care-giving roles. This shift was partly driven by the growing number of lone mothers on social assistance caseloads and by the increased labour force participation of mothers in the general population, but it was also buttressed by a move towards more gender-neutral policies within the broader social welfare regime in the 1990s. Yet there were also other forces at play.

As Bashevkin (2002) argues, the shift towards treating lone mothers as employable and potentially ‘self sufficient’ has been part of a broader process of welfare state

restructuring that has been moving liberal social welfare regimes away from earlier conceptions of welfare towards workfare. Peck (2001) argues that the introduction of stricter welfare to work measures within liberal regimes, including Canada's, occurred in the context of a 'welfare crisis' and pressures for low waged labour and labour market flexibility. Yet provincial responses to these pressures and higher social assistance caseloads varied. Some Canadian provinces (British Columbia, Alberta and Quebec) introduced compulsory welfare to work policies directed towards lone mothers in the early 1980s. As my thesis explains, in 1983 the Nova Scotia government removed the automatic designation of lone mothers as 'unemployable' and developed a career-planning program. Nevertheless, participation remained voluntary in part due to limited resources and capacity to deliver a universally mandated program, but also to a lack of public consensus about welfare and lone mothers. Meanwhile, various means were used during the 1980s and early 1990s to limit eligibility for provincial Family Benefits.

At the same time, federal economic and social policies were increasingly influenced by a shift in policy discourse towards greater reliance on market-oriented solutions. In what has been described as 'markets against politics', neo-liberal discourse entails the idea that political economies must be freed from the political, institutional and regulatory constraints that impede or limit the spread and development of free market capitalism. Re-aligning social welfare regimes to meet changing labour market demands have been fundamental to the neo-liberal project within liberal welfare states (Kingfisher, 2002).

In Canada, job development and income security programs incorporated labour market supply and adaptation approaches to address high rates of unemployment. As I explain, under pressure from the provinces to address high social assistance caseloads, a federal-

provincial Employability Enhancement Initiative to activate the labour of welfare recipients played an important role in establishing a condition for social assistance gender regime change in Nova Scotia. Conditions for regime restructuring and gender-neutral compulsory measures were further supported by the dilution of gender equity provisions, the demise of CAP and block-funded federal transfers in 1995, and critically, by the National Child Benefit in 1997.

Peck (2001) and Bashevkin (2002) argue that the enforcement of employment through coercive welfare to work policies entails moving away from the idea of 'welfare' as a social right towards workfare. Bashevkin (2002) also demonstrates that the shift includes the idea that as a condition of 'responsible citizenship' lone mothers now have a 'duty' to become 'self sufficient' with little regard to their responsibilities for or opportunities to care. In Nova Scotia, the social assistance regime previously based on protecting lone mothers with dependent children from the labour market, now requires them to seek employment when their youngest child is one year old. At the same time, stricter welfare to work measures and poor employment conditions in the lower reaches of the labour market further marginalize certain segments of the labour force, including low-income working women (Peck, 2001; Bashevkin, 2002).

The Politics and Processes of Social Assistance Change in Nova Scotia

The rise of neo-liberalism and this kind of restructuring raises another limitation of institutional regime approaches—a bias towards explaining how regimes are 'path dependent' and resistant to change rather than why and how they change (Goul-Andersen, 2000). The concept of path dependency in regime theory suggests that regimes are difficult to change because they follow fairly predictable policy paths.

Policies and programs change, but they do so in ways that conform to the institutionalized legacies and logics of the regime. However, the emphasis on path dependency can underestimate the economic, ideological and political forces that are contributing to the shift towards neo-liberal policy approaches in the current conjuncture and the role of agency in accomplishing social welfare policy change (Goul-Andersen, 2000; Streeck and Thelen, 2005). Yet, as Streeck and Thelen (2005) imply in this context, the idea that regimes clustered around particular institutionalized goals and approaches to social welfare are resistant to change simply raises the question, how do regimes change?

My thesis shows that the changes within the Nova Scotia social assistance gender regime were embedded within social welfare restructuring at a national level. Conditions for regime change were influenced by high-level policy change, shifting federal-provincial relations and, in the context of unequal and gendered power relations, a re-configured policy discourse. Yet the changes in policies, programs and practices that brought about regime change occurred within Nova Scotia itself in the context of institutional legacies specific to the regime. As bureaucratic and service delivery actors negotiated the spaces between the institutional legacies of the regime, local conditions, federal-provincial employability initiatives and the push for regime change at local, provincial and federal levels, the policy dynamics of regime change were shaped by pressures from above and from below.

Though the shifting gendered discourses about 'need', welfare, and work that helped to bring about regime change were contested at all levels, the shift towards neo-liberalism in political and policy discourse, unequal power relations, and the institutional and

political constraints created by the legacies of the Nova Scotia regime and the broader social welfare regime within which it is embedded, meant that the politics and processes within and between different levels of the state established the terms and conditions for social assistance regime change. Within Nova Scotia itself, stricter welfare to work measures directed to lone mothers in Nova Scotia were publicly justified initially in terms of gendered and regressive notions of ‘equity’ and of ‘fairness’ to the working poor, yet as contestation mounted, the provincial government fostered a more straightforwardly neo-liberal discourse based on the fiscal ‘unfairness’ of re-directing taxes from the working poor to welfare recipients and the strong residualist idea of ‘less eligibility’—that welfare should not exceed the lowest wage.

The Implications of Gender Regime Change for Lone mothers in Nova Scotia

This thesis is primarily about the politics and processes of social assistance gender regime change rather than its outcomes and impacts. Yet because feminist approaches do not separate the two (Newman and White, 2006), it also examines the implications for lone mothers. As I argue, in the context of the gendered effects of Canada’s residualist social welfare regime combined with the shift towards gender-neutral approaches in public policy generally, the coercive nature of the new Nova Scotia social assistance regime in regard to employment is likely to have negative implications for lone mothers in Nova Scotia.

Situated in Atlantic Canada, Nova Scotia is a comparatively rural and poor province marked by relatively high rates of unemployment, wages that are generally lower than in other parts of Canada and high poverty rates. Due to the intersections of structural inequalities related to class, race/ethnicity, gender and (dis)-ability, poverty rates are

particularly high amongst Aboriginal People, indigenous African Nova Scotians, disabled women and lone mothers (NSACSW, 1994).¹ These factors can be attributed to regionally-based inequalities that have arisen in the context of a resource based political economy, regional under-development, and a long history of racial discrimination and a socially conservative political culture.

Yet despite wide gender wage gaps, women's labour force participation has always been relatively high and in the context of shifts in gender relations and in the political economy, the labour force participation of mothers with dependent children increased significantly during the 1980s and 1990s, especially in the growing regional municipality of Halifax, where unemployment rates have been consistently lower than other areas of the province. Since the late 1980s, the collapse of the ground fishery, the decline of resource-based industries combined with employment growth in service and knowledge based sectors centred in Halifax has resulted in out-migration, population loss and a lack of sustainable employment for women and men in Cape Breton and rural areas and growing economic disparities in terms of unemployment, wages, and access to services between Halifax and rural areas. Nevertheless, in all areas of the province the labour market remains a difficult environment for many women due to gender wage disparities, poor working conditions, and a general lack of accommodation of family responsibilities in social policy and in the workplace.

¹ Even though they make up a relatively small proportion of the total population compared with some other provinces, there has been a long history of racial discrimination whereby Mi'kmaq and indigenous African-Nova Scotians experience disproportionately high levels of unemployment, income inequality and poverty. Although welfare statistics do not include data based on race or ethnicity, it is also likely that Mi'kmaq and African Nova Scotians are disproportionately at risk of reliance on social assistance.

As Vosko (2000) has argued, despite a growing demand for women's labour, employment for women leaving social assistance in Canada tends to be in low paid service sector jobs where conditions are relatively poor and the wages are low. Without significant investment in educational upgrading, skills development, higher education, health benefits, subsidized child-care and programs and services to enable viable transitions to employment, the transition to work is difficult. The probability that women forced to leave welfare for work will escape poverty or be able to maintain an autonomous household is relatively low. Indeed, despite higher rates of labour force participation and better than average rates of economic growth since 2000, rates of poverty amongst female lone parents remain high and its depth has not decreased (Nova Scotia Child Poverty Report Card, 2008). Yet policies to address poverty are not high on the political agenda of the Nova Scotia government. In these circumstances, the transformation of the Nova Scotia social assistance gender regime to one based on employability is little more than a transformation from welfare to workfare. The nature and politics and processes of shifting gender assumptions and social assistance policy restructuring in specific provincial jurisdictions are not closed questions. To put the problem in empirical terms, if regimes are likely to persist as path dependency theorists claim, then they are difficult to change. What, therefore, has been driving social assistance regime change and the development gender-neutral employability assumptions in Canada? Given the specificities of provincial social assistance systems and the politics of need surrounding them, how were the changes accomplished in specific cases—in this case Nova Scotia? What has been the nature of the changes and what are the implications for lone mothers?

In addressing these questions, I use a feminist approach and draw on both regime and welfare state literatures to explain how, in the context of the gendered and residualist legacies of the social welfare regime within which it is embedded, the Nova Scotia social assistance system was re-shaped to include gender-neutral assumptions and compulsory welfare to work measures for lone mothers. In the process I take into account the burgeoning influence of neo-liberal political and policy discourses on social welfare policies and programs in the current conjuncture, the shifting politics of federal-provincial relations and governance arrangements, and the unequal power relations that contributed to the politics and processes of social assistance restructuring within Nova Scotia. In this context, I focus on the activities of political, government and social delivery actors at various levels and how these contributed to shaping, accomplishing or resisting policy change.

Methodology, Sources and Chapter Outline

The problem of institutional change within a policy regime in one province, the case study approach, the emphasis on political and policy processes, and the activities of actors contributing to regime change is consistent with the methodology of Streeck and Thelen (2005) who espouse the view that detailed case studies of the policy dynamics of institutional change within particular policy fields can expose how institutional change occurs and the role of actors in it. In this regard, my thesis emphasizes that strategies and initiatives developed at the national level—unilaterally by the federal government or jointly with the provinces—established conditions for the shift in the social assistance gender regime but that policy and program change in Nova Scotia was shaped by political, social and bureaucratic actors at provincial and local levels. This occurred in the

context not only of the legacies of the national social welfare regime but of conditions and legacies specific to the Nova Scotia regime. In employing Streeck and Thelen's concepts of policy drift, layering, displacement and conversion I also emphasize the role that program development and social learning (Hemerjick, 2005) played and conclude that under specific local conditions and circumstances capacity building can be an important means to bring about regime change.

Crucially though I also consider the nature of the changes and their implications for lone mothers. In this regard, my thesis is informed by the work of feminist welfare state and regime theorists who not only examine policy, program and institutional changes and their specific affects on women but also take into account the social and economic factors and forces driving them. Most recognize that liberal welfare states emphasize reliance on the market, but they also argue that as they developed in the post-war period they supported to varying degrees different sources of welfare for women and men. Policies promoting the gender division of domestic labour, women's dependency on male support and women's responsibility for care in the family contributed to the sex segregation of employment, women's inequality in the workplace, unequal gender relations, and women's vulnerability to poverty.

I have used the concept of 'gendered residualism' to signify how policy developments in the post war period in Canada contributed to the dependency of lone mothers on provincial social assistance programs and, in the face of unresolved policy issues during the 1960s and 1970s, to the burgeoning number on provincial social assistance as social, economic and ideological conditions changed. I explain that as neo-liberal pressure for market-oriented social policies increased this became a motivating factor for a new

emphasis on employability within provincial social assistance policies during the 1980s and 1990s.

Yet as O'Connor, Orloff and Shaver (1999) argue, gender policy regimes are changing. Once primarily organized to shore up women's role in the family, state policies now encourage the commodification of women's work and women's social welfare increasingly depends on provision through the labour market. Correspondingly, the nature of gendered residualism is changing. In a period of social, economic and policy change, there are likely to be internal contradictions in entitlements and incompatibilities in the way social welfare is organized and delivered. Indeed, as O'Connor, Orloff and Shaver (1999) point out, the coherence (or lack of it) within certain crucial policy domains affecting women's equality not only highlights the extent to which identifiable gender policy regimes exist, but the way that social welfare policy regimes are organized and their multiple and compounding effects on women (O'Connor, Orloff and Shaver (1999)). Given the division of responsibility for social welfare in Canada, policy and program incompatibilities and a lack of coherence between national, provincial and local levels can loom large.

In his study of the lack of coherence between provincial social assistance policies in Canada, Boychuk (1998) used the concept of social assistance regime to demonstrate variations in provincial social assistance program goals. In the case of Nova Scotia, he identified reliance on 'patriarchal' assumptions about differentiated gender roles in the family and the market as a major organizing principle for the regime. In analyzing the politics and processes entailed in the shift towards gender-neutral policies, I borrow from the feminist social welfare regime literature and modify Boychuk's terminology to speak

about the ‘social assistance *gender* regime’. However, I rely on feminist approaches to analyze the effects of social assistance gender regime change on lone mothers.

A potential issue, however, is that somewhat different criteria and methods are employed to evaluate and analyze social welfare regimes and the implications of policy change for women (Daly and Rake, 2003). Whether regimes encourage women’s labour force participation, perpetuate dependency through support for male-breadwinner households, make public provision for care or how they organize gender relations and relationships to work and care feature prominently in these debates (Daly and Rake, 2003; Lewis, 1997; Jenson and Sineau, 2001; O’Connor, Orloff and Shaver, 1999; Sainsbury, 1999).

In their examination of three key policy domains relating to labour markets, income maintenance, and the regulation of reproduction across four liberal social welfare regimes (including Canada)—O’Connor, Orloff and Shaver (1999: 28-32) identified women’s capacity to form and maintain autonomous households as a primary gauge for the extent to which the social welfare gender regime had changed and the implications for gender equity and women’s equality. This speaks to the resources necessary to choose household forms freely regardless of marital status, yet it does not pre-define what the sources of income should be, nor is it a criterion that rests on financial considerations alone because it is based on three key constitutive touchstones for women’s well-being—the rights of personhood and the individual, the social organization of paid and unpaid work, and what Shaver (1989a) calls “social bonding in emotional and reproductive relationships.”

Women’s capacity to form and maintain an autonomous household, therefore, provides a useful guide for delineating and assessing the various policy changes,

initiatives and strategies that directly or indirectly influenced the shift towards 'employability' within the policies, programs and practices of the Nova Scotia social assistance gender regime and for analyzing its implications for lone mothers.

Whether policies, programs and practices provide adequate financial support, transitional support towards employment that pays a living wage, help lone mothers to combine paid work and parenting responsibilities while also respecting social bonding relationships necessary for care are important considerations. At the same time, my thesis also takes into account whether policy changes in the broader national social welfare regime not only created the conditions for the shift towards gender neutral employability policies and practices within the Nova Scotia social assistance policy regime, but the extent to which social policy restructuring after 1995 affected the policy environment within which lone mothers are now required to make a transition to employment.

As I argue, the lack of recognition and support for social reproduction and care within state policies, combined with the ongoing effects of the legacies of gendered residualism in the labour market, family dynamics, and state social security programs and services still at play within the regime, continue to be major factors in women's vulnerability to poverty. Gender-neutral policies that fail to take into account women's relationship to welfare, work and care, therefore, are unlikely to lead to women's equality or benefit lone mothers. This problem is compounded in a context of neo-liberal approaches that de-emphasize the importance of the welfare state in ensuring social development and well-being.

My thesis uses secondary sources to support the analysis of the historical development of the Canadian welfare state and social assistance in Nova Scotia and both primary and secondary sources to identify key developments between 1977 and 2001. I use federal and provincial reports and documents to analyze the emergence of the concept of employability and the development of the Employability Enhancement Initiative. I also draw on community-based reports that identified issues of importance to women on social assistance during this period.

To enlarge upon the development of the SARS program, the activities of government actors and the changes in programs and practices that contributed to capacity building to enable social assistance gender regime change during the 1990s, I interviewed government officials involved in the development of employability programs and social assistance reform initiatives at federal, provincial and municipal levels, as well as social service workers, employment counsellors and those delivering training or employability programs to women at the local level. I draw on these interviews to supplement documentary evidence and to flesh out my analysis of the politics and process of social assistance restructuring in Nova Scotia.

My analysis of the federal social security reform process and the politics and processes associated with the 1994 Social Security Review and the subsequent demise of the Canada Assistance Plan in 1995, as well as the Nova Scotia social assistance reform process between 1996 and 2001 is based on government documents, newspaper reports and articles, as well as documents of national and community-based organizations involved in social policy advocacy or more actively engaged in struggles related to social policy and social assistance restructuring. These data and information sources are

augmented by interviews with Nova Scotia government officials and by my own personal experience as social policy activist during the early 1990s and later as a policy researcher and analyst for the Nova Scotia Advisory Council on the Status of Women.

In the next chapter, I elaborate on the theoretical issues raised about path dependency and the politics and processes of regime and policy change. I discuss my theoretical claim that social assistance policy change was socially and politically constructed and that it was accomplished in the context of unequal power relations by a variety of different political, social, bureaucratic and service delivery actors at national, provincial and local levels. Chapter two provides an historical context for understanding the gendered legacies of the Canadian social welfare regime and social assistance in Nova Scotia. It examines the early development of a social assistance state and the treatment of lone mothers in the context of the emergence of a Mothers Allowance in the pre-war period, as well as the development of a gendered income and social security system in the post-war period. It shows that both federal and provincial policy legacies and the persistence of regional under-development influenced the residualist nature of social assistance in Nova Scotia.

In Chapter 3, I discuss the emergence of a federal-provincial social security review in the mid-1970s and how, despite its failure in the context of a fiscal crisis, it influenced the development of the concept of 'rehabilitation' and its application to lone mothers in Nova Scotia. It demonstrates how, despite a comparatively limited social service infrastructure, small rehabilitation projects under the auspices of the City of Halifax Social Planning Division led to a provincial transition to employment programs for lone mothers in 1983. I make the case that as a discourse about 'welfare dependency' came to

the fore both nationally and provincially during early 1980s, Nova Scotia resisted the push to introduce employability requirements for lone mothers or to approve the idea of CAP reform to facilitate this due to the province's lack of capacity to implement and deliver welfare to work programs to lone mothers. Nevertheless, in 1985 a turn towards supply side approaches in federal labour market development policy in a context of high unemployment and ideological and political change opened the way for a federal-provincial Employability Enhancement Initiative that I argue began to lay the ground for increased capacity to deliver welfare-to-work programs.

Chapters four and five analyze in some detail the development of the Nova Scotia SARS programs under the Employability Enhancement Initiative (EEI) between 1987 and 1995 in the context of the growing influence of neo-liberalism. I show that as bureaucratic and service delivery actors developed the program, they gained knowledge and built capacity at provincial and local levels. This provided the basis for a new emphasis on the employability of lone mothers and the development of more gender-neutral policies and practices within the municipal and provincial tiers of the social assistance system. The experimental Initiative also laid the ground for a federal social security reform process in 1994.

Chapter six examines the federal social security reform proposals that related directly or indirectly to changes in the treatment and assumptions about lone mothers on welfare, as well as the politics and political discourses surrounding the review process. In Chapter seven I discuss the political discourse leading up to and following the 1995 budget that pre-empted the reform process, rescinded the Canada Assistance Plan and made drastic cuts to social transfers. In this context I briefly discuss the response of the Nova Scotia

government to these changes. As I explain in chapter eight, the 1995 budget prompted a shift in federal-provincial relations and negotiations for a National Child Benefit (NCB) in 1997. I argue that the NCB offset arrangement in 1998 was critical to social assistance change and the development of employability requirements for lone mothers in Nova Scotia. Here, and again in chapter nine, I examine the politics and processes of a two-stage process to reform social assistance in Nova Scotia that culminated in legislation for a single tier gender-neutral social assistance system in 2001.

CHAPTER I: THE POLITICS AND PROCESSES OF SOCIAL ASSISTANCE REGIME CHANGE

Numerous welfare state theorists have shown that policies within liberal social welfare regimes have been undergoing processes of restructuring to accord with a more market oriented ideology for some time and that these are changing the nature of regimes (Bashevkin, 2002; Brodie ; Hacker, 2005; O'Connor, Orloff and Shaver, 1999, Peck, 2001; Sainsbury, 1999). This is inextricably linked not only to the complex processes associated with economic liberalization and globalization—what Sassen (1998) defines as “rapid growth of transactions and institutions that are outside the framework of interstate relations”—but also to neo-liberal ideological forces that are driving it (Kingfisher, 2002). As Kingfisher (2002) argues, many key assumptions of economic liberalization revolve around increasing global competitiveness, productivity and market efficiency. In its most ideological form, liberalization can be described as a generalized doctrine that views the free market and market relations as the most efficient way of ordering social and economic relations within and between political economies as well as the most effective means of stimulating the kind of competition that economic growth and development. It is argued that this will produce wealth and through ‘trickle down’ effects, will serve the social good both nationally and globally. ²

Economic liberalization of political economies and welfare regime restructuring driven by neo-liberal ideology, however, has had negative economic, political, and social effects that are not only global in scope, but also intrinsically gendered (Kingfisher,

² The view neo-liberalism and welfare state restructuring is rooted within U.S. hegemony and the power of transnational corporations and their allies in a post-cold war world (Teeple, 1995), however, over-emphasizes the monolithic and homogenizing character of neo-liberalism, viewing ‘convergence’ towards a particular kind of ideology and specific outcomes as more or less globally inevitable. This not only ignores the specificity of political economies, societies and cultures, but the sovereignty of nation states, the institutionalized nature of social welfare regimes and the role states play in defining courses of action, including social welfare restructuring processes. (Kingfisher, 2002: 51).

2002).³ In Canada, policy changes have been altering the balance between public and private sources of welfare (Brodie, 1995; Cossman and Fudge, 2003; McKeen, 2004; Porter, 2004), the roles and responsibilities of national and sub-national governments (Brodie, 1995; Mahon and Phillips, 2002) as well as between governments and the voluntary sector (Scott, 2005). Due to women's particular relationship to work, care and social welfare, many of the cuts and changes to policies and programs have fallen disproportionately on women (Armstrong, 1996; Bashevkin, 2002; Brodie 1995; Cossman and Fudge, 2003; Kingfisher, 2002; McKeen and Porter, 2003).

The shift from 'passive' income assistance towards 'active' measures in Canada is consistent with similar developments across liberal regimes. Indeed, some argue that the labour market activation of women, including lone mothers, is both necessary and desirable, not only to sustain households in the face of 'new' social risks, but to address demographic and economic change in a more globally competitive environment (Esping Andersen, 2005). Such policies may appear to legitimate women's participation in the labour force and the idea of lone mothers as family breadwinners, but in most Canadian provinces they have been buttressed by punitive measures and regulations that may restrict access to welfare for non-compliance (Peck, 2001; Herd, Mitchell and Lightman, 2005; Shragge, 1997; Vosko, 2000). Moreover, there is only limited support to prepare for employment. Given the gendered legacies of the Canadian social welfare regime, the decline of gender equity initiatives in skills and development programs (Butterwick,

³ Kingfisher makes the case that despite important differences between developing and advanced political economies, structural adjustment programs in the 'economic south' and social policy restructuring in the 'economic north' that occurred in the 1980s and 1990s were not entirely dissimilar in so far as their effects on women were concerned. The imposition of a politics of austerity to reduce government debt and deficits and encourage 'adjustment' to 'new economic realities,' affected the nature of women's paid and unpaid work and has had impoverishing effects on low income individuals and families and in particular on specific groups of women in both developing and advanced political economies.

2006, Critoph, 2003), labour markets characterized by low waged and precarious employment, (Vosko, 2000), and limited access to child-care (Jenson, Mahon and Phillips, 2003), employability requirements combined with inadequate welfare provision and limited supportive services (NCW, 2006), carries significant risks for lone mothers (Evans and Wekerle, 1997; Vosko, 2000).

In this chapter I discuss the concept of path dependency in the social welfare regime approach and the issues it raises in explaining the shift towards neo-liberalism and social assistance regime change in Nova Scotia. Understanding social assistance regime change requires an appreciation of how strategies for social welfare restructuring and gender regime change in Canada were connected to both the shift towards neo-liberal approaches and to contradictions within the gendered and residualist legacies of the social welfare regime. The institutionalized legacies of the Nova Scotia social assistance regime, therefore, are important in explaining the politics and processes through which it was accomplished. A full explanation, however, must also take account of the agency of political, social and government actors and the policy and program dynamics of restructuring at national, provincial and local levels. This includes shifts in the political and policy discourse, the politics of inter-governmental relations and the changes in welfare state governance arrangements.

Regime Approaches to Welfare State Restructuring

An historical institutional approach speaks to the constraints created by the policy legacies and logics of social welfare regimes. This does not mean that policies never change but that changes that radically deviate from well-established regime paths are unlikely (Palier, 2001). When policy changes do occur they usually do so in ways that

conform to existing trajectories, approaches and institutionalized arrangements (Esping-Anderson, 1990; Bonoli and Palier, 2001; Boychuk, 1998; Myles and Quadango, 2000; Pierson, 2001). Critics have argued that those who emphasize the path dependent nature of regimes downplay the way in which within certain power relations and under particular conditions and circumstances, political forces and actors can influence regime change (Goul-Andersen, 2000; Streeck and Thelen, 2005; Dobrowolsky and St. Martin, 2005). In the face of the evidence, some now question whether an over-emphasis on institutional constraints has under-estimated the way in which policies and programs and social welfare regimes themselves are being re-designed in accordance with more market-oriented goals (Goul-Andersen, 2000; Hacker, 2005; O'Connor, Orloff and Shaver, 1999; Peck, 2001; Sainsbury, 1999; Streeck and Thelen, 2005; Torfing, 1999).

Pierson (2001) argues that although regimes tend to endure, governments in advanced industrialized countries in the 1980s responded to 'new' social, economic pressures and demographic challenges. Thus the politics of 'feedback' influenced by the policy logics, legacies, and institutionalized arrangements (including federalism), played an important role in these responses. Regimes employed three different kinds of strategies that generally conform to Esping-Andersen's regime topology: re-commodification, cost containment, and recalibration. Re-commodification involved efforts to reverse de-commodification that allowed a person to "maintain a livelihood without reliance on the market" (1990: 21-2). Cost containment was reflected in expenditure restraint or retrenchment of programs, and in an overriding concern about tax increases and legislated constraints on the ability to run deficits. (Pierson, 2001: 424). Recalibration through "reforms which seek to make contemporary welfare states more consistent with

contemporary goals and demands for social provision,” involved rationalizing and modifying policies and programs in line with new ideas about how to adapt to changing societal demands and norms, including encouraging women’s labour force participation (p.426). Social-democratic regime responses were oriented towards recalibration, while liberal regimes were more focused on strategies to (re)-commodify labour and to a greater or lesser degree of cost containment which, he argues, has created a politics of ‘permanent austerity’ entailing a pre-occupation with deficit and debt reduction as well as tax cuts. Yet some welfare states included some elements of all three.

I argue that in Canada both cost-containment and recalibration promoted an overarching goal of re-commodification. During the 1980s and 1990s Canadian governments took a variety of measures to restrict social spending and that the federal social program cuts in 1995 were prompted by overriding concern about the deficit, but they also changed income and social security programs in ways that limited entitlements to benefits, pushed back from commitments to gender equity and pursued labour market activation through unemployment and social assistance reforms, as well as through enhancing child benefits. Pierson’s analysis, therefore, is an important reminder that established policy paths matter to welfare state restructuring strategies and to outcomes. Yet it also contains many of the problems of path dependency approaches.

Goul Andersen (2000) argues that because the path dependency problematic is about how institutionalized regimes place constraints on policy change, the effects of the multiple processes and forces that constitute economic liberalization are often viewed as ‘exogenous’ to the regime rather than part of it. The neo-liberal political forces driving restructuring in liberal regimes and the influence of political discourse on politics,

therefore, are not exposed (Dobrowolsky and St. Martin, 2005; Mahon, 2002; McKeen, 2004) and the role that political and bureaucratic actors play in creating regime change is also hidden from view (Goul-Anderson, 2000; Hemerijck, 2005; Streeck and Thelen, 2005). In this regard, Goul-Anderson (2000) argues that a more 'constructivist' approach to how economic problems and 'social challenges' have been and continue to be socially constructed would open up to more scrutiny and discussion the political and policy discourses and processes involved in regime change. This means going beyond what Pierson (2001) describes as 'the new politics' to ask questions about how problems are defined, how they are interpreted in policy terms, and how policy actors within regimes are responding to them (Goul-Anderson, 2000:5).

Shifting Gender Relations and Unresolved Policy Issues

While Pierson (2001) emphasizes constraints arising from institutional inertia or the politics of 'feedback' that prevent governments from radically changing the direction of social policies, whatever changes have occurred are treated as path dependent adaptations to 'new' social and economic challenges. This leaves little room for understanding challenges as contradictions or issues that arise from the inadequacies of the regime itself (Hacker, 2005). What is often missed is that these challenges can emerge from the gendered legacies of social welfare regimes that continue to have impacts on gender relations and women's equality today (Daly and Rake, 2003; Jenson, 1986; O'Connor, Orloff and Shaver, 1999; Sainsbury, 1999).

Driven by shifts in gender relations, changes in the political economy and increasingly by economic necessity, since the 1970s there has been an increase in mother-led lone parent families and a growth of both married and lone mothers in the labour force (Fudge

and Cossman, 2002). During the 1980s and 1990s, the labour force participation of mothers with young dependent children also increased significantly. Most employed mothers now remain in the labour force throughout their child-bearing years and take only short leaves after childbirth. The political economy of the family has changed and there is now less reliance on a single male breadwinner and more lone parent families headed by women. Yet despite these significant changes, women still maintain prime responsibility for domestic labour and care, the privatization and marginalization of care remains relatively intact in public policy, and the legacies of the post-war period that institutionalized gender inequality in relation to work, care and welfare have not been radically transformed. Many of the so-called 'new' challenges arising from demographic changes and shifting family forms, therefore, can be better understood as emerging from unresolved policy issues affecting women's equality. In this context, the gendered legacies of the Canadian social welfare regimes cannot be discounted. As important as whether theorists emphasize the path dependent tendencies of regimes or not, is whether they also recognize that gendered and residualist regime legacies can shape the politics, processes and outcomes of policy change. Yet, these largely remain unexamined in mainstream welfare state and regime approaches.

Despite its limitations, however, the concept of path dependency may offer some insights into the institutional consequences of earlier gendered policy choices, the constraints existing institutions and policy legacies place on regime change that benefits women and most importantly, how these constraints have been addressed in the process of regime change.

The welfare crisis and the commodification of women's labour

Peck (2001) puts forward a more radical explanation of social welfare restructuring than Pierson's. While economic liberalization is driving restructuring, internal contradictions within liberal regimes are also implicated. Changes in the political economies of advanced capitalism and a shift in the nature of labour markets produced what Peck (2001) argues was a generalized welfare crisis during the 1980s and 1990s. This crisis was 'resolved' through various kinds of regulation and policy changes that shifted regimes away from 'passive' income support towards active measures, increasingly based on enforcing employment. Such changes are seen as evidence of a new kind of regulatory logic within liberal social welfare regimes. This not only promotes employment as an alternative to income security and welfare, but employment that is consistent with 'post-fordist' forms of regulation—labour market flexibility, low waged work in unstable sectors of the economy, and worker adaptations to local labour market demands (Peck: 80).

Peck's analysis of the shift in the mode of welfare/labour market regulation is useful to understanding the links between changes in the political economy and labour markets, processes of (re-) commodification and regulatory change. Though he is aware of gender inequality and the effects of regime change on women, Peck's analysis of 'the welfare crisis' emphasizes residualism but ignores how the gendered legacies of social welfare regimes supported women's responsibility for care, dependency on male support in the family, gender inequality in the labour market, their vulnerability to poverty (Jenson, 1986; Ursel, 1988; Christie, 2000) and reliance on social assistance. He devotes little attention, therefore, to how in the face of changes in gender relations and social and

economic change for women 'the welfare crisis' has been linked to the gendered legacies of regimes.

The contradictions of gendered residualism

The post-war social welfare regime, built on pre-war assumptions about women and the family, assumed a male breadwinner-female housewife family and reinforced marriage and women's inequality in the labour market. With a stronger role for the federal government, post-war social liberalism brought about important changes that helped to shift the residualist social assistance state towards a welfare state (Myles, 1989). Yet, the regime was based on gendered assumptions about the family and employment that placed a relatively strong emphasis on the market and full-time male labour force attachment as the primary means of financial protection against social risk. Until well into the 1970s, gendered welfare state policies privileged full-time paid employment over care, and largely excluded women from the kind of income support programs available to full-time (mostly male) workers (Porter, 2004; Fudge and Vosko, 2002). This created a gendered two-channel income security regime in which unattached women and lone mothers were particularly at risk of reliance on residualist needs-based provincial social assistance programs for those who could not maintain labour market attachment. As gender relations shifted during the 1970s and 1980s, the number of lone mothers relying on social assistance programs of last resort rose significantly.

It can be argued then that the 'welfare crisis' in Canada was not simply due to changes in the labour market, but to contradictions created by gendered residualism in the context of profound social and economic changes affecting women. Yet, in the context of economic liberalization and neo-liberal restructuring Canadian labour market development policies

and social assistance programs in particular have been focused on (re-) commodifying the labour of lone mothers. At the same time, access to subsidized child-care is limited; job training and support or assistance to move from welfare to work are inadequate; wages for women in entry-level jobs remain low and the commitment of governments to gender equity is in decline. These factors create a 'catch 22' for women's economic security.

Workfare, Regime Specificity and the Politics and Processes of Restructuring

Jessop (1993) and Torfing (1999) generally support Peck's conclusion that a shift away from welfare towards labour market activation has been evident across advanced capitalist societies, but as Jessop (1999: 357) observes, "important counter currents exist in specific national and regional contexts". Due to the openness of residualist forms to neo-liberal ideology, workfare in liberal regimes tends to rely on punitive measures such as limits on eligibility, benefit cuts for non-compliance or, in some cases, work for welfare (Peck, 2001: 73-77).

Yet it is also the case that the institutional legacies of these social welfare regimes varied historically. Moreover, while institutional arrangements influence the politics and processes of restructuring, strategies are historically contingent and subject to influence not only by political ideology and policy discourse but by political struggles at play internationally, nationally and locally (Kingfisher, 2002). Indeed, Bashevkin (2002) shows that welfare to work discourses and approaches directed to lone mothers in the United States, the United Kingdom and Canada during the 1980s and 1990s varied in accordance with the ideologies of governments in power and shifts in the universe of political and policy discourses around welfare and work. The problem of regime change

then should not be posed as a question of institutionalized structures over the agency of social actors but the interaction of both.

Due to the specificity of provincial social assistance regimes, the shift towards compulsory employability measures directed to lone mothers has varied in Canada. In Nova Scotia, regional under-development, a limited social service infrastructure and a two tier regime that institutionalized differences in the treatment of recipients created institutional and policy constraints on social assistance change. The development of compulsory welfare to work measures directed to lone mothers, therefore, occurred later than in several other provinces and depended on restructuring the regime from a two tier to a single tier gender-neutral system. Yet, provincial social assistance regimes are not autonomous but embedded within a broader national social welfare regime. As I argue, social assistance regime change in Nova Scotia was shaped by the policy legacies of the regime and the broader national regime within which it was embedded, but also by neo-liberal ideology and shifts within the political and policy discourse.

At the same time, economic globalization and neo-liberalism are not simply 'out there', *fait-accomplis* to which the local 'reacts' they are also objects of political struggle (Kingfisher 2002). In Canada, social and political actors at various levels and to varying degrees have been involved in struggles, resistance as well as compromises in the face of the forces of neo-liberalism and welfare state restructuring (Brodie, 1995; McKeen, 2004). In a context of changing political and policy discourse, social assistance regime change was a highly contested process. Yet restructuring was not simply a 'top down' process. It was accomplished through the activities of a variety of provincial and local actors under new policy conditions established at a national level.

One of the questions considered in thesis is how neo-liberal discourse came to dominate 'reform' agendas nationally and within Nova Scotia during the 1980s and 1990s, and how in the context of institutional constraints, these were contested, accommodated and used by a variety of actors as key policies within the Canadian social welfare and the provincial social assistance regime within which it is 'nested' were restructured and changed. Explaining social assistance change in Nova Scotia, then, requires an account of how regime change was socially and politically constructed in the context of unequal power relations and what Jenson (1993) calls the "universe of political discourse". From a feminist perspective, this requires analyzing how discourses were gendered and how gender relations and social and economic relations affecting women were implicated (Brodie, 1996; O'Connor, Orloff and Shaver, 1999; Daly and Rake, 2003; McKeen, 2004).

Contestation, Discourses and Actors

Oppositional groups became part of the public political and ideological discourses over the deficit and social welfare restructuring in the early 1990s, but there is not a level playing field within the universe of political discourse. As ideologies about the market shape policies and programs in the context of unequal power relations "different state forms...weave different meanings into the everyday" Brodie (1995: 27). Given the importance of political ideologies and shifts in policy discourses in re-shaping social policy regimes in the current conjuncture, regime theorists must ask how problems have been defined and interpreted, how ideas were selected and disseminated and how these were received and treated by decision makers (Goul-Andersen, 2000). In the process, political discourses redefine policy issues.

In Canada, (re-) commodifying the labour of both the unemployed and those on welfare is based on the idea that unlike 'passive' income support, active measures ensure all those who are able should be 'included' as 'productive' members of society, including lone mothers (Bashevkin, 2002; Peck, 2002). Feminists have demonstrated that policy discourses such as 'dependency' and 'self sufficiency' constructed problems arising from unequal gender relations, women's economic inequality and the gendered nature of the social welfare regime as 'problems' specific to lone mothers, to be tackled through welfare to work programs (Bashevkin, 2002; Evans and Wekerle, 1997; Peck, 2001). Such discourses can be both gendered (Brodie, 1995; McKeen, 2004) and racialized (Bashevkin, 2002; Fraser and Gordon, 1994). Yet as Kingfisher (2002) points out, the idea that neo-liberal globalization entails "externally imposed homogenization" that overrides the local (whether nation states, regions or localities), underplays the ways in which neo-liberal ideology interacts with local economic, political and socio-cultural specificities (Kingfisher: p.165).

Neo-conservative discourses related to preserving the traditional family came into play in Canada, but problematizing the issue of high social assistance caseloads in terms of race were not as apparent as in the US. Welfare to work programs in the 1990s were mainly justified on the basis of reducing welfare 'dependency' and the need for lone mothers to become 'self sufficient' (Bashevkin, 2002; Cossman, 2002; Evans and Wekerle, 1997; Little, 1998). Moreover, despite the growing dominance of neo-liberal political discourse, social liberal political discourse was not dead during the 1990s. Enhancing the employability of lone mothers was also justified in terms of addressing 'child poverty'.

As the forces of neo-liberalism mix with discourses of gender, race and class and the institutionalized specificities of regimes, there can be differences in the policy discourses at play and the targeted approaches that regimes take. It is not unreasonable to suppose then that within a federal state such as Canada there might be variations in the way political ideologies and discourses at federal and provincial supported certain courses of action. Conditions for new gender-neutral employability measures were based on a new national child benefit and justified in terms of poverty reduction and ‘self sufficiency’ through employment, yet leading up to new legislative and regulation change within Nova Scotia itself, ‘fairness’ between working and non-working poor, gendered discourses ignoring women’s relationship to work and care and residualist discourses about ‘less eligibility’ and the relationship between tax expenditure, welfare and work were drawn upon to justify restructuring based on a single tier system and universalized compulsory measures.

Political and non-governmental actors

Real economic and social problems are “rarely invented out of nothing” and may exist “out there”, but they do not become problems for discussion and policy action until somebody defines them as such (Goul-Andersen: 6). As there is not free and equal access to defining society’s problems, certain groups are more likely to be heard than others. Theorists, therefore, need to pay more attention to who is involved in problematizing issues and setting and shaping agendas for regime change (McKeen, 2005). Indeed, many welfare state theorists recognize that social welfare restructuring can vary depending not only on the institutionalized legacies of regimes, but on the political and ideological space various actors and groups occupy within welfare state

politics and on how political discourses emerge and are contested (Bashevkin, 2002; Brodie, 1995; Dobrowolsky and Saint-Martin, 2005). The gendered ideologies and policy discourses of governments, political parties, and policy actors, therefore, are relevant to specific policy actions and to social welfare outcomes for women.

In the United States, the policies and programs particularly vulnerable to radical restructuring towards market or family oriented solutions were those whose beneficiaries not only lacked political power and resources but broad public support, such as programs providing assistance to lone mothers (Hacker, 2005). As Orloff (2003) points out, not only were welfare recipients effectively marginalized from influencing the situation, but the ideologically driven and race based political discourse about 'welfare dependency' went unchallenged by mainstream political institutions and middle class social actors, including feminists.

The responses in Canada were somewhat different. As social programs were being restructured in the 1980s and 1990s, neither the federal nor provincial government's proposals for restructuring went unchallenged. Trade unions, social policy organizations, anti-poverty and women's advocacy groups and more loosely defined oppositional groups and social actors entered the universe of political discourse in attempts to influence policy decisions. Gendered and neo-liberal discourses were contested and alternative welfare to work strategies were put forward by both labour and women's organizations during pan-Canadian debates in the 1990s and during the process of social assistance reform in Nova Scotia. Yet these were often ignored or manipulated to achieve the kind of reforms the federal and provincial governments had already decided upon.

Some groups are more effective at resisting attempts to restructure social policies than others because they have more resources or political legitimacy to do so (Hacker, 2005). The role of some non-governmental oppositional actors can be fairly restricted because debate and discussion on policy issues is limited to the policy community: think tanks, research organizations, or trade unions who seek to influence governments on policy matters by actively nurturing positive relationships with government representatives or officials (McKeen, 2005).

In Canada, mainstream social advocacy and policy research organizations have historically played an important role in defining social problems and government responses to them. McKeen (2004) has drawn attention to how these organizations turned away from the idea of the 'feminization of poverty' that had been taken up by feminists and some mainstream policy organizations in the 1980s. As the federal government turned towards neo-liberal policy solutions, mainstream social policy advocates coalesced around a new policy discourse on 'child poverty'. The same policy actors were influential in pushing the idea of child benefits during consultations on social security reform in 1994. As the discourse of 'child poverty' was picked up in the government's reform proposals, it became linked to another policy discourse on labour market and welfare reform. The problem was to be addressed by encouraging the employment of mothers in low-income families on welfare through 'active' employability measures combined with modest child benefits.

Although the state-society relation may be "less directive than coterminous and discursive," there is also a way in which state institutions themselves are "constantly implicated in the production and reproduction of power relations" (Brodie, 1995:13). In

the context of protests about the prospect of federal cuts to social programs during the 1994 social security review, the federal government nurtured concerns about the deficit raised by international and domestic credit rating agencies and right wing think tanks (Brodie, 1995). In such circumstances, opposition to policies that openly refute the basic assumptions of those in power can be risky for organizations that depend on government funding. In what appears to have been the intent to curb the political voice of the women's equality movement in the late 1980s and early 1990s, the government made drastic cuts to funding for women's organizations. As a result, the women's movement was marginalized within mainstream politics (Young, 2003).

Governments and governmental actors

The ideologies of political actors and governments in power, then, are important not only in supporting certain political discourses but also in establishing conditions for policy action and outcomes, but they are also historically contingent. As Jenson (2006) has demonstrated in relation to a reversal of social investment approaches in Quebec, these were contingent on the prevailing ideologies of particular governments in power.

The way gendered employability discourses mixed with the prevailing ideologies of regimes varied not only across regime but also across time. With stronger social democratic roots than the United States or Canada and as the political parties in power in the United Kingdom and in New Zealand changed in the mid-1990s, they attempted to distance themselves from the policies of their predecessors and turned away from the open espousal of neo-liberalism. Yet as Bashevkin (2002) found, despite variations between the political and policy discourses and approaches of specific governments, they all continued to move towards work-oriented welfare reforms that targeted lone mothers

and all appear to have emphasized the duty and obligation of all citizens, regardless of gender, to become more productive members of society through paid work. Whether the British Labour government's third way 'new deal' with its emphasis on social inclusion can be viewed as simply another, somewhat softer hybridized version of neo-liberalism or a different approach entirely, therefore, is debatable. Such differences, however, can affect how programs play out on the ground and as Peck and Theodore (2001) have argued, this matters to the people affected.

As I argue, though it was a Liberal government that pushed for social security reform, during the mid-1990s there were divisions within the federal Liberal government over the extent to which cost-containment should define reform. These demonstrate that neo-liberal tendencies within the party were ascendant and social liberalism was relatively weak, but not entirely absent. The same can be said of the Liberal government in Nova Scotia. After a newly elected Conservative government came to power in 1999, there was both a greater emphasis on fiscal restraint and compulsory welfare to work measures. Nevertheless, although both federal and provincial governments changed during the period covered by this thesis despite some differences in ideology and approach, the emphasis on activating the labour market participation of welfare recipients through social security reform was maintained.

In the final analysis, it is states that 'state' the terms and conditions under which particular kinds of dependencies may shift. The power vested in the state, therefore, remains central to the processes and outcomes of welfare state restructuring. At the same time, the state is not a homogenous or unitary body. Different interests and politics exist within the state as well as between the various levels of the state. This is especially the

case in a federal state such as Canada where there is a division of responsibility between the federal and provincial governments in the realm of social policy. Account must be taken, therefore, of the policy dynamics of restructuring and how governments and state bureaucracies affect these.

The Policy Dynamics of Restructuring

Streeck and Thelen (2005) argue that it is important to pay particular attention to the policy dynamics through which institutional change occurs within regimes and across policy domains and to understand “the way actors cultivate change from within the context of existing opportunities and constraints—working around elements they cannot change while attempting to harness and utilize others in novel ways.” (Streeck and Thelen: 19). They found that for the most part change did not occur through a single event such as large-scale budget cuts, but in a variety of other ways. Ideas for change and the means of implementing it often emerged inside bureaucracies, but government agendas did not always turn out quite as planned. While outcomes depended on regime constraints, specific institutional arrangements, and the relative power of political and social actors to resist or promote transformation, in most cases change was accomplished incrementally through a number of different strategies involving the interplay of both policy actors and institutions.

Streeck and Thelen (2005) identify several different processes entailed in regime change: policy drift, displacement, layering, displacement and conversion and institutional exhaustion. Policy drift occurs when worsening conditions or new social risks are simply not addressed or are blocked. Processes of layering can occur when policy-makers layer new policy goals over existing goals, resulting in the erosion of the

original program goals and a re-orientation towards new ones (Hacker, 2005).

Displacement occurs when new emerging (neo-liberal) models diffuse and call into question institutional arrangements that, because they were created under different historical circumstances or had co-existing policy logics that at certain moments appear to conflict, may become discredited. Conversion occurs if there is political contestation over the functions and purposes of existing institutions. This is often made possible “by gaps that emerge over time or by design between institutionalized rules and their local enactment”⁴ During the conversion process “institutions are not so much amended or allowed to decay as they are redirected to new goals, functions or purposes” (Streeck and Thelen, p.26). Streeck and Thelen’s analysis of the policy dynamics of restructuring is pertinent to understanding the politics and processes of social assistance regime change in Nova Scotia.

As Streeck and Thelen (2005) show, policy dynamics are influenced by institutional arrangements. In Canada, institutional arrangements for social welfare are particularly complex due to divided federal and provincial responsibility for social policy and the particular institutional arrangements that prevail federally and provincially. Welfare and some related programs have always been under provincial jurisdiction, but between 1966 and 1995 the federal government exerted more control through the 1966 Canada Assistance Plan, though conditions were relatively weak and provincial policies continued to vary. These factors have made federal-provincial relations in the domain of

⁴ These gaps can occur due to the unintended consequences of policies or programs; contestation over the interpretation of rules because of ambiguities emerging from compromises in institution building; or through the subversion or circumvention of rules by marginal actors. Gaps can also be created by the new challenges that actors face, or by shifts in the balance of power that through political contestation or periodic incremental adjustments open up over time the possibility of institutional conversion (Streeck and Thelen, pp.26-28).

social welfare a contested policy arena (Noel, 1995; 2003). The restructuring of the Nova Scotia social assistance regime was intimately connected to the politics of federal-provincial relations both leading up to and following the federal restructuring of programs in 1995.

In addition to policy dynamics arising from federal-provincial division of responsibility for social assistance, however, Nova Scotia's two-tier regime divided municipal and provincial responsibility for delivery of social assistance to 'employable' and 'long term' recipients respectively. In the context of fiscal restraint and downloading, there were growing tensions between provincial and municipal governments, adding another layer of complexity to the politics and processes of social assistance gender regime change in Nova Scotia.

Rather than occurring through one policy, the dynamics of regime change can be viewed as sequential and incremental, occurring at both a national and local levels. Following a period of policy drift in the 1970s and early 1980s, conditions for social assistance gender regime change were established at a national level. Job training and employability programs through the federal-provincial Employability Enhancement Initiative were layered over CAP and income assistance and the new policy goal of employability was introduced through a social security review and the National Child Benefit. Shifts in the politics of federal provincial relations played an important role in shaping these conditions.

Yet as my thesis demonstrates, social assistance regime change was accomplished at provincial and local levels. Crucially, it was experimentation in the delivery of programs under the Employability Enhancement Initiative that allowed bureaucratic and service

delivery actors in Nova Scotia to build capacity to implement and deliver new employability interventions and practices that gradually displaced older ones. Active measures were layered over the more passive career-planning program. By the early 1990s, the expansion of new processes and practices at the local level were displacing reliance on a voluntary transition to employment. During the conversion process, a contested process of social assistance reform replaced the two-tier system and the Family Benefits program with a gender-neutral single tier system based on employability and compulsory measures.

Policy transfer

Hemerijck (2005) argues that by emphasizing the policy dynamics of institutional change, Streeck and Thelen's (2005) have moved beyond the idea of path dependency and have made a significant contribution to understanding the processes of regime change, but that they do not take sufficient account of the activities of specific policy actors and what he regards as the positive role of policy transfer.

Political parties and governments take broad policy approaches to address problems that have been defined in ways that conform to their political ideologies, but rely on officials to turn policy goals into strategies that will achieve their overall objectives. To address somewhat similar policy challenges in an era of globalization, policy officials increasingly use external sources to seek out new policy models and approaches (Goul-Anderson, 2000; Hemerijck, 2005). Policy transfer whereby decision-makers and those who advise them rely on the research or experience of other governments or international policy research bureaucracies such as the OECD, the World Bank, the European Union or NAFTA, plays an increasingly important role in policy development in an era of

globalization (Hemerijck, 2005; Mahon and Johnson, 2005). In Canada, there has been significant reliance on policy models developed in the United States, including for the quasi-experimental Employability Enhancement Initiative (EEI) that created a key condition for regime change in Nova Scotia. This had consequences for how the program subsequently developed in Canada (Hardina, 1994).

In Europe, the new emphasis on social investment entailed a turn towards more social democratic approaches facilitated by policy transfer, a broader search for policy ideas and solutions and processes of “social learning” (Hemerijck, 2005). Yet as Goul Anderson (2000) warns, different values can predominate within policy transfer processes because the ideas that form the core of policy solutions are often heavily laden with symbols not only when they are disseminated and recommended by experts but also when adopted by politicians.

My thesis demonstrates that processes of social learning were important in regime change in Nova Scotia. Yet the development of new policies and practices were not simply based on policy research or top down decision-making. They also occurred at the local level as program managers and service delivery actors struggled to find new ways to meet the needs of clients in the context of prevailing institutional arrangements, and the need to build capacity. At the same time, the processes of program development, monitoring and evaluation that facilitated regime change in Nova Scotia were shaped by the program’s mandate to increase employability, pressure to reduce caseloads, and the shifting priorities of federal and provincial governments.

Esping-Andersen (2005) argues that in a more globally competitive environment regime changes based on ‘social inclusion’ and ‘social investment’ are both necessary

and desirable because welfare regimes must increasingly rely on labour market activation of women to maintain economic competitiveness and achieve social welfare. Such prescriptions recognize that the provision of child-care presents a major challenge for women's labour force participation, yet employment continues to be emphasised over care, women's labour market inequality is often taken for granted, and gender relations and the implications for women's relationship to welfare, work and care are not analyzed.

What may also be overlooked is that in a context of the political and ideological forces of liberalization, potentially progressive remedies such as the National Child Benefit in Canada may become hybridized and constructed ideologically to support reliance on market oriented or individualized and gendered solutions that fail to support women's particular needs and concerns (McKeen, 2004). Such courses of action, however, "are enshrined in law and public policy, embedded in institutions, and enforced through regulation and sanction" (Brodie, 1995: 27).

Shifting Regulatory and Governance Arrangements

As Brodie (1995) argues, neo-liberal political discourse is ushering in "a paradigmatic shift in the dominant philosophy of governance" in which the historical relationships between the domains of the state, civil society and the market negotiated in the post-war period are being replaced with neo-liberal assumptions that base the paradigms of governance on "an amalgam of policy postures including decentralization, privatization, individualization and the elevation of the market over the public sector" (Brodie: 90-91).

This raises the effects of welfare to work programs on practices, processes and discourses of enculturation. Kingfisher (2002) has argued that neo-liberalism is not only an economic and political project but also a cultural project that is changing human

behavior. Initiatives organized around a gendered welfare to work discourse have constructed the problem of 'dependency' as a personal failing of lone mothers to be addressed through programs that encourage work activity, 'self sufficiency' and the 'duty to participate' (Bashevkin, 2002; Herd, Mitchell and Lightman, 2005). Such discourses tend to support self-regulation because they emphasize individual responsibility for change. As Offe (1984) has pointed out, enculturation through state social programs has played an important role in labour commodification historically (Offe, 1984). Indeed, as my thesis explains, enculturation as self-regulation became an increasingly important components within the interventions and practices developed under the Nova Scotia SARS program. These intensified as the regime shifted towards employability.

Yet the process of welfare state restructuring in Canada has not only entailed changes in regulatory practices, but in governance arrangements (Brodie, 2002; Mahon, Andrew and Johnson 2006). As Mahon, Andrew and Johnson (2006) explain, the shift towards regional and local decision-making does not appear so much to entail de-centralization in the conventional sense of moving power from the center to the periphery, as it does a process that can better be understood as 're-scaling' whereby power to determine the conditions of local decisions continues to reside at the center but responsibilities for outcomes are devolved to regional or local levels. Such changes in governance are consistent with Peck's (2002) view that the shift from welfare to workfare entails greater regulatory control at the local level.

Peck's analysis of workfare in the United States demonstrates that there was a spatial re-configuration of welfare that entailed the closer involvement of local officials and delivery agents in developing welfare to work programs and practices. This reflected the

imperative for flexibility in welfare-to-work programs so that programs could be designed to fit more closely with local labour markets (Peck, 2001). Herd, Mitchell and Lightman (2004; 2005) also show that the development of workfare in Ontario entailed various kinds of administrative changes and accountability protocols that ensured program administrators at the local level met the program's goals. Workfare policies framed in this way influenced the activities of those responsible for implementing and delivering programs. As I demonstrate, similar processes were at play during the development of the SARS program in Nova Scotia.

Though the provinces continue to depend on federal transfers for a wide range of services and programs—especially in Nova Scotia where due to the effects of regional under-development equalization payments and federal transfers make up a large proportion of the province's fiscal capacity to deliver programs—since the mid-1990s changes in federal funding arrangements have significantly weakened federal conditions for social policy development and more responsibility for social program development in the areas of welfare, employability measures and child-care has been devolved to provincial governments. Regime restructuring entailed a shift towards greater provincial authority over the conditions for social assistance provision. While centralization occurred within Nova Scotia itself, de-centralized and localized decision-making affecting the conditions of employability for recipients was maintained.

To summarize, there are limitations in the path dependency approach in regime theory but an appreciation of the historical legacies of gendered residualism and institutionalized nature of regimes as constraints on regime change in the face of and economic, social and ideological change are helpful because they prompt questions about the persistence of

regimes and the structural and systemic constraints on regime change as well as the circumstances, conditions, and policies and processes through which change may occur. A full explication of social assistance gender regime restructuring in the current conjuncture requires an analysis of the ideological, political and economic forces that are driving it. This requires the inclusion of the concept of agency, a focus on gendered political and policy discourse and an analysis of the roles of social and political as well as bureaucratic and service delivery actors in the politics and processes through which regime change was accomplished.

The rest of this thesis, therefore, analyses the politics, processes and policy and program dynamics at the national, provincial and local levels that led to the shift in the Nova Scotia social assistance gender regime. It does so in the context of the historical legacies of the Nova Scotia regime, the institutionalization of gendered residualism within the broader national social welfare regime within which it is embedded, and the social, ideological and political forces that have been driving social welfare regime change. In the process it explicates how welfare to work programs became subject to shifting implementation and delivery strategies and how the re-scaling of governance at the federal, provincial and local levels has been implicated in regime change and the development of workfare.

CHAPTER II: GENDERED RESIDUALISM IN THE DEVELOPMENT OF THE CANADIAN WELFARE STATE

During historical conjunctures of social or economic disruption, the social policies and programs that contributed to Canada's social welfare regime played a role in shaping gender and class relations. John Myles (1988) has argued that welfare states and social policy emerged in the 19th century to create the conditions "under which markets could flourish and become the dominant form of economic organization." This demanded a system that "would allow individuals to subsist independently of markets, but simultaneously induce them to participate..." and involved resolving the problem that "markets were good for production but not for reproduction" (Myles: 85-86). As Jenson (1986) and Ursel (1992) have pointed out though, the early development of the welfare state was not only about the labour market regulation and biological reproduction but also about parenting and care. Feminist theorists have demonstrated both similarities and differences in how emerging liberal welfare regimes resolved these problems historically and have analyzed the implications for gender relations and women's equality today (Jenson, 1986).

In the early part of the last century mothers were discouraged from entering the labour market, and for the most part provision for care became privatized within a male breadwinner-female housewife family (Ursel, 1988, Christie, 2000). These arrangements reinforced gendered inequalities in the family and the labour market, but they also reinforced women's financial dependency on marriage and male support in the family (McKeen 2004). In the post-war period, Canada produced a dual channel system of social welfare (Christie, 2000; Fudge and Vosko, 2002; Nelson, 1990; Pulkingham, 1998). Some universal programs were developed, but income security programs were

primarily based on full time labour market participation with residualist and provincially administered needs-tested social assistance programs for those with no other means of support and little or no labour market attachment. Without a strong record of employment individuals were ineligible for the kind of benefits and programs that ensured income security, while provision for care largely remained a private responsibility. This exacerbated women's labour market inequality and created difficulties for mothers to maintain themselves outside of a dependency relationship (McKeen, 2004). It also exposed women, and especially lone mothers, to a high risk of poverty and to greater reliance on social assistance.

Though gender relations and social conditions for women have changed significantly and social welfare regimes increasingly assume women's labour force participation, liberal welfare states such as Canada have still not resolved the problem of women's inequality, nor have they addressed women's particular relationship to welfare, work and care in a way that significantly reduces their risk of poverty (O'Connor, Orloff and Shaver, 1999; Daly and Rake, 2003).

In this chapter, I examine the gendered nature of the welfare state development in Canada and the treatment of sole support mothers within the Nova Scotia social assistance gender regime to the early 1970s when, as I argue in the next chapter, changes in the political economy and in the prevailing gender order began to challenge some basic assumptions about the treatment of women. I use Myles' distinction between the early development of what he calls a "social assistance state" and the post-war "income security state" to examine some key changes in the gendered development of the Canadian welfare state and the Nova Scotia social assistance regime as these affected

gender relations and provision for sole support mothers. The first part demonstrates that residualist ideas embodied in the Poor Law and the reinforcement of women's responsibility for care in the early development of the social assistance state became the basis for a means tested Mothers Allowance program in Nova Scotia that enabled certain sole support mothers who could not depend on male support to care for their children at home, albeit under extremely impoverished conditions. The second part shows that the male breadwinner-female housewife family and the gendered division of paid and unpaid labour that became the 'social norm' before the second world war, became the social and ideological foundation for the development of what Myles (1988) calls the social security state in the post-war period. I argue that the development of the Canada Assistance Plan in the 1960s strengthened provincial social assistance for lone mothers and others without a strong labour force attachment but that it also supported a gendered and residualist needs-based program of last resort that still assumed women's dependency on male support.

The Emergence of a Gendered Social Assistance State

In a period when industrialization and the development of capitalist social relations were disrupting social relations, the early development of a social assistance state at the turn of the 20th century played a key role in (re-) constructing the family. The state's response helped to reinforce a family form and gender order that emphasised differentiated gender roles and made women primarily responsible for care and the welfare of children and dependent on male support in the family (Ursel, 1992). As a result, the male breadwinner family, full time male labour force participation, and a family wage became the ideal to which most working class families aspired in the first half of the 20th century, though this

was never fully realised and mothers in working class families often undertook paid work to help maintain their families (Armstrong and Armstrong, 2001). In Nova Scotia, the employment of women (and children) was often essential to family maintenance in poor families (Guildford and Morton, 1994).

During the second half of the nineteenth and early part of the twentieth centuries, immigration from Europe and from rural areas meant that overcrowding, poor housing and poverty were common as population increased in the towns and cities. More individuals and families were dependent on waged work to survive but wages were often extremely low and employment was unstable. Before the emergence of the social assistance state, support was primarily the responsibility of the immediate family or close relatives. In cases of long-term unemployment and deep poverty, some form of 'relief' might be available through private charities for those who could not meet their basic need for food and shelter. Relief provided by local authorities was usually in kind rather than in cash and assistance was extremely meager. Due to different settlement patterns, public relief and how it was organized varied from province to province (Myles, 1988; Boychuk, 1998), but in provinces outside of Quebec it was generally based on the precepts of the English poor laws that had originated in Elizabethan times (Myles, 1988).

The Nova Scotia Poor Law

As the earliest colony of settlement outside of Quebec, public welfare in Nova Scotia was more directly based on the English Poor Law than most other provinces. The Elizabethan Poor Laws generally assumed that there were 'deserving' and 'undeserving' poor. Until a workhouse system (indoor relief) became more universal after 1834 these laws provided that each parish should provide 'outdoor relief' for the destitute 'deserving

poor' (the aged, sick or infirm) because they were unable to work and had no other means of support. Although there was a deviation from this principle in some parts of England under the short-lived Speemhamland system, poor laws also incorporated the principle of 'less eligibility'. This assumed that for those capable of work, relief should not be more generous than what the poorest man could earn in the labour market because it was thought that anything more would reduce the incentive to look for work (Block and Somers, 2003).

The 1834 revisions to the Poor Law went further and allowed only for 'indoor relief' whereby the indigent poor were assigned to a workhouse or poor house where all but the sick, elderly and infirm were expected to work in exchange for their keep. By only providing this type of relief, the 'workhouse test' was intended to deter reliance on the public purse (Boychuk, 1998: 15). The condition of 'less eligibility' for those deemed capable of work and the workhouse test also kept wages low in times of high unemployment and reinforced individual or family responsibility for maintenance.

A Poor Law along the lines of the Elizabethan Poor Law was adopted in Halifax in 1758 (Fitzner, 1967) and between 1763 and 1770 Poor Laws and Settlement Laws were adopted for the rest of colony of Nova Scotia, making those without any other means of support the responsibility of the district or settlement. Settlement laws required paupers to establish residency in a 'poor district' to receive relief and allowed a local tax to be levied for this purpose (Blouin, 1987; Guildford, 1997). In 1879, the Nova Scotia Poor Relief Act adopted measures similar to the 1834 changes to the English Poor Law and offered only indoor relief. The Act mandated poor districts or municipalities to establish poor houses or farms for the indigent poor when support from relatives or charitable

sources was not available. These were under local control and overseers were drawn from the local community. Those regarded as "able-bodied" were expected to work for their keep but they were housed together with people unable to work because of age, physical or mental illness or infirmity—sometimes referred to as the "impotent" or "deserving" poor (Fitzner, 1967). A Poor Law was maintained in Nova Scotia long after such laws had been rescinded in England (Fitzner, 1967; Guildford, 2005; Blouin 1987).

During the latter part of the nineteenth century, charitable organizations sprang up to supplement local relief efforts or address the plight of poor or destitute children by providing refuge or schooling to the children of "worthy" poor families. Several orphanages or children's homes with strong links or ties to the Roman Catholic or Anglican churches were in existence especially in Halifax by the turn of the century (Fitzner, 1967). Nevertheless, unless they could find alternatives, widows, wives of disabled men and deserted wives were forced to opt for the poor house, or to fend for themselves and place their children permanently or temporarily with relatives or in the care of an orphanage.

As I explain below, a Mothers Allowance providing relief for 'worthy mothers' emerged in 1930, but the Nova Scotia Poor Law was only abolished after the federal Unemployment Assistance Act came into effect in 1958. Until that time it defined the nature of relief and the manner in which public assistance was administered for 'employable' recipients, including sole support mothers who were not eligible for 'outdoor relief' under the Mothers Allowance (Blouin 1989).

Re-Constructing Gender Roles and the Emergence of a Mother's Allowance

At the beginning of the 20th century, organizations influenced by reformist elements in the social gospel movement, maternal feminism, and the emerging professions of public health and social work viewed poverty, juvenile delinquency, poor public health and child welfare as ‘social problems’ and attributed these to the adverse effects of rapid industrialization and urbanization rather than to individual failures (Guest, 1986). As middle class social reformers pressed for social reform, the way the public discourse problematized these ills was highly gendered. Calls for a public response centred on the health of children and the adverse effects of women’s employment on their reproductive health, the maintenance of parental responsibilities, especially of mothers, and ways to ensure conditions to maintain middle class standards of female morality (Ursel 1992; Valverde, 1991). Organizations such as the Young Women’s Christian Association (YWCA) sprang up to provide morally suitable safe havens for young women migrating to urban centres, while Children’s Aid societies advocated for the more humane treatment of children and greater surveillance of child welfare (Guildford and Morton, 1994). The ‘universe of political discourse’ defined women as primarily responsible for family health and well-being and public morality, while their health came to be viewed in biologically reproductive terms (Ursel, 1992; Valverde, 1991).

Maternal feminism and the burgeoning social reform movement also had an effect on government legislation at both the federal and provincial levels. Between 1880 and 1920 federal and provincial governments embarked on a series of legislative reforms related to work, marriage and family responsibilities: protective legislation regulated conditions of women’s employment, family maintenance became the legal responsibility of the male spouse; and mothers were largely held responsible and accountable for the welfare and

behaviour of children (Ursel, 1992). Combined with residualist and gendered ideas about welfare embedded in public assistance, the reinforcement of women's responsibilities for family care set the stage for the development of the social assistance state.

Initially there was little financial assistance or actual state support to enable male breadwinners or mothers to actually fulfill the responsibilities required of them. When a male spouse became unemployed, families still had to rely on relatives, charity, or relief. Average wages for employed women remained no higher than fifty percent of the male wage—insufficient to maintain a family or even in many cases to be self-supporting. This reinforced the prevailing assumption that for most women, marriage was not only the preferred option, but the only option, especially for women without their own means of support. The loss of a male breadwinner through death or desertion placed widows and deserted wives with dependent children in a particularly precarious position and children were often placed temporarily or permanently in orphanages.

Nevertheless, the ideas that had provided a rationale for social reformers and maternal feminists to promote public health, child welfare and protective labour legislation at the turn of the century also opened up the issue of maternal care and the financial capacity of families to support their children. Reformers argued that as long as they were of suitable moral character and worthy of assistance, it would be better if instead of relying on orphanages or children's homes, children could be cared for in their own homes by their mothers. It was not until after the 1914-18 war, however, that these ideas began to come to fruition with the development of what Myles (1988) calls the 'social assistance state'. By then, the involvement of both religious and secular charities had established a pattern of voluntary sector involvement that blended both voluntarism and collectivism in the

early development of the welfare state (Guest, 1986; Valverde, 1991). In several provinces Children's Aid Societies were given the legal mandate to oversee matters concerning child welfare (child neglect, cruelty and juvenile delinquency) once legislation was put in place (Guest, 1986; Fitzner 1967). In some provinces, including Nova Scotia, Children's Aid was given responsibility for overseeing the Mother's Allowance as these programs developed in provinces across Canada after 1920,

A Mothers Allowance for 'worthy' widows in Nova Scotia

With the increase in the number of widows in the wake of the First World War, feminists and other reformers took their cue from a similar movement at the end of the nineteenth century in the United States and advocated for the creation of a state allowance or pension for poor widowed mothers (Strong-Boag, 1979; Christie, 2000). Pensions for war veterans and a workers compensation program provided a rationale for these proposals and in a cultural context that idealized women's care-giver role and the patriotism of mothers who had sacrificed their sons for the war effort, the idea gained popular support (Strong-Boag, 1979). The type of financial support to be offered and who should be eligible, however, were more contentious. The idea met with stiff opposition from influential conservative reformers such as who argued that a pension would foster the idea of entitlement. Charlotte Whitton, for example, favoured a living family (male) wage and a means tested allowance because it allowed intervention and supervision of child-rearing and maternal behaviour by the emerging profession of case based social work (Guest 1986; Christie, 2000).

Yet the introduction of the Mothers Allowance also provides an example of regional unevenness in social welfare development in Canada. Feminists, particularly in the west,

argued that similar to what was offered to veterans and injured workers, widowed mothers of dependent children should be entitled to an income tested pension based on their contribution to society as mothers (Strong-Borg, 1979). Though it was changed to a means tested Allowance in 1930, an income based Mother's Pension was introduced in British Columbia in 1920. The idea of a Mother's Allowance was much slower to gain acceptance and legislative approval in the Maritimes. In Nova Scotia a Commission to investigate the issue was established in 1919 but because it could not accurately estimate costs no action was taken until 1930 when a means tested Mothers Allowance was introduced. An Allowance was introduced even later in New Brunswick and Prince Edward Island (Guest, 1986: 62).

Both the delay and restrictive eligibility criteria in the Nova Scotia legislation may be attributed to regional under-development, a more conservative political culture and established patterns of mutual support, but it was also reinforced by the assumption in the Poor Law that public assistance was a last resort available only after all other avenues of support through the family or charity had been exhausted (Blouin, 1987; 1989; Boychuk, 1998; Guildford, 2005). This principle of 'less eligibility' still underlies most welfare programs. It was primarily intended to ensure maintenance of the work ethic and to maintain a pool of potential (mostly male) labour but because assistance was gendered the regulatory relationship between work and the Mothers Allowance was not applied in quite the same way.

Public debate and expert advice surrounding the introduction of the Mothers Allowance in Nova Scotia, as well as subsequent eligibility regulations and administrative arrangements, illustrate that adequate parental care was a key justification

and requirement. Thus, the Nova Scotia Report on the Commission on Mothers' Allowances Commission (RCMA) noted in 1921, that "...it is a bad thing for the community if children are deprived of home life and a mother's care simply on the ground of poverty...". Explaining organized labour's support for the Mother's Allowance, J.J. Cohen (1927) argued that when the father could no longer support the family and the mother was forced to work outside the home, it was the children who suffered. The Nova Scotia Mother's Allowance would not only address the problem of child-care and child welfare, but what many considered the pressing social problem of juvenile delinquency. Appealing to widely held sentiments, Cohen argued that "...(I)t is generally recognized that no institution, however good, can substitute for a mother's care..." but "... thousands of mothers, whose real duty lay at home, are compelled to compete for jobs in the factories and workshops." The result of mothers working outside the home, Cohen argued, was "...children being free to wander the streets at their own will..." (1927: 5). Financial assistance for widows and other eligible mothers, therefore, was to be provided out of concern for the welfare of children and was intended to ensure that a mother's first responsibility would be the care of their children at home (Strong Boag, 1979; Little, 1998; Christie, 2001).

As the RCMA noted in 1921, however, not any mother would do: "...the objective is to provide for worthy mothers..." (RCMA, cited in Cohen, 1927). As Little (1998) has pointed out in the organization and provision the Mothers Allowance, demonstrating suitable motherhood was equally, if not more important, than demonstrating a willingness to find paid work. When the Mother's Allowance was eventually implemented in 1930 eligibility requirements were stringent and only relatively restricted categories of mothers

were eligible based on their marital status and moral worthiness.⁵ As in Ontario only 'worthy' widows with two or more dependent children were initially considered eligible for the benefit.⁶ Eligibility and the continuation of benefits were determined in ways that upheld gendered and socially constructed codes of good moral conduct, the recipient's suitability as a mother, thrifty household management and celibacy (Little, 1998). The first measure of moral worthiness was marital status.

Strong Boag (1979) argues that the low benefits and restrictive eligibility criteria that made adequate child care a condition suggests that the Mother's Allowance was used as a form of wages for housework. The extremely low benefits helped to subsidize the costs of child maintenance rather than compensating mothers for their care work. It also reflected the reality that family maintenance and care provided by women in the home was considered a 'natural' outcome of biological reproduction and therefore unremunerated (Luxton, 1990).

Though the purpose of the Allowance was to limit the necessity of mothers with dependent children taking outside employment and paid work was discouraged if it interfered with proper child care and supervision (Christie, 2000), benefits in Nova Scotia were particularly low and the allowance would likely have been supplemented with some kind of earned income, either by the mother herself or by one or more of her older children (Christie, 2000; Little, 1998). As Little (1998) has demonstrated, Mothers

⁵ Cohen's 1927 study of provincial programs then in existence showed that no province had included divorced, separated or unmarried mothers as beneficiaries. He attributed these tight eligibility restrictions to society's concerns about rewarding and encouraging what was at the time deemed to be immoral behaviour (Cohen, 1927).

⁶ Only in rare cases such as physical disability, was eligibility in Nova Scotia extended to other mothers. Eligibility was also initially limited to British citizens who had been resident in Nova Scotia for at least five years and as in other provinces, divorced, deserted, unmarried mothers or wives of prisoners were not eligible for the benefit. Mothers Allowance benefits varied across the provinces and in every case they were lower than either the Veterans Pension or Workers Compensation benefits (Guest, p.61).

Allowance recipients in Ontario and New Brunswick took in boarders or worked part time (usually in domestic labour) or in their own homes through the 'putting out' system. Given the low allowance and historical evidence about women's work, there is little reason to believe that the same thing did not happen in Nova Scotia (Guildford and Morton, 1994). Indeed, Charlotte Whitton argued that part time employment (usually within the home) should be encouraged because it would provide women with something to fall back on when their children were grown and they were no longer eligible for the Allowance (Strong-Boag, 1979). Moreover, because eligibility was based on a woman's status as 'mother' and on benefiting dependent children rather than compensating the mother herself, the Allowance ceased once children reached adulthood or left school. Until general welfare programs were strengthened after the Unemployment Assistance program emerged in 1958, ineligibility for Mothers Allowance or its cessation meant finding paid work, or being forced onto charity or public relief.

The Mothers Allowance, therefore, was viewed as a privilege rather than an entitlement and the behaviour and parental suitability of recipients was monitored on an ongoing basis (Little 1998). In Nova Scotia, the allowance was initially limited to widows or deserted wives. The Department of Public Health was given overall responsibility for overseeing it, but the new professions of public health and social work, which emphasised individual "cases", had responsibility for administration and for monitoring standards. As in Ontario and New Brunswick, teachers, the clergy and other local professionals and agencies such as the Children's Aid were also called upon to help the supervision of beneficiaries and the administration of benefits (Little, 1998). In Nova Scotia this left a legacy of reliance on the voluntary sector. Such arrangements continued

even after the Canada Assistance Plan (CAP) came into effect in 1966, and was maintained in some areas of the province until the 1990s.

This reliance on local and community control through the involvement of religious and secular charitable institutions combined with local control over welfare, may have helped to maintain particularly conservative ideas about the family and appropriate moral behaviour for women, as well as residualist ideas about welfare. As I discuss in chapter three, these ideas and the influence of the Roman Catholic Church in public discourse was still evident in Nova Scotia in the 1980s when a prominent Archbishop consistently questioned the prudence of extending welfare to unmarried lone mothers.

The Nova Scotia welfare regime was more strongly oriented than some towards maintaining the traditional (or patriarchal) family based on the male earner/female housewife model and generous benefits to lone mothers were discouraged (Boychuk 1998). Indeed, even in comparison with meagre benefits in other provinces, the Mothers Allowance in Nova Scotia offered very little real protection. Until the late 1960s the welfare regime could be classified as a patriarchal “market/family enforcement regime” because it worked to enforce reliance on paid work or on marriage and the family (Boychuk, 1998: 15:32). In families where a husband was present (or could be found) they were held responsible for family maintenance. While the Mothers Allowance allowed sole support mothers to keep families together, it upheld gendered ideas about morality, child-rearing, and the work ethic and benefits did not protect most lone mothers from the necessity of finding other sources of income through paid work or marriage (Boychuk, 1998; Little, 1998).

Despite low benefits, means testing and the proscriptions and intrusions involved in monitoring moral worthiness and behavior, however, the Mother's Allowance can be considered an improvement over private charity or the poor house. It was a cash allowance as opposed to in-kind assistance and it allowed women to stay in their own homes. While supplementation through some paid work (preferably in the home) seems to have been encouraged, it offered some protection from the necessity to seek private charity and in contrast to municipal relief for the 'able-bodied' unemployed, there was no specific requirement to seek outside employment. Yet, the low benefits also lent support to the status quo of the male family wage, women's marginal position in the labour market and the ideal of a male breadwinner-female housewife family. It also speaks to the vulnerability of women and children to poverty and to regulation and control.

Nevertheless, during early development of the social assistance state the reform movement broadened the scope and meaning of "welfare". Means-tested locally or provincially administered 'relief' for the long-term unemployed was supplemented by a workers' compensation program for injured workers, and by needs or means tested programs that provided support for the blind and disabled (Boychuk 1998). Yet these programs were for the poorest of the poor and designed "to allow individuals and families to subsist when the main bread-winner fell out of the labour market through unemployment, sickness, disability or old age" (Myles, p.86).

The social assistance state that emerged before the second world war was also based on gendered ideas about family roles, work, and morality and relied almost entirely on residualist views of what public assistance should provide (Little, 1998; Valverde, 1991). It also helped to impose a middle class ideal of gender roles and certain assumptions

about appropriate moral standards and child rearing practices on working class and poor women and mothers, effectively controlling the parameters of acceptable behavior and the choices of women both inside and outside the family (Strong-Boag, 1979; Little, 1998). Though conditions improved with the development of a social security state after the second-world war, the residualist and gendered legacies embedded in the social assistance state were maintained.

The Post-War Development of a Gendered Social Security Regime

Theorists argue that under certain historical circumstances associated with economic or social disruption, the basic assumptions of social welfare regimes are likely to be challenged. Such a conjuncture existed in the wake of the 1930s depression and the second-world war when new political, economic and ideological conditions and shifting class relations helped to create new ideas about economic planning (Bonoli and Palier, 2001; Esping-Anderson, 1990; Jessop, 1993; Myles, 1988). In the mid-1930s, Keynes advocated a new and seemingly radical alternative to classical liberal thinking using both economic planning and social policies to stabilize production and consumption and a greater role for the state in regulating markets within capitalist economies. This new thinking and the social liberalism that it spawned never held the same kind of sway in liberal regimes as it did in Scandinavian countries (Crouch and Keune, 2005). The strength of classical liberal ideology, political opposition to the idea of state expansion, and the constitutional division on powers, which gave provincial governments jurisdiction for welfare, meant that the Canadian government was slow to respond to Keynesian ideas during the depression (Guest, 1986). As in most advanced capitalist democracies, Canada developed a more coherent social welfare system during the post-

war period, although it was slower to adopt income based and universal programs than the United Kingdom. While improvements to categorical needs based programs emerged, with better support for more sole support mothers, the developing welfare state continued to rely on gendered assumptions and residualist social security programs for those outside the labour market. Despite a new power balance in labour-capital relations and the benefits new social programs would bring to workers and families, many of the programs in the “social security state” (Myles, 1988), institutionalized the same gendered assumptions that had been established before the war. This would do little to advance women’s prospects for financial independence and autonomy (Christie, 2000).

In a climate in which poverty and social and political discontent were growing, in 1935 Prime Minister Bennett proposed a centralized and fairly comprehensive social security system patterned on U.S. President Roosevelt’s New Deal. The proposal was ruled unconstitutional by the British Privy Council on the grounds that many of the legislation’s provisions applied to areas under provincial jurisdiction under the British North America Act (Guest, 1986). The outcome of the impasse was a Royal Commission on Dominion-Provincial Relations in 1937 and the landmark Rowell Sirois Report in 1940. In the context of the constitutional division of powers, this outlined what the roles and responsibilities of federal and provincial governments should be in addressing the economic and social problems that had emerged during the depression. It proposed a greater role for the federal government in employment policy, allowing the introduction of unemployment insurance and old age pensions. The Report recommended that social services and financial assistance for the long term unemployed and others outside the labour market such as widows pensions, mothers allowances, workers compensation and

child welfare programs remain under provincial jurisdiction but that federal transfers should enable the provinces to strengthen these programs so that basic standards could be met across the country (Yelaja, 1987:11).

In 1940, the federal government obtained the agreement of the provinces to amend the BNA Act to allow introduction of the Unemployment Insurance Act. The cornerstone of the plan was a program run by the federal government but partially funded through wage-based contributions that would link unemployment benefits to their work record. The program thus supported the government's view that benefits should be "a reward for productive effort" (Guest, 1986: 106-7). While recommendations for stronger provincial transfers for residual programs were shelved with the declaration of war, these proposals set the stage for future improvements in provincial income assistance programs.

During and after the war, the social and political landscape changed again. Women were actively recruited into the labour market to fill jobs vacated by men or into employment in munitions factories. An infrastructure of child nurseries was established to encourage and support the employment of mothers (Mahon, 1997), including in Nova Scotia (Fingard and Guildford, 2005). A stronger trade union movement and the growth of the CCF (a politically left party born out of social protest movements against worsening social and economic conditions in the 1930s) challenged prevailing class relations. The spectre of continued high male unemployment, however, still loomed large and the idea that during the depression the male breadwinner family needed strengthening came to the fore. In these circumstances, improved conditions for women's employment were not sustained after 1945.

Impressed with the British public's response to the Beveridge Report (1942), in 1943 the federal government commissioned three reports on reconstruction. Referred to as the Marsh, Heggarty and Cassidy reports (Guest, 1996), these were intended to establish the direction for social policy in the post-war period. Of the three, the report by Leonard Marsh (*Report on Social Security for Canada*) informed by Keynesian thinking was the most influential in terms of social security and employment. Marsh built on the Rowell Sirois report to advance the idea of more state, especially federal, responsibility for social welfare, but his proposals went beyond this and were based on the idea that Canada needed a comprehensive social security system that would establish a 'social minimum'. It was thought that together these components would form the basis for a new social security system that amongst other things would reduce poverty and reliance on public assistance and allow the provinces to establish better standards for their means tested programs (Guest, 1986, p.133). Like Rowell Sirois, however, he privileged productive employment in the labour market over care (Christie, 2000).

Marsh proposed three tiers of social security (Guest, 1986). The first tier was intended to strengthen and expand unemployment insurance and provide wage related cash benefits for short term loss of income due to sickness, disability, death or maternity. This would be funded by employers and cover full-time wage earners only. The second tier, financed jointly by workers and the federal government, would cover loss of income for longer periods through flat rate benefits for contingencies such as disability, old age, or the death of a breadwinner. As a hedge against what was expected to be a high rate of unemployment amongst returning soldiers and as a means of achieving full employment, he also proposed extensive infrastructure renewal and skills training programs. To

bolster family income, Marsh also proposed a family allowance linked to the minimum costs of child-care. This was intended to replace existing allowances for children within both provincial social assistance and federal programs—an idea that would be echoed in the National Child Benefit (NCB) sixty years later. The benefit was to assist families with children, including those headed by sole support mothers, but there were no proposals to continue the nurseries and child care programs that had been established during the war to enable mothers to maintain employment (Guest, 1986, pp.112-115). Despite the proposal for a Family Allowance and the progressive nature of proposals such as maternity benefits for employed mothers and skills training for war widows, women would have little entitlement to benefits in their own right.

Marsh's proposals were mainly intended to improve income security for 'productive' (male) workers and their families (Christie, 2000). They were also built on the assumption that the future labour force participation of mothers would be relatively limited and that married women would continue to be dependent on the male wage in the family. The first tier of unemployment insurance benefits, therefore, would exclude women unless they worked full-time and in a non-excluded sector. Even though the plan called for strengthening provincial social assistance and social services through federal transfers, there were no plans to ensure common standards across the country. Divorced, separated or unmarried mothers would have few claims to support other than through the courts or, failing that, through the provincial Mother's Allowance or some other form of means tested provincial assistance program.

A Family Allowance came into effect in 1944 and while the benefit was a universal program that went directly to mothers, its primary intention was to supplement family

income (Kitchen, 1987). In the post-war reconstruction period the federal government followed through on the main thrust of the Rowell-Sirois Report but at the 1945 Conference on Reconstruction the federal government put forward a modest and watered-down version of Marsh's recommendations. After the war, the government failed to build on Marsh's notion of more comprehensive planning and the idea of a social minimum through the development of a more comprehensive social security system was compromised (Guest, 1986: 133-145). Set within a framework of a free enterprise economy and a situation in which the federal government was as interested in taking fiscal capacity away from the provinces as reform, even more modest proposals initially floundered on differences between the federal government and Ontario and Quebec on the issue of transfers based on fiscal need and between the federal government and Quebec on jurisdictional issues (Guest: 138-140). As a result, transfers to strengthen provincial needs based programs did not begin until the 1950s. Similar fiscal and jurisdictional differences surfaced fairly consistently in the decades that followed and it can be argued that despite the development of social liberalism in the post-war period, the strength of liberal ideology and jurisdictional and other inter-governmental issues served as impediments to more progressive social policy development (Haddow, 1993).

Despite these limitations, Guest (1986, p.93) argues that the post-war period can be seen as a watershed for positive change in the development of social policy in Canada. It was now assumed that unemployment was a national problem demanding the attention of the federal government and in common with other liberal regimes such as the United Kingdom, some universal programs emerged such as Old Age Security (OAS) and the Family Allowance. Yet universal programs were never generously funded. The more

generous income security programs such as Unemployment Insurance and the Canada Pension Plan (CPP) were contributory schemes based on what Fudge and Vosko (2002) call 'the standard employment relationship'. Even when women worked in the labour force their labour was not 'de-commodified' to the same extent as men's due to discriminatory provisions in the Unemployment Insurance Act (Porter, 2004) and of course to the lack attention to child and dependent care. Those outside the standard employment relationship continued to rely was on residualist programs of last resort (Pulkingham, 1998; Fudge and Vosko, 2002).

Overall, these post-war developments improved conditions for many workers and families, but they did not significantly advance women's equality or enhance their autonomy. Moreover, based on prevailing views about the family and the popular belief that jobs for men should take precedence over female employment, both governments and employers argued that women who had been recruited into jobs due to a shortage of male labour should make way for war veterans. Given the nature of gender roles at the time the government's assessment that most married women would be happy to become full-time home-makers and avoid the necessity of paid employment outside the home after the stresses of war may well have been accurate, but women were given little option. The employment of married women and mothers was actively discouraged through the closure of publicly funded nurseries and child care centres (Mahon, 1997) and many women were 'persuaded' through both ideological pressure and more coercive means to vacate jobs thought to be more suitable for men. Married women were actively excluded from teaching and from most jobs in the federal civil service until the late 1950s

(Fudge, 2002). These assumptions related to women's work and family roles within state policies reinforced marriage as the chief occupation for women in the post-war period.

With the exclusion of married women from the labour market, an emphasis on support for male breadwinner families, and the lack of support for provincial needs based programs, post-war developments in social policy not only remained residualist but they were also bifurcated according to gendered labour force attachment criteria (Christie, 2000; Pulkingham, 1998). There was little provision for women outside of marital and family relationships or for women's care-work, even though male labour largely depended on women's unpaid work in the home (Luxton, 1990).

Broadening Eligibility in Residualist Programs

After the second-world war, the Nova Scotia Poor Law and conditions for residents in the poor houses and farms had become an increasing cause for concern to reform minded citizens and social work professionals, especially in Halifax (Guildford, 1997: 12).

Reports prepared for both the provincial government and the Halifax municipality in the 1940s recommended elimination of the poor districts and closure of the Halifax poor house. One report suggested the province take over responsibility for poor relief and recommended substantial improvements to the Mothers Allowance system, including provision for families with one-child, wives of the disabled who were unable to work, and unmarried mothers (Guildford, 1997:13). With federal transfers on hold, most of these recommendations were shelved and nothing much was done until the 1950s, when the federal government became more involved in cost-sharing provincial categorical programs for the blind, the elderly poor and the disabled. These improvements left the provinces with more fiscal room to strengthen other welfare programs (Haddow, 1993).

The Nova Scotia Poor Relief Act amended in 1954 moved the administration of all poor relief from poor districts to municipalities and prohibited children under sixteen from entering a poor house (Guildford, 1997). Entry was also to be voluntary, but there was no requirement that municipalities should provide outdoor relief. The Wives' and Children's Maintenance Act and the Mother's Allowance Act were also revised in 1954. The latter expanded eligibility to mothers whose husbands were permanently disabled and recognized step-mothers, adoptive mothers and sisters, grandmothers and aunts who were poor and caring for related orphaned children as eligible for assistance.

Fay (1998) argues that the new language in these Acts reflected the influence of more reform minded bureaucrats trained in a social development approach to social work in the post-war period. The term 'pauper' was re-defined as a 'person in need,' 'fit and proper' mother was dropped from the Act, and relief was specified as the need for food, shelter, fuel and clothing (Fay, 1998:208-209). Yet although there was a Director of Mothers Allowances, there was still no Minister of Public Welfare (Fay: 109). Sole support mothers who were eligible for the Mothers Allowance still remained subject a high degree of moral regulation relating to marital status, child-rearing practices, thrift, cleanliness, and sexuality (Little, 1998). Mothers who were ineligible such as divorced or separated mothers still relied on municipal relief. In both cases benefits were extremely low and means tested. Although mothers were regarded as 'worthy poor' and usually exempt from a job search requirement—even when on municipal assistance—they were usually expected to supplement their incomes through some form of paid work, usually carried out in the home (Little, 1998). The changes that emerged in the early 1950s, therefore, were only a slight improvement over what had pertained before the war.

Nevertheless, during the late 1950s and early 1960s eligibility for the Mothers Allowance was gradually extended to mothers with one child and to divorced and separated mothers. Other mothers relied on welfare and unwed mothers would not become eligible for benefits until after the development of the Canada Assistance Plan (CAP) in 1966.

The beginnings of a 'modern' social assistance system in Nova Scotia

Despite higher rates of unemployment during the early 1950s, employment for men in manufacturing, resource extraction and construction increased. Although they were still assumed to be full-time family care-givers, mothers in low income families invariably had to work outside the home. Reinforced by a consumer-oriented ideology and the growth of clerical and service employment an increasing number in moderate income families were beginning to supplement family income (Porter, 2004; Fudge, 2002). By the late 1950s, the labour force participation of married women increased, but usually in part time employment where there were few entitlements to benefits (Fudge, 2002; Porter, 2004). The sex segregated nature of the labour force also limited the employment to certain kinds of jobs such as teaching, nursing, social work, or clerical, factory or service sector jobs where low wages and gender wage disparities were maintained. Due to low wages, poor benefits and conditions, and the lack of childcare, many sole support mothers continued to rely on the Mothers Allowance or municipal relief where they were subjected to regulations intended to reinforce dependency on male support or, in the case of young unmarried mothers, their families.

The 1956 Unemployment Assistance Act

Yet similar to the pre-war regime, there was still little financial support in Canada for those family breadwinners who did not qualify for Unemployment Insurance or other

work related benefits. In periods of high unemployment, these workers and their families had to rely on welfare or relief programs delivered through provincial or municipal governments where in many cases “able-bodied” recipients had to work for their benefits. In a context of higher rates of unemployment and pressure from provincial governments about the growing number of people on public assistance, the federal government introduced the Unemployment Assistance Act for the long-term unemployed in 1956. The Unemployment Assistance Program was a federal-provincial cost shared program intended to fill gaps left by Unemployment Insurance. Initially, however, Nova Scotia could not benefit from the program because provinces were only eligible for funding if a certain proportion of the unemployed population (almost half) were in receipt of social assistance (mother’s allowances and other allowances for ‘unemployables’ were excluded from the calculation). It is telling, that despite high levels of unemployment, so few unemployed people qualified for assistance under the Poor Law that Nova Scotia could not meet this threshold. Along with Newfoundland, Nova Scotia appealed to have the threshold removed and amendments were made to the Act in 1958.

The Unemployment Assistance program did not challenge the idea of residualism, but it did expand and strengthen assistance for the able-bodied unemployed. This freed up provincial resources for other assistance programs. It also went beyond ‘relief’ and established certain federal cost-sharing conditions that were intended to influence the provinces to improve their systems of social assistance. These included no residency requirement, assistance in cash rather than in kind, reporting of assistance rates to the federal government and encouraging provincial governments to become formally responsible for the provision of assistance under the funding formula (Guest, 1986).

Indeed, the prospect of extra funding from the federal government and pressure for change within Nova Scotia itself meant that by 1956 reforms were already occurring. A Minister of Public Welfare and Director of Assistance was appointed and Nova Scotia enacted its first Social Assistance Act in 1956. Although it did little to end the categorical distinctions between 'deserving' and 'undeserving' poor that characterized public assistance, the Unemployment Assistance program allowed the Nova Scotia government to make important incremental improvements to social assistance. The Act broadened eligibility to sole support mothers not covered under the Mothers Allowance and for the first time, wives of prisoners, deserted wives, common law widows (after five years) and those caring for 'abandoned' children became entitled to provincial assistance rather than municipal relief. The limitation of eligibility to British subjects was also eliminated, although a 3-year residency was required.

In 1958 the Nova Scotia government finally abolished the Poor Relief Act and created a two-part Social Assistance Act. Under Part II of the Act, municipalities remained responsible for assistance to the able-bodied unemployed, but two-thirds of the costs were to be reimbursed by the Province.⁷ In an effort to get the municipalities to stop indoor relief through the poor house, some restrictions on reimbursement were applied (Fay, 1998: 213). Under Part I of the amended Act, assistance for people with disabilities and the additional categories of lone mothers continued to be delivered by the province and a few improvements such as stipulating separate maximum amounts for mothers and dependent children were made to provincial benefits. By the late 1950s, the Mothers

⁷ The development of outdoor assistance at the municipal level was the preference of the provincial government, but the regulations continued to allow municipalities to meet their obligations through assigning those in need to a 'municipal home'. The Act also allowed some public assistance to be provided in kind; other than specified amounts for food, no other benefit rates were stipulated and welfare rates were left to individual municipalities to decide. (Fay, 1998)

Allowance was the only categorical assistance program that was not cost-shared with the federal government. In the early 1960s, this changed.

In Nova Scotia, the Mother's Allowance continued as a parallel program until 1961 when assistance under the program was incorporated under Part I of the Social Assistance Act. These amendments increased the maximum benefits for mothers previously covered under the Mothers Allowance (widows and wives of disabled men), but not for those who had become eligible for provincial social assistance in 1958 (deserted wives and common law widows). Nevertheless, the development of the unemployment assistance program had allowed Nova Scotia to develop incremental improvements to its residual system of support. It also established a more consensual set of inter-governmental working relationships that would later prove beneficial in developing the terms and scope of the Canada Assistance Plan during the early 1960s (Haddow, 1993).

Social Liberalism and the 'Completion' of the Canadian Social Welfare State

In the context of growing economic prosperity in the 1960s and a changing political landscape in which a re-constituted social democratic party—the New Democratic Party (NDP)—had become a stronger oppositional political voice, a more favourable political climate supportive of social liberal ideas about social policy and action on poverty emerged. This resulted in several key developments that strengthened the social welfare regime as a whole and improved overall protection against social risk, although less so for those with little or no labour force attachment (Guest, 1986).

In 1966, the Canada/Quebec Pension Plans Act provided for a contributory pension for most employees, although as Guest (1986) notes, casual and migratory workers, family workers and those not in the labour market, including housewives were excluded from

the plan (p.151). The Medical Care Act was another landmark piece of legislation which in 1968 provided a relatively comprehensive and universal healthcare plan. With the 'rediscovery' of poverty in Canada, Marsh's concept of a social minimum for the poor also re-emerged (Guest, 1986; Haddow, 1993). An income-tested Guaranteed Income Supplement (GIS) for the elderly poor and the Canada Assistance Plan (CAP), a new cost-shared program to strengthen provincial social assistance programs, were both developed to respond to poverty in 1966. Together, these programs reinforced federal involvement in the field of assistance to the poor (Guest, 1986), but as Haddow (1993) points out, although the OAS was an income-based program, CAP did not end residualist needs based social assistance programs for the poor of working age.

The Canada Assistance Plan

As regime theorists point out, residual needs-based program programs for those outside the labour market are much less likely to gain popular support than universal or income-based programs and the development of CAP was no exception (Haddow, 1993). The push to strengthen social assistance programs, therefore, received little attention from politicians, including the NDP. Indeed, as Haddow (1993) explains, rather than advocacy by unions or other popular movements, the development of CAP was in the main instigated and accomplished by a cohort of federal and provincial bureaucrats who shared somewhat similar educational backgrounds and reformist ideas about social welfare. Based on their earlier experience developing the Unemployment Assistance (UA) program, they wanted to strengthen provincial programs with a greater emphasis on rehabilitation and social services.

Lobbying efforts advocating such changes were pursued through the auspices of the Canadian Council of Welfare, which had strong links to federal and provincial social welfare officials (Haddow, 1993: 30-31). By the time formal negotiations on CAP began in 1963, a great deal of consensus on issues for reform had already emerged between the federal and provincial officials working on the reforms. Both sides wanted better integration of existing categorical programs and federal cost-sharing extended to the Mothers Allowance, now the only large categorical program not federally cost-shared. There were also concerns about cost-sharing exclusions for things such as child welfare, assistance for child-care or supplements to allow low income employed people to maintain employment under existing arrangements. Federal National Health and Welfare (NHW), who led the negotiations for the federal government also espoused the idea of extending cost-sharing to partially cover provincial administration costs as means of ensuring the integration of all existing programs and national standards. Poorer provinces such as Nova Scotia also wanted a differential cost-sharing formula to enable them to develop similar programs standards as other provinces (Haddow, 1993: 23).

The federal Finance Department was initially hostile to the idea of increasing federal expenditures to strengthen cost-sharing for provincial social assistance, and especially to the inclusion of the Mothers Allowance. The Department was also consistently at odds with NHW on its proposal to base eligibility for benefits on need alone. It also advocated retention of welfare for work initiatives (Haddow, 1993: 44). Tensions also emerged within some provinces between politicians and officials about whether the new program should continue to rely on work-for-relief plans or include a more rehabilitative approach to work activity. Despite these differences, there was a great deal of agreement between

federal and provincial social policy officials on most issues and where consensus was reached their respective governments, for the most part, did not oppose them (Haddow: 65). The idea of a differential cost-sharing arrangement for poorer provinces such as Nova Scotia, however, was not supported by Ontario (Haddow: 63-64). Moreover, although provinces realized that they would not get NHW support for federal cost-sharing without some national standards, several opposed the relatively strong standards proposed by NHW. In the final proposal, the only required conditions, other than eligibility based on need, were the right to appeal and the abolition of a residence requirement.

The Canada Assistance Plan (CAP) came into effect in 1966 as a cost-shared program between federal and provincial governments to consolidate and strengthen existing federal financing for provincial means tested programs. To encourage the provinces to consolidate several different financial assistance programs into more coherent systems and enable provinces and municipalities to build up their welfare and social services capacities, the cost-sharing arrangement also allowed provincial governments to claim half of their expenditures for administration and training from the federal government.

The impact of CAP

In the provinces where they existed, Mothers Allowance programs were gradually abandoned following the enactment of the CAP legislation. In some cases, assistance for lone mothers was integrated into general social assistance programs; in others, such as Nova Scotia, separate legislation was maintained for lone mothers and persons with disabilities who were deemed to be 'unemployable' (Boychuk, 1998). CAP also opened up cost-sharing to the development of programs such as child welfare and, as long as they

were deemed compatible with the overall goal “to help people retain or achieve independence and to improve the standards of public welfare,” to a degree to rehabilitative and poverty prevention programs such as childcare (Guest, 1986: 55-56), allowing the limited development of subsidized child-care for working mothers (Mahon, 1997). As I discuss in the next chapter, this was important in opening up vocational rehabilitation programs for lone mothers wanting to make a transition from welfare to employment. In principle, the program parameters also allowed extending income assistance to the working poor, but in practice public assistance to supplement low working incomes became the exception rather than the rule (Guest, 1986:187).

Under CAP eligibility for income assistance was to be based on an assessment of need rather than on a subjective means test or the practice that had pertained within some jurisdictions of making assistance for able-bodied ‘employable’ recipients conditional on the performance of some kind of work. Due to concerns amongst some provincial governments about a perceived threat to the work ethic, CAP failed to seriously challenge assumptions based on the ‘employable’ and ‘unemployable’ distinction, as well as the requirement that the able-bodied unemployed should seek employment (Haddow, 1993). Social assistance would now be based on the criteria of ‘need’, but it would remain a residual program of last resort.

Moreover, though CAP strengthened provision of assistance for the long-term unemployed, including sole support mothers and people with disabilities, poor provinces such as Nova Scotia were not as able to take full advantage of federal cost-sharing due to the decision not to include differential funding for provinces with less fiscal capacity—even though they had poorer populations and the need was often greater (Guest, 1986;

Moscovitch, 1996). Federal CAP conditions meant that the provinces had to dispense with some (though not all) of the blatant discretionary practices of earlier programs. This would have an important effect, but not so as to dispense with all of them, especially in Nova Scotia. Moreover, the broad criteria of 'need' was applied, but with no standardized allowable budgets or welfare rates across jurisdictions benefits not only continued to vary across jurisdictions but in all cases they maintained recipients at levels well below the poverty line.

A budget deficit model was to be used to calculate eligibility and the level of need, but assessment of need continued to entail intrusive processes to calculate the difference between money available to an individual or a family (sometimes liquid assets such as savings, automobiles or even family homes) and the allowable welfare budget under provincial regulations. Discretionary benefits for 'special needs' such as eyeglasses or dental treatments remained in most provinces. Applying for welfare, therefore, continued to be subject to demeaning eligibility regulations that were exacerbated by distinctions between 'deserving' and 'undeserving' poor (Guest, 1986:155f).

Nevertheless, because assistance was now based on need rather than a means test, more lone mothers qualified for assistance under reformed provincial social assistance programs and in keeping with the prevailing belief that mothers should care for their children at home, those with dependent children were for the most part now better protected. In some provinces including Nova Scotia, however, young unmarried mothers continued to be excluded from provincial benefits (Little, 1998). Moreover, the protection from a requirement to look for employment as a condition of assistance, did not apply to mothers who for various reasons remained on municipal assistance or for

those who were moved to municipal income assistance because their children had left school or who were working. These mothers were usually designated as employable and required to look for work.

Although CAP improved overall conditions, it did little to remedy the stigma associated with welfare because it failed to challenge the grounding assumptions of social assistance as a residual system of last resort founded on the principle of 'less eligibility' (Boychuk, 1998; Guest, 1986; Haddow, 1993; Moscovitch 1996). Social assistance was gendered not only because it retained elements of moral regulation that had characterized earlier Mothers Allowance programs, but because it was part of a broader social welfare regime which excluded mothers from the full range of programs and supports that would assure their economic security outside of dependence on male support.

The impact of CAP in Nova Scotia

Despite its shortcomings, by providing cost-sharing for all provincial public assistance regardless of cause, CAP succeeded in putting the provision of welfare on a firmer financial footing and strengthened provincial capacity to deliver welfare programs. This allowed Nova Scotia to make some significant improvements to benefits and to expand eligibility. Benefits for lone mothers on provincial assistance were immediately increased by at least \$10 a month and unmarried mothers maintaining a home of their own became eligible for the first time for provincial benefits after two years on municipal assistance. As the *Halifax Mail Star* reported on July 23, 1966, however, provision of assistance would still depend on the maintenance of adequate child-care. Between 1966 and 1969 the Nova Scotia Social Assistance Act and regulations were amended to align social assistance with the CAP conditions and a new Act was proclaimed in 1969. The

Act expanded eligibility criteria and improved the benefit structure for "long term" provincial welfare recipients, but the legislation retained the distinction between 'short term' employable recipients and 'long term' unemployable recipients. This distinction based on the concepts of 'less eligibility' and 'worthy' and 'unworthy' poor remained institutionalized within a two-tier system until 2001.

As late as 1987 there were sixty-seven municipalities with responsibility for short-term assistance and twenty-nine different welfare policies administered on a cost-shared basis with the province (Blouin, 1987). While fiscal capacity and the social, political and ideological contexts were undoubtedly factors that helped to determine the maintenance of categorization and a two-tier system, as Boychuk (1998) argues, this can be also attributed to the weakness of the CAP conditions and the policy legacies and logics within which the Canadian social welfare regime had developed historically.

CAP requirements meant that municipal benefits would be now consistently paid in cash rather than in kind, but the principle of less eligibility for those deemed 'able-bodied' and 'employable' was maintained through lower benefits at the municipal level. Other than an established amount for food the setting of municipal welfare rates was left to individual municipalities. Poorer municipalities were likely to have higher case-loads but less capacity to meet cost-sharing provisions. Municipal benefits, therefore, varied widely, creating serious inequities in benefits (Blouin, 1987). In theory, access to welfare based on need was also supposed end the practice of enforcing participation in make-work projects in exchange for assistance ('work for welfare' or 'workfare), and welfare authorities were not supposed to deny or withdraw support because of a recipient's refusal to take a particular job or participate in a work activity project. In Nova Scotia,

this condition went largely unmonitored and un-enforced by both levels of governments. Municipal income assistance authorities in many rural areas not only continued the practice of requiring employable recipients to prove that they had looked for work, but in rural areas recipients were routinely required to work in farming or fruit picking during the summer months with the threat of discontinuance of benefits for non compliance (Blouin, 1987). Moreover, an important condition under CAP was the abolition of the requirement for residency in a municipality or a province as a condition of eligibility. Even so, the Settlement Act whereby eligibility for assistance had depended on a minimum residency requirement was not rescinded and until municipal income assistance came under provincial jurisdiction in the late-1990s the municipality providing assistance could bill the municipality of residence for a limited time to recover costs (Blouin, 1987).

By the early 1970s, eligibility for provincial social assistance expanded to include divorced, separated and deserted mothers, but they were required to access municipal benefits first to 'prove' their eligibility for provincial benefits.⁸ Under cost-sharing arrangements between the Province and the municipalities, lone mothers on provincial benefits had to first apply to the municipality for assistance for "special needs" (health care costs not covered by health insurance such as eye glasses, dental work and prescription drugs) because provincial assistance did not allow for these items (Blouin, 1989). While regulation changes in 1975 reduced the automatic waiting period for transferring to provincial benefits from two years to six months, unmarried lone mothers

⁸ Although child maintenance was considered as income in calculating social assistance benefits, receipt of maintenance no longer categorically disintitiled a mother from receiving support for her children—a change which was seen as reducing the disincentive to seek child support. It also dealt with the reality that absent fathers were more often than not delinquent in paying maintenance. The assistance was not always granted and it was considered 'discretionary'. Capacity to deal with child protection and child support also increased during the 1970s, likely related to the CAP provisions to enhance administration (Fay, 1997).

routinely remained ineligible for provincial benefits and for others there was often a long waiting period (Fay, 1997). Moreover, whether on municipal or provincial benefits, sole support mothers were only regarded as 'unemployable' until their children left school or reached working age. After this those on provincial assistance were put onto municipal assistance where they were no longer protected from the expectation that they should look for employment. In addition, with the possible exception of Halifax, municipal benefits for lone mothers were considerably lower than provincial benefits.

Despite many positive changes in provincial social assistance rates and regulations following CAP, both provincial and municipal assistance benefits remained far below the poverty line and less than adequate to ensure individuals and families could meet many of their day-to-day needs. Nor were discretionary decisions entirely eliminated. What CAP did, however, was to consolidate a shift, already begun with the UA program, from what Boychuk (1998) calls a market/family enforcement welfare model to a conservative model, as had existed in Ontario and Manitoba since the 1930s. While Boychuk argues that both of these are 'patriarchal' because the former reinforces women's dependency in marriage and the latter their role in child care (Boychuk, p.60), the conservative model provided categorical benefits that were high enough to protect mothers from the necessity of seeking paid employment and thereby relieved them from reliance on either the market or family.

Yet, at the same time, the prevailing gender order, together with a social welfare gender regime in which women continued to be more or less excluded from income security entitlements other than as dependents or mothers substantially disadvantaged women, especially in relation to their ability to establish and maintain autonomous

households (McKeen, 2004). Grounded as it was in an ideology of residualism and 'less eligibility', the reformed social assistance system did little more than maintain sole support mothers at income levels well below the poverty line with many built-in disincentives and few supports to facilitate a transition from assistance to full-time employment or even to supplement income from assistance with part-time work.

CHAPTER III: CHANGING GENDER RELATIONS AND THE SHIFT FROM SOCIAL LIBERAL TO NEOLIBERAL APPROACHES TO POVERTY, 1970-1985

What came to be known popularly as Canada's "social safety net" had by the late 1960s become a complex mix of federal and provincial programs with different kinds of entitlements based on labour force attachment, age, family status, income and 'need'. This had produced a gendered system of social security in which eligibility for first tier benefits such as Unemployment Insurance and CPP was predicated on what Fudge and Vosko (2002) call the standard employment relationship (SER) of full-time, long-term employment (Fudge, 2002; Porter, 2004). In keeping with Canada's market orientation, pension plans and healthcare benefits for full-time workers in unionized core sectors of the economy had been increasingly supplemented by private plans during the 1960s, but dependent benefits for wives usually ended with the marriage. Yet despite changing gender relations and the increasing participation of women in the labour force, until the 1970s many jobs held by women were excluded from private and state benefits. Even then, married women with children who were more likely to work part-time were not covered under most state or private income security programs. Federal demogrants existed for the elderly and families with children, but these benefits were low and other than the Family Allowance, mothers without a permanent full-time relationship to the labour market were effectively excluded from state entitlements and dependent on a male breadwinner. The gendered nature of the income and social security system and the labour market helped to maintain women's economic inequality and unequal gender relations in the family. It also meant that women remained vulnerable to poverty.

This chapter explains how in the 1960s and early 1970s anti-poverty groups, women's demands for equality, and a turn towards social liberalism influenced government policy agendas. It demonstrates how a fiscal crisis and an aborted attempt to reform Canada's income and social security programs in the late 1970s set the stage for the development of modest transition to employment programs for lone mothers, attempts to restrict eligibility for Family Benefits and later, in a context of higher caseloads, for a broader and more market-oriented experimental employability enhancement initiative defined by supply-side policy approaches to chronic unemployment.

The chapter is in three parts. The first part explains how new social demands during the late 1960s and early 1970s led to several reports on poverty, a Royal Commission on the Status of Women, and a federal-provincial social security reform initiative. The second part examines how the higher number of lone mothers on assistance in Nova Scotia during the late 1970s and early 1980s was addressed through both transition to employment programs and restricting eligibility to Family Benefits. It shows how the concept of rehabilitation that emerged during the social security review found its way into a new Nova Scotia Family Benefits Act in 1977 and was taken up in small transition to employment projects within the municipality of Halifax. Proposals to support the lone mothers on welfare through a province-wide career planning program, however, became a lightning rod for a divisive public discourse about marriage, welfare and shifting gender relations which lent support to government attempts to restrict access to social assistance.

In the third section I argue that in the context of growing rates of unemployment and higher social assistance caseloads three major federally commissioned reports in the early

1980s, not only signalled a period of fiscal restraint but a shift away from social liberalism towards greater reliance on the market. I demonstrate that a new orientation towards the market and restraint in social spending was beginning to re-shape job development and social assistance policies. In this context I outline how the federal and provincial governments came to an agreement to change CAP rules and cooperate in a new initiative to enhance the employability of welfare recipients.

Re-discovering Poverty, Discovering Women's Inequality

The 'rediscovery of poverty' in the late 1960s and early 1970s was cultivated by social policy advocates and federal and provincial bureaucracies who were dissatisfied with the apparent ineffectiveness of the social security system (including CAP) as a means of reducing poverty. Yet it was fostered in a social and political climate receptive to ideas about social justice and equality, a political threat from the left leaning New Democratic Party (NDP) and a corresponding turn to the left in the governing Liberal Party, and by government programs that encouraged citizen participation (Guest, 1986; Haddow, 1993; McKeen, 2004).

By the late 1960s, increases in women's participation in post-secondary education, growth in their labour market participation and greater control over reproduction along with the liberalization of divorce were contributing to changing gender relations, a growing radicalism amongst women, and a burgeoning if somewhat ideologically disparate women's movement advocating liberation from class or male oppression, or, in its more liberal version, social and economic equality for women through full and equal participation in the economy and society.

Women appeared to have more options for their lives, but their vulnerability to poverty remained and in the 1970s this was becoming increasingly visible. Due to higher rates of divorce and changing expectations and options for young unmarried mothers, there was beginning to be an increase in lone mothers in the population. Women were often legally entitled to child maintenance or alimony from an ex-partner on the break-up of a marriage, but they could not depend on support. Child support for both divorced and unmarried mothers was often unreliable and entailed legal expense and court action to enforce (Boyd, 2003). While a burgeoning women's movement advocated for an end to labour market discrimination and social policy reform, an increasing number of women were resorting to social assistance to support themselves and their families.

It was in this context of social change and unrest and growing popular awareness about the role of government policies in maintaining social inequality and poverty that, several government or quasi-government bodies as well as research organizations conducted inquiries or research that made recommendations on ways to ameliorate poverty. Reports on poverty emerged from bodies such as the Economic Council of Canada (1968); the Canadian Welfare Council (1969); the Senate Committee on Poverty (1971); and the Quebec Commission on of Inquiry on Health and Social Welfare (1971). *The Real Poverty Report* (1971), an alternative more radical report, was also published (Guest, 1986).

While women's vulnerability to poverty was emerging as an issue for the women's movement, women were not recognized by governments or by social policy advocacy organizations as legitimate policy actors with a specific interest in social policy (McKeen, 2004). Although barriers to moving off welfare due to lack of work incentives

and supports to re-enter the labour market were common themes as women on welfare advocated for changes in social assistance policies in the late 1960s, neither women nor the specific nature of women's poverty were particularly visible in the debate or the reports that emanated from these bodies (McKeen, 2004). At the same time, few women from traditional welfare organizations made submissions to the Royal Commission on the Status of Women appointed in 1967 to "ensure for women equal opportunities with men in all aspect of Canadian society." Yet the problems associated with gendered social policy constituted major themes in various submissions to the Royal Commission on the Status of Women and groups of middle class and divorced and separated mothers came forward to draw attention to problems in family law, gender inequality in the labour market, the unequal and gendered nature of care work, and the lack of child care.

The Royal Commission Report tabled in 1970 brought increased attention to gender discrimination and the growing problem of poverty amongst women, especially lone mothers and unattached senior women (Guest, 1986). It made the link between women's poverty and gender inequality in both social liberal and somewhat more radical terms. On the one hand it recognized that a large part of the problem of women's poverty was rooted in assumptions about women's financial dependency in the family and argued that policies should better accommodate women's labour force participation, but on the other it also articulated the need to recognize the economic contributions of women's domestic labour and care. The report recommended that social and income security should be based on individual rather than employment or family based entitlements. It advocated extending existing public programs such as C/QPP to women who worked in the home and a guaranteed annual income (GAI) for single parent families but also recommended

better provisions for working women in programs such as Unemployment Insurance. In addition it argued for tax credits instead of tax exemptions based on earnings, equal pay legislation, better employment and educational and training opportunities for women and a wider range of social services including the right to universal child care (McKeen, 2004: 47-49).

In the reports specifically focusing on poverty the idea of a GAI was particularly prominent. As Haddow (1993) argues, the ideas behind this emerged in the United States in the context of a similar, but earlier, debate about poverty. Basically, a GAI involves finding mechanisms for a basic level of income support while enabling recipients to gain income from work. There are, however, different approaches to it depending on the extent to which the goal is simply to maintain low waged employment or reduce poverty. The level of support and how income from other sources, including employment, is treated, are important factors. Recommendations in the reports on poverty varied along these lines. The Senate Committee on Poverty advocated scrapping universal demogrants in favour of a GAI that used a negative income tax (tax credit) approach that would cover all Canadians except single, unattached people under age forty. The *Real Poverty Report* took a more radical approach. It recommended a more generous program that would be supported by several other measures such as centralized collective bargaining, a restructured tax system, public investment in programs, earnings policies, and restructuring Canada's social and economic institutions to ensure greater public control (Guest, 1986:176f).

Under pressure from numerous quarters between 1970 and 1973 to address poverty, the federal government seemed undecided on the extent to which it wanted to build on

the social liberal approach it had espoused in the mid 1960s or turn back the clock. There was also growing concern amongst officials within both levels of government about higher social welfare expenditures and various concerns amongst the provinces about existing fiscal arrangements for social programs. Jurisdictional issues and tensions within federal-provincial relations were also coming to the fore due to the stronger taxing and fiscal power of the federal government in relation to that of the provinces and Quebec's growing sense that the province should have more autonomy in the development of social programs (Guest, 1986; Yelaja, 1987, p.12). Frustrations with CAP cost-sharing arrangements added to the dissatisfaction.

Following its adoption in 1966 the provinces had used cost-sharing to develop new initiatives such as elderly supplements, subsidized day care, and drug programs for those in poverty, but by the early 1970s the government had begun placing limitations on cost-sharing for poverty prevention initiatives (Interprovincial Report, 1980). In the meantime, the failure of the Victoria Charter in 1971 meant that outstanding fiscal, jurisdictional and constitutional issues, especially in relation to Quebec, remained unresolved creating political challenges within federal-provincial and inter-provincial relations. Despite these frictions, there appeared to be a common view within both levels of government that Canada's income and social security programs had become too complex and that there were limitations, weaknesses and gaps in the system (Interprovincial Task Force on Social Security, 1980, p.27). Yet a federal-provincial social security review did not emerge until 1973. This initially proposed reforms more in tune with social liberalism than what currently existed, but as I explain below, despite considerable pressure from the left, the attachment to social liberalism on the part of the

federal government and most of the provinces grew weaker as the economic climate worsened. This created a difficult political environment for progressive reform.

The Social Security Review (1973-1978)

The federal government's first response to calls for action on poverty came with the federal white paper *Income Security for Canadians* in 1970. This recommended ending the Family Allowance in favour of an income tested family benefit called the Family Income Security Plan (FISP), freezing universal Old Age Security (OAS) and strengthening the income tested Guaranteed Income Supplement (GIS). Overall these proposals would reverse the 1960s trend towards universalism, open the way to targeting benefits to the poorest of the poor and allow the provinces to vary the design of the program to suit their particular preferences. It would also compromise proposals to reform Unemployment Insurance (Guest, 1986:173; Yelaja, 1987:12). In 1971, however, the Quebec government's Castonguay-Nepveau Report proposed a different course of action, recommending the expansion of social welfare programs and a three-tier income security plan. This included strengthening the Family Allowance as well as a two-stage, income tested, Guaranteed Social Allowance Payment (GSAP). The latter would replace social assistance by covering both working and non-working poor. Given Quebec's counter-proposals, there was no federal-provincial consensus on the federal FISP proposal. The proposal also met opposition in the House of Commons and although revised legislation went before the House in July 1972, debate on the Act ran out of time and it died on the order paper.

With the election of a minority government in October 1972, the NDP held the balance of power and the proposal to freeze the OAS was reversed. In the spring of 1973

a new set of proposals outlined in *A Working Paper on Social Security in Canada* (the Orange Paper) called for a review of the entire social security system (Guest, 1986: 178-186). The *Orange Paper* proposals were wide-ranging and organized around the idea of creating a more integrated and comprehensive system. This would involve replacing CAP with legislation to “integrate the income support plans, including existing measures such as job creation and training, family allowances, minimum wages and social assistance, as well as any new problem of the interrelationships between [these] and Canada’s social insurance plans.” (Haddow, 1993:112). Framed as ‘strategies’, the proposals sought to support and bring together both social and employment related services and enhance support to assist the unemployed and social assistance recipients to maintain employment or re-enter the labour market.

Viewing the government’s proposals as simply a means to improve work incentives, the NDP pressured the Minister of Health and Welfare, Marc Lalonde, to strengthen universal programs and demogrants first. The government subsequently agreed to triple the Family Allowance, which had declined in its relative value since it was introduced in 1944, increase the OAS, and protect these programs from inflation by tying them to the consumer price index. These measures came into effect in December 1973 (Guest, 1986:186).

In the meantime the federal government began negotiations with the provinces on the strategies proposed in the *Orange Paper*. These talks were wide-ranging and were dealt with through three inter-governmental working groups on income supplementation and support; community employment; and social services. The strategy was oriented towards supporting employment and reliance on the market through income supplementation and

stronger social services with a new emphasis on ‘rehabilitating’ the long-term unemployed. The proposals maintained a two-tiered system of income security that included an income supplementation program with work incentives for the working poor (effectively a GAI) and a stronger income support program for those not expected to work. These were bolstered by limited financial work incentives, child care and community-based employment and rehabilitative services (Haddow, 1993: 115). Some analysts argued that a new social security system based on these proposals would result in significant improvements for the working poor (Guest, 1986: 190-191) but the strategy was not without its critics who thought that it was unlikely to significantly improve the financial situation of people on social assistance (Yelaja, 1987). Nevertheless, the *Orange Paper* went significantly further than previous proposals and initially received the backing of most of the provinces, especially in Atlantic Canada.

As part of the review, a series of experimental income supplementation schemes designed by Manpower and Immigration to ensure optimal work incentives for low-income workers were tested in some areas of the country. Quasi-experimental community employment demonstration projects using the new ‘rehabilitative’ approach were also developed in regions with higher than average levels of long-term unemployment and social assistance caseloads, including Nova Scotia. Indeed, the context of a growing number of lone mothers on social assistance in Halifax, the Halifax Social Planning Department had taken the initiative to ensure lone mothers on income assistance in Halifax were included.⁹

⁹ Initially told that Halifax did not qualify for the demonstration project because the unemployment rate was too low, the Director of the Halifax Social Planning Department, Harold Crowell, argued that unemployment was particularly high for lone mothers and on this basis Halifax was included as a

However, despite protracted negotiations between 1973 and 1976, a consensus on the overall direction or comprehensive approach to reform similar to what had been achieved on CAP was not reached under the Social Security Review. As Haddow (1993) explains, consistent with their emphasis on universalism and suspicious about the effects on labour of what amounted to subsidized employment, provinces with social democratic governments (British Columbia, Saskatchewan and Manitoba) wanted a single tier social security system that provided more adequate support for all long-term unemployed. Ontario and Alberta were resistant to the idea of income supplementation, however, due to the costs involved. Ontario wanted income supplementation delivered through the tax system. Yet it was not simply a lack of consensus amongst and between the provinces and the federal government that affected progress. The proposals also met with significant barriers within the federal government itself. The strategy's grand design, the involvement of different federal departments, resistance from the Department of Manpower and Immigration to the idea of community employment programs and growing hostility from the federal Finance Department towards Health and Welfare's involvement and the level of expenditures involved were all impediments to a unified federal approach.

In the mid-1970s, inflation and fiscal pressures were increasing and by 1975 the federal government was taking steps to restrain it through wage and price controls as well as to curtail government expenditures (Guest, 1986:196). Health and Welfare appeared willing to push through the income supplementation scheme, and they made more modest financing proposals to Cabinet in 1976, but there was growing resistance to the idea of

component that was specifically designed to encourage the employment of lone mothers. The projects provided lone mothers with on the job training in areas such as personal care work.

social security reform from the Finance Department who attacked the proposal suggesting that any funding for income supplementation should be reallocated from a de-indexed Family Allowance (Haddow, 1993:145). The provinces were also concerned about ongoing federal funding commitments and the problem of absorbing additional expenses associated with a new income supplementation and support program as unemployment increased (Haddow, 1993:144). The federal government scaled back its proposals and backed away from national standards. Even so, Ontario continued to oppose the revised income supplementation plan. Jurisdictional and constitutional issues between the federal government and the provinces were also sharpened with the election of the Parti Quebecois in Quebec in 1976 who were reluctant to allow Ottawa to share in the administration of programs, including an income supplementation scheme (Guest, 1986:196-197).

With a lack of consensus, unresolved jurisdictional and constitutional issues and new economic and fiscal pressures, in 1976 the federal government withdrew from talks on income support and supplementation. There was little to show from the Social Security Review on the income supplementation side other than the development an income tested Family Income Plan in which Saskatchewan reformed its needs-tested welfare program to include more work incentives (Interprovincial Task Force, 1980). In the meantime, several existing federal social programs were affected by spending restraint. Some innovative job creation programs and eligibility for UI for those over sixty-five were discontinued and the Family Allowance was de-indexed (Guest, 1986:196-197). By the end of 1977, NHW was considering unilateral action to use the tax system to deliver

refundable tax credits to the working poor through savings generated from the de-indexation of the Family Allowance.

Talks had continued on social services and community based employment, however, and the federal government's desire to retrieve something from the Social Security Review was the impetus for a Social Services Bill in 1977. Rather than a new program with funding attached, the Bill proposed universal access to employment and other services through the cost-shared CAP program. Under pressure from the provinces, the federal government withdrew the Bill and despite the fact that the new Health and Welfare Minister, Monique Bégin, had reservations, agreed to move towards block funding based on a per capita formula (Haddow, 1993:161). A Social Services Financing Act was put forward in 1978 with only three conditions: removal of eligibility based on residence; acknowledgement of the federal contribution; and the submission of cost and program data to the federal government (Yelaja, 1987:13). Before the Act passed, however, Prime Minister Trudeau ordered across-the-board cuts in federal spending. As the federal government threatened to cut block grants for health and postsecondary education and lower equalization payments, the provinces agreed to the withdrawal of the legislation (Haddow, 1993:161).

The announcement of drastic restraint measures by the Prime Minister in 1978 effectively ended what little remained of the social security review process and there appeared to be little to show for the five years of federal-provincial negotiations (Interprovincial Committee, 1980). McKeen, (2004) argues, however, that the process had given added impetus to the idea of moving away from the universal Family Allowance towards targeted assistance—an idea that compromised support for mothers,

auguring in a new emphasis on targeting and restraint in social programs that would affect the development of gender equality in social policy in the decades to come. Indeed, with savings from a reduced Family Allowances and a reduced tax exemption for dependant children over fifteen, in the 1980s the federal government shifted towards targeting income support to low and moderate-income families through a child tax credit (Haddow, 1993; Myles and Pierson, 1997; McKeen, 2004).

Rehabilitating Lone mothers in the Wake of the Social Security Review

In the post-war period, social policy had been a means of excluding women from the labour market, and although lone mothers had been included in a demonstration project in Atlantic Canada, there had not been much consideration given towards the specific needs of women during the social security review process. Yet according to contemporary reports, the Local Initiative Program, though cancelled as a result of the cuts in the mid-1970s, had been utilized by numerous women on social assistance (Pearson, 1979). The increasing participation of lone mothers in such government initiatives was the result of both social change and limited progress on women's equality.

After the Royal Commission on the Status of Women in 1970, there had been some progress on removing discrimination from federal employment policies and programs. Following the emergence of a national women's lobby group, the National Action Committee on the Status of Women (NAC) in 1972, the establishment of the Canadian Advisory Council on the Status of Women with a mandate to monitor government action on the Royal Commission recommendations and raise issues of concern to women in 1973, and the United Nations International Women's Year in 1975, women's equality issues had been popularized. There was little progress on closing the gender wage gap,

the prevalence of women in low waged service sector jobs, or in developing policies and programs that helped women to combine labour market participation with family care (Porter, 2004; Armstrong and Armstrong, 2001), yet there were efforts to address overt gender discrimination in social policy and labour force participation.

Amendments to the Unemployment Insurance Act in 1971 broadened entitlements and strengthened benefits making it somewhat easier for married women to qualify for benefits and paid maternity leave was introduced for those who qualified for UI (Porter, 2004). There was also some attention given to pay equity. In 1978, equal pay for work of equal value for workers falling under federal jurisdiction was included in a new Human Rights Act, but this was a complaints based process. Gender equity measures in job development programs for the long-term unemployed were only taken after the Advisory Council and women's organizations lobbied more strenuously on the issue (Pearson, 1979). By the end of the 1970s previous labour force attachment was no longer a criterion for participation in federally sponsored job-training programs and low-income lone mothers became eligible to enter these programs (Pearson, 1979). Yet access was limited and women remained over-represented in training for low paid jobs typical of the sex-segregated nature of the labour force.

As Offe (1984) argues, depending on specific economic and social circumstances, processes of 'active proletarianisation' through social policy can be a means of promoting or, in some cases, enforcing labour force participation. The demise of social security review had ended discussions on income supplementation and new sources of funding for social services, but it did not end federal and provincial concerns about growing social assistance expenditures and while formal discussions about ways to encourage labour

force participation had ended, the issue was still in play—especially in relation to the increasing numbers of lone mothers relying on assistance. Despite the unsuccessful attempt to reform Canada's income and social security regime, a variety of quasi-experimental initiatives, demonstration projects and inter-governmental dialogue within the various social security review working groups had stimulated what Hemerijck (2005) calls a process of social learning. This had spawned a body of knowledge and experience about the potential of different measures to encourage employment and reduce reliance on social assistance. The seeds had been sown for a greater emphasis on rehabilitation and support for lone mothers on social assistance, now viewed as in need of support to re-enter the labour market. Under pressure from the provinces the federal government appears to have been willing to push the boundaries of CAP to allow financial incentives so that provinces could introduce transition to work programs and by the end of the decade, the issue was on the public policy agenda of several provincial governments. By 1979 Alberta and Ontario had developed voluntary transition programs for lone mothers (Hurl, 1989) and in the early 1980s Nova Scotia was poised to do the same. As federal restraint began to take effect, however, in some provinces the voluntary 'rehabilitative' focus was overlaid with regulatory requirements (Evans and McIntyre, 1987).

The Nova Scotia Family Benefits Act and Vocational Rehabilitation

There was considerable social stigma attached to being an unmarried mother in Nova Scotia in the 1970s. In letters to the editor and editorials of local newspapers, the socially conservative view was frequently expressed that the disintegration of the family and child bearing outside of marriage was due to easier access to social assistance. Nevertheless, an examination of Department of Social Services (DSS) Annual Reports show that during

the 1970s addressing the perceived needs of young unmarried mothers had become an increasing focus of attention.

In 1977 the Department developed a proposal to study young unmarried mothers who opted to retain the care and custody of their children. A longitudinal research study was federally funded in 1978 to better understand the issues and identify how the department should respond to their needs (Nova Scotia *Annual Report*, 1976/77:168-169; 199). As I discuss below, when the first stage findings were published in 1981 it provoked a polarized public debate about the family, unmarried mothers, welfare and women's employment. Indeed, a foretaste of the moralistic tone of this debate emerged during debate on a new Family Benefits Act in 1977 when in response to information that the number of unmarried mothers on welfare was growing, one MLA asked whether this was because the system now 'favoured the unmarried state' (Hansard, *Assembly Debates*, April 18, 1977: 1284).

The Family Benefits Act was introduced in 1977 and at the same time Part II of the Social Assistance Act that covered disabled and lone mothers who qualified for provincial benefits was rescinded. The rationale for re-naming the provincial program was obscure (Fay, 1999) but the stated purpose was that it would remove some of the social stigma associated with social assistance. The federal Social Services Act (1977) proposed to replace the Canada Assistance Plan and the Vocational Rehabilitation of Disabled Persons Act. In the end, this Act was withdrawn, but changes to the federal-provincial agreement related to rehabilitation services for the disabled allowed the Family Benefits Act (1977) to introduce a limited employment incentive of \$100 a month for disabled recipients. It is possible that there was the expectation that a similar

arrangement would allow the province to expand 'rehabilitative' services and work incentives to lone mothers. Indeed, in the debate on the Family Benefits Act the Minister indicated in response to a questioner who suggested people with disabilities and lone mothers with young children could not be expected "to go out into the labour force and compete for jobs," that the idea of providing job counselling and employment preparation to re-entry women and lone mothers was already actively being pursued through a Canada Employment and Immigration (CEIC) pilot project in Truro. What he didn't mention was that it was already happening in Halifax.

The 1976/77 Department of Social Services (DSS) Annual Report noted that a small initiative in the Halifax region, possibly a spin-off from the federally sponsored demonstration project, provided counselling to lone parents and that a similar project was operating in Dartmouth. After the Family Benefits Act came into effect, DSS increased its efforts to include lone mothers in rehabilitative services. These interventions initially focused on mothers' parenting skills and the welfare of children, but they quickly came to include counselling on future employment plans. The 1978/79 DSS Annual Report noted that a submission had been made to Health and Welfare Canada regarding earning incentive provisions under the Canada Assistance Plan. In the same year, the Department cooperated with Halifax Social Planning on a small integration project in which municipal staff visited new unmarried mothers applying for Family Benefits to assess their needs and provide counselling relating to parenting as well as employment potential. This arrangement was formalized under an agreement in 1978 (*Annual Reports, 1978/79:141*). By the end of the decade, these counselling programs had expanded to other municipalities in the metro area. In what was described in 1980/81 Annual Report

as a 'rehabilitation program', interventions with lone mothers were also in effect in industrial Cape Breton.

Limiting eligibility for unmarried mothers

The DSS Rehabilitation Division had expanded its rehabilitation services in response to rising social assistance caseloads, but in a context of fiscal restraint the Department began to introduce measures to restrict the access of lone mothers to Family Benefits. In 1979, DSS conducted a review of the Family Benefits program. In 1980 changes were made to the rate schedule whereby benefits were calculated based on need rather than on family size. Revised regulations extended work incentives to heads of families on disability benefits who participated in the labour market and steps were taken to encourage wives of disabled men to enter or re-enter the labour market. At the same time amendments to the Family Benefits Act reversed the trend to broaden eligibility criteria for provincial benefits (Fay, 1997). The 1980 amendments again limited the eligibility of teenage unmarried mothers and restricted eligibility through more stringent child support requirements. The obligation that lone mothers apply for a court order for child support before becoming eligible for Family Benefits was written into the regulations. By the mid-1980s, this was interpreted to mean that the court order had to be in process before eligibility could be considered.¹⁰

These measures effectively downloaded Family Benefits cases to the municipalities because Court orders took a minimum of six months to process and in the interim those without other means of support had to remain on municipal assistance. Outside of

¹⁰ See S.14(3)(b), Family Benefits Schedule B Regulations, 1980. Obtaining a court order did not guarantee that child support would actually be received and until measures in 1990s allowed the Province to collect child support payments, the court ordered amounts for child support were automatically deducted from welfare cheques before they went to clients (Interview, Jeanne Fay, Dalhousie Legal Aid).

Halifax, municipal benefits were considerably lower than Family Benefits and they also did not offer the same kind of protections from work requirements as the Family Benefits system. Applying for a court order also entailed a willingness on the part of the mother to identify the putative father. Mothers who refused to do so were refused Family Benefits and had to rely on municipal assistance. Such measures demonstrate the way that gendered residualism is embedded within social assistance regulations. They not only assume dependency on male support, but they become a form of enforced dependency by linking receipt of welfare to compliance (Armitage, 1988). At the same time, the regulations also embody moralistic criteria (Little, 1998). Indeed, while restricting eligibility downloaded part of the caseload to the municipal level and this was a way to deal with fiscal restraint in the context of Nova Scotia's two-tier system, it may also have been influenced by growing moral anxiety amongst social conservatives about the provision of social assistance to teenage lone mothers and what in the minds of some was state support for the 'disintegration of the family.'

Escalating struggles over welfare in the public discourse

As I pointed out in chapter two, Nova Scotia's welfare regime had been founded on a particularly strong version of 'less eligibility' that until the early 1960s maintained remnants of the Poor Law, enforced employment for those deemed able-bodied and relied on a meagre means tested Mothers Allowance that fostered lone mothers' dependency on male support or other family members. After the emergence of CAP in 1966 the two-tiered system, low benefits and the conservative regulatory regime upheld the work ethic for single recipients and male family heads on municipal assistance, but for lone mothers the pattern of enforced dependence on male support was disrupted somewhat by higher

benefits based on need and stronger entitlements to welfare. Access to welfare for young unmarried lone mothers, however, appeared to threaten traditional ideas about marriage, gender roles and the family. Social assistance increasingly became a site of struggle in the public discourse as social conservatives depicted lone mothers on welfare in a negative light or advocated for greater restrictions on welfare and anti-poverty and feminist organizations resisted measures to limit access to Family Benefits.

It can be argued that a socially conservative approach to welfare in Nova Scotia was fostered by the political economy of the region and by cultural and religious values. Religious affiliation and church attendance was relatively high and religious values played a relatively prominent role in public and private life. As in other provinces, however, various forces of social change were calling into question traditional ideas about marriage and the family and the view that mothers with young dependent children should not work in the labour market was also being challenged by social and economic realities. By the late 1970s, there was a growing anti-poverty voice that was speaking up about the oppressive nature of the welfare system and a burgeoning women's movement advocating reproductive rights and economic and social equality for women (Fingard, 2005). The issue of provision of welfare for unmarried mothers and the shift towards rehabilitative transition to work programs, therefore, occurred within a political discourse that reflected increasing anxiety about the changing gender order on the one hand and the growing strength of feminist and social liberal forces that emphasized social rights and gender equality on the other.

The catalyst for the debate was the changing eligibility restrictions discussed above and the publication of findings from the *Vulnerable Mothers, Vulnerable Children* study

in 1981 that presented a generally positive view of the parenting and coping skills of young lone mothers and argued for more supportive services so that they could raise their children alone. The debate reflected considerable moral anxiety about the state of the family and illustrated the stigma and stereotyping attached to lone mothers on welfare as questions about 'unwed mothers' and their access to social assistance and social services came to the fore, but it also reflected tougher views about welfare as well as changing attitudes about women's roles.

Several people, including a highly influential Roman Catholic bishop with a regular column in *The Chronicle Herald* argued that no financial assistance should be given to unmarried lone mothers because it encouraged sexual immorality. Others depicted unmarried mothers as intentionally becoming pregnant so they could have a 'comfortable' life on social assistance. The proponents of these views advocated for a more robust and gendered version of 'less eligibility' that would strengthen parental control, support marriage or enforce women's dependency on the family by tightening regulations and removing unmarried mothers from social assistance rolls. These were not the only views expressed in the debate, however. Taking what can best be described as a classical liberal view, some expressed concern about the growth of welfare spending and the erosion of values related to individual responsibility and the work ethic. They advocated a tougher welfare to work approach. Other more social liberal voices were concerned about unintended pregnancies amongst teenage girls. They argued that the real problem was the lack of sex education in the schools and counselling and awareness about family responsibilities. Finally, in a context in which feminists were demanding greater equality and autonomy for women, women's rights groups (including a recently

appointed quasi-government agency, the Nova Scotia Advisory Council on Women), promoted the idea that lone mothers should be supported to make a transition to work in ways that would help them to establish independent lives.

While department officials appeared committed to the provision of counselling and services to encourage lone mothers to prepare for the labour market, the Minister responsible, Edmund Morris, was inclined to support policies that maintained traditional family values. In the context of continuing public debate on the *Vulnerable Mothers* report, the Minister asked the government-appointed Social Welfare Council to consider the study's findings and to make recommendations on the basis of public input.

The Council's Report, published in June 1982, was critical of the premise of the *Vulnerable Mothers* study, arguing that its "underlying assumption was that out-of-wedlock pregnancies are acceptable and that the state must provide for the unmarried mother and her child." Although it noted that input from those invited to respond to the review had been disappointingly low, it argued the study had not addressed "the extent to which the community feels that unwed parents must accept responsibility for their own and their child's well-being" (Report: 4). It stated that committee members "overwhelmingly rejected providing public money to support unmarried mothers" unless there were controls or requirements imposed on mothers and on the putative fathers in terms of respecting their familial responsibilities (Report: 36). It recommended that the eligibility of unmarried mothers below age nineteen for Family Benefits should be restricted, that applicants for welfare should be more closely scrutinized, and that provision of assistance should be tied to a recommendation from child welfare authorities.

In an attempt to prevent young unmarried mother from opting to raise their children on social assistance, the position of the Council appears to have been influenced by the social conservative approach. With calls for time limits on eligibility for Family Benefits, there was also evidence of an emerging neo-liberal approach in the report's recommendations. These views were mitigated somewhat by the more social liberal concepts of prevention and rehabilitation. The report called for better access to support and services to encourage a transition to employment and more sex education in schools, endorsed counselling in life skills and child-care, and recommended that recipients should be provided with support to continue their education and with improved access to job training. The government accepted these recommendations and plans were announced to increase incentives and supports for lone mothers to re-enter the labour market by expanding its somewhat limited 'rehabilitative' services. After remarks by the Minister about new measures to reduce the caseload and the need for lone mothers to "break the tender trap of welfare", it was uncertain in the context of the Council's recommendations about employability programs, whether participation in the program would remain voluntary.

Amendments to the Family Benefits Act, 1983

By 1983 some provinces re-designating lone mothers previously regarded as unemployable or 'long-term' recipients as 'employable' and introduced regulations that, based on the ages of dependent children, required lone mothers to take steps to become employed (Evans and McIntyre, 1987). Though it is doubtful whether these regulations were actively enforced through sanctions due to limited childcare and to some extent the CAP condition that assistance should be based on need, they did put increased pressure

on lone mothers to look for work. As I explain below, in Nova Scotia the categorical unemployable designation was removed from Family Benefits regulations in 1983, but in practice the 'employable' designation was discretionary and the transition from welfare to work remained voluntary, though this was not necessarily the case for lone mothers who remained on municipal assistance or had been transferred because their children were no longer considered dependents. At the same time, the Department moved to restrict social assistance for young unmarried lone mothers.

In early 1983, several amendments to the Family Benefits Act, the Child Maintenance Act and the Children's Service Act (Bills 60, 61, and 62) were proposed that together limited eligibility for Family Benefits for teenage lone mothers, promoted dependency on the family or male support, but at the same time proposed new measures to ensure a transition to work for lone mothers over nineteen. The proposed regulation changes would place first responsibility for financial maintenance on the father of the child and made unmarried mothers under age nineteen ineligible for assistance. To be eligible for Family Benefits, unmarried mothers over nineteen would be required to name the putative father, identify his whereabouts and obtain a maintenance order. This was to take precedence over any other financial liabilities of the father. Where support from the father was not available, teenage mothers were to be considered dependents of their parents. They or the father's parents were deemed responsible for child maintenance.

Women's, welfare rights and anti-poverty advocacy groups regarded these proposals as highly moralistic and regressive and an invasion of privacy. One feminist organization argued that the amendments would force lone mothers to make decisions that were not necessarily in their best interests and would leave young lone mothers with the difficult

choice of relying on parents or grandparents for support, choosing marriage with perhaps an unsatisfactory partner, giving their child up for adoption or having an abortion (CRIA W, Nova Scotia; May 6, 1983). A protracted protest spearheaded by members of Dalhousie Legal Aid Services and a community-based coalition called the Social Security Review Task Force argued that making lone mothers under nineteen ineligible for assistance contravened the terms of CAP. Although the legality of the amendments was never tested in the courts, the agency threatened to pursue an equality rights case under the new Canadian Charter of Rights and Freedoms that had come into effect in 1982.

The proposal to make a regulation change designating lone mothers as ‘employable’ was challenged by women’s equality groups on the grounds that this would lead to undue pressure to look for employment. Women’s groups recognized that many lone mothers on welfare wanted to find employment but that given the limited opportunities in the labour market, the lack of child care, low wages for women and lack of support within the welfare system, there remained numerous barriers to doing so (CRIA W, 1983). They believed that while women should be supported to make a transition to the labour market, this should be a matter of choice. In light of the Social Services Council’s estimate that there were approximately 7,239 lone parents on social assistance, they pointed out that mandatory provisions were unenforceable because child-care spaces were unavailable. These objections were met with an announcement that fifty subsidized child-care spaces would be set-aside for participants in the program, clearly less than adequate if the program was intended to reach all lone parents in the system.

When the amendments to the Family Benefits Act came up for second reading, the blanket exclusion of lone mothers under nineteen had been replaced by conditional

eligibility. As a last resort, these lone mothers could become eligible for Family Benefits if five other sources of assistance were unavailable. These included the child's father, the mother's own parents and the parents of the father. By assigning responsibility for support to other family members and enforcing child support, the provisions still maintained the concept of enforced dependency, conditions which had characterized social assistance in the pre-CAP era of the Poor Law and Mothers' Allowance. These amendments were never tested in the courts but the rules were frequently challenged by Dalhousie Legal Aid and in practice they were often hard to enforce.

An employable designation was included in the legislation, but there was no compulsory requirement to look for work and regulations left its application up to the discretion of the Director of Social Assistance based on the availability of employment and 'the best interests' of individual clients in specific cases. In practice the designation was applied to lone mothers involved in career counseling, which continued to be voluntary. Similar work incentives that applied to disabled family heads were extended to lone mothers and would include a \$200 deductible plus a 25% exemption on gross earnings.¹¹

The Career Planning Program

In 1983, the Department went ahead with a province wide Vocational Rehabilitation for Single Mothers Program (later re-named the Career Planning Program for Single Parents) that would include career counseling and an allowance of up to \$200 a month for books and childcare expenses to enable participation in educational upgrading or training

¹¹ Sub-sections (1) and (2), Section 13 of Schedule "A" of the Family Benefits Act and Regulations, Section 18, Ch.8 of Statutes of Nova Scotia (Nova Scotia, 1977).

programs.¹² It also announced that it would decentralize the administration and delivery of Family Benefits to facilitate development of the new vocational rehabilitation program at the regional level. Belying the notion that lone mothers wanted to stay on welfare, capacity to cope with the number applying to participate in the program was inadequate due to limited resources. The government had planned on less than a hundred applicants initially, but the Department was inundated with requests to participate (Interview, Employment Counselor, August 1990).

The program's development remained limited not only because there was limited human resources to deliver it but also because services and supports such as child-care, educational upgrading, and government sponsored job training to enable a transition to employment were inadequate. Staffing expanded somewhat during the 1980s in an attempt to keep pace with demand, but by 1990 the program was still under-resourced with only five employment counsellors for the whole of the province and long waiting lists of lone parents waiting to be assessed for entry into the program. The education and training allowance and work incentives developed in 1983 remained unchanged until a major overhaul of the system in the late 1990s resulted in a significant shift in welfare to work policies and practices.

Moreover, lone mothers on municipal assistance were not eligible for the Career Planning program even though employability requirements were in effect for 'able-bodied' recipients on municipal assistance (Blouin, 1989). Yet due to the more restrictive Family Benefits eligibility requirements and the longstanding practice that when dependent children reached adulthood or left home lone mothers were transferred

¹² A successful court challenge in 1987 by Dalhousie Legal Aid under the gender equality provisions in the Canadian Charter of Rights and Freedoms resulted in single parent fathers being eligible for Family Benefit. To reflect this, the program was re-named the Career Planning with Single parents program.

back to municipal assistance, more lone mothers were relying on municipal assistance during the 1980s. After the amendments to the Family Benefits Act, however, Halifax introduced work incentives into the municipal system, as did some other municipalities in the province, but due to the two-tier system and municipal authority over benefits, incentives varied significantly. While there is little evidence that lone mothers with young dependent children were forced into employment, there was considerable pressure on women whose children were in school or had left home to look for work.

In the context of higher rates of unemployment and fiscal restraint during the 1980s, provincial downloading of the costs of social assistance to municipalities would become an increasingly contentious issue during the 1980s. Moreover, the polarized struggles between the government and anti-poverty and feminist groups continued. In 1987, following a court ruling on a breach of confidentiality involving an unmarried mother who refused to name the father of her child, Edmund Morris resigned his post as Social Services Minister (Little, 1998).

A Turn Towards the Market in Employment and Social Security Policy

Along with women's drive for more economic independence, financial necessity was now contributing to the growth in the labour force participation of mothers (Armstrong and Armstrong, 1994). Yet shifts in the political economy and government economic and social policies were affecting conditions for lone mothers and their ability to maintain their households. During the 1980s the number on social assistance in Nova Scotia increased significantly (Department of Social Services, Annual Reports).

The economic and fiscal crisis that had precipitated the final demise of the Social Security Review in 1978 was not just a temporary problem but was an indicator of

longer-term structural changes in the economy. Policy responses at the federal level indicated a shift away from the social liberalism of the late 1960s and early 1970s towards neo-classical economics and what Haddow (1993) calls 'straight forward' liberalism. By the end of the 1970s, the federal government had abandoned its long-standing definition of 'full employment' upon which Keynesian economics and the post-war development of the welfare state had been based and in 1979 Unemployment Insurance entitlements were cut and benefits were reduced from 67 to 60 percent of weekly insurable earnings—an early indicator of what was to become a long period of spending restraint in social programs in the 1980s and 1990s (McKeen, 2004:51-52).

In 1980, an Inter-provincial Task Force appointed by provincial governments to respond to the demise of the Social Security Review registered concern about the effects of the UI cutbacks on social assistance caseloads, but it did not challenge the need for reform. Nevertheless, it warned that unless reforms were sensitive to the consequences of change for the whole system, there could be "a marked disintegration of social assistance programs, at worst leaving some persons in unconscionable poverty and at best resulting in further strains to federal-provincial relations" (Interprovincial Task Force Report: 113). It suggested that there could be dire consequences if nothing was done to address growing case-loads and the lack of integration between federal and provincial policies and programs. The report recognized that any major changes would be difficult due to fiscal pressures and jurisdictional difficulties, especially those related to the unresolved issue of which level of government was responsible for the long-term unemployed, but it argued that many of the problems could be resolved without the necessity of a grand redesign of social security programs. Solutions could be found in

new administrative and delivery arrangements, changes in program structure and design, new procedures for federal and provincial decision-making and in the final analysis, through constitutional change (*Report*: 114). During the 1980s and 1990s each of these solutions would be attempted.

In the early 1980s there was a move away from job creation in favour of supply side approaches to unemployment with the development of the National Training Act in 1982 (Daenzer, 1990; Kerans, 1990; Riches, 1990). The new national training program that emerged was intended to “ensure industry access to the skills required for expansion, and to assist individuals to obtain the skills they needed to be more productive and to compete in the labour market...” (Canada. Employment and Immigration, 1983; cited in Daenzer, 1990). The program marked a shift towards a labour supply orientation in government policy under the assumption that “little if anything, would be done to create structural changes to induce a greater demand for jobs” (Daenzer, 1990 p.70). The role of government policy was to make workers more employable through training programs (Yates, 1995)

The federal government continued to purchase institutional training from the provinces delivered through community colleges and vocational schools but the industrial training component subsidized employers to (re)-train for up to two years those workers with significant occupational attachment who were threatened by market changes. The program came under criticism from women’s organizations for its lack of attention to gender equity, failing to take women’s training needs into account and catering to the short term labour demands of employers rather than developing marketable skills (CLOW, 1985). Although the National Training Program made training available to

social assistance recipients, in practice it introduced a training hierarchy and eighty percent of expenditures and participation under the component for people with little labour force attachment went towards providing literacy and pre-employment upgrading, basic skills training, or changing attitudes and work habits through life skills and work readiness programs (Daenzer, 1990). Shortly after a Conservative government was elected in 1984, the National Training Program (but not the Act) was replaced with the Canadian Jobs Strategy (CJS).

The CJS program was not significantly different from the National Training Program in its overall objectives and it maintained a supply side approach, but it was a further step towards privatised training (Daenzer 1990). By shifting responsibility for delivery to the private sector, the CJS reversed long-standing federal policy of offering job training seats through provincial government institutions. In emphasizing employer-driven job training, it also conceived of training as involving a more direct match between human resources and current labour market demand (Daenzer, p.84). The CJS, therefore, emphasised work experience and on-the-job training. Despite some reservations about the privatized nature of CJS job training, as result of lobbying by women's groups such as CCLOW, a Re-Entry component specifically targeted to women seeking re-entry into the labour market had been included in the CJS program. Though the CJS continued along labour supply lines, Daenzer argues that the program also continued the practice of what she called "selective rationing" whereby human services workers in provincial and municipal welfare offices and federal employment centers acted as 'gatekeepers' for access to programs. As I explain in Chapter four, this was mainly accomplished through

a process called ‘creaming’ whereby private trainers selected those participants most likely to succeed in getting a job.

The Macdonald Commission, the Nielsen Task Force and the Forget Commission

Under increasing pressure from supply side economists and right-wing think tanks to develop more market oriented economic and social policies, three influential government reports published in the mid-1980s illustrate the federal government’s turn towards greater reliance on the market. Indeed, the *Macdonald Royal Commission on Economic Union and Development Prospects for Canada* (1985), the *Nielsen Task Force on Program Review* (1985) and the *Forget Commission on Unemployment Insurance* (1986) have been viewed as pivotal turning points in consolidating the shift towards market liberalism in the late 1980s and 1990s (Riches, 1990; Kerans, 1990). Together, they “worked to create a context at the national level in which income security programs such as social assistance and unemployment insurance could be seen largely as devices for regulating labour in terms of the principles of the market place” (Riches: 112). Kerans (1990) argues though that they also put forward the rather contradictory notion that although unemployment was to be understood as the inevitable result of market forces and beyond the control of governments, it was only through the market that Canadians could find any relief from unemployment (p. 62).

The Macdonald Commission was established by the Liberal government in a context in which economists were arguing that the economic problems that had emerged in the late 1970s were due to structural changes in the economy, driven by the development of more globally oriented financial and technology sectors, by increased global competition, the relative decline of jobs in the good providing sectors and the growth of a relatively

low-waged service sector. The Commission's main concerns, therefore, were economic growth, productivity, competitiveness and trade, but its mandate also included consideration of whether Canada's income and social security programs impeded adjustment to structural changes in the economy and economic development.

The most prominent outcome of the Macdonald Commission was the development of a free trade agreement with the United States in 1988, but the Report also recommended a new direction for social policy. It argued that the solution to higher unemployment lay in addressing deficiencies in labour supply for the 'new' economy, greater de-regulation, and labour flexibility to improve productivity and global competitiveness, as well as more control over social spending and the deficit. To make social programs more compatible with these goals, the Report suggested a Transitional Adjustment Assistance Program (TAAP) to improve labour market adaptability through retraining and labour force mobility, encouraging the unemployed to move to where jobs existed (Kerans, 1990; Kesselman, 1986). The Commission also proposed changes to social security programs by amalgamating some personal tax benefits and programs such as the Family Allowance and reforming Unemployment Insurance and welfare programs to create a Universal Income Security Program (UISP).

The UISP was basically a negative income tax or a form of guaranteed minimum income that could be supplemented by earnings. As Myles and Pierson (1997) argue, this idea was already well-established in Canadian government social policy circles—in FISP in the early 1970s and the Social Security Review proposals. The proposal, however, was unlikely to raise basic incomes beyond existing social assistance levels and would require the abolition or significant amendments to CAP. Moreover, unlike earlier proposals, the

UISP proposal was made in a context of high unemployment and fiscal restraint (Myles and Pierson: 10-11). By providing some incentives to increase work effort amongst social assistance recipients and other low income Canadians, the recommendation's main purpose appeared to be little more than allowing adaptation to a low wage economy. Not surprisingly, it met with resistance from organized labour and anti-poverty groups and, in a context of fiscal restraint, from some of the provinces. The UISP recommendations were not implemented as they stood. Yet, by linking the need for social security program changes to what the Macdonald Commission regarded as necessary adaptations to the new economic environment, the Commission's Report set the stage for the future direction of federal social security policy (Kerans, 1990).

In keeping with the overall approach in the Macdonald Report and the turn towards identifying 'dependency' in income support programs, the majority Report for the Forget Commission on Unemployment Insurance (UI) published in 1986 argued that the UI program was too generous, contributing to higher rates of unemployment. It recommended that changes such as the elimination of extended regional benefits and measures such as mobility grants and job training aimed at returning the unemployed to the work force were needed to both re-emphasize the work ethic and return to strict insurance principles (Kerans 1990).¹³

The Macdonald and Forget Commissions had been established under a Liberal government. With a mandate to examine efficiency in government expenditures, including the rise in higher social assistance expenditures, the *Task Force on Program Review*, chaired by cabinet minister Eric Nielsen, was established shortly after the 1984

¹³ For more on the Macdonald Commission see D. Macdonald Report: Royal Commission on Economic Union and Development Prospects for Canada Vol II (Ottawa, 1985) pp. 616-619; 769-805; 794-801, cited in Kerans 1990.

election of a Conservative government. The Task Force picked up on ideas in the MacDonald Commission and initially proposed to amend CAP to discourage welfare 'dependency' and encourage employment. Though there had not been full inter-governmental agreement during the Social Security Review process, some provinces at that time had argued that some of the Review's goals could be achieved through CAP reform (Haddow, 1993). With higher social assistance caseloads and "off loading" by the federal government in the fields of welfare, health, higher education, however, there was now little appetite for CAP reform. Several provinces, including Nova Scotia, feared that in the current fiscal climate any radical changes to the cost shared arrangement would favour block funding and more offloading to the provinces. At a federal-provincial meeting of social services ministers in April 1985, the provinces argued that social program expenditures were increasing in their jurisdictions because of higher unemployment and federal offloading (Riches, 1990). As unemployment and job development were federal responsibilities, there needed to be a stronger federal response to this problem. Current federal labour market policies were not helping, because the new Canadian Jobs Strategy (CJS) criteria introduced to replace the National Training Program by the Conservatives in 1984 did not meet the employment needs of social assistance recipients.¹⁴

The Inter-provincial Task Force Report had argued that solutions could be found in new administrative and delivery arrangements, changes in program structure and design, and new procedures for federal and provincial decision-making. In keeping with these recommendations, the provinces now made the case that the federal government should

¹⁴ Canada Department of Employment and Immigration 'The social Assistance Recipients Initiative: Background and Outline' (September 15 1985).

begin by addressing the need for better program integration to help the unemployed, and in the longer term, address the problem of haphazard social policy development, which it argued had been induced by unilateral federal decision-making. Given a lack of federal-provincial consensus on the issue, therefore, the Nielsen Task Force backed away from the idea of radical CAP reform.

The idea of CAP reform was not abandoned entirely, however, and some of the larger provinces argued that there was an overall need for changes to provincial social assistance programs with CAP provisions that would allow a re-orientation towards employment. Some provinces, including Nova Scotia, had concerns about the potential demise of protections against mandatory welfare to work programs but several had already introduced policies and regulations requiring lone mothers to take steps to move from social assistance to employment (Evans and McIntyre, 1987). Indeed, by 1986 Ontario had embarked on broad a social assistance reform process that through consultation and the involvement of social assistance recipients in the planning process proposed to develop a coordinated and more supportive transition to employment infrastructure.

With the agreement of most of the provinces, the Task Force recommended that both federal and provincial funds under CAP should be directed towards a new job development program focused on reinforcing work-oriented goals amongst social assistance recipients (*Report of the Task Force on Program Review*, 1986:15-18). The Report also proposed allocating more training spaces to social assistance recipients through the CJS program. While these would be directed towards 'employable' social assistance recipients and family heads initially, the report also noted the growth of lone

mothers on social assistance case-loads and identified long-term social assistance 'dependency' as a problem. Given the other issues that had been raised by the provinces, it also proposed that governments work collaboratively to develop the new program with the aim of helping the two levels of government examine various regulatory and policy barriers related to social assistance recipients and employment.

The Employability Enhancement Initiative

The federal-provincial negotiations that followed culminated in the fall of 1985 in a multilateral agreement between the federal government and the provinces to develop a joint Employability Enhancement Initiative (*An Agreement Regarding Enhancing the Employment Opportunities for Social Assistance Recipients*, 1985). The agreement committed the federal, provincial and territorial governments to work to "remove key obstacles to the employability of social assistance recipients" and to "make maximum use of the Canadian Jobs Strategy, the Canada Assistance Plan, and other employment and training programs, to assist social assistance recipients attain and retain employment" (F/P/T Agreement, September 17-18, 1985). The agreement stipulated that participation in the Canadian program was to be voluntary and conform to the principles of CAP.

Under the assumption that the costs of the program would be offset by shortening the length of time recipients remained on social assistance, the Initiative would divert money to job training similar to what already existed under the Canadian Jobs Strategy (CJS) and to other projects or programs to enhance employability of social assistance recipients. The rationale for diverting funds through CAP for employability programming and job training was that the program would be cost-shared and the Initiative's goals could be achieved without additional financial resources flowing through new program. This

would entail some changes to CAP so that social assistance recipients could take advantage of training allowances and wage subsidies.

The provinces had argued that the CJS program had failed to promote the entry of social assistance recipients into job training programs. The Initiative was predicated, therefore, on overcoming bureaucratic obstacles to moving welfare recipients back into the labour force. While these were viewed as arising from the lack of harmonization in programs run by different levels of government, it can be argued that bureaucratic obstacles were also legacies of the bifurcated income and social security system and gendered residualism. The framers of the Initiative, however, focused on the inter-governmental and inter-departmental cooperation required to achieve the overarching goal of removing impediments to participation in employability programming and the maintenance of employment. The development of the multi-lateral accord, therefore, used a 'four cornered' approach involving federal and provincial departments responsible for both social assistance and job development and skills training. A similar approach was called for in the management and delivery of provincial programs under bi-lateral agreements. The changes were less radical than originally envisaged (or perhaps hoped for) on the part of the federal government and some of the provinces, but on the face of it, the Initiative appeared to be a response to some of the criticisms in the 1980 Inter-provincial Task Force Report.

The Nova Scotia Agreement

Bilateral Employability Enhancement Agreements were negotiated between the federal government and each of the provinces except Quebec between 1985 and 1988. The Nova Scotia government delayed signing the bilateral Employability Enhancement

Agreement until the end of 1987 due to apprehension within the Department of Community Services (DCS) about the short time frame for the program, its experimental nature, and its longer-term implications for the maintenance of CAP and cost-sharing arrangements. Other concerns were what could be accomplished to improve the employability of clients within the three-year time frame, and skepticism about the federal government's longer term commitment to continue to support employability enhancement programs (Interviews, DCS officials, 1990). These concerns were not without foundation. The federal government had already cut back on transfers to the provinces and the fear was that diverting CAP funds towards job training could set a precedent for more offloading. Given the two-tier social assistance system and the underdeveloped infrastructure in Nova Scotia, there were also concerns about the Province's capacity to take full advantage of a welfare-to-work program. This was exacerbated in the context of the threat to cost-sharing principles under CAP and the federal government's tendency to develop short-term initiatives leaving the province to pick up full support later.

Financial considerations and cost-sharing, however, were not the only concerns of departmental officials. While some DCS officials thought that an initiative focused on the removal of barriers to employment could assist the province to modernize and develop its capacity to support existing efforts, others had reservations about the program itself. The initiative followed closely on the heels of legislation in the United States that authorized states to introduce mandatory workfare programs and demonstration projects that required recipients to participate in work, education or training programs (Hardina, 1994). Some senior departmental officials worried that despite current commitments to a

voluntary program, the federal-government was leaning towards CAP reform, which could open social assistance to mandatory workfare.

The province, however, was under considerable pressure from the municipality of Halifax to sign an agreement (Interviews with DCS and Halifax Social Planning officials, 1990). Under its head Harold Crowell, the Halifax Social Planning Division had been a strong advocate of welfare to work programs since the mid-1970s. The unit had successfully pursued federal funding for a number of job creation and employment projects for municipal social assistance recipients. By running close to the edge of the CAP rules, in the late 1970s the Division had established the Human Resources Development Association, a registered corporation that created jobs and established businesses that employed the disabled and other social assistance recipients. With the changes to federal job development programs in the early 1980s, however, there was less money available to develop such projects and Division officials were of the view that social assistance recipients experienced difficulties accessing job training under the Canadian Jobs Strategy (CJS) because the entry criteria did not fit their profiles (Interview, Social Planning Official, 1990).

Thus once the federal-provincial multilateral agreement was signed in 1985, Halifax officials urged the provincial government to sign a bilateral agreement. Indeed, while Nova Scotia dragged its feet, the Halifax Social Planning Division was determined to get what it could out of the new Employability Enhancement Initiative and officials initiated direct discussions with the federal government about funding an employment resource centre in Halifax as a demonstration project. In these circumstances, the Nova Scotia government could no longer afford to sit on the sidelines and despite ongoing

reservations and competing views within the DCS, Nova Scotia signed a three-year agreement under a Letter of Understanding in November 1987.

In the meantime, provincial-municipal tensions surrounding social assistance and skepticism amongst anti-poverty advocacy groups about the policies of the provincial government and the new employability enhancement initiative did not bode well for the inter-governmental and community cooperation that would be required to implement the SARS program in the context of a two-tier system in Nova Scotia. As I explain in the next two chapters, the programs developed under Initiative were to lay the ground for social assistance gender regime change in Nova Scotia.

CHAPTER IV: THE DEVELOPMENT OF THE EMPLOYABILITY ENHANCEMENT INITIATIVE IN NOVA SCOTIA: 1987 – 1991

The goals of the 1985 Employability Enhancement Accord were to reduce the length of time social assistance recipients spent on welfare through the delivery of privatized job training and employability programming partially funded through CAP and to address various regulatory obstacles that prevented recipients moving more permanently from welfare to work through bureaucratic collaboration between federal and provincial governments. As I explain in this and the next chapter, the development of the Social Assistance Recipients Program (SARS) funded under the Initiative in 1987 played out in the context of the effects of regional under-development and against a backdrop of growing rates of unemployment and social assistance caseloads exacerbated by the collapse of the ground fishery, a growing emphasis on restraint in social spending, little capacity to deliver a province-wide employability program and few resources to support lone mothers in the process. Declining resources for job training specifically directed to women also affected the course of the SARS program.

Most importantly in relation to the longer-term goals of the Initiative, with a two tier system and over sixty municipalities delivering welfare to 'employable' recipients and limited capacity to deliver privatized job training or employability programs, the Nova Scotia government faced various institutional challenges to meeting the Initiative's goals through the SARS program. Yet due to the experimental nature of the Initiative, the SARS program allowed for flexible implementation and delivery strategies. As I demonstrate in this and the following chapter, over the nine years the program was in effect, an employability infrastructure and capacity to deliver welfare to work programs

to both income assistance and Family Benefits recipients were developed, laying the ground for the development of more gender-neutral welfare to work programs directed to lone mothers.

This chapter examines the various bureaucratic, policy and capacity challenges associated with implementing the Nova Scotia SARS program and responses to these at federal, provincial and local levels between 1988 and 1992 when the first Canada-Nova Scotia agreement officially came to an end. At the inception of the program some municipalities were reluctant to participate due to growing strains in provincial-municipal relations over cost-sharing and downloading and limited capacity, but the Halifax Social Planning Division had lobbied for the program and with some experience in the area already, it was particularly keen to obtain funding to develop employability programming. It demonstrates that by developing a de-centralized implementation structure, program managers were able to build capacity at the local level. Initially relying on private trainers and a limited number of businesses and municipalities willing or able to participate, municipal income assistance agencies became involved in delivering employability programming, despite the growing tensions between the municipalities and the Province. By fostering the development of employment resource centers that led recipients through various processes to promote their 'employability', the City of Halifax Social Planning Division played a key role in social learning and capacity building. The experimental nature of the program also fostered collaboration between Social Planning and the Family Benefits Career Planning Program on new employability processes and practices directed to lone mothers.

The chapter demonstrates, therefore, that collaboration, de-centralized planning and formal and experiential social learning processes went some way to facilitate and build the inter-governmental relationships necessary for program development, allowing policy planners, managers and service delivery actors to adapt regulations and program priorities, strategies and practices to meet the pre-defined, but changing employability imperatives of the Initiative. At the same time, the chapter critically examines the goals of the Initiative and the SARS in terms of how these were translated into new policies, procedures and practices as well as the criteria for evaluating the development of the SARS program in relation to the situation of lone mothers on social assistance. As I explain, in the absence of policies to address unresolved policy issues, there were limits to how far collaborative processes and regulatory harmonization alone could address the financial and other obstacles to employment for lone mothers.

Implementing the Nova Scotia SARS Program

In a comparison of welfare to work programs in the United States during the early 1980s and the development similar programs in Canada, Donna Hardina (1994) explains that although they varied in terms of their emphasis on job training and the extent to which they relied on mandatory measures, all emphasised ‘employability.’ Similar to bilateral agreements with the other provinces, the aims of the Nova Scotia agreement were to meet the overall objectives of the Employability Enhancement Initiative (EEI)—to reduce dependency on social assistance by identifying obstacles to employment and increasing the employability of recipients. The Nova Scotia agreement committed both levels of government to divert a fixed amount of cost shared funding under CAP that “would have been spent on social assistance payments in the absence of employability programming”

to the development of job training and employability programming for social assistance recipients. It also established specific targets for the participation of social assistance recipients in designated federal CJS job training programs and encouraged the development of innovative approaches to employability enhancement through demonstration projects.¹⁵ The agreement called for each level of government to contribute \$5 million annually, while 25% of job training spaces in the federally operated CJS program would be set aside for social assistance recipients using “non-diverted” funds. What came to be known as the SARS program, therefore, was conceived as a welfare-to-work strategy based on participation in employability programming or job training that was linked closely to labour market demand.

Yet under voluntary conditions, jurisdictions needed to find the right balance of incentives to ensure that welfare recipients would be better off participating in the labour market than remaining on welfare. This means reducing the loss of any ancillary benefits of remaining on welfare (Evans, 1995). Changes to CAP under the EEI agreements, therefore, allowed provinces to treat training allowances and wages as earnings incentives for participants who remained eligible for social assistance. The participation of lone mothers would also depend on ensuring that other issues and costs—such as access to child care and transportation—were not insurmountable barriers to participation.

The Initiative was not simply a temporary welfare to work program but was conceived as a quasi-experimental pilot program and programs initially due to end in 1989 were to be subject to review “to determine the most effective mechanism for enhancing the

¹⁵ The description of the agreement, the SARS program and government roles is based on Department of Employment and Immigration, *Agreement Regarding Enhancing the Employment Opportunities for Social Assistance Recipients*, Ottawa, September 18, 1985; Government of Nova Scotia. “Background Information on the Nova Scotia Agreement”. October, 1987 and *Briefing Notes for CEC Managers and Staff*, Prepared by R.F. Mastin SAR and Income Maintenance Policy Coordinator, CEIC, October, 1987.

employability of social assistance recipients and strengthening their attachment to the workforce” (*Nova Scotia Agreement*, p.3). Bilateral agreements, therefore, called for the development of an evaluation framework.¹⁶ Project and program evaluations would be based on calibrating the cost-benefits of various types of employability interventions and workfare measures in relation to their effectiveness in reducing welfare caseloads and achieving cost savings. The goal of enhancing the employability of lone mothers, therefore, would be constrained by the emphasis on cost-benefit analysis and the decision that no new money should enter the program.

Formal program evaluation along with ‘best practices’ research were to play an important role in assessing the impact of the Initiative and the efficacy of provincial programs in reducing reliance on social assistance. Yet the Initiative also relied on bureaucratic and more informal processes to assist policy planners to meet the Initiative’s goals. Provincial programs were to be managed jointly by the four federal and provincial signatories to the agreement. To enable program managers in each jurisdiction to identify and respond to bureaucratic and regulatory obstacles to client participation and the maintenance of employment these departments were to cooperate in the exchange of information and program monitoring. In the process, the experience of program managers and service delivery agents was drawn upon to identify issues and program implementation and delivery challenges. Service delivery managers also drew on their

¹⁶ Best practices research to gain knowledge about the effectiveness of specific types of job training and other employability projects in local settings was to be conducted by the Employability Resources Network (ERN) under a three-year demonstration project funded through the CEIC Innovations program. ERN was a joint project of The Canadian Council on Social Development, The Coopers Lybrand Consulting Group, and the Norton Group. Its purpose was “to explore and evaluate methods for helping unemployed people get off social assistance and into the job market...”. The findings from evaluations of numerous projects across the country were distilled into several papers on best practices and ‘lessons learned’ published in the early 1990s by Human Resources Development Canada (HRDC).

practical experience to re-design policies and practices as they complied with the imperatives of program goals in a context of fiscal restraint and higher caseloads. Along with the formal evaluations, these experiences would be drawn upon to re-calibrate federal and provincial priorities and delivery strategies in the second phase of the Initiative.

Bureaucratic challenges in the Nova Scotia SARS program

The SARS program, as the program funded under the Initiative came to be called in Nova Scotia, required inter-governmental and inter-departmental cooperation based on the four-cornered approach in the negotiation of the agreement. This was supposed to involve Canada Employment and Immigration (CEIC) and National Health and Welfare Canada (NHW) on the federal side and the Department of Social Services (DSS) and the Department of Vocational and Technical Training (DVTT) on the provincial side. These four departments, however, did not participate equally and their contributions to the program varied due to established practices, re-orientations in federal policy or the systemic effects of gendered residualism. National Health and Welfare Canada (NHW) had played a major role in the development of CAP and in initiating the Social Security Review. By the end of the 1980s NHW had seen its role in the social policy field diminish due to processes of rationalization during the Trudeau era, the increasing role of the Department of Finance in social policy under the Mulroney government, and the shift away from 'passive' towards 'active' programs under the auspices of CEIC (Haddow, 1993). On the provincial side of the program, DSS, soon to be re-named the Department of Community Services (DCS), became the lead department. Employment and

Immigration (CEIC)—later reorganized and renamed Human Resources Development Canada (HRDC)—became the lead Department on the federal side of the SARS program.

Background documents indicate that both levels of government were committed to collaboration and this was viewed as more likely to occur in Nova Scotia because the province was “starting from a clean slate.” Inter-governmental and inter-departmental cooperation improved under the Initiative yet due to the complexities and regulatory obstacles arising from programs under different jurisdictions full cooperation remained elusive. There remained numerous bureaucratic challenges in attaining the goal of harmonization. In Nova Scotia, the Department of Social Services (DSS) was solely responsible for policies and programs affecting lone mothers on welfare—social assistance, the Career Planning Program, subsidized child-care and child welfare.

The Department of Vocational and Technical Training (DVTT), soon to be integrated into a new Department of Education and Training (DET), was responsible for vocational skills development and job training, much of which was funded by the federal government through CEIC. Yet the department had little interaction with the provincial Family Benefits program or with municipal income assistance programs historically. Government funded job training programs had only begun opening up to women and others with little or no previous labour market experience in the late 1970s. Until the early 1990s the training offered through Nova Scotia’s vocational institutions was limited and mainly organized around gendered male occupations (Lord, 1994). Though DVTT became involved in monitoring the job training projects at an early stage of the SARS program, the department’s active involvement in facilitating the development of skills

training for social assistance recipients was limited.¹⁷ This was to become a source of frustration for DCS program developers as more CAP reform loomed in the early 1990s.

The lack of coordination and harmonization between and within federal and provincial programs and limited provincial resources were compounded by the effects of the two-tier system whereby the municipalities delivered short-term assistance to those deemed employable and to some lone mothers and set many of their own regulations while DCS delivered social assistance to lone mothers and others deemed in need of long-term social assistance through the Family Benefits program.

Promoting bureaucratic collaboration

Shortly after the Nova Scotia agreement was signed, a joint federal-provincial SARS Management Committee was struck to establish methods of financial control, exchange information to ensure effective program management, and set criteria to approve funding for projects covered by the Agreement. To organize and oversee day-to-day management of the SARS program, the Management Committee established an Operations Committee to develop selection criteria for assessing and reviewing funding proposals and developing processes to ensure that participation targets were achieved.

The ability to innovate and the flexibility to make changes to programs based on local experience and labour market conditions were important elements in the development of welfare to work programs in the United States (Peck, 2001). Similarly, those responsible for the implementing the Nova Scotia SARS program recognized that if the Initiative's goals were to be achieved, inter-governmental and inter-departmental collaboration at the

¹⁷ The \$5.0 provincial contribution to the program included the cost-shared municipal contribution and the cost of any programs offered to social assistance recipients through the Department of Education, including the community college. Direct funding to employability programs was roughly \$3.2 million annually by DCS with additional smaller contributions from the municipalities and the Department of Education.

central level would need to be replicated at the regional and local levels. Within a short time Regional Liaison Committees were established whose purpose was to facilitate the exchange of information between federal and provincial government officials regional level and central levels about job training opportunities, the local social assistance client base and their perceptions of the regulatory and other bureaucratic obstacles that acted as disincentives to participation in programs or to the maintenance of employment.

Their involvement also facilitated the development of job training proposals locally and allowed funding decisions to be based on shared information about training sponsors, the likely availability of appropriate candidates for employability programming in particular localities, and the availability of trainers to deliver job training. With the decentralization of HRDC operations in the early 1990s, the regional committees would be mandated to establish Local Liaison Committees to further encourage the involvement of local municipalities and non-governmental actors with knowledge of local labour markets and training opportunities.

In the context of high unemployment, addressing the growing case-load of municipal recipients deemed to be employable was identified as a high priority. At an early stage, DSS invited the municipalities to consider applying for project funding, but the initial response from most of the smaller municipalities outside of Metro was described as “disappointing” and there was limited uptake in the short term. With the exception of Halifax, most municipalities had little financial capacity or experience in delivering employability programming to welfare recipients. They relied on requiring employable social assistance recipients to take seasonal employment in logging or agriculture to reduce their caseloads during the summer months. Their reluctance to participate in the

SARS program was also related to the strained relations between the municipalities and the Province over cost sharing and the fear that participation in the program could affect the outcome of negotiations with the Association of Nova Scotia Municipalities and that a larger share of the costs of the program would eventually devolve to them.¹⁸

Political challenges to municipal collaboration and community buy in

In the context of the two-tier system, SARS would necessarily have to go beyond the two senior levels of government and the involvement of the municipalities would be vital to program development and the removal of bureaucratic obstacles to participation but the four-cornered approach did not formally include them in a decision-making role. Yet the two-tier system also raised political challenges to their involvement related to the growing dissatisfaction of municipal governments arising from the downloading of costs and cases to the municipal level. There was also distrust amongst anti-poverty activists and professional organizations regarding the provincial government's handling of a number of social issues and this would have an effect on community buy in.

In the context of provincial spending restraint, higher rates of unemployment and growing municipal caseloads, tensions between the municipalities and the Province over the questions of downloading and cost-sharing had mounted during the 1980s. Both the government and the municipalities (especially in Metro) were also under pressure from anti-poverty groups and other non-governmental organizations to address the inadequacies of the two-tier social assistance system and its ability to ensure basic needs.

¹⁸ See Government of Nova Scotia, Report of the Task Force on the Levels of Cost Sharing of Municipal Assistance (October 1988). This interpretation was confirmed in interviews with municipal and provincial officials in July 1991.

In 1987, in anticipation of further changes to the Unemployment Insurance program, the Nova Scotia Association of Social Workers published a discussion paper entitled *How Will the Poor Survive?* (1987). This highlighted a number of issues of concern about social assistance and in particular the inadequacy of municipal welfare rates, the lack of consistency between municipal regulations, cutbacks in provision of special needs and arbitrary decisions in assessing budget deficits in relation to the needs of recipients. The Report stated that the Association had “watched with alarm as the Social Assistance System has become more inequitable, inadequate, in a state of disarray and unable to meet the mandate of providing adequate assistance to ‘persons in need’ as set out in the Canada Assistance Plan. In some cases, it reported that municipalities had imposed limits on income assistance that were half the determined need. Similar concerns about the inadequacy of the system were raised in a provincial task force report on child welfare earlier in the year, while a report by the Metro Food Bank Society had raised the issue of impact of the social assistance system on poverty and hunger.”¹⁹ In 1987 women’s groups and other activists protested the disclosure by the Minister of DCS of private information of a single mother who had refused to reveal the name of the putative father of her child, resulting in the removal of the Minister from this portfolio (Little, 1996). The issues raised by these Reports and organized protests were widely reported in the media and there was increasing pressure from the opposition parties (especially the NDP) for the government to develop more adequate policies and programs.

At the same time, downloading, changes in the cost-sharing formula for social assistance and arbitrary imposed maximum limits on municipal income assistance by the

¹⁹ Government of Nova Scotia, *Report of the Task Force on Family and Children’s Service*, 1987; Metro Food Bank Society, *Beyond Food Banks: A Discussion Paper on Hunger and Poverty*, September 1987.

Province had created tensions between the provincial government, the municipalities and anti-poverty advocates. Acknowledging the pressures on municipalities, the Minister conceded in August 1987 that the limits were “contrary to the fundamental principle of the Canada Assistance Plan” and that the provincial government was at risk of losing cost-sharing under the program. Instead of imposing a flat rate for municipal social assistance across the province, the Minister indicated that the government intended to cut-off cost-sharing with thirty-eight municipal units by January 1, 1988 if they did not recalculate social assistance formulas according to need. The municipalities responded that the directive would have serious implications for municipal budgets and blamed high levels of unemployment and the government’s changes to the cost-sharing arrangement for the problems with municipal income assistance (*The Chronicle Herald*, August 22, 1987; September 8, 1987). In response to political pressure, especially from the mayors and wardens of municipalities, in early 1988 the provincial government established a joint Task Force on Levels of Cost-Sharing Municipal Assistance.

Municipal involvement and the role of Halifax Social Planning

Despite this attempt to defuse the cost-sharing issue, in the first full year of operation, only eleven of the sixty-seven municipalities in Nova Scotia were involved in sponsoring or co-sponsoring SARS projects, several of which were pre-employment (literacy and educational upgrading) projects. These municipalities received funding to hire SARS coordinators whose role it was to refer social assistance recipients to training projects sponsored by others, monitor the progress of clients, or deliver job-readiness training components. The City of Halifax, however, went further.

Despite its strained relationships with the provincial government over cost-sharing and downloading Halifax was committed to the idea of welfare-to-work programs and compared with the smaller municipalities and even the Province itself, the Halifax Social Planning Division was relatively experienced in delivering programs, especially to 'employable' clients and had already developed some capacity in the area through the rehabilitation approach it had developed during the 1970s and 1980s. With high social assistance expenditures and capacity to develop funding proposals and deliver programs, the Halifax Social Planning Division had pushed for Nova Scotia's participation in the Employability Enhancement Initiative and had already approached both the Province and Health and Welfare Canada with a proposal to develop an employment support centre through which it proposed to provide active support to enable clients to find work or address barriers to employment through integrated services in one location (Interviews, Halifax Social Planning officials, 1990). Based on the philosophy that clients responded better to service provision than negative sanctions, it loosely followed a similar project in Peel County, Ontario and concepts later outlined in the Ontario Transitions Report (1988). A pilot project had already been funded federally. Developing the center to its full potential, however, depended on expansion and more stable funding and the Division was pursuing the idea of Halifax as a site for a larger demonstration project under the EEI.

As soon as the Canada-Nova Scotia agreement came into effect, Harold Crowell obtained City Council's approval to develop a project to form a Task Force on Full Employment which, under the auspices of Social Planning, would bring together welfare recipients, social service agencies, and government, labour and business officials to provide input and find solutions to high rates of unemployment and poverty in the city.

The Task Force was formed in early 1988 and working groups were organized to make recommendations on how to improve the employment situation and develop policies that would reduce poverty and the social assistance caseload. These were to be presented at a one-day conference the following September to lend support to the idea that Halifax be designated “a region for experimentation and evaluation of economic and social policy” to develop various incentive allowances and work training schemes (*The Chronicle Herald*, November 3, 1987; January 6, 1988).

In the context of high unemployment, inadequate social assistance policies, downgrading the municipalities and distrust within the activist community about the real purpose of the SARS program, events did not unfold quite as planned. Leading up to the September 1988 conference, a number of social agencies, social justice organizations and welfare recipients on the Task Force raised questions about privatised job training and whether subsidies to employers were necessarily the best way to address the problem of joblessness and poverty. This lack of confidence in the efficacy of the federal-provincial approach did not bode well for the endorsement of an experimental demonstration project in Halifax. Following debate and substantial criticism of the new employability approach from community delegates at the September conference, the federal government backed away from the idea of funding a large demonstration project in Halifax. Consensus within the Task Force, however, was achieved on other proposals and seventeen recommendations to improve conditions for social assistance recipients were presented to City Council in early 1989.²⁰

²⁰ The first of these was for an increase in welfare payments with yearly adjustments to the cost of living. Others included the development of an adult day high school; a campaign to urge employers to sponsor child-care services; the strengthening of education and job training for African Nova Scotians; the re-

In the meantime, Halifax Social Planning applied for funding to develop its Employment Support Centre (ESC) where employment resource workers could counsel, assess, and refer clients to jobs or training programs. The Halifax Social Planning continued to receive funding to develop employability programs through the Employment Support Centre (ESC) and as I discuss below, it also played an active role in encouraging the development of similar centres across the province. Indeed, in April 1988 Halifax County submitted an application to develop a pilot project for a similar centre. As the SARS Program developed after 1990, more municipalities used SARS program funding to co-sponsor or deliver pre-employment and job training projects or to hire SARS coordinators. An increasing number of these municipalities also developed Employment Resource Centres (ERCs) patterned on the ESC in Halifax and the ERC in Halifax County. As I explain in chapter five, these centres would play a crucial role in building capacity to deliver employability programming in the period leading up to social assistance reform. The tensions between the municipalities and the Province, however, were far from over. By 1989 these developed into open conflict between the City of Halifax, the Nova Scotia and anti-poverty organizations.

Growing tensions over cost-sharing and social assistance provision

In October 1988, the Task Force Report on levels of cost-sharing made thirty-two recommendations to improve municipal income assistance and developed several alternative models of cost-sharing with cost analyses.²¹ It also considered issues of concern arising from disparities between municipal assistance and services and Family

definition of disability as it affected eligibility for income security programs; and better information about social programs. Task Force on Employability Report, 1989.

²¹ The Government of Nova Scotia, *The Report of the Task Force on the Levels of Cost Sharing of Municipal Assistance*, October, 1988.

Benefits and related issues in the Settlement Act. In keeping with several of the issues that had been raised in the Association of Social Workers Report, it reiterated that in determining the budget deficits of applicants for social assistance, municipalities should determine eligibility for assistance based on an assessment of need and include all items of need identified in the CAP provisions. It also recommended that municipalities move towards minimum standard rates and guidelines for food, clothing and personal expenses and a minimum of 20% exemption on earned income (Task Force Report: iii). In addition, it advised that municipal regulations that individuals provide evidence they are actively pursuing employment “be tempered by the actual employment opportunities in the region and only be imposed upon recipients who are truly ‘job-ready’”. The Report also recommended that the Province provide for open-ended cost-sharing of all eligible municipal expenditures for general assistance at a universal level of 75% for municipalities with an organized social services department and 66.2/3% for the others.

In a section on future directions, the report suggested further discussion on the development of a single-tier service delivery system. It argued that a full review to study service delivery mechanisms and options be initiated and recommended the government examine “the roles of provincial and municipal levels of government in the provision of services and assistance and should further examine the feasibility of categorical programming” (Report: iv-vii). The review, therefore, was to be wide-ranging. It would necessarily raise the possibility of abolishing the two-tier system as well as issues related to employability. By 1989, however, the issue of cost-sharing still remained unresolved and this became the cause of open conflict between the Province, the City of Halifax and advocates for the poor.

Due to overruns in the Halifax social assistance budget brought about by higher caseloads and restraint in provincial cost-sharing arrangements, in the spring of 1989 the Halifax Council was poised to cut grants to community agencies and shelters and make significant changes to social assistance regulations that would place time limits on benefits and restrict eligibility for assistance. The proposed regulation changes included denying assistance to unmarried mothers after four months and divorced or separated parents after nine months, limiting special needs for municipal clients to drugs and emergencies and denying all special needs to Family Benefits recipients. These proposals would have a direct impact on lone mothers and many of the individuals and groups who had participated in a Halifax Task Force on Full Employment under the auspices of the Halifax Social Planning Division in 1988.

Indeed, it can be argued that the drastic measures were in part intended to mobilize Task Force members and their allies to pressure the Province to address the issue of cost-sharing and thus prevent the proposed municipal cuts from going through. Task force members were well informed, relatively well-organized and ready to respond when the Halifax City Council proposed to debate and vote on the social assistance regulation changes. Organized with the assistance of Dalhousie Legal Aid Services, an ad hoc Anti-poverty Coalition composed of over thirty groups came together to denounce the proposed cuts at a press conference in June. Coalition members also lobbied city councillors in advance of a Council meeting to debate the cuts in early July (Personal notes; Coalition press conference notes, June 13, 1989).

While the protest had been aimed at the Halifax City Council proposals, in their statements to the media, organizers were careful to point out that the source of the

problem was the serious shortfall in the municipal budget that could be attributed to both federal fiscal policy and the refusal of the Province to provide adequate levels of funding for municipal social services. Citing several specific examples that were consistent with the Task Force on Cost-Sharing report, they pointed out that in the context of the two-tier welfare system, restrictions on eligibility for Family Benefits had allowed the provincial government to shift a significant portion of its responsibility to the municipalities who were also affected by cost-sharing issues. During the Council debate, several councillors also attributed the problem to the two-tier social assistance system.

At a second meeting later in the month, Council voted to put the proposed cuts and regulation changes on hold and to review possible savings in other areas of the municipal budget. In the meantime, the Mayor would seek a meeting with provincial government leaders to present the concerns of Council and the broader community. Several councillors also urged community members to apply pressure on the provincial government to act on the cost-sharing issue. While the recommendation to review cost-sharing arrangements and the two-tier system were not resolved in the short term, these issues had once again been put on the public agenda. As I explain in later chapters, with the prospect of federal social security reform in the early 1990s, the political and fiscal environment allowed the social assistance reform agenda to gather momentum.

Delivering Employability through Privatized Job Training

In the context of regional under-development, high levels of unemployment and the lack of a job training infrastructure, the privatised nature of training under the CJS and SARS programs would present obstacles related to the development and quality of job training in Nova Scotia. The emphasis on particular delivery mechanisms would change as the

SARS program responded to monitoring, program review and evaluation, but under the first phase of the EEI, the main mechanism for delivering training on both the federal and provincial sides of the SARS program was job training provided through or patterned on the options under the Job Development component of the CJS program. Although organizations in the public, voluntary or private sectors could sponsor job-training projects, act as training hosts or coordinate training projects, funding for training relied on limited-term project contracts. This sharpened the program's bias towards private training organizations or individual contractors.

Under the Job Development stream there were three kinds of training delivery options all of which focused on job specific training and labour market readiness. Training could be delivered through an individually subsidized job supervised by a training sponsor (the employer), through an on-the-job training project coordinated by a sponsor who oversaw participants through a job training placement with a training host, or through a Job Entry (or Re-entry) training project that combined classroom skills training with work experience. These projects, intended for those entering the labour market or with little labour market experience, were the most common option available to social assistance recipients. Since the Re-entry option was directed towards women re-entering the labour market, this was the most common form of job training directed towards lone mothers on welfare. Participants in this option received a training allowance during the classroom portion of their training and training wage during on-the-job training.

Privatised job training in the context of regional under-development

Daenzer (1990) argues that privatised training under CJS undermined the capacity of public institutions to deliver skills training. Due to regional under-development, however,

there was little capacity to deliver job training through public institutions in Nova Scotia, especially to women. Until the 1980s job training in Nova Scotia was delivered through vocational schools that mainly catered to male dominated occupations in the trades. It was only in the late 1980s that these were re-organized into a community college system. While this lack of capacity was reinforced by reliance on private trainers and project funding, private trainers filled a void left by an inadequate public training system, In the year after the introduction of the CJS, for example, the number of registered fee paying schools in Nova Scotia increased from forty six to seventy-three. After the inception of the SARS program, the pattern of reliance on private trainers continued and in the early phase of the SARS program there was another increase in small individually operated private training organizations seeking funding to coordinate job training projects. There is no evidence that the community college was involved in SARS job training at this time. While this may have been because the newly developing community college had little capacity to compete with the burgeoning private training sector for project based funding, the college wanted to build its reputation as a leader in skills and technology training for the new 'knowledge based economy' and it may have had little real interest in delivering project based job training to social assistance recipients that was by and large focussed on low end jobs in the service sector.

With high unemployment, resource based industries and fishing in decline, and new expectations of lone mothers on social assistance, whatever new jobs were available were in the service sector and there was a growing need for literacy and educational upgrading programs. Since the early 1980s, DCS (formerly the Department of Social Services) and the Department of Education had developed a limited number of off-site educational

upgrading programs for lone mothers on social assistance in certain low income areas of the province but adult education was under-developed and not institutionalized within the education system. Students over the age of eighteen had to pay fees to attend high school, and there was little in the way of financial assistance. Given the lack of options for those who faced multiple educational and skills training barriers to employment, therefore, it was recognized relatively early on that many social assistance recipients required basic educational upgrading or literacy skills before they could benefit from job training.

The federal government tended to view literacy programs as education rather than job training and the prime responsibility of provincial governments. A few pre-employment projects that included educational upgrading and literacy training were funded on the provincial side of the program in the early stages of the SARS program, but advocates working with the unemployed and social assistance recipients argued that in a changing economy requiring higher educational and literacy skills, educational upgrading and pre-employment programs should be made more widely available. Critics also argued that the CJS and SARS programs did not allow participants to progress from one level of skills to another, including from literacy and educational upgrading to job training. These concerns were replicated in other jurisdictions and were raised in the 1989 program review. As a result, literacy and pre-employment training became increasingly important components of the SARS program as it progressed into the second phase and participants in pre-employment programs were allowed to progress into job training.

Regional under-development played out in another way as well. There was a paucity of large and medium sized businesses especially outside of metro Halifax with the

capacity to sponsor training projects or to act as suitable on-the-job training hosts and the majority of job training projects were sponsored by small business, municipalities, or voluntary organizations. In the first full year of operation of the SARS program, twenty-one out of forty four job training projects funded by DCS were sponsored or co-sponsored by eleven different municipalities. Of the remaining twenty-three projects seventeen were sponsored by small businesses, including ten by private training organizations who also delivered the training. Out of forty projects on the federal side of the program, nine were municipally sponsored, eighteen were sponsored by voluntary organizations and only seven were sponsored by private business—two by nursing homes and four of the remaining five by private training organizations. The only large business to sponsor a training project and act as a training host in the first three years of the SARS program was the Sobey's grocery chain. According to project and program evaluations, this was one of the more successful projects in translating on-the-job training into permanent employment.²²

Program complexity and regulatory obstacles

The SARS program fostered the idea amongst employment counsellors and participants that it was a unified program (Lord, Hicks and Roberts, CLOW Report, 1989). Nevertheless, the involvement of two jurisdictions in program delivery still meant that the program operated under different regulatory policies and administrative protocols. As a consequence, there was a lack of consistency in the entry criteria, the length of the training, and the regulations affecting training allowances and training

²² From data provided by CEIC. The Sobey project and a Re-Entry project run by the YWCA were identified by employment counsellors as the most successful job training projects. ERN evaluated the Sobey project (ERN, "Report on the Evaluation Study of the Sobey's Training Project", November 1990).

wages depending on whether the project was a regular federal CJS funded project or funded with CAP diverted funds. SARS projects using diverted funding were generally of shorter duration than regular CJS projects, even though the educational criteria for entry into the latter was often higher. Only a few projects that used diverted funding provided training for more than 26 weeks and most lasted between 22 and 26 weeks while the duration of some regular CJS projects was as long as 36 weeks. Moreover, the provisions of the National Training Act applied to regular federal CJS projects, but training allowances in projects funded with diverted CAP moneys were governed by CAP rules and provincial social assistance policies.

Changes to CAP under the Employability Enhancement Initiative allowed training allowances and training wages to be treated as earnings. Yet due to the two-tier system and differences in earnings incentives and child-care allowances under a variety of different municipal social assistance regulations and provincial regulations, the amount of money actually accruing to participants could vary. Training coordinators indicated that these differences created problems for them because participants often shared information about money and questioned the differences on the grounds of fairness. There were reportedly attempts by the provincial government to get the municipalities in the Halifax region to agree to one set of regulations regarding work incentives and child care allowances, but this did not happen.

The issue of bureaucratic complexity was to become the subject of concern for advocates of adult education and training and of frustration on the part of job counselors and training participants (Lord, Hicks and Roberts, CLOW Report, 1989). Some trainers were also sympathetic towards the problem. Others, however, viewed the

relatively generous training allowances under the EIC regulations and in some cases the practice of topping up training allowances and training wages to the level of social assistance entitlements, as too generous and unrealistic in comparison with the actual wages participants could expect to earn in the labour market (Interviews, job trainers, 1990-1991). They regarded these different allowances and supplements as a hindrance to entry and maintenance of employment. While the issue illustrates the bureaucratic barriers and obstacles created by gendered residualism, the two-channel income security system and a residualist two tier welfare system, it also highlights the pressures trainers were under to ensure participants found and maintained employment.

The quality and length of job training

The privatised approach and the nature of much of the training delivered under the CJS program had been criticized by national women's advocacy organizations on the grounds that the training was too job specific to allow for the transfer of skills and because it allowed for little quality control of trainers (CCLOW, 1985). The same issues were raised in relation to the Nova Scotia SARS program and critics raised numerous concerns about the length and quality of the training, as well as its gendered nature (CCLOW-Nova Scotia, 1989). Although there were exceptions, job training directed towards low income women was concentrated in low paying occupations that replicated the sex-segregated nature of the labour market (Chegwidden, 1993).

On the federal side of the SARS Program, gender disaggregated data show that in the first full year of the program (1988/89), women on social assistance participated in all three kinds of job development delivery options but on the federal side, lone mothers were most likely to be directed to Re-Entry projects since this option was specifically

intended for women re-entering the labour market. These training projects lasted from twenty to thirty six weeks. Of a total of forty training projects funded on the federal side of the program, twelve projects with a total of 222 participants were delivered under this option. Most of the training was in traditional low paid occupations in the clerical or service sectors (i.e., receptionist, bookkeeping, word processing, homemaker, hospitality, retail). On the provincial side of the program several municipalities, private businesses, voluntary organizations and nursing homes sponsored training in social service delivery occupations such as home-maker and care worker but participants were also trained as meat-cutters, police dispatchers, receptionists and word processors. It is difficult to ascertain with certainty what kind of jobs lone mothers were trained for because sex disaggregated data or data by family status was not collected on the provincial side. Anecdotal evidence and interviews with trainers suggests that as in federal projects, lone mothers were directed towards clerical and service occupations.

Training wages and jobs

Training wages, which applied during on-the job training, were set according to the going rate in the local labour market for an entry level job in the occupation for which participants were being trained. For traditional low wage jobs in the retail, service, or office occupations, the training wage was rarely much more than the minimum wage, then about \$5.00 an hour. This rarely took a single mother with dependent children off social assistance entirely. The training wage, therefore, was treated as earned income and subject to the earnings tax-backs and allowances that applied to social assistance recipients supplementing benefits through employment. Again, these varied.

Under their contractual agreements with training sponsors, training hosts were expected to employ trainees at the end of on-the-job training, so coordinators were keen to recruit reliable training hosts. In a period of high unemployment and in a region with very few large employers, this was often difficult. Since there were financial incentives attached to becoming a training host, some employers were easily persuaded to take on the task. In several cases, however, training coordinators reported that training hosts did not follow through on their commitments to hire with serious consequences for their success rating as well as for participants (Interviews, job trainers, 1990-91). In addition, most employment counsellors interviewed thought that although there were a few notable exceptions, most SARS job training was not very high quality. In their estimation, if an employer failed to come through with a job offer at the end of the training placement (not infrequently the case), there was little likelihood that trainees would be able to transfer their job related skills to other employment situations. Several also expressed the opinion that some trainers were not adequately prepared to deal with the learning and other personal and situational barriers to the maintenance of employment faced by lone mothers who had little or no previous labour market experience.

Project Monitoring and Pressures to Deliver Employability

Unlike the larger more prosperous provinces, Nova Scotia had little regulation or accreditation of private trainers when the SARS program began. Registration of private trades schools was still voluntary and schools were officially registered only if they offered fee-paying programs. With the rapid expansion of small private training operations and the number applying to sponsor or deliver SARS job training projects, program managers considered it important to make an inventory of private trainers. By

1990, the DET inventory listed 470 organizations providing some kind of private training. There was no accreditation process for private trainers under the government funded CJS and SARS programs, but by the second year of the program DET began on site monitoring of SARS training projects. By 1991 projects were subject to regular monitoring using criteria such as retention of trainees, the number and type of job placements, training host and participant satisfaction with the training placement, and the number of participants employed at the end.

Project monitoring the criteria of 'success' allowed overall control in terms of whether projects were achieving the employability goals of the program and primarily served to reinforce the goal of employability within the training process because training sponsors and trainers were refused further project funding if they proved to be consistently unsuccessful in delivering employability. As a result, sponsors and training coordinators were under pressure to demonstrate the placement of trainees into jobs at the end of a training project and project coordinators and job trainers appear to have used various means to ensure that their projects were successful. This drive for "success", however, only provided indirect control over the quality of training and it did not necessarily work in the best interests of participants or of welfare recipients.

The problem of selected rationing and 'creaming'

Some trainers tended to focus on the goal of employment during all aspects of the training but there was also the built-in imperative for trainers to select participants who in their estimation were likely to complete the training and get a job. Given the high rate of unemployment, there was a large pool of people who were qualified for a variety jobs but simply could not find work. In this context, and with a limited number of training spaces

in relation to the number of lone parents on social assistance, it was easy for the trainers with good reputations to recruit participants with higher than average qualifications. This was facilitated by somewhat different entry criteria for participants in regularly funded Re-Entry projects and those projects funded with CAP money. Participants with grade ten were eligible for the former but in practice project sponsors set their own entry criteria and popular projects required grade twelve. The entry requirement for CAP funded projects was grade ten (CLOW-Nova Scotia, 1989). Entry into some of the better projects, therefore, was competitive and there were long waiting lists.²³

Such 'creaming' resulted in selected rationing and a hierarchy of training, with fewer training options for those with lower education levels and no previous work experience. It also created a 'catch 22' for employment counsellors who reported that although they were required to do so, they were often reluctant to refer clients to SARS job training projects with a poor reputation. Despite the pressure on trainers to ensure that participants found a job at the end of their training, community-based employment counsellors indicated that many SARS projects had a poor record in terms of long-term employment. In some cases, this could be attributed to the inability or unwillingness of training hosts to follow through on their commitments to hire trainees.

Delivering employability through behavioral change

As discourse theorists often argue, social intervention often interprets 'needs' with the purpose of changing behavior in culturally dominant ways (Fraser, 1990). The lack of success in job training projects was construed not as a problem of high rates of

²³ The project manager at the Halifax YWCA disclosed that she had 90 women on a waiting list for the next federally funded Re-Entry project that only had 15 places of which only four would be designated for social assistance recipients (Interview, July 1990).

unemployment, unreliable training hosts or poor training, but as a problem of lack of motivation on the part of trainees (Interviews, job trainers, 1990-91). Based on U.S. experience, job trainers at the YWCA in Halifax had introduced Life Skills components into their projects to help (mainly female) social assistance recipients who had never had a job or who had been out of the labour force for some time to address personal barriers to employment. In an attempt to lead to more successful results in achieving employment, DET developed guidelines for a Life Skills component based on a curriculum used in projects sponsored by the YWCA in Halifax. Subsequently, DET required the inclusion of Life Skills in all provincially funded projects.

Deborah Little (1999) has argued that the main purpose of Life Skills in the United States was to create or reinforce the desire of participants to become independent and self-sufficient. She found that participants were well aware that the intention of the program was to change their life-style habits and attitudes to work. While most training participants played along with the process and the motivation of some improved, others found various ways to belittle or resist these attempts on the part of trainers. Paula Chegwidden (1993) on the other hand has argued that approaches to Life Skills vary and that its value to clients depends on the educational philosophy behind the curriculum and the approach employed in the process. Her research on Life Skills training in the Nova Scotia SARS program found that there was significant variation. Some projects emphasised building self-esteem, self-confidence and decision-making, while others concentrated on time management, budgeting within one's means, job search skills or 'dressing for success.' Some of the participants she interviewed in the well-regarded

projects believed that Life Skills was one of the more useful aspects of their training (Chegwidden, 1993).

Barriers to employment and the maintenance of support

Based on interviews with employment counsellors, project coordinators and government officials in 1990-1991, employment counsellors tended to attribute the poor employment success rate to the quality, length and type of job training and the narrow interpretation of training that was focused simply on finding a job. It can be argued, however, that the low employment rate was as much due to the high rate of unemployment, the low wages women could expect to earn in the entry level service sector jobs for which most were trained, and other systemic barriers to employment, as it was to the quality of job training. Employment counsellors estimated that participants who were successful in getting a job at the end of their training could only expect to earn somewhere between the minimum wage (at the time \$5.00 an hour) and \$7.50 an hour but estimates of what it would take for a single mother with one or two dependents to become fully self sufficient (defined as independent of social assistance and financially better off working) ranged from \$9.00 to \$15.00 an hour. Trainers in some projects with high quality training and good employer contacts claimed that a few participants would earn wages within this range, but admitted that the majority would be fortunate to find a job that paid more than \$7.50.

Despite the low wages, in some circumstances trainers put pressure on participants to take whatever job became available in the belief that 'any job' would be better than none and could be a foot in the door to a better life (Chegwidden, 1993). This pressure was not necessarily overt, but could stem from the fear of being viewed 'a failure' or of having to

return to social assistance. Yet in many cases lone mothers could be worse off working than they had been on welfare. Due to the lack of benefits in jobs women were able to find, lone mothers often experienced difficulties in sustaining employment. If a single mother found full time employment with a wage that made her ineligible for Family Benefits, she lost access to ancillary benefits associated with social assistance such as Pharmacare and special needs (usually related to healthcare). Although she would likely be eligible for subsidized child-care, there were often additional child-care and transportation costs. She would also face problems balancing employment, parenting and care. As I discuss below, these claims are supported by the formal evaluation of the Nova Scotia SARS program conducted in 1991.²⁴

Bureaucratic regulations also created problems in resuming income support. Participants in regular CJS projects had to come off social assistance if they wanted to access the same kind of training allowances and wages as UI recipients. Lone mothers could view this as a positive outcome of participation, but it could backfire if, as was often the case, she failed to find work at the end of her training, her employment was terminated, or she quit her job. If she did not find a job or she became unemployed she could be eligible for UI, but there were often delays in receiving benefits. In addition, UI payments were based on a training wage that was often barely above the minimum wage and the benefits could be lower than what they would have received on social assistance. Participants whose wages did not meet their budgetary needs could be eligible for some social assistance under the regulations and those found to be ineligible for UI could also

²⁴ Nova Scotia Department of Community Services, Strategic Planning and Policy Division. *Evaluation of the Nova Scotia Agreement to Enhance the Employability of Social Assistance Recipients*, Phase III, December, 1995.

be eligible social assistance. In each of these situations, however, the participant would have to re-apply and in the early stages of the SARS program, they were treated as a new applicant. Before getting back onto Family Benefits, therefore, they had to apply for municipal assistance (CCLOW, 1989; focus group interview with social assistance recipients June 1990).

These issues which created serious financial difficulties for some lone mothers were exactly the kind of 'bureaucratic obstacles' the SARS monitoring process was supposed to identify and address. In 1991 provincial protocols were changed and social assistance case files of SARS participants were kept open so that those who lost their jobs within a year of completing training and who had been removed from the Family Benefits caseload could be eligible to return directly to Family Benefits (Interview, Director of Family Benefits, October 1991). By the time the first Agreement came to an end in 1992, delays in ensuring SARS participants in the regular CJS projects received their federal allowances on time were also reduced. While these changes went some way to addressing particular obstacles to participation, they also illustrate the effects of the bifurcated income and social security regime, the two-tier social assistance system and gendered residualism.

Delivering Employability through Municipal Employment Resource Centres

The Halifax ESC served municipal income assistance recipients in the City of Halifax. By 1990, it provided a range of employment related services such as skills and job readiness assessments, counselling, referrals to job training projects, resume writing or job finding clubs and assistance in finding subsidized child care. It also addressed employability barriers through counselling and referral processes. Some social planning

and most counselling staff believed that good practice indicated that employment services should not be linked too closely with social assistance eligibility processes and that the location of ESC should be separate from where people applied for social assistance.

There was reportedly an internal struggle over this issue, but the Halifax Employment Centre was located separately. The practice of locating in a separate location and addressing barriers to employment through a variety of means, however, was not necessarily followed in all cases as employment resource centres developed across the province between 1990 and 1992 and the range of services provided varied depending on both access to resources and social services as well as on the philosophical approach. Similar to the Halifax ESC, the Halifax County ERC began in 1987 with a demonstration project to help social assistance recipients to find a job or access adult education or job training in three areas of the County but while job counsellors in the Halifax ESC could broker services or purchase job training from other sources on behalf of clients, the Halifax County ERC simply acted as a counselling, support and referral centre. By 1990, however, there were the beginnings of what the County called an Employment Resource Centre (ERC) with job counsellors located in three different municipal assistance offices.

Developing employability processes and practices

Under the federal-provincial SARS agreement participation in employability programs was to be 'voluntary' but given provincial offloading and the expanding caseload in both Halifax and Halifax County, municipal income assistance intake workers were under pressure to get those categorized as 'able bodied' and 'employable' into an employability program or a job. In the Halifax ESC, these clients were expected to attend a job counselling session and indeed, despite the 'rehabilitative' approach, some intake

workers regarded this as mandatory. If a client had not appeared within two months, intake workers were asked to check whether a change in coding was appropriate and a second letter was sent from the ESC regarding participation in employability activities. After two 'no shows' a list of those not attending was sent to the intake worker for further action. Job counsellors, however, quickly discovered that many of these 'employable' clients had serious barriers to employment. At the same time, there were self-referred clients such as disabled individuals or lone mothers who were described as highly motivated to find a job but who had been classified at intake as 'unemployable'. Based on this experience, the Halifax ESC rejected the categorization of clients traditionally pre-defined according to gender and marital status and developed an assessment tool based on job readiness and barriers to employment. This classified clients as 'job ready' or as having barriers to employment. In the latter case, the interview also helped to identify the kind of interventions that might help address barriers.²⁵ This employability assessment tool was computerized so that it could be used during the intake process. All new applicants for social assistance were told about the ESC and brochures went out with welfare cheques but only clients classified as employable were initially required to attend a counselling session. By 1991, similar practices were followed in the Halifax County Centre ERC. With new procedures to distinguish between 'employable' clients and those with barriers, there was beginning to be more pressure to ensure that those deemed employable were participating in centre activities. In both municipalities non-cooperation by the 'employable' was considered grounds for

²⁵ Serious barriers included alcohol or drug abuse, mental or physical health conditions, general lack of self confidence, and for women a history domestic violence or sexual abuse, depression and problems coping.

termination of assistance. Clients assessed as 'job ready' were assigned to a job finding club or other centre resource that helped them to find a job or to job-training project.

More active 'rehabilitative' interventions were available at the Halifax ESC than at the Halifax County ERC where counsellors could purchase pre-employment or job training places through training operators or training hosts. For lone mothers, often assessed as having barriers to employment, they provided some help with finding subsidized child-care. In Halifax and Halifax County, however, only about 10% of clients in the first year and 20% in the second year were lone parents (Interviews with ERC staff, 1991). In cases where there were serious barriers to employment such as alcohol or drug abuse or physical or mental health issues, referrals could be made to rehabilitation services. In both centres and in other municipalities where there were SARS coordinators, job counsellors kept in touch with those clients referred to literacy or job training projects to follow their progress and with trainers and employers to trouble-shoot problems and monitor progress.

The success of these centres depended on job training programs but also on a variety of other programs and services delivered by the federal or provincial governments. As they developed across the province after 1990, most employment centres continued to be hampered by scarce support services. As they had difficulty addressing the multiple barriers to employment of some of their clients, activities were limited to employability assessments and supporting 'job ready' clients to find work through job finding clubs or resume writing workshops, or referrals to job training or adult education for those with educational deficits. The limited number of job training spaces was also a problem, even for those deemed employable. According to one informant, the ESC was only able to

provide services for about twenty percent of the total social assistance case-load in 1990. Although the Halifax ESC initially started with a supportive approach and staff capacity to refer clients to a range of services, given high rates of unemployment, the pressures of higher social assistance caseloads, and limited resources (including job training spaces), practices became increasingly focused on finding a job for those deemed 'employable'. This was a source of considerable frustration to counsellors (Interview, 1990). The lack of services, however, was particularly problematic for the Halifax County ERC, not only because unemployment was very high but also because the County covered a large geographical area much of which was rural where access to services was limited. The effects of limited resources and problems associated with an approach that emphasised referrals to adult education or job training as a means of addressing a population with multiple barriers to employment are evident in the Halifax County ERC evaluation conducted at the end of 1990.

Developing counselling services for lone parents

With scarce resources and limited access to subsidized child-care, in the first two years of operation there was little emphasis on the employability of lone mothers in the Halifax and Halifax County centres. The Halifax ESC informed lone mothers about employability services but the primary focus was on recipients categorized by intake workers as "able-bodied unemployed" (single male and females and male family heads with no apparent disabilities) and most lone mothers were self-referred. This began to change after 1991 and by 1992 employability practices were bringing lone mothers into the 'employability net.' Due to the practice during the 1980s of limiting eligibility to

Family Benefits, municipal caseloads included an increasing number of lone mothers many of whom experienced health, economic and social barriers to viable employment.

These barriers, increasingly attributed to personal failings or over-generous social assistance provision by those who espoused the idea of 'welfare dependency,' were created by poor public policy and a lack of adequate services arising from gendered residualism. Yet most social planners and job counsellors I interviewed recognized that while lone mothers faced multiple barriers such as childcare and transportation difficulties which centres only had limited resources and capacity to address, they were often the most keen to improve their circumstances.

As I explained in chapter three, Halifax Social Planning Department already had a well-established relationship with the Family Benefits Career Counselling Program and despite tensions at the political level, this collaboration continued under the SARS program. With cost-shared funding from the Province in 1990 and 1991 the Halifax ESC and the Halifax County ERC respectively hired single parent employment counsellors and thereafter lone mothers were offered more support for the transition to employment through referral to educational upgrading, pre-employment or job training programs, but with less pressure to find a job than for other clients. In coordination with the Family Benefits Career Planning program a protocol was developed that allowed the referral of Family Benefits recipients to the ESC for referral to employability programs. Similar protocols were developed with the Halifax County centre in 1991 and with the Dartmouth ERC once it came on stream in 1992. By 1991, most rural centres had hired their own single parent counsellor and in most cases had also developed collaborative relationships with local Family Benefits Career Planning staff.

Project and Program Evaluation

Consistent with the experimental nature of the Employability Enhancement Initiative and in compliance with its overall goals, 'best practices' research and project and program evaluations were an important part of provincial SARS programs. They provided indicators of whether projects and programs were effective and in some instances also helped to determine the future direction of the program. Project and program evaluations were organized in terms of the extent to which participants were employed (even if they were only supplementing their social assistance benefits with part time work) and the extent to which earnings reduced overall reliance on social assistance and social assistance costs. Nevertheless, formal evaluations are also useful for critical analysis because they have embedded within them the objectives and goals of initiatives and they demonstrate the outcomes or effects of programs on individuals.

Evaluating the Halifax County Employment Resource Centre

The evaluation of the Halifax County Employment Resource Center pilot project focused on the employability objectives and goals of the centre. It used a survey methodology to assess the extent to which the ERC program had assisted participants to obtain or maintain employment; end or reduce reliance on social assistance; strengthen a personal sense of employment readiness; and improve their financial situation. It also conducted an analysis of the costs of the program compared to the costs of social assistance and examined what interventions contributed most to increasing the employability of participants.²⁶ Overall, the evaluation found that the ERC was an innovative approach and successful in enhancing the employability of participants by

²⁶ Employability Resource Network, *Report of the Evaluation Study of the Halifax County Employment Resource Centre*, Final Report, February 1991.

helping them to obtain and maintain employment or identify further training or education opportunities. It noted, however, that although 65% of respondents who found employment continued in their first job, only 49% were employed at some point after participation ended. The project had been successful in assisting participants to identify appropriate training and educational opportunities, in stabilizing employment patterns, and reducing reliance on social assistance and seasonal employment. It also meant that on average social assistance payments fell by \$499.48 a month.

The evaluation also found that measured in terms of the level of education, the extent to which family matters interrupted the work day, the ability to write a resume, access to job training, and interviewing skills, the ERC reduced barriers to employment and had resulted in improvements in employment readiness. Eighty-one percent of participants reported improvement in interviewing, 67% in resume writing skills but only 56% reported improvements due to job training. The project, however, was least successful in improving education and helping participants cope with interruptions in the work-day due to family matters. Only thirty-seven percent reported an overall improvement in their overall financial situation and the mean annual income of participants was estimated to have dropped by more than \$600 over the previous year. This drop was attributed to the time of the survey and fact that most participants were still involved in education or training projects where allowances were sometimes lower than social assistance benefits and to the effects of inflation.

The evaluators pointed out that because the ERC approach was based on the recognition that “the transitional period translates into varying amounts of time for different individuals,” it “does not pressure ERC staff to push clients into any kind of

employment in order to reduce numbers on the social assistance caseload” (Report: 11). Based on the finding that a high proportion of ERC clients had multiple barriers to employment and 40% needed literacy training it recommended that the ERC include “quality of life” objectives into its employment goals, that a trained life-skills coach be hired for these clients and that management “take a proactive approach and act as an advocate for the establishment of formalized, literacy programs” (p.v). It also argued though that the lack of work experience was a barrier for a large proportion of clients and there was a need to make more appropriate referrals to jobs. It recommended drawing on the Halifax ESC job finding club as a model. In drawing broader ‘lessons learned’, the report noted that in assuming a networking role the ERC had enhanced the effectiveness of services and increased client awareness and use of available resources in their own communities. It highlighted the utility of the ERC “as a model for financially strapped municipalities serving populations spanning a large geographic area” and recommended that a similar approach be used in other parts of the province. Accordingly, it recommended that the Centre should continue to receive funding (Report: vi). As I explain in Chapter five, as job training resources dried up in the second phase of the SARS program, funding for ERCs across the province increased.

Evaluating the Nova Scotia SARS Program

Like others of its kind, the evaluation research for the Nova Scotia SARS Program conducted in 1991 focused on employability (attachment to the labour market), the identification of barriers to employment and the costs and benefits of the program in terms of estimated social assistance savings arising from employment compared with the costs of delivering the program and whether participation improved the quality of life or

the long term financial prospects of lone mothers were not the primary focus of the evaluation.²⁷

The survey compared employability outcomes for training participants with those of a comparison group of non-participants. It found that while the training completion rate was relatively high at 88% and 68% thought that training had helped, many participants expressed concern that they had not found a job. Sixty percent of participants had been employed at some time after their training, but twelve months after training was completed only 50% of job training participants and 23% of participants in literacy project were employed. Some respondents thought that they needed more job training to be adequately prepared for the labour market, but only 11 out of 115 participants surveyed actually undertook additional training. Compared with the non-participant group, however, training participants improved their prospects of employment and attachment to the labour market and that there was a positive impact on earnings over the longer term. The evaluation also demonstrates that most participants were unable to leave social assistance entirely. On average those participants who were employed experienced an increase of only \$3,625.68 in their annual incomes.

The Report, however, found that the rate of employment was particularly low for lone mothers. In this regard, it noted that the impact of the training programs on social assistance savings was reduced because of the nature of the jobs participants found (part time jobs with low wages). By far the majority (23%) had been trained in sales or service occupations and only 18% were earning \$7.00 an hour or more. Although this was more than the non-participant comparison group, of whom only 11% were earning more than

²⁷ The following summary is based on the evaluation report. Nova Scotia Department of Community Services. Strategic Planning and Policy Division. *Evaluation of the Nova Scotia Agreement, op.cit.*

\$7.00 an hour, most participants did not find the kind of full time employment that would enable them to make a full transition from social assistance to the labour market. Not surprisingly, the evaluation found that 30% of participants were back on social assistance a year after completing training and 48% who had been employed at some time after their training still needed to have their incomes supplemented by social assistance. In a prescient observation, the report noted that, “if the employment incentives incorporated in the Family Benefits rates were not available, there would be no advantage to participants to become involved in the margins of the labour force.” (Evaluation Report, p. 34)

The evaluation also identified several factors related to “success”, defined as having been employed for six months or more during the previous twenty-four months.²⁸ Single parent status was a statistically significant barrier to employment. For respondents with children, 51% of married parents—but only 38% of lone parents—were successful in the terms of how this was defined by the evaluation. Not surprisingly, the evaluation found that not having a high school diploma and being unemployed for a long period were statistically significant impediments to employment. The cost of child-care also made a difference to employment outcomes and fewer respondents who paid more than \$50 a week for child care maintained employment compared with those who paid less than this, although this finding was not statistically significant. The degree of difficulty arranging child-care was also not statistically related to success as defined by the study, but problems with child care were cited as more of an impediment to remaining employed than as a barrier to finding employment. While the cost of transportation was not directly

²⁸ It noted that if success had been defined as being employed at the time of the final interview, problems with child care arrangements would have made a significant difference to the employment outcome.

related to the ability to maintain employment, having a regular means of reliable transportation was. Health issues and the loss of Pharmacare were also barriers to employment. Although in a minority of cases, the SARS program may have enabled some women with higher education levels to make a full and permanent transition to the labour market, the program had not enabled most lone mothers who participated to find permanent employment or to become fully independent of social assistance.

Despite extensive discussion of the barriers to employment, it was cost savings and reducing reliance on social assistance that were the main focus of interest and the report provided an in depth cost-benefit analysis of the program. It calculated that the average monthly increase in earnings for participants was \$144.32 a month. The Report noted that the work incentives built into the Family Benefits program absorbed the relatively small increases in earned incomes. After work incentives were taken into account, there was an average recovery of 34% of earnings with savings to social assistance of only \$49.39 per participant per month. On this basis, the report estimated it would take 6.8 years to recover the net costs of training a participant.

The implications were that participants were earning income from employment only to a level that maximized the financial benefits of combining social assistance and paid work. The evaluation findings confirmed much of what program administrators already knew about disincentives for lone parents gleaned from feedback through local liaison committees and program and project monitoring but it provided the firm evidence that program administrators required to calibrate the program with the cost-benefits analysis. Some job trainers interpreted the findings to mean that social assistance and work incentives were too generous, yet in relation to actual living standards, social assistance

levels were well below the poverty line (as defined by the Statistics Canada low income cut-off) even when supplemented by earned income and other allowances. Recognizing that wages below \$7.50 an hour made employment unsustainable for lone mothers, by 1991 both EIC and Community Services officials were basing their funding of SARS projects on the criterion that lone parents should expect to earn at least \$7.50 an hour after training. The evaluation also lent support to the idea that employment would be more sustainable if lone parents moving off social assistance had access to Pharmacare and a supplementary transitional benefit for the first few months after moving into employment. These measures were considered and became allowable under CAP in the second bilateral agreement.

The broader implications of the findings, however, were that if the application of the employability concept was to remain voluntary and become integrated into the social assistance system in a way that would improve the employment and financial prospects of lone mothers, authorities would have to build in more financial incentives and address the multiple barriers faced by lone mothers through increased investment in a range of supports such as transportation, child-care, adult education, job training and post-secondary education. Low pay and poor working conditions would also need to be addressed. It also implied the recognition that such programs were unlikely to result in savings on social assistance costs in the short term (Noel, 1995). A plan for a national child-care program under a new National Childcare Act was floated in 1987, but this proposed to replace the relatively open-ended cost-sharing for childcare under CAP with a maximum of \$3 billion, cost-shared over seven years. Since the proposal would rely on substantial provincial contributions and open up funding to private childcare, the

provinces and non-profit child-care advocacy groups opposed the plan. After the Conservatives were elected to a second term in 1988, the proposal was dropped (Jenson, Mahon and Phillips, 2003).

Moreover, by the early 1990s, fiscal restraint and what Gray (1990) described as “social policy by stealth ” had resulted in incremental but significant changes to a number of federal social programs that had whittled away benefits through de-indexing, reduced entitlements or by shifting universal programs towards tax credit or benefits and targeting. Not uncommon within liberal welfare regimes given their more residualist and market-oriented approach to social security (Myles and Quadango, 2000), during a period when concern about poverty was growing these strategies were legitimised in terms of directing programs to those deemed most ‘in need’ but they were also a way of limiting growth in social spending. While the government was forced to back down on de-indexing Old Age Security, it targeted benefits to the elderly poor through a tax clawback. A more successful case of targeting was the abolition of the universal Family Allowance. In an example of what Streeck and Thelen (2005) refer to as “institutional drift”, the value of the Family Allowance had eroded through de-indexation and caps on benefits for a number of years. The argument for an income-based benefit was again made in the context of growing concern about poverty. As McKeen (2004: 67-88) argues, the emphasis on family income in social programs may appear more equitable, but it assumes women’s dependency on male support in the family. Yet with declining public support for the diminished Family Allowance, in the early 1990s the government abolished it in favour of income based child tax credits (McKeen, 2004).

Restraint in federal social programs also trickled down to the provinces through cuts to

transfer payments and indirectly through cuts or changes to other federal programs. The erosion of Unemployment Insurance (UI) that had begun with the cuts in 1979 had continued during the 1980s (Porter, 2004). In 1990 the federal government placed limits on the federal contributions to shared cost funding under CAP for the richer provinces. In the context of higher social assistance expenditures and policies and political discourses that increasingly advocated social spending restraint, the provinces, including Nova Scotia, were also cutting back on programs. The Nova Scotia government introduced limits on cost-sharing for municipal income assistance and gradually imposed regulations that made eligibility for Family Benefits more difficult for some lone mothers. Yet, as I explain in chapter five, as the SARS program entered its second phase in 1992, the federal government had already retreated from Re-entry job training under the CJS program and from funding job training through general revenues. At the same time, the SARS program was helping the province to build capacity to deliver employability programming to both municipal and Family Benefits recipients and allowing federal, provincial and local program administrators to collaborate in identifying obstacles and barriers to employment. Regime theorists might argue that such collaboration and regulatory harmonization were needed to resolve institutional incoherence in a policy regime developed in the context of federalism and divided jurisdiction for welfare. Yet as chapter two implies, the problem of incoherence can also be viewed as an effect of gendered residualism within the broader social welfare regime.

CHAPTER V: MOVING TOWARDS REFORM: PHASE TWO OF THE EMPLOYABILITY ENHANCEMENT INITIATIVE IN NOVA SCOTIA

As the federal government and business groups emphasised the need to increase “international competitiveness” in the wake of the 1988 free trade agreement with the United States, the momentum to shift social security programs away from ‘passive’ support toward more ‘active’ measures increased. This chapter explains how this shift, visible in a new federal labour market development strategy and in an emphasis on flexibility in the second phase of the Employability Enhancement Initiative, played out in policies and practices within the Nova Scotia SARS program and how a federal proposal to reform income and social security programs in 1994 increased the efforts of the Nova Scotia government to build capacity and bring about institutional change through reform.

The first part explains that the federal Labour Force Development Strategy (LFDS) announced in 1989 proposed to move labour market development programs towards labour market adjustment and place less emphasis on gender equity in job training. At the same time, a SARS program review and preliminary evaluation results indicated that the most efficient way to deliver employability under the second round of EEI agreements would be to allow a variety of interventions and greater emphasis on flexible programming. In the context of high unemployment, growing social assistance caseloads, changes in federal labour market development policy and an environment of uncertainty about the future of social programs, however, federal-provincial negotiations for a second round of EEI agreements were protracted.

The second part explains how the shift away from gender equity in federal labour market development programs and more flexible approaches under the second phase of the Employability Enhance Initiative led to a decline in job training directed to lone

mothers, more emphasis on pre-employment programs, and employment resource centres becoming increasingly important focal points for delivering employability programming under the Nova Scotia SARS program. As centers tried to cope with higher caseloads, a decline in job training and more limited resources to address the multiple employment barriers facing many social assistance recipients, service delivery actors turned to both case-management and interventions that emphasised a 'work first' approach. One effect of this was that income assistance and employability programming became more closely integrated.

By 1993, it was clear that the federal government wanted to move towards social security reform based in part on experience under the Employability Enhancement Initiative. To further enhance the capacity of the provincial government to deliver welfare to work programs, in the third section I explain that the Nova Scotia government called on retired Halifax Social Planning head Harold Crowell to head a Task force on Employability and Subsidized Employment. Following the election of a federal Liberal government at the end of 1993, a review of social programs was announced. However, in March 1994 a cost-cutting budget targeting social programs negatively affected provincial support for reform. To soften the effects of the budget and to prepare for social security reform, another federal strategic initiative was launched to foster provincial experimentation in employability programming. As the federal government established its social security review in early 1994, the Nova Scotia Compass program was funded as a demonstration project under this initiative.

As I explain in the final section, while the provincial government gained new knowledge about the cost-benefits of different work incentives and delivery mechanisms

under the Compass program—one stream of which was specifically targeted towards lone mothers—it also helped the municipalities to expand their capacity to deliver welfare to work programming. In the meantime, the stage was being set for social assistance reform. The provincial government had already launched a commission on municipal amalgamation and in 1994, the government accepted a recommendations to negotiate a service exchange agreement with the Union of Nova Scotia Municipalities (UNSM), which, amongst other things, would harmonize municipal income assistance and bring it under provincial control.

The Labour Force Development Strategy and the SARS Program Review

The SARS program review and negotiations for a second round of EEI agreements followed closely on the heels of the launch of the Labour Force Development Strategy (LFDS) in 1989. The LFDS was intended to respond to government and business concerns that, in the context of free trade agreement with the United States and continuing high rates of unemployment, public training programs were out of touch with the skills required to improve employment and increase competitiveness in a changing labour market.²⁹ These challenges were to be overcome by strengthening linkages between job development or training programs and local labour markets, by promoting technological skills and the idea of ‘lifelong learning’ and greater private sector involvement in setting public skills training priorities and in the provision of training (Haddow and Sharpe, 1997; Mahon, 1990). Mahon (1990: 177-8) argues that improving competitiveness through emphasising technological skills in the LFDS ignored labour

²⁹ *Success in the Works* outlining the LFDS was published in March 1989. According to Mahon (1990), the Labour Force Development Strategy was a response to *Adjusting to Win: Report of the Advisory Council on Adjustment* (January, 1989). The Council had been established by Prime Minister Mulroney to look into the adjustment measures needed to complement the Canada-U.S. Free Trade Agreement.

market changes that were already creating a greater dichotomy between ‘good jobs’ and ‘bad jobs’, especially within the service sector and that this trend was gendered.

Despite criticisms by women’s and community based training organizations about the privatised approach and rigidities within the CJS, the more streamlined and rationalized approach under the LFDS would eventually affect women’s access to job development and job training programs. Equity provisions, which set specific participation targets for women, aboriginals, visible minorities and persons with disabilities, were to be maintained under the LFDS, at least in the short term, and social assistance recipients were added to the list of designated groups. Yet with the exception of aboriginals, it was intended that these groups would be integrated into regular programming. By the early 1990s, there were fewer long-term job-training programs designed for specifically women and less emphasis on gender equity in skills development programs (Lord, 1994; Critoph, 2002; McFarland, 2003). Instead, the LFDS envisaged greater flexibility in programming and a more ‘client-centred’ or ‘case managed’ approach to meet individualized training needs for the long-term unemployed and those on social assistance. This new direction was to be facilitated by de-centralized decision-making by local Canada Employment Centres (CECs) and in keeping with the new emphasis on fostering a learning culture and job training that met the needs of private sector, a stronger role was envisaged for private sector labour market partners (business and labour) in establishing national and regional labour market development priorities (Haddow and Sharpe, 1997; Mahon, 1990).

The LFDS, however, was influenced by two seemingly contradictory objectives—adjusting to the prospect of increased international competitiveness arising from the 1988

free trade agreement through skills development was one, but there was also a growing emphasis within government policy on tackling the deficit through cuts to social program spending (Mahon, 1990). No new government money would be invested in the LFDS program. Instead, the government proposed changes to the Unemployment Insurance Act that would cut the federal contribution to UI; limit access to benefits with expected savings of \$1.3 billion annually; and allow additional UI funds to be redirected towards 'developmental purposes' that in effect enabled the government to re-direct \$775 million from unemployment insurance to job training and employability programming of which \$100 million was to be directed towards provincial programs under the Employability Enhancement Initiative (McBride, 1992: 177-178). After 1990, therefore, there was a gradual withdrawal from the utilization of consolidated revenues and an increase in the use of UI revenues to fund training and job development programs (Critoph, 2002). These measures would deepen the trend towards moving income security programs away from 'passive' income support towards active measures in keeping with the Dodge and the Macdonald Commission reports (Mahon, 1990; Haddow, 2000).

Not surprisingly, the proposed cuts to Unemployment Insurance, the redirection of UI funds towards training and the loss of the Re-entry option for women were strongly criticized and opposed by the Canadian Labour Congress (CLC) and by anti-poverty and national women's groups (Mahon, 1990: 73-74). In response, the federal government inaugurated a strategy for labour market development patterned on the European corporatist approach. This called for the involvement of business, labour, equity groups, and other 'labour market partners' (which would eventually include some of the provinces) in developing job development and training priorities and programs. The

development of national and provincial Labour Market Development Boards after 1989 provided these organizations with the opportunity to become involved in advising the federal government on training priorities and the development of programs under the LFDS. As I discuss below, the increased flexibility envisaged under the LFDS was in keeping with provincial perceptions of what was required under a second round Employability Enhancement agreements, but the strategy of relying on these stakeholders for advice diverged from provincial interests (Sharpe and Haddow, 1997).

The SARS program review

As a preliminary step in the LFDS process, the federal government appointed a Task Force on training issues and appropriate models for labour force development under the auspices of the Canadian Labour Market and Productivity Council (CLMPC)—a joint business-labour think tank. The Task Force on training programs for social assistance recipients was established in early 1989. Shortly afterwards, in June 1989, the federal government also sponsored an internal consultation with eighty federal and provincial SARS administrators and program managers to elicit feedback and suggestions for the EEI review. The limited program evaluation studies that were then available and reports from these two different consultation processes constituted the input for the review.³⁰

As Peck (2001) has pointed out in the context of similar experimental programs in the United States, experiential learning about what kind of employability measures reduced caseloads and adjusting program elements quickly in response to federal goals, changing client profiles, and local labour markets conditions were fundamental strategies in the shift towards workfare. The SARS program review demonstrates that program planners

³⁰ HRDC, Federal-Provincial Agreements to Enhance the Employability of Social Assistance Recipients, 1991-1992, p.2.

considered this kind of flexibility of growing importance. At the same time, the two somewhat different review consultation processes demonstrate the importance of what Hemerijck (2005) calls 'social learning' whereby policy actors make links between policy issues that bear on seemingly intractable problems to envision solutions. Yet although there were some commonalities between the solutions that emerged from these consultations, the processes were quite different, relying on the one hand on a formal process of policy and program review and on the other on experiential learning of administrators and practitioners in the field.

The June 1989 consultation on provincial SARS programs provided feedback on four major areas of interest to federal and provincial decision makers: the working relationship established in each of the provinces through the four-cornered approach; assessment and referral processes in place in each jurisdiction; innovative approaches in program development; and "the always vexatious question of incentives and disincentives in federal and provincial systems" and its effects on client participation and success.³¹ Workshops on each of these themes identified how programs could be improved and the related policy issues that needed to be addressed in the longer-term. Then Deputy Minister of Employment and Immigration, Arthur Kroeger, drew attention in his opening remarks to an additional \$100 million for provinces willing to provide an equal amount for employability enhancement programs.

The report from this internal review indicated strong consensus on a more client-driven approach to employability whereby the focus would be on the needs of individuals rather than on a priori categorizations such as 'employable' or 'unemployable' currently

³¹ Social Policy Research Associates, Report, National Program Meeting on the Employability Enhancement Initiative, Ottawa, June 12-15, 1989.

used in most social assistance programs. They argued though that this new approach would require staff well trained in needs assessments and transitional planning using vocational rehabilitation techniques as well as a range of services to assist clients to overcome barriers to employment. Participants supported the idea, therefore, that rather than increasing the quantity of programs, a new national EEI framework should redirect any new money towards improving their quality and length (Report: 22).

Participants, however, expressed different and somewhat contradictory views on the issue of harmonization and the four-cornered approach, about the practical objectives for the next round of agreements, as well as on the long-term policy direction governments should take. The report noted that although there appeared to be greater cooperation and harmonization between provincial social services and the federal EIC, these changes on their own would not remove all the barriers to employment confronting social assistance recipients. Clients would not be better off working than on welfare “until tax, fiscal and income security policies are harmonized” (Report: 23).

Some also indicated that the problem of poverty in Canada would not be resolved through employability programs alone. Indeed, in reference to lone parents, the report noted that although they enjoyed considerable success in training programs, their income and job security could not be assured “until society as a whole addresses more fully questions related to minimum wage rates, child care, job ghettos and wage disparities” (Report: 24). Addressing these broader problems would necessarily require a more comprehensive and coordinated approach that involved economic planning and the involvement of an array of government departments such as housing, education and health as well as shifts in public perceptions about the poor and people on welfare.

While the report did not dismiss these longer-term policy considerations, the consultation focused on developing practical objectives for the next round of agreements. In this narrower, shorter-term context, harmonization would mean “better coordination among orders of government so that duplication of programming is avoided.” This was important to enable clients to “progress smoothly, according to a well-conceived case plan, through a continuum of preferably mainstream programs delivered by an array of agencies.” It would create “an environment in which social assistance recipients can succeed” and “integrate into mainstream programs and society” (Report: 23).

The report, therefore, drew together four major themes for the second phase of the initiative: focusing efforts on individual clients; better coordination and harmonization among federal and provincial programs and policies; better communication, education and research as a means of influencing negative public perceptions of social assistance; and refining a variety of management practices. In a seemingly contradictory position, the establishment of national principles or standards under CAP was considered important, but greater program flexibility to accommodate different conditions and priorities within each province and further decentralization of responsibility and authority were also viewed as crucial because “those closest to the clients, and carrying the responsibility of linking systems in the interests of clients, are in the best position to understand what works best for whom.” In this regard, the report noted that well trained field workers “should have the ability to experiment and innovate” (Report: 24).

In a parallel process, the CLMPC Task Force on the SARS program consulted with its constituency organizations during the summer and fall of 1989. The Task Force report in March 1990 offered a particularly critical view of government policy. While it was in

favour of training and financial supports for social assistance recipients, it opposed the use of UI funds for purposes other than income maintenance and indicated that in the context of high unemployment and an overall lack of employment opportunities, training should not be regarded as a panacea for unemployment. It recommended, therefore, that governments reaffirm their commitment to the principle of full employment. The Task Force also made the case that due to the absence of national criteria or standards for the CJS/SAR programs and poor design, the Initiative had not adequately addressed the various barriers to employment faced by the diverse population of social assistance recipients, including financial disincentives and high tax-back rates on earnings under provincial social assistance programs.³² To support its case, the report drew on the Ontario Social Assistance Review Committee (SARC) Report, *Transitions* which in developing proposals for social assistance reform in 1988 had called for numerous changes to Ontario's two-tier social assistance system with better incentive provisions and supports to enable a transition from welfare to work.

At the same time, the CLMPC report came to similar conclusions on a client-focused approach to employability. It identified the barriers arising from a number of factors—reliance on privatised training in which quality control was lacking and poor linkages and coordination between a plethora of projects that prevented trainees from progressing smoothly from one to another were highlighted. It also cited a lack of supports such as subsidized childcare, restrictive training criteria, limited availability of training programs, and the lack of educational upgrading and literacy programs as leading to limited access and inadequate and inappropriate training, especially for those with literacy challenges. Planning difficulties created by the short-term nature of the funding exacerbated these

³² CLMPC, Report of the Task Force on Programs for Social Assistance Recipients, 1990, p.2-3.

problems.

The report made numerous recommendations for improvements based on guiding principles such as prevention, adequacy, equity, comprehensiveness, and voluntary participation and advocated the integration of social assistance recipients into mainstream training programs. In keeping with the SARS program review, it recommended greater emphasis on client-centred, community-based programming and flexible program design. On this basis it suggested a more community-based approach to pre-employment and job training and the creation of Training and Education Access Centres (TEACs) to provide 'one stop shopping' for the full range of employment and training information, job counselling, advocacy and linkages with training delivery agents. The latter, which could be public educational institutions, labour, business and non-profit groups, would be staffed by well trained 'service brokers' who could assess the needs and skills of clients, advocate on their behalf, provide advice and make referrals. Although this concept was not dissimilar to the one developed by the Halifax Employment Support Centre, the TEACs were to be affiliated with local community colleges and supported by a more fully developed job training and social service infrastructure than currently existed.

In comparing these two consultation reports, it is perhaps not surprising, given the different interests of participants that the Task Force should raise the issue of the government's commitment to reducing unemployment while the internal consultation identified obstacles associated with addressing poverty. What is perhaps more surprising though, is that in both reports there was a theme of dissatisfaction with the policy approaches of federal and provincial governments and some common ideas for a different approach. This stressed the need for more resources, moving beyond job training to a

continuum of support services, and a more flexible approach based on individual client needs. There were also differences, however. The CLMPC report advocated national standards and principles and presented a model to reduce barriers to employment that built on equity and a community-based approach to job training. The internal review noted that success depended on a number of additional policies not least of which was a commitment to full employment and additional resources, but envisaged horizontal policy development that would build collaborative relationships across government departments and breaking down bureaucratic silos to address a range of issues associated with residualism and poverty.

As Hemerijck (2005) argues, to take effect at the policy level, this kind of policy envisioning must go beyond the level of ideas and translate into institutional change, which without political backing, neither the Task Force nor the internal review participants were in a position to pursue. In the absence of these conditions, the federal-provincial program review committee recommended action only on those issues which could be addressed within the terms of the existing policy framework— a “more systematic case-managed approach”, greater flexibility with more emphasis on quality programming and a range of programs and services to support those who were not fully “job ready”, allowing clients with multiple barriers to progress from one training option to another, and the integration of social assistance recipients into mainstream LFDS programs. These delivery strategies were not inconsistent with those already proposed in the LFDS and would be echoed later in the 1994 social security review. In the context of spending restraint, however, the push back on job training, the streamlining of programs and increased flexibility under the SARS program and the LFDS would come at the cost

of re-entry job training projects specifically directed towards women (Critoph, 2002). Between 1990/91 and 1991/92, there was a decline in the number of re-entry projects funded in Nova Scotia and by 1993 there was limited access to any kind of six-month job training under the SARS program (Lord, 1993).

Negotiating the Second Round of Employability Enhancement Agreements

By December 1989, the federal-provincial committee responsible for the SARS program review directed a working group of officials to consider the issues identified in the provincial program evaluations and the various consultation reports and to make recommendations that would form the basis of a new round of agreements. Multilateral negotiations between the provinces and the federal government for the second round of bilateral Employability Enhancement Agreements did not begin in earnest until 1990. One key issue identified was the problem of incentives and disincentives to participate in employability programs and in the labour market (HRDC evaluation report, p.5). Another was the need for greater clarity on the division of roles and responsibilities between the federal and provincial sides of the initiative. Due to tensions over the perceived need to control social spending, growing rates of unemployment and expanding social assistance caseloads, and the changes in federal labour market development policy, the negotiations took longer than expected.

In 1990 the federal government placed limits on cost-shared funding under the CAP program. This 'cap on CAP' limited the annual increase in federal contributions under CAP to 5% for Ontario, British Columbia and Alberta—the provinces that did not receive equalization payments. These provisions may have been driven by Ontario's rising social assistance expenditures and an attempt to forestall the anticipated costs entailed in the

reforms proposed in the *Transitions* report (Interview, Senior DCS official, 1991).³³ The 'cap on CAP' soured relations between the federal government and Ontario and British Columbia. In response, Ontario and British Columbia challenged the federal decision in the Supreme Court. The CAP limits had the potential to undermine support for CAP amongst the provinces directly affected, but it also raised concerns amongst those provinces not directly affected and supported the long-standing view that the federal government wanted to place limits on cost-sharing across the board. Moreover, though the possibility of some additional funding for programs directed towards social assistance recipients under the LFDS appeared to present potential benefits to provinces still experiencing high social assistance caseloads, there had been changes to the UI program and provinces were worried that more people would slip onto social assistance because their federal Unemployment Insurance had run out. Nevertheless, by October 1990 there was agreement on a revised Statement of Principles to be attached to the second round of Employability Enhancement agreements.

Negotiations on the terms and conditions of agreements, however, were more protracted. In the context of economic uncertainty, a worsening unemployment situation in some regions, and significant changes in income security programs, most provinces, including Nova Scotia, argued that the three-year extension the federal government was proposing for the second round of Agreements was too short. They wanted a longer time frame to enable both levels of government to adjust their programs so that the issues

³³ In 1989 the Ontario government had acted on some short-term recommendations but further progress had stalled due to fiscal concerns (SARC, *Back on Track*, 1990). Under pressure to do more, in May 1990 the Ontario government appointed a community-based committee to advise the government on how to translate the *Transitions* recommendations into new social assistance legislation. In the summer of 1990, a newly elected NDP government indicated that with rising social assistance caseloads and expenditures, there would be very little support, at least in the short term, for a reform process which, by the committee's own estimation, would cost about \$450 million (*Back on Track*: vii).

identified in the Program Review could be addressed (Interview, Senior DCS Official, 1991). Given the impasse, the terms and conditions in the first round of agreements were extended on a yearly basis until March 1992 and it was agreed in principle that the new round of Agreements would continue for four years until 1995/96.

The Statement proposed continuing the 'four cornered' approach and called for greater program coordination, cooperative planning and harmonization of approaches to avoid duplication of services. Building on the previous program and the LFDS, it also recommended greater involvement of the private and voluntary sectors. Local linkages already developed under the first Agreement were to be strengthened to facilitate more effective delivery of employability programs. Participation by social assistance recipients in SARS programs would continue to be voluntary under the terms of CAP and that the primary goal of the program was to assist social assistance recipients to "attain and/or retain employment, leading to self sufficiency". Self-sufficiency, however, was not defined.

The provisions in the Statement addressed some of the issues about the management of provincial programs raised in the consultation process, but they did not respond fully to concerns about the range of supports offered to clients, the quality of job training and the development of standards or the broader issue of reliance on job training raised in the CLMPC report. The enhanced earnings exemptions under the first round of agreements would continue and the Statement also opened the possibility of additional incentives through bridging benefits such as the maintenance of some non-cash benefits and other costs associated with the transition to employment. There was also a response to the need for more attention to pre-employment and literacy programs and the federal government

agreed to allow CAP expenditures under SARS to include the funding of such projects (The Canada-Nova Scotia Agreement).

As important to the direction of the program, however, was the new emphasis on flexibility. This was to be integral to the program because as the Statement of Principles pointed out, flexibility “allows for different labour market and regional differences to be taken into account” and because the spectrum of services would necessarily be “limited by the availability of public resources” (Annex I, Nova Scotia Agreement, *Statement of Principles*). At the same time, it was intended to broaden and increase participation in the SARS program and the provinces were encouraged to introduce more participation incentives at the least financial cost. Flexibility, therefore, was to be encouraged in resource allocation, program design and in the determination of eligibility. Program responses for individuals were to build on the range of available services with strengthened linkages between them “so clients may progress through an integrated system,” to allow client participation in more than one intervention, a practice that had been discouraged under the first round of agreements.

The second round of bilateral agreements intended to continue the process of experimentation through the use of demonstration projects because “overcoming the various difficulties facing social assistance recipients in obtaining or retaining employment is a complex task that requires continuing experimentation” (*Canada-Nova Scotia Agreement*, Section 6:5). While the Statement of Principles indicated that participation in SARS programs was to remain voluntary, it did not address the need for additional supports and services to go along with the new focus on flexibility. Nor did it suggest future action on the broader policy issues that erected barriers to employment

such as access to child-care, low pay, poor labour standards or health and other benefits.

Moreover, as the second provincial SARS agreements came into effect in 1992 it had become increasingly evident that the federal government intended to pursue social security reform. In May, federal, provincial and territorial Ministers responsible for social services and income security announced the establishment of a joint federal-provincial Income Security Reform Initiative with a view to encouraging more active participation in employment and training (p.6). To throw more light on the problem of disincentives to employment, a federal-provincial working group on Barriers to Employment and Training was given the task of finding strategies to address “the multitude of financial, job, skills, attitudinal, support and structural barriers to independence” (HRDC *Employment Enhancement Initiative Evaluation Report*: 6). In this context, the provinces of British Columbia and New Brunswick took up a federal offer to be sites for two large eight-year experimental “Self Sufficiency” demonstration projects. These were intended to act as “controlled experiments...to determine the effectiveness of an earnings supplement for single-parent social assistance recipients who take jobs and agree to leave social assistance” (Report: 6).

The Second Phase of the Nova Scotia SARS Program

The federal government had extended the first round of bilateral employability enhancement agreements until 1991/92, but the Nova Scotia agreement was subject to further delays. The evaluation of the SARS program under the first agreement did not begin until 1991 and there were also outstanding cost-sharing issues (Interview, Senior DCS Official, 1994). To ensure there was no interruption in program delivery, the program continued to operate under the first Ministerial Letter of Understanding until

June 1993 when a new Agreement was signed and its terms backdated to April 1, 1992. Despite higher rates of unemployment, rising social assistance caseloads, the two levels of government committed to spend the same as under the previous agreement.

In accordance with the Statement of Principles the second bilateral agreement emphasised the need for more flexible program options to address multiple barriers to employment. It recognized that clients could move directly from a literacy or pre-employment program into a job training program and allowed for bridging benefits for those moving from social assistance into low waged employment. These included some non-cash benefits that clients in training would have been eligible for if they remained on social assistance (Canada-Nova Scotia Agreement, Section 5). In keeping with preliminary findings of the evaluation in 1991, this provision allowed the province to provide Pharmacare for up to a year after a client left Family Benefits and to introduce a supplementary benefit to cover work related expenses for three months. In the context of the two-tier social assistance system, however, these benefits were not available to everyone. As I explain below, the development of more work-oriented supports, more flexible interventions, and a case-management approach would also lead to streaming clients in terms of their job readiness and what Peck and Theodore (2000) call a “work first” approach to employability. The agreement’s call to reduce duplication and better clarify their respective roles meant that in practice there was to be a clearer division of labour in terms of project funding.

Localized decision making, flexibility and the development of the ERCs

With more capacity to deliver employability programs during the first phase of the SARS program the Halifax ERCs had become a model for the establishment of similar

centres in communities and centres had developed across the province. Given the new focus on flexibility in the second phase of SARS program, growing tensions over provincial-municipal social assistance cost-sharing, and higher municipal caseloads in rural areas and Cape Breton due to lay-offs in natural resource industries and the collapse of the ground fishery, the advantages of developing the municipal ERCs was recognized by the Nova Scotia government. The employment centres, therefore, were now positioned to become leaders in delivering employability programming in Nova Scotia.

The ERCs already received federal project funding, but during the second phase of the program they also received the bulk of funding on the provincial side of the program. By 1991/92, \$1.3 million out of \$3.6 million of provincial spending on the SARS program went to support eight municipal ERCs in different regions of the province (Nova Scotia SARS report, 1991). In 1992/93, funding increased to \$1.6 million, almost a half of total provincial SARS expenditure (Nova Scotia, Annual SARS Report, 1992/93). Supported by both federal and provincial funding, the number of centres in Nova Scotia increased after 1992. As an example of the role that social learning, networking and information sharing can play in program development, by 1992 the ERCs had established a province-wide network to share information and the Halifax ESC staff had developed a blueprint for centres and helped to train other ERCs in the use of assessment tools. As the terms of the second agreement came into effect, therefore, the ERCs were beginning to develop common approaches to case management, albeit in conformity with the somewhat varied municipal policies on mandatory job search and employment.

To facilitate flexibility in job development planning under the LFDS, the federal employment development planning functions were de-centralized from regional to local

Canada Employment Centre (CEC) offices, which in turn were linked more closely to local employment services. These changes helped to strengthen decision-making capacity at the local level through the regional and local SARS liaison committees, now mandated to do day-to-day planning and budget allocation for training in local areas. According to informants, this de-centralized structure helped the local committees to streamline program delivery through better linkages with local agencies and funding that accorded to the local situation. In communities where ERCs existed they were key members of these committees.

Developing common employability practices and processes

Given fewer job-training projects, the streaming of clients according to assessments of employability and job readiness was deemed even more essential within the ERCs. In the second phase of the SARS program, therefore, the assessment process in the ERCs in metro became more rationalized and access to interventions was primarily allotted through a determination of need defined by the employability assessment process. With the exception of persons with disabilities and those with multiple barriers to employment, the Halifax ESC considered clients to be job ready if they had the equivalent of a grade twelve education, had recently participated in the labour market and were not experiencing physical or mental health problems or problems such as alcohol or drug abuse. Lone mothers were considered job ready if, in addition to the above conditions, they had access to reliable child-care. Referrals to address health issues, educational upgrading or pre-employment training or short-term career exploration programs could be made available to those who were not considered job ready. Some subsidized jobs to gain work experience were available for people with little labour market attachment but

clients considered 'job ready' were directed to short-term interventions such as a job finding club which provided job search support and workshops in life skills, resume writing, or job search skills (Interview, employment counsellor, 1994). Indeed, by 1994, ERCs in metro had developed inventories of clients intended to lead to more proactive processes to match clients' assessed employability needs with available interventions.

The Department of Community Services supported the ERCs but it had become somewhat of a bystander in their development. With the increasing prospect of social security reform on the federal agenda, this changed after 1992 and the provincial government began to take a more pro-active approach towards the coordination of municipal and provincial employability programs. In the Halifax ESC, as in some other centres in metro, the position of single parent coordinator was partially funded by the province because the single parent counsellor took referrals for employability counselling and assessments from the provincial Career Planning Program. In this context, staff developed a common employability assessment tool for lone parents and processes were streamlined so that counselling and assessments between the municipal and Family Benefits programs were the same. This collaboration facilitated the sharing of information. It also meant that clients who transferred from municipal social assistance to Family Benefits were not required to go through two separate employability assessment processes.

While this rationalization of procedures can be viewed as a positive step for already over-bureaucratized welfare recipients, it also meant that information could be more easily transmitted and shared as they transferred from one system to the other. By 1993 it had increased the capacity of the ERC counsellor to assess female clients and direct those

deemed job ready to short term employability interventions. Despite what appears to have been a commitment to maintain voluntary participation for lone mothers, the gathering and sharing of client assessments, employment histories and training needs meant that as the SARS program entered its second phase there was be more of an onus on lone mothers deemed 'suitable' to participate in employability programming.

The Provincial Task Force on Employability and Subsidized Employment

With further social security reform in the wind at the federal level and recognizing the need for the Province to take more leadership in welfare to work program development, in December 1992, then Premier, Donald Cameron, invited the recently retired director of Halifax Social Planning, Harold Crowell, to head a Provincial Task Force on Employability.³⁴ The Task Force had four objectives: to create employment opportunities for social service recipients (and potential recipients); to make social programming more responsive to economic opportunities by creating linkages to employment; improve the employability of the unemployed; and change the awareness and attitudes of communities about social assistance. Crowell thought the future of employability enhancement lay in a broader spectrum of educational and job opportunities than currently existed under the SARS program. To encourage a greater commitment from the provincial government as a whole, Crowell asked the Premier to ensure that the Departments of Education and Economic Development become involved in the Task Force (Interview, Harold Crowell, 2001). A management team was appointed which, in addition to the Deputy Minister of Community Services, included the Premier's

³⁴ Crowell insisted that he report directly to the Premier and that he bring some of his "best people" from Halifax Social Planning with him. This condition may have been related to the fact that the Province was in the process of a municipal amalgamation which in 1994 would see several of the municipalities in the metro area amalgamated to form the Halifax Regional Municipality.

Deputy Minister and the Deputy Ministers of Education and Economic Development (Undated memorandum from the Employability Task Force).

In the spring of 1993, three months after it commenced its work, an election was called and there was a change in government. The former mayor of Dartmouth, John Savage, a strong proponent of municipal rationalization and social assistance reform became the premier of a new Liberal government. While the government established a Commission to make recommendations for municipal amalgamation, the election appeared to be a set back for the Task Force on Employability. Three of the department deputies changed and the overall government commitment to the project, as Crowell had envisaged it, declined (Interview, Harold Crowell, 1997). Nevertheless, the second round of SARS agreements, provided for the development of demonstration projects. On the recommendation of the Task Force, two modest projects were initiated within the SARS program. These built on the increasing capacity of the ERCs to deliver employability programming and the linkages that had been made between some ERCs and the Career Planning Program for Single Parents.

A Transition to Employment Program for Single Parents provided a wage subsidy to employers to hire 'job ready' clients in Halifax and Cape Breton where coordination with the Family Benefits program had developed ERC capacity to deliver such a program. In Halifax, this 'work first' program introduced the role of job developer who was responsible for making linkages between clients and prospective employers to broker job placements. A Work Experience for Social Assistance Recipients (WEPSAR) program was initiated whereby the municipalities contributed 20%, the province 30%, and the federal government 50% of a \$1.9 million program to fund 300 short-term employment

opportunities in municipal social service departments or social services agencies for social assistance recipients. The WEPSAR program used a similar model as the Transition to Employment Program for Single Parents but it was delivered entirely through the municipal ERCs. In this regard it was viewed as a test of the ability of the ERCs to mobilize and administer resources in a short period of time, as well as deliver a program that was province wide (Interview, official, Halifax County ERC, 1994).

Apart from their links with employers and employment and social service agencies at the local level, one advantage of using the ERCs to deliver WEPSAR was that the centres were developing client inventories in which they would be able to “match prospective employees with training/work experience hosts on a Province wide basis” (Department of Community Services, *Interim Report*, p.3). Though Crowell had argued that the job subsidies helped to create actual new jobs that would not have been created otherwise in the context of the economic downturn, there was some resistance to the program within DCs on the grounds that it was simply a ‘make work’ program, that wages subsidy programs should not be part of the public service and that subsidizing wages for social assistance recipients would undermine employment opportunities for others (Interim report, p. 5). Nevertheless, these projects would form the basis for the Nova Scotia Compass program funded through a new strategic initiative program as the federal government began to move towards social security reform in 1994.

Despite the development of these two small demonstration projects, the overall provincial contribution to the SARS program in 1993/94 declined slightly from the previous year, likely in response to a growing deficit and a stricter regime of fiscal restraint introduced by the new provincial government. Provincial funding for the

municipal ERCs was maintained at \$1.6 million and spending on pilot projects such as WEPSAR increased slightly from \$.2 million to \$.38 million. Reflecting the change in focus of the SARS program towards a “work first” orientation and flexible programming at the local level, the largest decline in funding was for provincial job skills training projects which dropped from \$.88 million to \$.57 million. Funding for literacy projects dropped from \$.82 million in 1992/93 to \$.7 million in 1993/94. Moreover, although the federal government had committed to spend \$5 million per annum on the SARS program, by 1994 the contribution had been reduced to \$4 million (*SARS Annual Report 1994/95*).

Offsetting these declines in funding, the municipalities made a larger contribution to SARS than they had in the past rising from \$.24 million in 1992/93 to \$.75 in 1993/94 (*SARS Annual Report, 1993/94*). In the context of higher rates of unemployment due to the collapse of the cod-fishery and limited SARS funding, however, this was not enough and by 1993 the ERCs were experiencing serious difficulties placing clients. While the ERCs had increased their capacity to assess clients and provide short-term interventions, there were now fewer resources to develop targeted interventions and fewer jobs or training projects to which clients, especially lone mothers, could be referred. Thus, the Halifax County ERC decided to stop working with lone parents and focus most of their attention on the “able-bodied unemployed” (Interviews, job developers, Halifax County ERC). By 1994 most of the ERC budgets were going into job search counselling and administration (Interview, Manager, Halifax ESC).

In the meantime, in 1994 the Nova Scotia government accepted the recommendations of the commission on municipal amalgamation and indicated that as part of the process the government intended to negotiate a service exchange agreement with the Union of

Nova Scotia Municipalities (UNSM) to take effect in April 1995. Amongst other things, this was to establish a process for transferring responsibility for income assistance to the province and thereby become a means of harmonizing income assistance.

Moving Towards Social Security Reform in a Period of Fiscal Restraint

Signalling the federal government's intention to further integrate employment development with income security policies and programs, in June of 1993 the federal government had created a new Department of Human Resource Development and Labour, amalgamating the labour market and training responsibilities of the Department of Employment and Immigration, the income security and social service programs under the Department of National Health and Welfare and the whole of the Department of Labour (Employment Enhancement Initiative Report, 1993/94, p.6).³⁵ Driven by the prospect of federal social security reform and in the context of proposals to amalgamate several Nova Scotia municipalities, by 1994 plans to harmonize municipal income assistance and move towards a single tier system were proceeding. A provincial sub-committee was struck to determine how to pull provincial and municipal programs together through common guidelines and develop standardized procedures for municipal units, including the ERCs (Interviews, DCS and ERC officials, 1994). At this stage, the agenda was not to dispense with Family Benefits and create a single tier system, but it would have an effect on employability practices directed to lone mothers.

The 1994 federal budget

As the federal Conservative government prepared for a fall election during the summer of 1993, the existence of a draft White Paper on social security reform was

³⁵ In early 1993, a federal White Paper on social security reform was drafted. Initially scheduled for release in March, there were several delays due to a Conservative leadership convention and the lack of agreement with the provinces on the contents of the paper (Interview, Senior DCS official).

leaked to the media and social policy groups. Although the contents revealed plans for a thorough overhaul of Canada's social security programs, the newly elected leader of the Conservative Party and Prime Minister Kim Campbell stated that the release of the White Paper would be delayed pending the outcome of a general election expected in the Fall of 1993 (ECEJ, *Re-weaving Canada's Social Programs*). Running on job creation, deficit reduction and a range of promises that included a child-care program, the Liberals attacked the government's proposals and promised public consultations on social security reform. Following the defeat of the Conservatives, the new Liberal government announced at a First Ministers meeting in December 1993 that the federal government would conduct a full review of social policies and programs. Following federal-provincial meetings in January to discuss the scope of the social security review, the federal government announced its intention to reform Canada's social security programs within a two years time frame (Standing Committee on Human Resources Development, "Concerns and Priorities...", p.1, March 1994).

With the prospect of cuts to social programs in the 1994 budget, however, many social groups feared that the social security review consultation would simply legitimate what had already been decided. These fears proved to be well grounded. The Throne Speech announced a full review of government programs with the aim of eliminating or reducing some programs and producing greater efficiencies in others and announced that the main objective of the new Liberal government was to achieve a balanced budget over the next three years. In the 1994 budget there were cuts to several programs that cast doubt on Minister Axworthy's assertion that cost-cutting and deficit reduction would not drive the

government's social security reform agenda.³⁶ Unemployment Insurance was reduced by \$2.4 billion in the fiscal year 1994/95 and further reductions in UI spending were to be expected as a result of the upcoming Social Security Review. By 1996-97 post-reform transfers to the provinces under CAP and for post-secondary education under the Established Programs Financing (EPF-PSE) were to be reduced and rolled back to 1993-94 levels. At the same time, the budget made \$800 million available to fund another joint federal-provincial Strategic Initiatives (SI) Program "to support innovative approaches to improve job opportunities, reduce barriers to employment and curtail reliance on society security" (Compass Process Evaluation: 9). The SI program, to run parallel with the EEI and provincial SARS Programs but not duplicate it, can be viewed as prelude to the federal government's agenda to reform social security.

The Nova Scotia Compass program

The Nova Scotia Employability Task Force had been forewarned that arising from the social security program review more federal funding was likely to become available for another round of demonstration programs. Based on experience with WEPSAR and the Transition to Employment Program, in February 1994 the Task Force submitted a proposal for a province-wide program that would concentrate efforts on unemployed youth on municipal social assistance, the growing case-load of lone parents on Family Benefits, and, in the aftermath of the 1992 federal cod-fish moratorium, on fishers whose unemployment insurance was running out.

Facing a lack of resources and the prospect of a harmonized income assistance system

³⁶ The budget proposed to reduce the deficit from \$42 billion to \$39.7 billion in 1994/95, with another \$5 billion reduction in 1995/96 and a deficit of no more than three percent of the GDP by 1996/97. The government later warned that if its deficit targets for 1994-95 were not achieved further measures would be required in the 1995 budget (Green Paper, p.23).

along with municipal amalgamation and with advance knowledge about the pending proposal, in the summer of 1994 the Halifax Metro SARS Liaison Committee commenced a review on how to build on existing cooperation between the three employment resource centres in metro and streamline services.³⁷ Funded by HRDC, the review illustrates the growing importance of the ERCs to the development of the SARS program as well as the frustration of frontline workers with the lack of resources and integrated services and the fear that the centres might be swept away in the larger processes of institutional and policy change. Its major finding was that while the ERCS were “the cornerstone of the system in the metro region” there was still a need for a single-entry (one stop shopping) integrated model for assessing and referring SARS clients. Arguing that a majority of ERC clients needed “substantial programming interventions designed to increase their basic level of education and provide skills training appropriate to the labour market” the report proposed a case managed approach and flagged the need for more literacy and educational upgrading programs. It argued that these should be consolidated under one administrative body (Report, p.8). Reflecting frustration with the lack of resources and current programming, it noted that although there were some notable exceptions, job training provided by private trainers was of poor quality. It nevertheless argued that the community college should become more involved with SARS skills training and for a focus on job skills currently in demand in the labour market (Report, p.18). It also suggested that as in the Transitional Employment Program for Single Parents and the WEPSAR programs ERCs make more use of job developers. Overall, the report advocated building a network of core SARS service agencies to

³⁷ Martell Consulting Services Ltd., A Report on SARS Programming; Towards and Integrated Approach, September 1994.

eliminate fragmentation, equalize services to clients, and enhance communication with a view to working towards the integration of the ERCs within the Halifax region. It also recommended the development of a computerized information management system to link those involved in delivering SARS services; local labour market forecasting with centralizing SARS planning; better liaison with the business sector for employment planning purposes; and building formal evaluation procedures into SARS programming (Report, p.24).

The three-year Nova Scotia Compass Program was approved and with a \$15 million budget the program got off the ground in October 1994. The program involving two main components delivered through the ERCs. The Work Experience Option (WEO) directed towards youth and displaced fishers on income assistance was based on employer wage subsidies to train workers. Participants were paid slightly less than minimum wage, an issue for which the department was criticized (Interim Report). As a consequence, the rate of pay was raised to the minimum wage (\$5.15 an hour), employers were encouraged (but not required) to top up their wages, and placements were reduced from twenty six to a maximum of sixteen weeks. The Transitional Training Option (TTO), directed towards 'job ready' lone mothers and disabled clients on Family Benefits (with a twenty per-cent quota for municipal clients), was based on a subsidized training wage. Clients were paid up to \$5.62 an hour and employers were required to contribute an additional minimum of twenty-five percent to this hourly wage. This meant that lone mothers, the main targets of the TTO program, earned about \$7.00 an hour. Yet both ERC administrators and counselors in metro had estimated that a wage of at least \$10 was required to ensure that lone mothers could participate, and some claimed they should

earn more (Interviews, job developers and employment counselors, 1994). This issue became a source of tension between DCS officials and the ERCs. A third component, the Enterprise Development Option (EDO) was intended to assist a limited number of SARS clients to establish and operate a small business (HRDC, Final Report, Summative Evaluation).

The Compass program was built on the existing activities of the ERCs and included the development of a computer data-base on clients and a comprehensive monitoring and tracking processes to assist in program evaluation (Summative Evaluation Summary: viii). Given its 'work first' approach and in accordance with the ERC review, the position of job developer whose role was to build relationships with local employers, match job ready clients with employers willing to create subsidized employment, and maintain contact with employers and clients to resolve problems related to the placement, became a key component in delivery of the Compass program. This maintained a division of labour between those responsible for referral and placement and counselors who did employability assessments but it allowed the ERCs to combine individualized counseling and the preparation of clients for interviews. Six months into the program a provincial coordinator with experience working with lone parents through the Halifax ESC was hired. Her job included establishing mechanisms to tighten communication and linkages between the sixteen ERCs operating in the province, organizing staff development for job developers and bi-monthly meetings with various government partners in the program.

As a demonstration project, the Compass Program was subject to both process and summative evaluations to recommend changes in practices and procedures and measure its impacts. The interim process evaluation conducted one year into the program noted

the value of the division of labour between job developers and counsellors, but recommended that a blend of both business and counseling experience would be more effective for job developers. Overall, it argued that the role played by the ERCs in delivering the program had allowed it to be melded into existing operations. This had provided “seamless service delivery” and “strengthened the ERCs in their work with clients”. It noted that participation by both youth and lone parents on municipal assistance had been better than expected, but that there was a lower than anticipated take-up by lone parents on Family Benefits, a problem attributed to poor communication and linkages between the ERCs and Family Benefits in some regions (Executive Summary). It suggested that the regional Compass liaison committees, in the process of being established throughout the province, facilitate better communication between all the program partners.

In keeping with the observations of the SARS evaluation and most of the employment counselors interviewed for this thesis, the interim report also noted that many lone mothers on Family Benefits could not be considered ‘job ready’ and that many faced multiple barriers to employment. While some of these related to education, the most significant were the lack of affordable, subsidized child-care, reliable transportation and access to Pharmacare. Given the lack of resources to address these and because municipal clients, who were not entitled to Pharmacare, would not experience its loss, a decision was made to increase the quota of municipal clients under the TTO component of the program (Executive Summary: v). The stronger emphasis on employability within municipal assistance may also have been a factor in this decision. Even so, a survey of lone mothers by the Halifax County ERC as a result of their low participation found that

only about five percent could be considered both job ready (defined as having a clear objective for employment, a grade twelve education, the ability to get child-care in place and no health problems) and interested in participating. Although not mentioned in the report, most counselors interviewed for this thesis observed that a significant barrier to participation, even for those deemed to be 'job ready', was the low wages that women could expect to earn in the jobs that were open to them in the labour market.

As in the SARS program, a major concern in the final Compass evaluation was whether the program had saved money through reducing reliance on income support. The evaluation examined the cost-benefit impacts of the program through a follow up survey of participants and non-participants and an econometric analysis of results. While most participants were "very satisfied" with their job placements, TTO participants were less satisfied with services available once the subsidized employment ended. Employers had made commitments to hire them at the end of their training, but only 45% of TTO participants continued to be employed once the subsidy ceased and only 13% were still employed ten months later. Overall, the report indicated that Compass had served considerably fewer clients than anticipated and recommended that the Implementation Committee look for ways to address the barriers facing lone mothers (Evaluation Report, 1996: xi). It noted, however, that reliance on social assistance for both TTO and WEO participants was reduced and that the program had produced cost benefits to the Province (Final Evaluation Report: 4).

Employers were also surveyed. Though some expressed dissatisfaction with the work attitudes of participants, most were pleased with Compass and particularly so with the length of the program, the range of skills they were able to draw on, the client screening

process and other monitoring and ‘trouble-shooting’ services they received from the ERC job developers (Report: 3). Confirming earlier reservations amongst some within DCS, it appears likely that the program did displace workers who might have been hired without the subsidy. Half the employers reported that they would have hired someone without the subsidies under Compass, though as the final evaluation report noted, they might not have hired a social assistance recipient.

The written response to the interim process evaluation from the Compass Implementation Group did not emerge from DCS until 1995. It noted the MIS division was developing a new Income Assistance information management system and that ERCs needed computer software upgrades to maintain data to enable job developers to better follow clients. It also indicated that the various barriers identified in the report were to be examined in the context of a provincial review of income and employment support programs currently being undertaken and which it expected would “culminate in new legislation” (Nova Scotia, Response to Interim Report, p.xviii-p.xx).

Indeed, in the context of the federal Social Security Review that began in early 1994 the provincial government was under increasing pressure to make the full integration of the employability concept into the social assistance regime a primary consideration. In the spring of 1994 the government announced that a Provincial-Municipal Service Exchange Agreement was scheduled to come into effect on April 1, 1995. This would now entail amongst other things, combining the administration of municipal income assistance and the Provincial Family Benefits Program with a view to eliminating the two-tier welfare system (Nova Scotia, Government by Design, 1994-95). In the meantime, the principle of voluntary participation in the SARS program to comply with

CAP requirements appeared to provide some protection against the kind of mandatory workfare programs that were then proliferating in the United States (Peck, 2001). Given the possibility that CAP reform would emerge from federal social security reform and the Province's experience with the Compass program, it was becoming more likely that Nova Scotia would move in the direction of a more mandatory approach to employability for lone mothers. As I explain in the next two chapters, the federal Social Security Review process would irrevocably change the legislative framework and funding arrangements for social assistance in Canada, setting the stage for social assistance reform and gender regime change in Nova Scotia.

CHAPTER VI: THE FEDERAL SOCIAL SECURITY REVIEW, 1994-1995

As discussed in the last chapter, by late 1993 social security reform was front and centre of the new Liberal government's agenda. Though the government cited increasing levels of family poverty and more equitable access to programs providing opportunities in the labour market for women, ethnic and racial minorities, and people with disabilities as justifications for social security reform, restructuring programs to meet the social and economic challenges associated with economic globalization were central to the agenda. As I explain in the first section of this chapter, social security reform was a crucial part of a broader policy agenda focused in the short term on cutting the deficit and reducing social program spending and in the longer-term on shifting the direction of social and economic policy goals towards increasing Canada's competitiveness in a globalizing economy. As organized labour, women's groups and other social justice organizations contested the proposal to restructure social programs in the context of spending restraint, provincial governments were reluctant to publicly endorse the idea of reform. The publication of the government's proposals and the public consultation on social security reform, therefore, were delayed until after an election in Quebec. When they emerged in September 1995, they were part of a broader *Jobs and Growth Agenda* organized around fiscal restraint and increasing global competitiveness.

In the second part, I analyse in some detail the social security review process and proposals for reform which entailed restructuring income and social security programs away from 'passive' support and traditional entitlements towards 'active' measures to promote labour market participation, adaptation to changing labour market conditions and individual responsibility for income security a social security. In this context, the

government made several proposals to reduce the reliance of lone mothers on social assistance by encouraging their labour force participation through a work incentive, CAP reform, and an enhanced child benefit targeted to low income families to promote employment. I make the case, however, that taken together the proposals would affect the broad policy environment within which lone mothers would be increasingly required to move from welfare to work. As I explain, social security reform provoked a polarized debate between those favouring reform and oppositional social groups who recognized that in the context of deficit reduction, social spending restraint and the trend towards greater reliance on the market, social security reforms would have negative impacts on vulnerable groups. Though there were divisions within the federal government on the immediate priority of deficit reduction over reform, it contributed considerable resources to convincing the public of the necessity of sweeping reforms.

The First Phase of the Social Security Review

In proposing a review of social security programs in January 1994 the Minister of Human Resources Development Lloyd Axworthy tried to assure the public that the process was not primarily about cutting programs, but was to “renew and revitalize” and “to find out what really works so that people can work” (Cited in Human Resources Development Standing Committee, Interim report, 1994:73). Unlike its Conservative predecessors, the new Liberal government claimed commitment to broad public consultation. Despite these reassurances, messages from the government and in the media were mixed. The government was also committed to deficit reduction and addressing this was already high on the Department of Finance agenda. In early January, Human Resources Development Canada (HRDC) which was charged with steering the social security review agenda

issued a background booklet, *Canada's Economic Challenges*, as part of a pre-budget consultation, which argued that Canadians were facing higher taxes to pay for “costly” social programs that were not working properly (Alan Freeman, *The Globe and Mail*, January 12, 1994). The Minister Lloyd Axworthy argued that the primary focus was not spending cuts, but to save money. He identified unemployment insurance and social assistance as the first targets for reform because, he argued, “there was a lot of abuse and waste in the system.”

Citing lessons learned from provincial experiments under the EEI, the key idea underlying reform was to shift social security systems to “reward effort” through incentives for enrolling in transition to employment programs or penalize those who refused to participate. To demonstrate that efforts were being made to address unemployment and garner the support of organized labour, the Minister suggested that revamping social programs might also include a shortened work-week and job sharing. On January 31 1994 the Minister tabled a motion in parliament giving the Standing Committee on Human Resources Development a mandate to review social security programs and undertake consultations.³⁸ Committing \$3 million to the consultation process, the Minister authorized grants to national and provincially-based organizations to consult their respective stakeholder communities on reform issues so they could participate in the hearings (*The Globe and Mail*, February 1, 1994).

Consultations were to be conducted in two phases. The first phase was to produce an interim report “on the concerns and priorities of individuals and groups with respect to

³⁸ The motion “to consult broadly, to analyse, and to make recommendations regarding the modernisation and the restructuring of Canada’s social security system, with particular reference to the needs of families with children, youth and working age adults” was adopted on February 8 (*Security, Opportunities and Fairness*, p.1).

social security and training” to be tabled by March 25. This left only about six weeks for the Committee to organize the first round of hearings, receive briefs and write its interim (Standing Committee, Interim Report, p.1). During the second phase, the Committee was to consult more broadly on specific proposals to be outlined in a government Action Plan. In preparation for the consultation, HRDC published *Background Facts: Social Security in Canada*. The widely distributed booklet was intended to raise questions and stimulate public discussion about the future of the social security system. It argued that Canada’s social security system was outdated and in some cases “counterproductive”. It made the case that since Canada’s social safety net had been developed in the post-war period, there had been significant changes in the composition of families, in women’s labour force participation, and in the nature of employment and unemployment. Pointing out that programs were not meeting contemporary problems, the booklet argued that increasing government spending on social security programs was not the answer and that “the time has come to rethink the current social and economic priorities of Canadians” (*Background Facts*: 3). Following some illustrations that “(s)ocial assistance programs provide Canadians with basic income when necessary...and are part of a wider set of social services,” the booklet led readers through a set of statistics designed to demonstrate that “a growing number of employable people depend on social assistance...where they face a poverty trap” (pp.33-35). The booklet then posed some leading questions about whether unemployment insurance, social assistance, and adult education and training, as currently designed, were meeting the priorities of Canadians.³⁹

³⁹ The booklet asked, for example, whether people were “becoming more dependent on social security programs?” The section on social assistance asked, “Do social assistance and social services respond effectively to today’s key problems?”

The plan was that until the social security review process was finalized in 1996 there should be no further cuts in federal social spending (Bakvis, 1996; Greenspon, 1996). In the context of high rates of unemployment and a burgeoning political discourse about deficit reduction, however, many social advocacy groups and others were sceptical. They voiced concerns that the proposed social security review would be more about cuts to social programs than genuine reform. In a context of cuts to women's programs funding under the previous government and a right-wing backlash against what were termed the 'special interests' of feminist groups, national women's organizations, as well as many local groups, were fearful that despite a commitment to increase funding for childcare (Teghtsoonian, 1996: 134), the new Liberal government would continue to retreat from women's equality concerns and reform would bring about changes that would not necessarily benefit women. Doubts about the process were further exacerbated when it became known that a parallel 'behind closed doors' consultation was occurring with a fourteen member Ministerial Task Force made up of selected academics, consultants and experts in social policy, many of whom favoured action on child poverty, had been appointed to advise the Minister on a proposed Action Plan. Also fuelling the fears of social groups was that between the inception of the Standing Committee hearings in February and the tabling of the Interim Report in late March, the government introduced a cost-cutting budget with the promise that a program review would result in further reductions in government spending in readiness for the 1995 budget.

Despite the scepticism and growing polarization of viewpoints on the purpose and direction of social security reform, there could be little doubt that there were problems that needed to be addressed. In making the case for social security reform at the

beginning of the second round of hearings in the fall, the government's *Green Paper, Improving Social Security in Canada* stated that there was evidence of significant labour market adjustment problems and a greater incidence of long-term and recurring unemployment. People losing jobs in the 'old' economy were permanently displaced from certain sectors or occupations and finding it more difficult to locate other work. Certain groups such as school-leavers, aboriginal people or persons with disabilities and people in regions dependent on resource extraction or a single industry were particularly susceptible to long-term unemployment. New jobs were being created, but many were part-time and in the growing service sector, or knowledge-based or technological occupations that required higher levels of education or technological training. The increased labour force participation of women, higher rates of separation and divorce, and 'child poverty' were raising pressing new policy issues such as the need for child-care and family-friendly work arrangements. Describing these changes as "too dramatic to allow us to tinker at the edges of social policy...." the *Paper* suggested Canada's social security system needed to be rebuilt (*Improving Social Security in Canada*: 18-20). The main question that on the mind of critics, however, was how would the system be re-built in the context of spending restraint, and whose interests would this serve?

The first round of hearings

The first round of Standing Committee hearings began in early February 1994 amidst protest about the short time frame for the consultation and scepticism about the role the Standing Committee could play in modifying the government's plans. Nevertheless, the Committee received over 200 submissions from a relatively wide range of national and provincial women's and social policy advocacy groups, think tanks, unions, business

organizations, academics and individuals. Most business organization and right-wing think tanks supported tax cuts, further cuts to social spending, and a market oriented approach to income security programs. Briefs from social groups such as the Ecumenical Coalition for Economic Justice (ECEJ), National Anti-Poverty Organization (NAPO) and the National Action Committee on the Status of Women (NAC) were opposed to further social programs cuts. Many of those outside of Quebec argued for the retention of CAP and for stronger national standards for welfare. Organized labour was particularly incensed by cuts to UI and opposed re-directing UI funds to job training. Women's and other social justice groups, including the government appointed Canadian Advisory Council on the Status of Women (CACSW) pointed out the shortcomings of existing social programs. Some argued that the scope of the review should be broadened to include other areas needing attention and more equitable approaches—housing, child-care, women's programs and legal aid as well as increases in income security provision to dispense with the need for food banks were cited as well as reforms to the tax system. Indeed, one commentator noted that about seventy percent of witnesses from social groups favoured the expansion of social programs as “part of a progressive economic strategy for creating good, decent-paying jobs” and there was consensus on the need to protect social programs. Yet while there appeared to be consensus that there were problems, there was not consensus on how to address them and there were a number of mainstream social policy organizations that promoted a targeted approach to the problem of poverty rather than the restoration of the concept of universality that had been eroded during the 1980s (Paul Browne, *Globe and Mail*, April 5, 1994).

One contentious issue between feminist organizations and mainstream social policy advocates was the issue of 'child poverty' that had been problematized during the 1980s and gradually replaced 'the feminisation of poverty' as a discourse within which organizations pursued action on poverty. Organizations such as the Canadian Council on Social Development, the Caledon Institute and advocacy networks specifically organized to combat 'child poverty' had pushed for the targeted child tax benefit (McKeen, 2004). The Caledon Institute, a social policy research organization with close ties to the Liberals whose executive director was on the Ministerial Task Force, was now advocating for an enhanced child tax benefit as part of the reform package. In principle, the idea of an enhanced child tax benefit was attractive to most anti-poverty groups, but women's organizations, including NAC, argued that the focus on child poverty pitted the rights of children against the rights of mothers and made women's poverty, and the steps necessary to address it, invisible (NAC, Brief to the Standing Committee).

When the Standing Committee issued its Interim Report from the first round of hearings in March, it was criticised in the media for its lack of a clear direction (*Globe and Mail*, March 26, 1994). Given the widely divergent views amongst presenters, the only consensus that the Standing Committee was able or willing to find was that most submissions supported the idea of a new approach to social security, and that "Canadians wanted to lead change." Instead of specific recommendations the Report articulated some "key principles" to guide the review process (Interim report: 4-5). It supported the idea that social security "should be designed to...provide the optimal combination of income support and social services to enable all Canadians to be integrated into the mainstream of our economic and social life", but it stayed away from the issue of job

creation, focussing instead on the importance to individuals of labour market participation and the idea that “(r)eforms must reflect the fact that, for most people, meaningful employment is essential to an individual’s dignity and self-respect (*Interim report: 5*).⁴⁰ It specifically referred to the need to deal with child poverty. It also argued that more attention should be paid to unemployment, especially as it affected youth, to regional and local differences, as well as issues related to the constitution and the division of powers and to the different expectations and needs of Quebec.⁴¹

Delays in publishing reform proposals

Given the government’s plan to cut transfer payments to the provinces in the 1995 budget, there were pressures for the review to be completed relatively quickly (Edward Greenspon, *Globe and Mail* June 10, 1994). In March, an initial Action Plan was drafted with a full public consultation on the proposed reforms planned for April and May. Information from the Action Plan leaked to the press and social advocacy groups in April contained several proposals for enhancing child-care and a radical proposal for UI reform. It also proposed that UI would be entirely funded by workers and that there would be shorter benefit coverage but more help for the long-term unemployed (*The Halifax Chronicle Herald*, April 8, 1994). Yet the government’s proposals for policy change did not emerge until September. The delays were in part due to politics associated with a social security reform agenda defined by the government’s fiscal concerns. Following public reaction to the first round of consultations, HRDC became concerned about public perceptions leading up to the second stage of the review. The concerns about public reaction and interest group perceptions were exacerbated by federal-

⁴¹ A minority report tabled by the Bloc Quebecois raised these issues as well as questions about the real intentions of the government in the light of the budget.

provincial tensions. All provinces feared that restructuring UI would necessarily increase social assistance expenditures. Ontario and Quebec had reportedly raised several concerns about the possibility of further cuts to UI. Given the ongoing problems of high unemployment and the downturn in the fishery the Atlantic premiers expressed concerns about how proposed changes to UI would affect seasonal workers.

In this context, a draft communications strategy that accompanied the draft Action Plan proposed to emphasize that the Plan was a discussion paper (*Social Security Reform Communications*, Strategic Communications, March 21, 1994). It noted that the public was aware of the social security reform initiative and that social advocacy groups were generally accepting of the idea of the review, but it expressed concern that in the context of the budget and the haste of the Phase I consultation there was widespread cynicism amongst social groups about the government's real intentions. The communications strategy identified the possibility of polarisation on the issues across class, gender, age and regional lines and argued that the weakest link in the government's strategy was that the review was not sufficiently tied to job creation, a major plank in the Liberal platform during the 1993 fall election campaign. It put forward several ideas to strengthen the government's position. These included articulating stronger links to the jobs strategy, various communications and consultation tools to 'dispel myths' and convey a more positive message about the purpose of reform, demonstrating cabinet solidarity and collaboration with the provinces, keeping interest groups well-informed and seeking out sympathetic 'third party' advocates.

Most of these strategies would be tried during the course of the review, but they did not get off to a good start. A federal-provincial meeting scheduled for mid-April at which

the federal government was to invite the provinces to participate in the public consultations and negotiations on final recommendations was cancelled after some provinces raised questions about the speed of the reforms and the lack of advance information from Ottawa. (*The Globe and Mail*, April 16, 1994). Instead of an Action Plan, Minister Axworthy now proposed to release a public discussion paper to be immediately followed by consultations in July. Hoping to attract support from some of the provinces, in June the federal government offered to negotiate three-year interim Labour Force Development Agreements (LMDA). In a reversal of the previous government's policy of focussing on community stakeholders, these agreements would entail a greater role for the provinces in planning labour force development program and a new type of partnership between the federal and provincial governments in the management and delivery of employment development programs. One option under consideration was for the provinces to deliver employment development services directly, another was through a partnership with the federal government. Several provinces, especially Quebec, favoured more control over employment development programs and were keen to take up the offer. Others were more cautious given the three-year time frame and concerns about the federal government's preparedness to renew the agreements (Interview, Senior Official, 1995). Nova Scotia was particularly cautious about the devolution of employment development programs and concerned about the potential demise of cost-sharing under CAP. Axworthy also played down the potential of further cuts to UI by focussing on reforms, which he argued would provide better training and education for the unemployed. He even raised the possibility of a guaranteed annual income (*The Globe and Mail*, July 8, 1994). Fearing release of a federal discussion paper

on social security reform would fan the flames of Quebec separatism during an election in Quebec the release of the discussion paper was delayed (Edward Greenspan, *The Globe and Mail*, July 5 and July 8, 1994) and the discussion paper was not published until September.

Oppositional groups and the Standing Committee hearings

The months between the announcement of the Review in January 1994 and the second round of hearings in the fall had been frustrating for the organizations and groups who had hoped to publicly air their concerns about the direction of reform and the prospect of further cuts to social programs well before the 1995 budget. Yet the delay enabled women's advocacy and other oppositional groups to gather and share more information about the reform agenda and to build coalitions at national and local levels. These efforts were also important in communicating the implications of the government's proposals to the broader community of people that still espoused values rooted in social liberalism.

During the summer and fall of 1994 the Canadian Labour Congress (CLC) circulated *Social Writes* a newsletter containing critical analyses of the issues and the latest information about the government's plans and timetable for reform to union activists as well as to social justice and women's groups nationally. Similarly, the Action Canada Network, a coalition made up of labour, social justice and anti-poverty groups distributed weekly bulletins urging organizations and individuals to organize and speak out against the proposed reforms. The Ecumenical Coalition for Economic Justice (ECEJ) organized regional education and action workshops with church groups and other social justice organizations on social security reform issues in cities across Canada. NAC had also become a major player in these coalition building efforts. In the context of cuts to

women's programs and a turn towards neo-liberalism and anti-feminism in the political discourse during the late 1980s, NAC'S links with mainstream political parties and social policy organizations that had developed in the 1970s were strained. Under the leadership of Judy Rebick in late 1980s, NAC had recruited more union women into the organization and taken a more activist and coalition-building approach to its work (Young, 2003). During the early 1990s, it made alliances with the Canadian Labour Congress (CLC) and the Federation des femmes de Quebec on a variety of social and economic issues.⁴²

As in other provinces, women's groups in Nova Scotia were also involved in coalition building activities locally as well as networking at the national level to resist reforms based on cost-cutting and the demise of social assistance standards. Shortly after the announcement of the Review in February, a number of different women's groups based in and around Halifax formed the Nova Scotia Women's Committee on Social Reform. As the Committee organized a project that included an information and networking conference on social security reform in June, the government lent its support through the Nova Scotia Advisory Council on the Status of Women and the Deputy Minister of DCS agreed to participate in a conference on the federal government's social security reform agenda. About 170 women from around the province attended and resulted in a network of women's organizations and trade union women's committees. At the same time, contact was maintained with organized labour, social justice, anti-poverty and other social advocacy groups at local and national levels. Later, the committee prepared information kits and in coalition with women's centers in rural areas organized

⁴² This new stance was not uncontroversial. According to some, the more radical stance limited its ability to lobby and to build relationships with members of the new Liberal government and to some extent with more moderate mainstream social policy and women's organizations (Young, 2003).

workshops to disseminate information about the reform agenda and counteract what it regarded as federal government propaganda on reform. In the meantime, it worked with other local social justice groups to bring attention to its concerns in the media as it prepared to participate in the second round of Standing Committee hearings.

When it was released in September, *Improving Social Security in Canada* (the *Green Paper*) was part of a broader economic and employment growth strategy captured under the slogan *Agenda: Jobs and Growth*. The second round of Standing Committee hearings began in October. In order that the financial implications of its recommendations could be integrated into the federal budget the following February, the Committee was initially given an end of year deadline, allowing only about eight weeks for hearings. As I explain in the next chapter, the second round of hearings would occur within a universe of political discourse that was increasingly polarized between those who advocated neo-liberal solutions to what was constructed as a fiscal crisis and social groups and others concerned about how the proposed reforms and cuts to social program budgets would shift the welfare state towards further reliance on the market.

The Federal Jobs and Growth Agenda

Agenda: Jobs and Growth contained four key components: social security reform; addressing fiscal concerns; strengthening the performance of the Canadian economy; and reviewing government programs and priorities.⁴³ The *Green Paper* on social security reform, therefore, was one of three policy papers intended to articulate new economic and social policy goals for Canada. It can be argued that the scope, purpose and framework for the government's social security review proposals were guided by the economic and

⁴³ The Prime Minister's statement that "(a) strong economy is the essence of a strong society," in his announcement in Quebec City on September 18, 1994 prefaced each of the Discussion Papers that were produced as background to the *Jobs and Growth Agenda*, including the *Green Paper* on social security.

fiscal goals outlined in the two other papers released by the Department of Finance. *A New Framework for Economic Policy (Purple Paper)* on economic policy and *Creating a Healthy Fiscal Climate (Grey Paper)* on deficit reduction and fiscal restraint outlined an agenda of policy and program restructuring to facilitate economic growth and increased competitiveness in the context of globalizing markets and trade.

The *Purple Paper* argued that global economic trends such as economic integration and the liberalization of trade and capital markets, the emergence of new regional economies in Asia and Latin America, and technological change and the growth of information technology, were increasing the scope, intensity, and global nature of international competition. In industrialized countries there had also been structural changes in labour markets—fewer jobs in manufacturing and resource extraction but employment growth in the delivery of services (*Purple Paper*: 1-2). The failure to adapt to economic and global competition was the root cause of economic deterioration and unemployment, but there was no mention of the monetary policies of the Bank of Canada, criticized by organized labour, social advocacy groups and the left on the grounds that it was stifling investment and artificially raising unemployment. The high rate of unemployment was attributed to the failure of job creation to keep pace with labour force growth, but it was less the incidence than the length of unemployment that concerned the government. More and better jobs required “(s)ustained economic growth flowing from increased productivity and complemented by measures to reverse the decades-long rise in Canada’s core unemployment rate” (p.35).

The *Paper* argued that Canada could take advantage of more opportunities globally, but to do so there was a need to address signs of “long term deterioration of overall

economic performance,” nurture entrepreneurialism, and compete more vigorously in the global economy for investment and export markets. The achievement of these goals was said to depend on the development of greater efficiency, adaptability and productivity.⁴⁴

Making a link between the problem of high unemployment, job creation and action on the deficit, the *Purple Paper* put forward a pro-business case for economic renewal:

...more and better jobs for Canadians can only flow from sustained economic growth. The key to stronger growth is increased *productivity* through more innovative and efficient combinations of people, ideas, capital and resources. Building a more productive economy requires that Canadians be equipped with the right skills; that business and individuals be ready to take advantage of new opportunities; and that Canada offer an attractive environment for investors and entrepreneurs, an essential condition for which is to restore the government to fiscal health.” (*Preface. Original italics*).

High core unemployment, increasing numbers of employable people on social assistance and the financial burden on employers, taxpayers and governments of the costs of unemployment insurance and social assistance created barriers to productivity.

Achieving higher productivity and rates of employment would entail fostering “a more innovative and adaptable economy” as well as individual responsibility and “self sufficiency” (p.35). Given this neo-liberal understanding of how to resolve high unemployment and growing social assistance caseloads, the *Purple Paper* identified four barriers to adaptation: the mismatch of skills and the failure of individuals to keep pace with the new skills demanded in the labour market; disincentives in income security programs which discouraged people from actively searching for work; higher payroll taxes such as UI, public pensions and worker’s compensation which increased labour costs and discouraged hiring; and the effects of two severe recessions on worker’s skills and confidence that reduced their chances of re-employment. A fuller articulation of

⁴⁴ The traditional definition of productivity (increasing inputs of capital and labour) was put aside in favour of a new definition, Total Factor Productivity (TFP). TFP was defined as the “efficiency with which people, capital, resources and ideas are combined in the economy” (*Purple Paper*:15)

these barriers and how reforms to social security programs could tackle them were to be the focus of the *Green Paper* on social security reform.

Besides the need to tackle barriers to employment, *Creating a Healthy Fiscal Climate* (*Grey Paper*) identified the deficit and the curtailment of spending as pre-requisites for economic growth.⁴⁵ The *Grey Paper* warned that Canada's indebtedness and high debt to GDP ratio—the second highest amongst the G-7 countries—was threatening economic growth, making Canada increasingly dependent on foreign borrowing, thus reducing fiscal sovereignty and dampening investment (pp.3-7). The *Grey Paper* proposed more than deficit reduction however and warned that, “weighting fiscal actions towards spending reductions would imply that future program spending will have to be substantially below the present level” (p.27). It argued, therefore, that, “a major element of the government's growth strategy framework involves a complete rethinking of the role of the federal government and a restructuring of activities to support competitiveness and growth” (p. 28).

Proposals for Social Security Reform: The Green Paper

Improving Social Security in Canada (the *Green Paper*) re-iterated the concerns and many of the positions in the *Purple Paper* and the *Grey Paper*, reinforcing the analysis that program spending was ineffective in getting people to return to stable employment.⁴⁶ Despite the challenges involved in ‘rebuilding the system’ and addressing the new risks emerging from economic and social change, it argued that Canadians needed support to

⁴⁵ The *Grey Paper* was essentially an update on the fiscal situation since the 1994 budget. The 1994 budget had promised consultations on future budgets through the Standing Committee on Finance and the *Paper* included an invitation to Canadians to provide further input into the 1995 budget (p.iv).

⁴⁶ Detailed policy options were more fully developed in supplementary papers. Several of these were not released until November and some on more sensitive issues such as Unemployment Insurance and child care were not published until the second round of hearings was ready to wind down in mid-December.

become more “adaptable” so that employment, productivity, and earnings could improve and social program spending could be made more effective in tackling high unemployment (p.7f). The overall objective was to help Canadians to “get and keep work”; compete with “the best labour forces in the world” through the development of knowledge and skills and support the most vulnerable by “providing income support, while fostering independence, self-confidence and initiative”. In keeping with the fiscal concerns in the *Grey Paper* the *Green Paper* also argued that social security reform should reduce social spending. Social security reform would tackle child poverty while ensuring that the social security system “is within our means and more efficiently managed, with a real commitment to end waste and abuse” (p.10). The *Green Paper*, therefore, revolved around the key objective of shifting social programs towards employability and adaptability to new labour market conditions. This objective was shaped by the overarching goals of economic growth, restraint in social spending, and increasing productivity and competitiveness.

The *Paper*'s proposals for social security reform were grouped under the three themes of *Working*; *Learning*; and *Security*, focusing respectively on Unemployment Insurance and employment development programs; the funding of post-secondary education; and programs related to social assistance and social security. Proposals in the latter were directed to reducing poverty by increasing the labour force participation of lone mothers on social assistance, reforming CAP and strengthening the child benefit for low-income families. Given the emphasis on labour market participation, adaptability and employability and the expectation that lone mothers should move from social assistance to employment, the broad package of social security reform proposals was relevant to low

income women on social assistance because directly or indirectly, these would define the conditions under which lone mothers would be expected to move from welfare to work.

Working: Jobs in the New Economy

The work theme tackled the problem of how to address higher rates of unemployment. Unemployment was viewed as a structural problem and ascribed to the quantity and quality of the labour supply and the failure of the workforce to adjust to changing labour market demands.⁴⁷ This, along with social and demographic changes had created more pressure on income security programs. Due to the higher labour force participation of women, there were increased demands for child care and flexible work arrangements and there were more demands on the social security system because more people with disabilities wanted to become self-supporting through paid employment but needed help to do so. Aboriginal people, visible minorities and other groups also sought more equitable participation in the labour market. Though “equity and efficiency demands that as many Canadians as possible have the opportunity to participate in the mainstream of the labour market” the issue was not just about equity. “Governments can play a central role in enabling...members of disadvantaged groups to reduce their levels of dependency on income support programs and increase their self- sufficiency.” Yet systemic barriers in the social security system were inhibiting such adjustments (p.10). A growing number

⁴⁷ A supplementary paper on *Employment Development Services* argued that since the 1980s there was evidence of significant labour market adjustment problems: the average duration of unemployment was longer and there was a greater incidence of long-term and recurring unemployment with almost 40% of those on UI making a third of the claims for benefits within the past five years. It also noted that unemployment and labour force participation were distributed unevenly within the population, across regions and across groups such as aboriginal people, persons with disabilities, youth and to some extent, women. pp. 6-7. It noted that although forty-five percent of the new jobs in the 1990s would require sixteen years of education and training, only one quarter of the current labour force had qualifications at this level. Only one-third would require less than twelve years of education and these jobs would be low-paid and in ‘non-standard’ employment. It was expected that they would be filled by people looking for a second job to supplement their income or by students looking for working part time work. *Green Paper*. pp.5-7.

of people were “frequent users” of UI and higher numbers of ‘employable’ heads of households seeking social assistance (pp. 19-20). Rather than helping people to adjust to new conditions or “retool themselves for good jobs in today’s economy,” UI was focussed on earnings replacement so people could look for a job similar to the one they had lost (p.8).

The *Green Paper* proposed reforms to Unemployment Insurance and employment development services to address what it saw as two related but different problems. In line with its labour supply analysis it argued for labour market adjustment programs, emphasizing prevention and opportunities for employment by “helping people to avoid unemployment by building skills and work experience” and by “helping people who are without work to find work” (p.31). One proposal was to re-orient employment development services towards locally based active measures to improve employability; another was to move unemployment insurance away from passive support towards active measures through what it called “employment insurance”.

Employment development services

Employment development services could include institutional and workplace training, literacy programs, assessment and counselling services, job finding assistance, community development, employment supports for persons with disabilities, as well as income support and child-care. Wage subsidies and earning supplements to “encourage employers to hire and keep workers, and workers to look for and stay in jobs” could also be included (*Supplementary Paper, Employment Development Services*). Such measures were central to the SARS program and the *Paper* noted that both federal and provincial governments had learned lessons about employer based training, subsidized work, and

self-employment from the Employability Enhancement Initiative. It proposed that governments expand these experiments with varied training formats.

Reflecting the shift in federal policy under the LFDS, the *Paper* de-emphasized institutionalised classroom training. Noting that the government had spent about \$450 million annually to purchase blocks of training seats for adult learners (including the unemployed) from the provinces, it argued that unless it was linked to practical on-the-job experience, classroom-based instruction was not the most cost-effective way to deliver training. Workplace training with various kinds of incentives for employers would be both more cost effective and beneficial in terms of long-term productivity, adaptability, and employability. The *Paper* suggested that employment development services could better serve social assistance recipients but that this should focus more on individualized “remedial assistance” so that people got “the help (they) need to help themselves” (p.29).⁴⁸ It identified educational upgrading, self-help, and counselling, though not actual skills development programs for social assistance recipients. Drawing on the new thinking about employability within the SARS program, the key to employment development was said to be flexibility to deliver “what works best in a given situation.” (pp.30-). This meant a case-work approach and responsiveness to the individual needs and situations of clients. Programs should be both individualized according to a range of employment ‘needs’ and promote individual responsibility. By “engaging the client in deciding on an individual action-plan, with appropriate follow-up”, they could “meet the real needs of people, to adapt to the very different conditions

⁴⁸ Remedial assistance would include people with disabilities and others who may be wrongly categorized as ‘unemployable’, but who should have the right to expect opportunities to participate in the workplace. Under “(m)eeding the needs of working parents”, the chapter briefly discussed child care and flexible work options, but offered few concrete proposals in these areas.

in different communities” (p.31).

An underlying theme in the *Green Paper*, therefore, was that solving unemployment and adjusting to changes in the labour market was an issue of flexibility and responsiveness to local labour markets. Another linked theme was that addressing unemployment was not solely the federal government’s responsibility. It therefore raised the need for greater clarity and coordination in the roles of the federal and provincial governments in employment development programs. It proposed to build a new model of employment development services that would include “greater coordination of the activities of all partners within a flexible, locally-managed, community-based structure” in which provincial governments, communities, employers, unions, families and individuals all had a responsibility for developing skills and creating job opportunities and in which business, labour and community groups could play a larger role in defining needs and in delivering programs and services at the local level. This kind of comprehensive local delivery would “encourage ongoing assessment of the effectiveness of particular programs, and the flexibility to shift resources into more effective interventions” (p.32). Employment development services could be strengthened, but “change will depend on finding funds for reallocation primarily from reforms to the Unemployment Insurance program (p.41).

Funding for employment development services under the LFDS came from two sources—general revenues under the Consolidated Revenue Fund (CRF) and from UI premiums under the Unemployment Insurance Developmental Uses fund (UIDU). Since the early 1990s, however, spending from the CRF had declined while spending from the UIDU had increased from 28 percent to 60 percent of the total (p.35). Under the

provisions of the Unemployment Insurance Act, UIDU funds could only be applied to those who qualified for UI benefits. There was limited access to services for those not eligible for UI (especially people on social assistance) and this raised questions of fairness and need. The government argued that all employment development services should eventually be funded through the UIDU fund. Unions and other social groups feared that this would further compromise the Unemployment Insurance system and that plans for employment development services would focus more on adaptation to local labour market conditions and a case-work approach than on job development and skills training programs. Some of these fears were borne out in the proposals to reform Unemployment Insurance.

Unemployment insurance

In line with previous reports, the *Green Paper* concluded that “fundamental reform” of the UI program was needed. The current program was out of date because it provided income support but did not help the unemployed to adjust to changes in the labour market. In particular, UI did not encourage unskilled workers in seasonal industries to improve their skills when they became unemployed and this resulted in ‘dependency’ on income security. The *Green Paper* also argued there was widespread abuse of the program, whereby employers organized their hiring and compensation practices to maximize benefits from the program. UI rules exempted employees working under fifteen hours and this encouraged employers to create temporary or part-time jobs directed towards women and youth, rather than full-time jobs. Payroll taxes in the form of premiums were also a “tax on jobs” so reduced premiums would encourage employers to add jobs because the cost of hiring people would be reduced (p.51). Arguing that

“Canada needs a financially sustainable UI program, and a program that recognizes individual responsibility to work towards self-sufficiency” (p.43), proposals for changes focussed on the need to ensure efficiency and individual responsibility for adjustment by more closely tying UI to employment development. The *Paper* also proposed a smaller, targeted program that “would permit funds to be reallocated to reduce employer and employee premium rates, and to strengthen our investment in employment development services” (p.42).

The *Paper* identified two possible approaches to reform. By adjusting benefits and targeting “frequent users” for benefit cuts, both proposals would place more emphasis on individual responsibility. The first proposal was for a two-tiered system. This would provide Basic Insurance benefits for *occasional* claimants and Adjustment Insurance benefits for “frequent claimants” (those with three or more claims within five years). Benefits for the latter would be subject to an income test and fixed at a lower rate or have a shorter duration than Basic Insurance. While those on Basic Insurance would have access to services “to help them find and keep a new job”, people on Adjustment Insurance would have access to programs such as counselling, assistance to find a job or job training. In line with the proposals for employment development services, the *Paper* argued that reform should “make it easier for a flexible range of employment services to be accessible based on individual needs, rather than program funding rules.” It also noted that, “Canadians may wish to debate whether access to and the level of adjustment in insurance benefits should be conditional on a willingness to participate...” (p.47). In this regard, it appeared the government was thinking about an approach which would have more in common with the residualist ideas behind social assistance programs than with

the current entitlement based UI system. The second approach to reform was to retain the shape of the existing UI program but to introduce a number of changes that would distinguish between occasional and frequent claimants. These might reduce access and benefits for frequent claimants through measures such as increasing the number of weeks of work required to qualify for UI, basing eligibility on employment history, shortening the duration of UI or reducing the level of benefits. It was this approach that found its way into a new Employment Insurance Act in 1996

Child care and labour force participation

One section of the *Green Paper* considered issues affecting working parents. It pointed out that most parents, including those with pre-school children, were in the labour force, but that the lack of affordable and high quality child-care was “an insurmountable barrier to a job” (p.53). Reflecting the new focus on productivity, the investment in child care was also important because it “provides children with a good environment in which to grow and learn and because “(e)ffective child care can help to ensure the future employment success of children who might otherwise be at risk” (p.53). The *Paper* paid scant attention, however, to the emerging issue of work-family stress, especially amongst working mothers. In promoting child-care it presented the government’s main concern as the present and future development of the labour force rather than alleviating women’s responsibilities for care. At the same time it also cast doubt on the ability of some parents to parent effectively. Nevertheless, the *Green Paper* made no firm proposals for a national child care system. In fact, it noted that the Liberal’s 1993 election promise to increase child-care would now be difficult to reconcile with the ‘new reality’ of deficit reduction. Although the February 1994 Budget had set

aside \$720 million over two years for child-care, this commitment would commence only after a year of 3 per cent growth in the economy. Given different provincial priorities on childcare, the agreement of the provinces would also be necessary.

Post-secondary Education and Life-long Learning

The themes of flexibility, more individual responsibility for adaptation to the 'new economy' and reduced federal responsibility were carried over into the section on Learning. This focused on education and made the case for lifelong learning (narrowly defined as learning for employment) as a response to the demands of technological change and global competitiveness. It noted that education was a provincial responsibility, but outlined the role the federal government had historically played in funding higher education, literacy programs, and skills training and suggested continuing this role, but emphasised "life long learning" as "part of the everyday landscape of the dynamic internationally competitive Canadian workplace of tomorrow....". Besides ensuring a "transition from school to work, from unemployment to employment, from one job to another" (p.58), lifelong learning should encourage employer sponsored job training, portability in higher education, improve mobility and increase flexibility to enable people to upgrade their education and skills.

The *Green Paper* noted that cash transfers for post-secondary education under the EPF formula were due to run out in about ten years and that a direct consequence of deficit reduction in the 1994 budget was the freezing of cash transfers to the provinces. It was expected that this would put added pressures on tuition fees. It indicated though, that it was not the intention of the federal government to end its influence over the direction of higher education. Instead of unfreezing the cash transfer, the *Paper* proposed significant

changes to the way government funded student loans and argued for a privatized approach that would “lever private money which could sustain and expand access to higher learning.” This would also “reinforce the idea of encouraging mutual responsibility among Canadians for managing a greater share of their own social security.” (p. 63).

Declining cash transfers for higher education and student loans could be replaced with direct student assistance through what it called an “income contingent repayment loan.” Instead of basing student loans on a determination of “need”, anyone would be eligible for a loan under the plan, including those currently in the labour force. Repayments could be based on post-graduation income and tied to the income tax system. Another suggestion, favoured by some business groups and the Reform Party, was to encourage personal savings for life-long learning through a private savings plan similar to the Registered Retirement Savings Plan (RRSP) or allowing the use of these for educational purposes (p.62-63). In the context of expected higher tuition fees, however, reliance on either loans or savings plans would likely make higher education out of the reach of most low and income Canadians, including, of course, most lone mothers.⁴⁹ These proposals, along with the proposed UI changes, were to become the most contested during the second round of hearings on the *Green Paper*.

Social Security and Programs for People in Need

The chapter on social security introduced the most critical set of reforms as far as the direct affects on provincial social assistance regimes and lone mothers were concerned.

The *Green Paper* described social security as “society’s commitment to take care of its

⁴⁹ The Minister, Lloyd Axworthy, later admitted that an income contingent loan system would lead to higher tuition fees but that this would put pressure on the universities to adapt to competitive pressures and become more efficient (See Edward Greenspon, *Globe and Mail*, January 13, 1995).

most vulnerable citizens—people without work, lone parents with limited means struggling to raise a family, children in poverty, and people who face barriers to employment due to disability or chronic illness” (p.22). Confirming the earlier fears of Nova Scotia DCS officials, the *Paper* indicated that a major reason for reform was the higher costs of the CAP program, especially the open-ended nature of cost-shared funding. In this regard, the *Paper* linked the issue of “affordability” to the issue of “fairness” and noted that there were now significant differences in per capita CAP spending which had produced provincial and regional disparities in federal financing. The *Paper* suggested that new funding models could be developed to ensure fairness, but it reiterated that approaches to reform must also reflect the fiscal constraints and the limits already placed on federal funding in the 1994 budget.

In keeping with the overall orientation of the *Jobs and Growth Agenda*, the other major rationale for social security reform was to restructure social security provision to encourage adaptability and employment rather than ‘dependency’ and income support because “it almost seems our present social security system is designed to keep people dependent on it, rather than investing in their integration into the regular world of work” (p.22). Citing changes in the workplace and in the family, the *Paper* noted that the number of social assistance recipients in Canada had doubled from 1.4 million in 1981 to just over 3 million and that in current dollars expenditures had increased from \$2.6 billion to \$8.2 billion in the same period (p.71). Yet it argued that many social assistance recipients could be considered employable and indicated that in 1993, forty-five percent

of all social assistance households were headed by an ‘employable’ person.⁵⁰ The root of the problem of dependency on welfare was attributed to the ‘welfare trap’ that arose from systemic barriers and related individual motivational issues, preventing lone mothers from preparing for or entering the labour market. The *Paper* argued that while “(t)he social security system must offer “protection and hope” through the provision of effective supports and services, recipients of these services must also “adapt to change” (p .69).

Targeting lone mothers: child poverty, the ‘welfare trap’ and employability

Linked to the theme of helping people to ‘get and keep jobs’, the *Paper* suggested that a longer term goal of social security reform was to address the problem of child poverty.

It linked the issues of child poverty and work this way:

If Canadians seek to return welfare to one of its more important original purposes of offering short-term emergency assistance, then we must provide better stepping stones off social assistance. If young lone mothers are to make the leap successfully from social assistance to the independence of a job—even a low-paying one—there must be better assurance that more of the basic costs of child-rearing can be met. Without stronger support for low-wage working parents, too many disadvantaged families will continue to get caught in the welfare trap—for the very good reason that they and their children seem better off there. But if the best form of security is a job, the price of staying on welfare is high. Moreover, children who grow up on society’s sidelines, risk the continuation of a cycle of low achievement and joblessness. (*Green Paper*, p.70).

On this basis, the *Green Paper* argued that low-income families on social assistance would be better able to escape ‘the welfare trap’ if there was more direct support for children so parents found some kind of paid work (p.71). It therefore proposed two major goals for social security reform. The first was to remove disincentives and obstacles in the social assistance system to discourage welfare recipients from getting a job and the second was to set targets for the reduction of child poverty. The main

⁵⁰ The paper argued that the number of employable recipients had increased by 10% since 1980, but it should be noted that several provinces who had previously designated lone mothers as ‘unemployable’ began to re-designate them as ‘employable’ in the early 1980s (Evans and McIntyre, 1987)

programs identified for reform were CAP and the federal Child Tax Benefit.⁵¹

The *Green Paper* based its rationale for these proposals on the gendered nature of the social assistance caseload, pointing out that lone parents, most of whom were women, made up almost one-third of social assistance recipients. It did not, however, link this problem to the gendered and residualist nature of the income and social security regime or to women's inequality in the labour market. Instead, it noted that family break-up increased the risk of 'low income', particularly for custodial parents who were mostly mothers. The only real explanation offered for the drastic change in women's circumstances after divorce or separation, however, was that many separated or non-custodial parents were not living up to their financial responsibilities. One way to remedy this situation was through stronger child support enforcement mechanisms.

The *Green Paper* also bolstered its case by examining the different employment trends amongst married and lone parent mothers, noting that the labour force participation of the latter, especially those with children under age six, had declined since the early 1980s and was now significantly lower than that of married women. Ignoring the economic and social factors that had contributed to labour force participation of married women and the different situations of women in two parent and single parent families with regard to responsibilities for care and maintaining a family income through one wage, the *Paper* attributed the low labour market participation of lone mothers to difficulties they

⁵¹ Two supplementary papers, *Reforming the Canada Assistance Plan (RCAP)* and *Income Security for Children (ISC)* articulate how social security reform targeted towards lone mothers on social assistance linked reform with employment and a longer term plan to address child poverty. *RCAP* noted that of the 1.3 children in very low-income households, 1.1 million were in welfare families, the most common of which was "a lone parent with one or two children. It estimated that about forty percent of social assistance recipients remained on assistance for less than six -months but that a significant proportion remained on social assistance for several years despite the fact that growing numbers of lone parent mothers were considered employable and wanted to find paid work. Not unreasonably, it concluded that resolving the problem of family poverty would entail strengthening the capacity of parents to earn income (p.2).

experienced in gaining and holding employment. As currently funded and organized, however, social assistance programs did not “adequately foster self-sufficiency, promote independence, or help people prepare for work” (p.12). Since the goal was to remove systemic barriers to employment, CAP was viewed as an impediment.

Several systemic barriers to employment were also articulated in the supplementary *RCAP* report, but in a way that allowed readers to infer that rather than gendered inequality in the labour market, social assistance might be too generous in its support. It argued that lone mothers were often caught in a ‘welfare trap’ because social assistance benefits for a single adult with one child resulted in a slightly higher income than working at the minimum wage. Reiterating some of the findings of SARS evaluations, it pointed out that when they moved from assistance to a low wage job, recipients risked losing health and other special needs benefits. The result was that “too many recipients spend many years on social assistance, even though with the right sort of employment and training support, they could successfully make the transition from welfare to work, from dependency to self-sufficiency” (p.12). Yet it implicitly acknowledged the difficulties lone mothers experienced in earning a family wage when it argued that parents who left assistance for the labour force could be financially worse off because wages do not take into account the presence of children and even full time jobs may not meet additional costs associated with employment and the costs of child care (pp.7-8). The *ICS* paper also examined the demographics of family poverty and noted that 54 percent of poor children lived with two parents and 41 percent were in mother-led lone-parent families where the risk of child poverty was much greater. It reiterated the “welfare trap” argument and put forward an enhanced Child Tax Benefit as a means of

both addressing child poverty and supporting the goal of employability for social assistance recipients.⁵² The income-tested child benefit would be fully taxed back as earnings increased, but it would address child poverty and provide “a financial incentive for low-income families to remain in the work-force” (p.8-9). The *Paper* argued though that the current system of divided government responsibility for a range of cash and tax transfer programs for children was not responsive enough to changes in circumstances and had given rise to increased complexity and duplication which created difficulties for clients and a lack of public accountability. It also noted that benefits directed towards children were not always equitable because they did not provide the same treatment for working poor families as those on social assistance.⁵³

Proposals to reform CAP

RCAP correctly argued that many people on social assistance wanted to escape ‘dependency’ through employment but they were ‘trapped’ by rules that limited their earnings or which eliminated health and other benefits if they found a job, and by the fact that there was little support for or access to job training (pp.11-13). Currently, provincial social assistance programs were primarily oriented towards ‘passive’ income support rather than actively encouraging labour market participation because most welfare programs placed little emphasis on developing employment opportunities. Earnings

⁵² The *Green Paper* noted that under CAP there were restrictions on funding programs that addressed the emotional and social development needs of children living in poverty. Placing more emphasis on this was “not simply a matter of social justice”, but “a hard-headed investment in strengthening our society and economy.” (pp.70-73).

⁵³ *ICS* acknowledged that because of variations in provincial social assistance rates it was difficult to calculate the exact amounts families received for children. It estimated the federal contribution to provincial social assistance apportioned to children at about \$3,000 per annum per child and that combined with the CTB, social assistance families received about \$4,000 per annum for each child from government sources, whereas working poor families received considerably less through the CTB (p.7f). This would later be used as an argument for clawing back the enhanced child benefit from social assistance recipients.

exemptions in the welfare system were too low and did not offer enough financial incentives to supplement welfare with income from paid employment. Many of these barriers existed because CAP had too many restrictive provisions.

It argued that by working outside of the CAP provisions, the federal-provincial employability enhancement program and experimental self-sufficiency projects were overcoming these barriers. Although these 'active' programs were successful in helping social assistance recipients to make a transition from welfare to work, current CAP rules prevented federal funding from being used to fully institutionalize them within provincial welfare systems. A major impediment under CAP was the needs test (p.12), because income supplementation schemes that brought incomes beyond the level of "need" under provincial social assistance regulations were disqualified from cost-sharing provisions. Instead of suggesting that 'need' be redefined under CAP and therefore within social assistance jurisdictions, *RCAP* made the case that further systemic reform could only occur if the provinces were given more flexibility to address their own priorities (p.20). It outlined three options to enable this: a universal Guaranteed Annual Income; block funding to allow increased flexibility and trade-offs between income support and active employability measures at the provincial level; and a completely restructured system that would redirect federal funding to new priorities.

A Guaranteed Annual Income (GAI) had first been proposed in the 1973 federal *Orange Paper* on Social Security. In 1986, the *Macdonald Royal Commission on Economic Union and Development Prospects for Canada* proposed a diluted version of a guaranteed annual income. NAPO, the leading voice of anti-poverty advocates in English-speaking Canada, had opposed the idea, fearing the imposition of a low benefit

scheme. Though the *Green Paper* put forward a GAI as one option, it also argued against it on the grounds that given the projected costs of such a program, it was not a practical solution in the context of the deficit and because “limited government money can probably be spent more effectively through better-targeted programs that would reduce child poverty, and contribute to the goal of increasing employment.”

The second option, a block funding approach to federal financing would include what was currently covered under CAP, but had the advantage that because CAP conditions (cost-shared funding and limitations of entitlement based on need) would no longer necessarily apply, it would save money in administration and give the provinces more flexibility to develop “innovative ways to enhance employability opportunities for social assistance recipients” (p.75). Mindful of impending criticism from social groups that block funding could result in the abandonment of the protective principles and conditions under CAP, the proposal did not rule out tying block funding to some agreed upon national principles or objectives. *RCAP* pointed out that there was a range of possibilities with different degrees of conditionalities attached.⁵⁴ It suggested that a key issues for debate was whether funding should be linked to national objectives or principles and what these should be, but noted that in the context of funding limitations, there would be challenges to achieving inter-governmental consensus on conditions, raising the question of whether there should be any conditions at all.

To control expenditures *and* increase employability, the federal government was willing to trade off spending on income support to improve access to employment development services for social assistance recipients. The third option picked up on this

⁵⁴ As examples, *RCAP* cited funding for post-secondary education with very few conditions attached and healthcare whereby a number of criteria and conditions must be met under the *Canada Health Act*. The *Paper* proposed conditions somewhere between these two (p.30).

approach. This would entail a fundamental restructuring of the social safety net so as to re-channel federal resources away from what it referred to as ‘passive’ income assistance to “pursue more actively the proposed goals of increasing employment and reducing child poverty” through such means as working income supplements or other programs which stressed employability (pp.33-34). Re-directing funding to childcare, child care services, and disability supports and services were identified as possible alternatives within a restructured system, especially if focussed on enhancing employability. As an interim measure this third option proposed that some immediate action could be taken to make CAP provisions more flexible in relation to reducing disincentives to work and providing more latitude for the provinces to address a variety of child development measures (p.74). This could include reallocating some federal CAP resources to the enhancement of the Child Tax Benefit as more fully elaborated in *Income Security for Children (ISC)*. Since cost-sharing by the federal government would cease, however, the option would still entail the demise of the CAP program and the removal of CAP conditions which had ensured, amongst other things, a minimum level of support based simply on a demonstration of need.⁵⁵

Proposals to enhance the child tax benefit

The third option in the *Green Paper* argued for initiatives that addressed child development issues and ‘child poverty’ through an enhanced and re-targeted child benefit for low-income families. (p.9).⁵⁶ The Child Tax Benefit (CTB) was a tax-free, income-

⁵⁵ As the National Anti-Poverty Organization (NAPO) argued in its brief to the Standing Committee, it was this and the provision disallowing work for welfare under CAP that had provided some protection from the potential for over-exploitation and the coercive practices of workfare (NAPO, January 1995).

⁵⁶ Both the *Green Paper* and the supplementary ICS paper were at pains to establish the federal government’s legitimate interest in child development and child poverty. It noted that while the provinces have jurisdiction over social assistance and social services, the federal government provided significant

tested, benefit for families with children under the age of 18. It had three components: the basic benefit, a supplementary benefit for children under seven; and a Working Income Supplement (WIS) which provided a maximum of \$500 for working poor families designed as an incentive to increase labour force participation especially of families entering the work-force from social assistance (ICS, 5-9). The report outlined three different approaches to make it more worthwhile for those “whose current income narrowly exceeds the threshold for welfare eligibility to maintain or increase family earnings through employment (p.35). The first two involved cancelling WIS and re-targeting the CTB to enhance benefits for low-income families while reducing benefits for higher-income families. A third approach proposed to enhance only the WIS component of the CTB. Each proposal, however, entailed shifting resources between or within existing programs and in the short term, none of the proposals envisaged an increase in funding. Whichever approach was chosen, an important issue to be decided was whether the enhanced benefit should go to all families with children below a certain income threshold or only to ‘working poor’ families i.e., families whose income was below the low-income cut-off as defined by Statistics Canada. (p.14).

Under the first approach, the *ISC* Paper presented four possible design scenarios for an enhanced CTB using different thresholds and rates of reduction and cut-off levels. Three scenarios were based on raising the benefit up to \$2,500 per child for the lowest income group and would require redistribution of the CTB from higher to lower income families as well as the reallocation of funds from CAP. The fourth scenario would also rely on redistribution of the CTB but was based on raising the CTB more moderately to \$2,000

funding to these programs through CAP. It had also historically supported children through child tax exemptions and the earlier Family Allowance Program.

on the assumption that an enhanced Child Tax Benefit would be passed on to social assistance recipients. *ICS* noted that a drawback of this latter option was that it could be at odds with provincial goals for social assistance reform because it might not go far enough in addressing the ‘welfare trap’ (i.e., the removal of barriers and the provision incentives for social assistance recipients to seek paid employment). The Paper noted that the federal government would need to work with provincial governments to ensure that families on social assistance received the full benefit of this approach.

A second approach took up the idea of an integrated child benefit. This was based on the assumption of a single benefit system for children regardless of the source of income. Under this approach, similar child-related benefits to those currently received by parents on social assistance would be extended to all parents with low wage employment. The advantage of this was that eligibility would be based on an income test rather on a needs test and that all low income families would be eligible for the same CTB. While the social assistance benefit for parents would continue to be needs-tested and subject to provincial regulations, benefits in respect of children would be separated from social assistance for adults and be income tested. This would allow parents on social assistance to keep their child related benefits as they moved off welfare (*ICS*: 14). *ICS* indicated that while this would be the most costly of the various options, but it would likely be the most coherent and efficient.⁵⁷ In the context of federal cuts to transfers and the possibility of limits on cost-sharing, this proposal entailed the possibility of increased fiscal pressure on

⁵⁷ *ICS* noted that Ontario and Saskatchewan had already explored such options. Ontario had proposed OCIP in 1993 “to remove children from the welfare system” but had been unable to proceed for fiscal reasons. There were a variety of ways that an integrated CTB could be delivered and financed (p.14). It could be delivered by one level of government; run independently but in an integrated fashion by both levels of government; or it could be jointly financed and delivered by both levels of government (p.15). *ICS* suggested that the most appropriate source of funding would be CAP and that given the fiscal situation both levels of government, in the short term, would be required to reallocate funds from current expenditures.

provincial social assistance. Mindful of this and the political impacts on the provinces of fiscal restraint, *ICS* acknowledge that some provinces might not wish social assistance recipients to receive an integrated child benefit that was higher than the equivalent of what was currently provided under provincial social assistance and the federal CTB.

The third approach would encourage employment by enhancing support for working poor families through a higher WIS. *ICS* argued that the existing \$500 WIS was “modest” and its effectiveness was limited in part due to the fact that it was “not immediately responsive to increased work effort, since it is only payable the year following the increase in work effort” (p.9). An increase in the WIS would reduce ‘the welfare trap’ because it would offset the loss of such things as health benefits associated with social assistance and compensate for the additional costs of working such as transportation and child-care. This option would not entail any increase in the CTB but there would a reallocation of the basic CTB from higher income families to low-income families through WIS (*ICS*, PP.16-17).⁵⁸ The enhanced WIS option was the simplest to achieve because it would be federally administered and delivered and it would not require interaction with provincial social assistance systems. It could also be a first step towards the longer-term goal of an integrated federal-provincial benefit.⁵⁹

These proposals could be viewed as a small step away from residualism because the benefit would be based on income, but they appeared to offer no new federal money in the short term. Most importantly, the problem of poverty amongst single parent families

⁵⁸ A \$10,000 maximum would apply to families earning between \$10,000 and \$20,921. Thereafter the benefit would be reduced by \$.20 on the dollar until it disappeared at \$25,921. It was estimated that this proposal would redistribute about \$200 million a year away from 730,000 “high-income” families (i.e., families with earnings above \$53,000), to provide an average benefit increase of \$330 per annum to 610,000 working poor families with earnings between \$3,750 and \$25,921.

⁵⁹ *ICS* proposed enhancing the WIS from \$500 to a maximum of \$1000 for every dollar earned between \$3,750 and \$10,000. The rationale was that while a higher WIS would not increase benefits to those social assistance families without any employment income, it would encourage employment.

headed by women was redefined as a problem of 'child poverty' and the solution was focussed on a re-orientation towards employment. Though targeting the CTB to low income families implicitly recognized that these families would not be able to make ends meet through employment alone, this was not made explicit. Indeed, child poverty was attributed to 'the welfare trap' in a way that implied that compared with what women could earn in the labour market welfare benefits were too generous.

Though the rationales for the proposals were presented as fairer and non-discriminatory, the arguments fostered the divisions between the 'working poor' and those on social assistance, an issue that would become politicised during debates on social assistance reform in Nova Scotia in the late 1990s. The proposals to reform CAP, end cost sharing and introduce block funding, or divert spending to employability initiatives or child development programs would also ensure that direct federal contributions to social assistance would be more limited. In the context of fiscal restraint this would put pressure on provincial jurisdictions to control spending. Block funding would give the provinces more flexibility and control over the direction of social assistance spending and had the most potential to allow them to apply the employability concept to lone mothers through stricter welfare to work regulations. Depending on how the provinces chose to deal with the child benefit, the federal proposals had the potential to reinforce the residualist nature of social assistance for adults on social assistance. This opened the door to the possibility that the benefit would re-distribute income from the social assistance poor to the working poor.

Overall, the proposals recognized that low-income lone parents needed support to leave social assistance and to become 'self sufficient' and that this would entail changes

in welfare programs, but they did nothing to address the poor labour market conditions that women were likely to face as an alternative to welfare. The proposals to reform UI, employment development programs and post-secondary education would also have implications for lone mothers increasingly required to make a transition to employment. The proposal for UI reform and employment development programs were presented as a way of addressing fairness and serious flaws in the current system which had prevented marginalized groups from developing their skills or getting a job, but the proposals were not specific about what the changes might offer to social assistance recipients. Moreover, the trade-off appeared to entail reductions in programs, entitlement or benefits. This would not be much of an improvement for those whose employment was likely to be the most precarious. In addition, cuts to post-secondary education funding were already creating upward pressure on tuition fees. The proposal to privatise the student loans system would make access to post-secondary education as a means of moving into viable employment more difficult for lone mothers.

Many of the *Green Paper* reforms were justified in terms of ensuring more equitable labour market access for women and other marginalized groups, but little attention was paid to the sources of welfare dependency amongst lone mothers. The review, therefore, rendered women's inequality invisible. The real difficulties facing lone mothers in making a transition to the labour market were ignored and in relation to the broader economic, social, and policy determinants of poverty—the gendered and racialized nature of the labour market and gendered residualism within the regime they were also de-contextualized. Little or no attention was paid to the many issues that affected the situation of lone mothers once they were in the labour market: low pay, poor labour

standards and the absence of benefits in entry level jobs, and the inadequate provision of social services such as affordable child-care, to say nothing of time constraints and the difficulties single women often experience of combining domestic labour, parenting, care and employment.

Contestation in the Universe of Political Discourse about Social Security Reform

As the second round of Standing Committee hearings on the *Green Paper* began in the fall of 1994, there were widely divergent views vying for public attention about the intent of social security reform and the role and importance of the deficit in the overall agenda.⁶⁰ The reactions of national social justice advocacy groups to the Paper were uniformly negative (*Toronto Star*, October 10, 1994). Women's equality seeking organizations had concerns about the scope of the proposals and about the proposed changes to CAP, UI, job development programs and the funding of post-secondary education, especially in the context of the government's intentions to restrain the financing of social programs. This was confirmed when, a day after the *Paper* was released, it was reported that a leaked cabinet document suggested the government would save \$7.5 billion through social security reform over the next five years (*The Toronto Star*, October 14, 1994; *The Globe and Mail*, October 6, 1994; Greenspon and Wilson-Smith, 1996). Mainstream social policy organizations and child poverty advocacy groups had concerns about the prospect of cuts in the unemployment insurance program but their views were generally less oppositional and some saw promise in the proposal to increase the child benefit. Business organizations, right wing policy think tanks and members of

⁶⁰ An Ekos Poll in October 1994 showed that Canadians had other priorities than deficit reduction. There was virtual consensus amongst the public that more needed to be done to create jobs and the highest issue on a list of options was to create employment. This Poll, however, was not made public until February 1995 when the results were published in the *Globe and Mail*, February 27, 1995.

the newly formed Reform Party generally supported the direction of the proposals but some thought the social spending reductions did not go far enough.⁶¹

Several provinces were also vocal in their criticism. This was not surprising given what they argued was a lack of consultation on the substance of the *Green Paper* proposals and federal assertions that the reforms would complement the government's cost-cutting agenda (*The Chronicle Herald*, October 10, 1994). The Premier of Nova Scotia made no official public comment, but several MLAs on the government side expressed the view that the proposed reforms would be particularly damaging to Nova Scotia and the Atlantic region in general (*The Chronicle-Herald*, October 6, 1994). At the federal level there were also questions from some government backbenchers about the difference between what the party had promised when they were seeking election and their current policies. Indeed, leading up to and following the publication of the government's *Jobs and Growth Agenda* in the fall of 1994, it had become apparent that there were growing divisions between the social and neo-liberal strands within the Liberal government over the deficit and the reform agenda. As I explain in the next chapter, these difference became manifest in struggles between the Departments of Finance and HRDC (and their respective Ministers, Paul Martin and Lloyd Axworthy) over the extent to which deficit reduction should take primacy over social security reform (Bakvis, 1996; Greenspon, 1996).

Despite attempts by oppositional and women's organizations to influence the Standing Committee hearings and shape public opinion, due to the complexity and scope of the proposals, a political discourse increasingly influenced by neo-liberal ideology, and the

⁶¹ The C. D. Howe Institute publicly urged the government to cut \$14.6 billion (or 12%) from social program spending by 1996-97. See Bruce Little, *The Globe and Mail*, October 12, 1994.

public interventions of the federal Finance department, the direction and substantive elements of the social security reform proposals became sidelined by a discourse on ‘the necessity’ of cuts to social program spending. It was this that came to dominate the debate on social security reform.

CHAPTER VII: THE POLITICS OF FEDERAL SOCIAL SECURITY REFORM AND PROVINCIAL RESPONSES TO THE 1995 FEDERAL BUDGET

The first part of this chapter considers the responses of social groups to the *Green Paper* proposals during the fall of 1994 in the context of unequal power relations. It examines how, between October 1994 and January 1995, the departments of Finance and HRDC and their respective ministers attempted to shape political discourse on the need for radical action on the deficit on the one hand and for social security reform on the other. Both strategies supported social welfare restructuring, but while HRDC resisted cuts that might compromise some of the Department’s proposals to move towards labour market activation and social program reform, a perceived fiscal crisis enabled the Department of Finance to make a stronger argument for deficit reduction and social spending cuts.

The second part examines the recommendations of the Standing Committee. It shows that though the Report appealed to the social liberal principle of equity and it raised several issues brought forward by social groups during the hearings, the specific recommendations favoured the government’s agenda of social program reform. In the third part I demonstrate how a political discourse focused on the necessity of reducing the deficit through deeper cuts to social program spending espoused by the Department of Finance and the business community gained ascendancy. Despite resistance from the Minister of HRDC, in the final stages of the social security review the Cabinet became

convinced that proposals for social security reform would have to be shaped in terms of social spending cuts.

In this context, the chapter goes on to examine the key positions taken in the parliamentary debate on an omnibus budget bill to cut social transfers and introduce a new block-funded transfer for social programs. It shows that while the Bloc Québécois (BQ), opposed cuts to social program transfers, its position on Quebec autonomy meant that it aligned itself with the right wing Reform Party in supporting the demise of the Canada Assistance Plan and rejecting national objectives for the new block-funded transfer. The final section briefly outlines the response of the provinces and social advocacy groups to the federal cuts and the demise of CAP in the year following the budget. I argue that program cuts, the demise of CAP and the block-funded transfer gave Nova Scotia little choice but to consider social assistance reforms that would include gender regime change.

Unequally Contested Discourses on Social Security Reform

Most social justice and advocacy groups recognized that the Standing Committee's mandate was to make recommendations within what were fairly narrow terms of reference and that with a majority government it was unlikely that government policy would shift in a significantly different direction. Yet given divisions within the government and the media's interest in social security reform, oppositional groups believed that the second round of hearings would possibly provide an opportunity to offer a critical view of the reform agenda and shape public opinion about the potential effects of reform.

In early October, a meeting organized by NAC in association with the Centre for Social Justice in Regina enabled women's groups active on the issues in different regions to discuss the implications of the government's reform agenda and develop some common positions in readiness for input into the Standing Committee hearings in the fall. At a NAC conference on the reform proposals in Ottawa in December, affiliate groups had the opportunity to air their concerns about the potential effects on women of further cuts to social programs and to question both the Minister of Finance Paul Martin and the Minister of HRDC Lloyd Axworthy on a number of issues raised by the *Green Paper* proposals, including those related to social assistance. Reflecting the position of women's organizations at the December NAC meeting, the NAC brief to the Standing Committee was particularly critical of the proposal to reform CAP without assurances that standards and benefits would be maintained or enhanced. NAC supported the idea of an enhanced child benefit, but also wanted assurances that the benefit would go to low-income women on social assistance as well as to the working poor. NAC was almost alone in expressing concern that enhancing the child benefit while radically reforming CAP would likely have negative consequences for single parent families on social assistance. The President of NAC at the time, Sunera Thobani, said that NAC feared the new child benefit could end up "being a veiled attempt to promote cheap labour by lone parents". (Quoted in *The Toronto Star*, October 3, 1994). NAC also wanted more action to address women's poverty through such things as social housing, child-care, equity in job training and a variety of measures to tackle women's inequality in the labour market, including more attention to recognizing the value of unpaid domestic labour (NAC, Brief to the Standing Committee, December, 1994).

Some women's organizations limited their input to more specific concerns. The Canadian Advisory Council on the Status of Women argued that the *Green Paper* contained little gender based analysis to determine the potential impacts on women of the various proposals and argued that any reforms should be subject to gender based analysis before they were implemented. Others addressed access to education and job training (CCLOW and CRIAW, Brief to Standing Committee, November 1994). In Nova Scotia, the Women's Committee reiterated similar concerns as NAC, but argued that racial and ethnic diversity and regional differences should be taken into account within a broader framework that focused more clearly on the problems of poverty and gender equality (Nova Scotia Women's Committee on Social Security Reform, Brief to Standing Committee, December 1994).⁶² Women's groups at both the national and regional levels, therefore, were prepared to express their views about the government's reform agenda and articulate the negative implications of many of the proposals for women's economic security during the second round of Standing Committee hearings. Yet in a context in which the influence of neo-liberalism and anti-feminist sentiment in public discourse was increasing, it was difficult for women groups to make the potential effects on women publicly visible.

⁶² The public consultation began in Ottawa on October 17 but hearings were held in 24 locations across the country and the Committee received over 1,200 formal submissions from individuals and a wide variety of national and local social justice and women's organizations; federations of labour and unions; aboriginal organizations; literacy, adult learning, and child development advocacy groups; disabilities advocacy groups; church, social justice and community based organizations; post-secondary institutions and student unions; municipalities; economic and social policy think tanks; research organizations; and various business organizations and think tanks. Including the earlier hearings and feedback from the workbooks, the Committee is estimated to have heard from more than 100,000 Canadians (James J. Rice, *Redesigning Welfare* in *How Ottawa Spends*, 1995). At the hearings in Halifax, the Standing Committee agreed to a special session at which, in cooperation with the Nova Scotia Advisory Council on the Status of Women, representatives of the Ad hoc committee and eight women's groups made presentations.

Moreover, despite significant coalition building amongst women's organization and other oppositional groups nationally and locally, due to the short time frame for public consultation and the range of proposals affecting multiple interests and groups, it was difficult to coalesce around one theme other than the dangers of reform in the context of spending cuts. As some student organizations chose to express their concerns at the Standing Committee hearings in an openly confrontational way, media attention became focused on the disruptions rather than the issues at stake. Oppositional groups also faced well-funded business organizations and a media that for the most part were supportive of the government's deficit cutting agenda. In the face of a well-oiled government communications machine that expended a great deal of effort to 'sell' the reform package to the media, provincial governments and the interested public, and in the context of the scope and complexity of the proposed reforms, it was difficult to convey the overall policy direction of the government's reform agenda and its implications. Nevertheless, the interest of advocacy groups in the Standing Committee hearings was high. The hearings did not end until immediately before the Christmas parliamentary recess and the report deadline was extended to the end of January.

Garnering public support for social security reform and a cost-cutting budget

With the publication of the *Green Paper* in the fall of 1994, there was still public uncertainty and skepticism about the real purpose of reform, but HRDC had honed its communication strategy and mounted a well-orchestrated campaign to garner public support for the reform agenda which appeared to be increasingly successful in convincing the general public that current social security programs ineffective in addressing unemployment (Greenspon, 1996). During the fall, concerns about the deficit were also

brought to the fore through the fiscal issues identified in the *Grey Paper* and widely publicized remarks by the Finance Minister predicting that by 1996-97 the deficit would be \$6.3 billion short of the government's \$25 billion target unless more stringent action was taken in the February budget. These fuelled the idea that the deficit was now a matter of extreme urgency (*The Globe and Mail*, October 19, 1994).⁶³ The *Grey Paper* suggested that a "prudent" scenario would predict that further fiscal action would be needed to account for the projected \$3.1 billion overrun in 1995-96 and \$6.3 billion overrun in 1996 (p.25). The deficit could not be addressed through tax increases because there was a "growing sense of tax fatigue" and "increases in tax rates could have very deleterious effects on the competitiveness of the economy." Across the board spending cuts were also ruled out because the size of the required reductions would put high priority programs in jeopardy while lower priority, less efficient programs, would continue to be supported (*Grey Paper*, pp.27-28).

In its efforts to squeeze more cuts from social programs, the Finance Department pre-empted the results of hearings in the fall, suggesting that the *Green Paper* option of block funding for social program transfers would be best on the grounds that it would be easier for the federal government to control spending and make what they now regarded as 'necessary' spending cuts while at the same time appeasing the jurisdictional sensibilities of those provinces which had argued for greater provincial control over the conditions of social programs. HRDC was not averse to this idea, but the Minister was concerned that the six billion dollar cut Finance was proposing would mean there would be no

⁶³ The *Grey Paper* argued that while the 1994/95 deficit reduction targets were on track, those for the following years were in jeopardy because of higher than expected interest rates. The Standing Committee on Finance was asked to advise on the situation and to consider "how to get the deficit back on the February 1994 budget track."

possibility of freeing up money to address child poverty (Greenspon, 1996: 231-233).

While the Minister of Finance pursued support for block funding and more drastic deficit reduction measures within Cabinet, early in the fall, HRDC distributed individualized ‘workbooks’ to garner public support and solicit views on its broad goals for reform.⁶⁴ In a carefully organized tour of Atlantic Canada in November and December Axworthy also sought to gain support for his proposals through presentations to small groups of specially selected “opinion-leaders” and private meetings with the premiers. These sessions were fully reported and reviewed favourably in the *Globe and Mail* by columnist Edward Greenspon.⁶⁵ In an attempt to gain more support from social liberals, in December, Axworthy also reiterated the 1994 Liberal promise that \$720 million would be made available for childcare if enough provinces agreed to participate in a cost-shared program (Teghtsoonian, 1996:134). In the short term, however, this was extremely unlikely, given the spectre of imminent cuts to transfers.

There is also evidence that HRDC used opinion polls to ‘manage’ public opinion. A Decima poll released in December reported growing support for changes to Canada’s social programs, although the specific nature of these changes remained unspecified. Problems such as high unemployment, poverty amongst the working poor and social assistance recipients were cited as needing to be addressed. The questions in public opinion polls, as in the workbook, were of a general nature and without specifying what kind of changes were being proposed, focussed on whether social programs were

⁶⁴ In a parody of the workbook, the Council of Canadians, a national organization formed in opposition to the North American Free Trade Agreement published and distributed a critically oriented workbook called “Lay it on Lloyd” in November. Members of the public were invited to fill in the workbook and send their views directly to Minister Axworthy.

⁶⁵ During the summer of 1994 Edward Greenspon of the *Globe and Mail* was invited to follow and report on the social security review process by Mr. Axworthy’s office.

working and whether there should be changes.⁶⁶ In an effort to obtain more widespread support for the reform proposal, Axworthy hosted four conferences at which it was reported, “experts in the various fields will outnumber representatives of interest groups” in an attempt to “raise the quality of the dialogue” and distance the review from the “emotionally charged” atmosphere of the hearings (Edward Greenspon, *The Globe and Mail*, January 13, 1995).⁶⁷ In December, senior officials from HRDC met with provincial officials to test the waters for the block-funding proposal and a final effort to obtain support from the provinces for the reform package. Though block funding was attractive to some, reforms that might have garnered open provincial support would require new money. With the prospect of cuts to social program transfers on the horizon most provincial premiers remained publicly tight-lipped on the reform package. Their fears about the cuts were confirmed in January when the premiers were informed that reform would now likely take a back seat to reducing the deficit.

By January it appeared to be too late to stop the march towards significant cuts to social spending in the spring budget. While the Standing Committee was still preparing its final report, the Department of Finance case for going deeper with deficit reduction than had been originally planned was fuelled by a run on the Canadian dollar and pressure on interest rates as a result of the collapse of the Mexican peso in late December and a critical article on the deficit and the Canadian currency situation in the *Wall Street Journal* and a debt warning from Moody’s Investors Services. (Greenspon and Wilson-

⁶⁶ See Richard Starr, “Why I lied to the Axworthy Project”, *Mail-Star*, January 19, 1995.

⁶⁷ The Council of Canadians raised doubts about the argument there was a link between social programs spending and the deficit by drawing attention to a little-publicized Statistics Canada study that showed tax breaks and high interest rates were mainly responsible for the drop in revenues relative to GDP between 1975/1976 and 1988/89 (Maude Barlow and David Robinson, *Council of Canadians bulletin*, January 11, 1995). Though this revelation supported the positions of those opposed to the government’s reform agenda, for the most part the mainstream media supported reform and deficit reduction.

Smith 1996). Though the financial ‘crisis’ was short-lived, the issue was played up by Canadian financiers and in articles and editorials in the *Globe and Mail* in the weeks before the budget.⁶⁸ In this context, Finance Minister Paul Martin argued in Cabinet that he needed to make additional cuts of \$1.6 billion in his upcoming budget and presented his plan to abandon cost-shared funding under CAP and merge support for social services, post-secondary education and health-care into a single block fund by 1996/97 (Greenspon and Wilson-Smith, 1996: 232f). Despite an understanding that cuts to the HRDC program budget should wait until the reform process ended, Axworthy was now under pressure to consent to deeper and more immediate cuts to unemployment insurance in the 1995 budget.⁶⁹ There was little doubt the provincial premiers would be hostile to this, but Finance had argued the measures would make it easier to reduce the deficit and control future social spending. It could also address some of Quebec’s grievances about autonomy in this field (Edward Greenspon, *The Globe and Mail*, January 20, 1995).

Amidst rumours of divisions in cabinet about how to balance social security reform with the government’s deficit reduction agenda and just days from the tabling of the Standing Committee Report on Social Security Reform, Axworthy indicated that social security reform would be delayed due to the need to cut the deficit (*The Globe and Mail*, January 31, 1995; *The Ottawa Citizen*, February 1, 1995). The Caledon Institute, a social policy research organization that had been involved in the Axworthy Task Force

⁶⁸ Linda McCuaig argues that some in the Canadian investment community petitioned the influential investment house Moody’s to issue this warning even though one Moody analyst was reported to have thought it unwarranted. See Linda McCuaig, *Shooting the Hippo, Death by Deficit and Other Canadian Myths*, Penguin, 1995.

⁶⁹ Axworthy had already agreed to cut \$1.1 billion from his departmental budget as part of the program review, but only on condition that he could “dip into the UI fund to refinance training programs” when UI reform occurred later in the year (Greenspon and Wilson-Smith: 243). These cuts would mean an end to the CJS job training program, reductions in the strategic initiatives program that had funded the N.S. Compass Program and the restructuring of Canada Employment Centre offices (Bakvis, *How Ottawa Spends*, 1996).

predicted “draconian” cuts to unemployment insurance and transfers to the provinces (Communication, Ken Battle and Sheri Torjman, February 1, 1995). Some commentators predicted that this turn of events meant that the Standing Committee’s Social Security Report would be “dead on arrival” and that the cuts would put into jeopardy any future cooperation from the provinces on an integrated approach to reform (Jeffrey Simpson, *The Globe and Mail*, February 2, 1995). Axworthy quickly modified his remarks, arguing the review had “put the framework in place” for future reforms. There was even a suggestion that there might still be room for national standards and that in the upcoming budget the government might pledge to open discussions with the provinces on an integrated child benefit (Jeffrey Simpson, *The Globe and Mail*, February 2, 1995).

The Standing Committee on Human Resources Development report

The Standing Committee Report, *Security, Opportunities and Fairness: Canadians renewing their social programs* (with separate minority reports by the Bloc Quebecois and the Reform Party) was tabled in the House of Commons on February 6 1995. As predicted, parliamentary debate on the Report turned out to be fairly limited and as I explain below, it was the budget introduced on February 27 and the unfavourable stances of the BQ and the Reform Party as outlined in their two minority reports that set its parameters. Nevertheless, the report is worth considering. In tandem with the *Green Paper* to which it was a response and the 1995 budget the Report set the stage for most of the federal positions on social security reform in the longer term. Its recommendations would serve as a reference point as the federal government moved to restructure programs such as UI, employment development services, post-secondary education and child benefits in the years following the budget cuts. It also demonstrates the effects of

strong opposition to program cuts and dissatisfaction with the current regime in the context the two ideological poles within the government—a weakened strand of social liberalism and the burgeoning effects of neo-liberal policy discourse.

The majority report noted that the government’s proposals for reform had “elicited strong and passionate views among the witnesses ” and that while “the consultation process was not a simple exercise”, the Committee had been “moved by the interest, passion and awareness displayed during the review process” (p. 4). It thus concluded that “(t)he era of paternalistic, top-down, inflexible government is over” and that “(p)eople must continue to have access as the debate continues (p.6). The Report, therefore, tried to steer a middle course arguing that the values underlying social security in Canada “need not and should not be sacrificed to the hard forces of the new global economic environment” and that equity and maintaining a diverse workforce should be integral to reform and that “the needs and challenges faced by Canadians who have been disadvantaged in the past” should be taken into account (p. 6).

Reiterating many of the points made by women’s organizations, it noted that women bore a high risk of poverty and faced many barriers to economic participation including unequal access to training and employment opportunities, segregation into low-paying occupations, primary responsibility for child and elder care, a disproportionate share of work and family responsibilities and violence in the home and workplace. It also recognized that aboriginals, visible minorities and persons with disabilities were under-represented in the paid labour force and that systemic and attitudinal barriers were “major contributing factors to unemployment and underemployment.” The federal government, therefore, should “take a leading role in eliminating barriers to employment and

achieving a workforce that reflects the diversity of Canadian society through a variety of measures and incentives” and reforms “must eliminate occupational and financial barriers to women’s economic advancement and promote an equitable sharing of work and family responsibilities” (p.105).

Although little attention had been paid to child-care in the *Green Paper*, the Report also identified this as a priority and urged discussions with the provinces on funding for child development to “serve as the groundwork for establishing a strengthened and improved child care system in Canada including standards for high quality child care “attuned to early childhood development needs” (p.93). The committee said it believed that “the social security reform process is an important opportunity to enhance the status of women,” and it picked up on the Canadian Advisory Council’s recommendation that reforms be subject to gender analysis “to ensure women’s increased and equal social and economic participation in the paid labour market” (pp.99-100).⁷⁰ Commenting on some of the broader concerns that were raised during the hearings, it also endorsed the call for a more comprehensive and holistic approach to reform, arguing for “making links between violence, inequality and poverty to ensure that social security programs meet the specific needs of women” (pp.100-101).

Interestingly, the Report also noted that while the issues of taxation and tax spending had not been addressed in the *Green Paper*, “a substantial majority of witnesses appearing before our Committee strongly expressed their concerns about a lack of

⁷⁰ The report also suggested that the federal government “develop initiatives to measure unwaged work and estimate its economic value.” It also supported the call for further discussion on the issues of working time raised by the Advisory Group on Working Time and the Distribution of Work and recommended that the federal government “provide greater opportunities for flexible work arrangements and the redistribution of work time in the public service” and that these should be designed to “help workers balance family and paid work responsibilities and to stimulate employment.”

fairness in the Canadian tax system”, in particular tax inequities that supported the “growing income gap between the more affluent and less affluent.” It did not question deficit reduction in principle, but it indicated that the numerous suggestions for additional sources of revenue and for reallocating the tax burden deserved “careful and due attention from government.” Suggesting that “Canadians will more willingly embrace reforms to social security” if there was an open process to review the equity of the tax system, possibly through a standing committee of Parliament, it urged the Finance Minister to seriously consider the issue of tax fairness in deficit-reduction measures in the forthcoming budget, (pp. 93-95).

The Report, therefore, was packed with social liberal sentiments. Equity, equality, respect for diversity, and adequacy were added to the principles for reform put forward in the Interim Report.⁷¹ The Report responded to concerns about the effects of CAP reform on welfare, but at the same time it reflected the residualist nature of Canada’s social security system and the government’s intent to maintain it. Adequacy for those on assistance meant, “welfare benefits should be set at a level to ensure the basic necessities of food and shelter and to reflect the varied cost of living across Canada” (p. 63).

In spite of attempts to insert equity considerations and move beyond the confines of the *Green Paper*, the Report stated that Canadians “want to see us adjust to new realities and undertake new initiatives in the light of our enduring values” and it reaffirmed the *Green Paper’s* position that social security reform should “foster individual and mutual

⁷¹Equity and equality meant that reform should “consider a more equitable sharing of work and consider measures to enable equal access to education, training and occupations for women, persons with disabilities, Aboriginal peoples, and visible minorities”. Respecting diversity meant that social security renewal “must recognize the different needs, values and barriers faced by various groups” but it also meant practising federalism in the context of diverse territorial, provincial and regional variations. The principles in the interim report were serving people; accessibility; dignity through participation; meaningful employment; intergovernmental cooperation; sustainability of social programs; and sharing responsibility.

responsibility and adaptability and opportunity in the ‘new’ economy.” The report’s recommendations, therefore, were relatively general and articulated in the same terms as *Agenda Jobs and Growth*—the need to increase competitiveness and productivity, adjust to new social and economic realities, and accommodate greater flexibility in programs to reflect regional differences and promote individual responsibility for social risks through participation in the labour force.

Specific recommendations of the Standing Committee

Recommendations were organized in terms of three themes: Caring for Canada’s Children; Investing in People; and Enhancing Security and Fairness. Under the first, the Report argued for childcare on the basis that, “parents, especially women, need access to new employment or improved education and training opportunities, while remaining confident that their children are receiving high quality care.” Consistent with the focus on the government’s emphasis on labour force participation as a solution to poverty, childcare should give highest priority to supporting poor families (Report, p.70). Supporting the government’s position that poverty was created by work disincentives within the welfare system, it argued that a general increase in the CTB “would simply increase the financial benefits of welfare over the minimum wage.” Thus it recommended enhancing the Working Income Supplement (WIS) in the short term, followed in the longer term by a new integrated child benefit for low-income families which, together with the WIS, would remove disincentives for parents to return to work and have the effect of “taking children off welfare” (pp.71-82).

In keeping with the government’s view that the problem of unemployment was a labour supply issue and due to systemic barriers within social security programs, under

Investing in People the report's recommendations focussed on training, labour market information, literacy, post-secondary education and supports for persons with disabilities as a solution to high unemployment. Consistent with the Employability Enhancement initiative review, it endorsed client driven training, encouraged the federal government to continue its commitment to literacy, and argued for a greater role for the community, especially the private sector, in identifying local training needs and strategies. It also supported the federal government's invitation for the provinces to enter into interim labour force development agreements which, by giving the provinces greater responsibility for training design and delivery, would "move toward a clearer division of responsibility while improving services to the public" (pp.76-77). Again, the report emphasised equity and the need to accommodate "the needs of women, Aboriginal peoples, persons with disabilities, ethno-cultural groups and visible minorities be considered in the design and delivery of employment development services."

The section on federal support for post-secondary education noted that options for reform "elicited energetic interest and concern from the college and university community." Even so, it reiterated many of the *Green Paper's* arguments and endorsed the idea of replacing declining federal cash transfers with income contingent repayment loans (ICRs).⁷²

The section on *Enhancing Security and Fairness*, considered the proposals for changes to Unemployment Insurance and the Canada Assistance Plan. It noted that "(F)ew issues aroused as much concern and concentrated passion in our hearings as the questions

⁷² Addressing the concerns of those who argued that a system of loans combined with cuts to funding would increase tuition fees and create additional barriers for low and middle income students, it recommended a gradual phase in of the ICR, universal access, an enriched student aid system that would include grants and interest subsidization for low-income students, and consultations with the provinces on concrete proposals to enable post-secondary institutions time to adjust to the changes (pp.84-86).

surrounding the reform of unemployment insurance.” The Report argued though that “the many disincentives within the current unemployment insurance system” needed to be addressed and that as long as there was assurance of a decent level of basic income support and system fairness” Canadians were “prepared to adjust to new realities in the economy.” Unemployment insurance should be “built around the fundamentals of providing basic income support through a program offering broad coverage, improving the employability prospects of workers, and emphasizing mutual responsibility.”

Not surprisingly given the politicisation of Unemployment Insurance, the Report rejected the two-tier option in the *Green Paper* as “unduly harsh” as it would tend to stigmatise seasonal workers and argued that UI should remain an inclusive program based on the concept of “pooled risk”. It believed that “basic income coverage for seasonal workers be adequate to see them through a year,” but indicating that “the employability of workers who use UI for lengthy periods year after year needed to improve” (88), it proposed a somewhat modified version of another option—a general lowering of benefits. It also agreed with the *Green Paper* that benefit levels based on weeks worked created systemic barriers “to accepting available work” and recommended changes in this regard. Using the rationale that to gain the skills necessary for steady work youth should be encouraged to stay in school, it argued for a longer UI qualifying period for new entrants. At the same time, it recommended against relating benefits to family income—an issue that had been raised by several women’s groups (p.89).⁷³

⁷³ Over the longer term, it also advocated for more radical changes and envisaged a program whereby claimants would accumulate benefit entitlements throughout their working lives with the qualifying period and eligibility based on the claimant’s record. Benefits not used could be “banked” for a longer or richer claim period later or used for income support during a temporary interruption in employment or a period of intensive skills upgrading. This suggestion would create flexibility but would shift the social purposes of the UI program towards the individual and make the risks associated with unemployment a matter of individual choice and responsibility.

Although not incompatible with the Green Paper's concerns about accommodating flexibility in the labour market, it also raised other equity concerns. Changes were needed to extend UI to part-time and contract workers (many of whom were women) and it encouraged considering extending UI to the self-employed. In the context of economic uncertainty, it advised against lowering UI premiums proposing that the funds accrued should improve employment development services so that more unemployed workers could undertake retraining.

On CAP reform, the Report reiterated many of the *Green Paper's* arguments about the difficulties of controlling spending under open-ended cost-sharing arrangements, the need for greater flexibility to allow for more innovative and preventive social programs, and the removal of the 'welfare wall'. It recommended that the federal government initiate discussions with the provinces on the idea of a block-funded program and argued that reducing child poverty should be a fundamental goal. At the same time, the Report noted that there were significant disparities in levels of income support across the country and argued for the continuance of a social safety net to "assure basic income support at comparable levels throughout Canada." In this regard it encouraged the federal government to work with the provinces "to find ways of ensuring comparable levels of support nationwide for people on social assistance." It also encouraged both levels of government to address "general principles such as portability as well as specific standards for programs such as child care" (p.94). The report also noted that, "like many witnesses [the Committee] had concerns about concepts such as "workfare" and programs that oblige claimants to work, learn, or take counselling as a condition for receiving a benefit." Though it did not make recommendations to prevent it, the report argued that

work incentives should emphasise rewards, not penalties (pp.59-60). Supporting reforms to improve employability on the one hand and the status quo on the other, it also identified several potential areas for a longer-term vision and argued that discussion on these should continue.

First, the “the social security system should as far as possible provide opportunities for all to build on basic benefits.” This foundation could be built upon through learning, various forms of employment, or volunteering. In this regard it also noted the merits of a GAI-type approach to social security. While it argued that the national government should provide a basic level of income support and coordinate national standards and principles, it argued for more de-centralized, local control and greater involvement by community stakeholders in the development and delivery of programs. Finally, since “poverty is not just the absence of money, but also had to do with a lack of adequate nurturing and support,” social security should be broadened to include an integrated approach to child development. It therefore supported the *Green Paper*’s emphasis on life-long learning and programs that would encourage people “to build on or accumulate benefits in the form of accreditation for activities that develop the individual and improve our society.”

Two minority reports were appended to the main report. Both of these advocated reducing federal government involvement in social programs, but their reasoning stemmed from different ideological positions. The BQ condemned the government for its lack of consultation with the provinces on its anticipated cuts to transfer payments and the offloading social programs costs to the provinces in the upcoming budget. At the same time, it rejected the idea of continued federal control over social programs as an

infringement of provincial jurisdiction and a threat to Quebec sovereignty. The Reform Party also favoured less interference from Ottawa in areas of provincial jurisdiction, but based its objections on a pro-market, anti-welfare state stance. For Reform, the social security reform proposals did not go far enough in restraining spending, in reducing 'dependency' and encouraging individual responsibility for social risks. Its report, therefore, attacked the majority report on the basis that the recommendations did not go far enough in reducing state involvement in social security and for paying too much attention to the testimony of 'special interest groups'. It was these two stances that set the terms of the parliamentary debate on social security reform and on the budget.

The Federal Budget and the Demise of CAP

On February 27, the Minister of Finance, Paul Martin, tabled his cost-cutting budget. Along with large cuts to federal programs and services and a number of federal departments, social program transfers to the provinces would be reduced by \$7 billion over two years. The reductions were to begin in 1996/97.⁷⁴ Due to the de-indexing of expenditures under the previous government, there would be a shift from cash transfers to tax point transfers (Rice: 193). In addition, spending on Unemployment Insurance would be reduced by \$2 billion. The budget speech indicated that these savings would be achieved through system reform and that legislation to bring about reforms would be introduced later in the year (Budget Speech, p.55). Moreover, HRDC programs funded through consolidated revenues were to be cut by \$885 million. This would include savings from the closure of some Canada Employment Centres, the abandonment of the CJS and the SARS programs, and reductions in the strategic initiatives program. The shift

⁷⁴ Transfers, including equalization payments, would decline by \$2.5 billion in 1996/97 and a further \$4.5 billion in 1997-98 (See James Rice, "Redesigning Welfare" in *How Ottawa Spends*, 1995: 193). There was a projected 45,000 job loss in the federal civil service and 19% overall cut to government departments.

in expenditures for training and employment development programs from general revenues to the UI development uses fund would continue however.⁷⁵

At the same time, the budget proposed to establish a Human Resources Investment Fund (HRIF) that, according to the Minister for HRDC, would give the federal government the flexibility to initiate the social security reforms that had been proposed during the review through negotiations with the provinces.⁷⁶ As critics have argued, however, the HRIF can be viewed as “creative de-funding.” It was made up of little more than a grab-bag of consolidated revenue funding left over after the Unemployment Insurance reforms and cuts arising from HRDC program review and the transfers under the CHST (Bakvis, 1996). Although child-care was mentioned in the original outline of the HRIF, the \$720 million promised in the 1994 budget had dwindled to \$250 million by 1996 (Bakvis, 1996; Teghtsoonian, 1997). The budget also announced an overhaul of the Old Age Security (OAS) and Guaranteed Income Supplement (GIS) programs for seniors and suggested that benefits would likely be based on family income, a proposal that flew in the face of the basic tenets of financial independence for women. At the same time, it proposed very few changes in taxation.⁷⁷

Most importantly, the budget proposed to rescind the CAP program and cost-shared funding for social assistance and social services. Beginning in 1996/97, this funding

⁷⁵ The CLC estimated cuts to UI and employment services to be \$600 million for 1994-95 and \$1.1 billion for 1995/96. See *CLC Fact Sheet*, February, 1995.

⁷⁶ Minister Axworthy said, “(b)y consolidating our existing resources into one human investment we can then sit down with the provinces, as we are doing now on issues of child care and literacy, and work out new partnerships and new arrangements... It gives us the flexibility we need to now engage in a new generation of social programming that really fits both the reality and the changed circumstances the country finds itself in.” (Lloyd Axworthy, *Hansard*, February 28).

⁷⁷ Although the budget did not indicate additional cuts to women programs funding, on March 16 the government announced that it would abolish the Canadian Advisory Council on the Status of Women, an arms-length government agency that had been critical of some of the proposed reforms. In defending the decision, it said the Council had been abolished because it was responding to women’s groups who had complained that the appointed council was an example of patronage. It proposed to use some of the money to finance a women’s research fund. (Hansard, Question Period, March 16).

would be integrated with existing funding under the Established Programs Financing Act for post-secondary education and health-care into one large block-funded transfer initially called the Canada Social Transfer (CST) but later referred to as the Canada Health and Social Transfer (CHST). The budget speech indicated that the conditions of the Canada Health Act (universality, comprehensiveness, accessibility, portability and public administration) would be maintained for healthcare, but offered no similar assurances regarding maintaining CAP standards relating to the right to appeal and assistance based on need. It did not, therefore, address many of the concerns expressed during the Standing Committee hearings about the development of workfare. The only CAP principle that provinces would be required to adhere to was to provide social assistance without a minimum residency requirement.

It was the BQ position on provincial jurisdiction and Quebec autonomy that largely shaped the nature of the debate on the budget. The leader of the BQ, Lucien Bouchard, lambasted the government for the cuts, for downloading deficit reduction to the provinces and for what it called centralization tendencies within the federal government's restructuring agenda. In response to questions from the BQ about the prospect that the proposed HRIF would infringe on the jurisdictional powers of the provinces, Mr. Axworthy pointed out that the federal government had already offered to transfer responsibilities in the area of skills training to the provinces, but that some, including Quebec, had not responded positively (Hansard, Question Period, February 18, 1995). Several other provinces also raised questions about federal infringement in areas of provincial responsibility, as well as concerns about the federal government's long-term

commitments under the HRIF (Interview, Senior DCS Official).⁷⁸

The possibility of negotiating CST conditions and HRIF priorities with the provinces in the context of funding cuts, however, would be affected by the view of most of the provinces that the federal budget had downloaded the effects of the deficit and spending restraint onto them. Meanwhile, the Reform Party argued that neither the budget cuts nor the proposed reforms went far enough in the direction of deficit reduction and individual responsibility. They called for a “Taxpayers Agenda” which proposed large tax cuts to create jobs and a concomitant increase in individual responsibility for income and social security based on the privatization of programs. “The main concern of the government”, the Reform Party leader said, “should be getting its fiscal house in order by reducing government spending, including spending on social programs” (Preston Manning, *Hansard*, Question Period, February 7, 1995).

The debate on the budget and Bill C-67

The parliamentary debate on the budget and the government’s reform proposals was also the subject of considerable discussion in the media. The private sector supported much stronger UI reforms than those recommended by the Standing Committee, while the CLC pointed out that the HRIF was intended to allow the government to tap into the UI developmental uses fund to expand access to employment development services for the unemployed (CLC Fact Sheets). The C. D. Howe Institute weighed in with a book on welfare reform, which with only one dissenting voice (by social policy expert Ernie Lightman), promoted the idea that making welfare conditional on undergoing retraining would improve the work ethic (The C. D. Howe Institute, *Helping the Poor: A Qualified*

⁷⁸ In February, Minister Axworthy announced that HRDC had already begun to decentralize employment development services in an effort to end duplication and facilitate flexibility in delivery. *Hansard*, Question Period, February 28, 1995.

Case for "Workfare" February 16, 1995).

Social advocacy groups, however, continued to press the government on the issue of standards for welfare and warned that the large cuts in transfers to the provinces combined with the absence of standards would enable the provinces to go further down the road towards workfare. Block funding under the CHST would also put funding for social assistance, child care and preventative social programs in competition with health and post-secondary education, areas that garnered more public support than social services and welfare (The Globe and Mail, March 4, 1995). At the same time, while the Finance Minister reiterated the rationale that with block funding "(p)rovinces will now be able to design more innovative social programs—programs that respond to the need of people today rather than to inflexible rules," in response to questioning, the HRDC Minister had left an opening for mutually agreeable standards by bringing provincial governments together "to work on developing...a set of shared principles and objectives that could underlie the new Canada Social Transfer" (Budget speech, p.18).

Bill C-67, an omnibus Bill to implement the cuts and other restructuring provisions of the federal budget, was introduced in the House on March 20. One of the most important parts of the Bill, Part V, outlined the terms and provisions for the new block funded transfer for health, social services and post-secondary education, now renamed the Canada Health and Social Transfer (CHST). Reiterating what had been in the budget speech, it proposed to repeal the Canada Assistance Plan effective March 31 2000. The Bill required that there should be no residence conditions on eligibility for provincial social assistance and under Clause 13 (3) called for the new transfer to be conditional on maintenance of the standards under the Canada Health Act. The government, however,

was under strong pressure from social policy organizations, advocacy groups and social liberals, both within and outside its own caucus, to protect national standards for welfare. Clause 13 (1) (c) of the Bill stated that another purpose of the CHST was “maintaining national standards, where appropriate, in the operation of other social programs,” thus opening the door to the possibility of federal standards for social assistance and other social programs.

When Bill C-76 came up for second reading on March 30, however, these provisions became the subject of heated debate between the Bloc Québécois and the government on the question of provincial jurisdiction and autonomy (*Hansard*, March 30, 1995). As the BQ pressed hard on the impact of the cuts and the power of the provinces to decide conditions for social programs, a government motion to limit debate on second reading to one day was passed on April 26 and the Bill went to Committee.⁷⁹ On May 2nd, the Minister of Finance said he would propose amendments to dilute the effects of Clause 13 (1) (c). In presenting these, the Minister of Intergovernmental Affairs, Marcel Massé, pointed out that the only condition the government was now demanding in the area of social assistance was that there should be no residency requirement. Clause 13 (1)(c) was amended to reflect this change, but an additional clause (d) was inserted indicating that a purpose of the CHST was to promote “common principles and objectives” which were to be developed with the mutual consent of the provinces in accordance with subsection (3).⁸⁰ At third reading, seventy-eight amendment motions were posted by opposition

⁷⁹The Bloc accused the federal government of creating extreme hardship on the province while at the same time imposing new national standards for social assistance and post-secondary education, areas they regarded as under provincial jurisdiction. Debate on Bill C-76, *Hansard*, March 30 1995 to April 6, 1995.

⁸⁰Bowing to the sensibilities of Quebec and the criticisms of the BQ on jurisdictional issues, slight changes were also made to the wording of Clause 13 (1) (b) which had referred to “maintaining the *national* criteria and conditions in the Canada Health Act”. In persuading the House that the purpose of negotiating principles and objectives would be to preserve flexibility, Mr. Massé appealed to the BQ when he cited one

members, including several by dissenting Liberal Warren Allmand (Hansard, May 31, 1995). Though in response to presentations by several social action groups, the Standing Committee on Finance called for the government “to guarantee a continued financial presence in social policy”, after a government motion to allocate only one more day to debate, Bill C-76 was passed on June 6 (*The Globe and Mail*, June 7, 1995).

The demise of CAP and the end of shared cost funding under conditions of restraint fulfilled two goals of restructuring. It meant that the federal government would no longer be subject to provincial spending priorities and could limit expenditures through block-funding. It also meant that the provinces would have the flexibility to pursue their own approaches to reform (Rice, 1995). While most of the provinces supported greater flexibility, the size of the cuts would become a source of tension in federal-provincial relations. Though the Department of Finance had determined the fiscal framework for reform, in the following two years HRDC proceeded to pursue its other reform proposals through federal-provincial relations.

Shortly after passage of the Bill and with a Quebec referendum on sovereignty scheduled for the fall, Axworthy floated the idea of devolving job training to the provinces and announced that the \$800 million Human Resources Investment Fund (HRIF) would be available to support employment. In August he suggested that changes to the Unemployment Insurance Act along the lines suggested in the Standing Committee report would redefine unemployment insurance as “employment insurance” (Susan Delacourt, *The Globe and Mail*, August 8, 1995).

Introduced in December 1995, the Employment Insurance Act proposed to move to an

of the government’s favourite examples of such flexibility--the Quebec APPORT-Parental Wage Assistance Program, which, though previously not supported because of the CAP conditions, would now be eligible for support under the CHST.

hours-based rather than a weeks based system. This would make part-time workers working ten hours a week or more eligible for benefits but it would also increase the number of hours required to qualify for benefits (especially for youth), penalize 'frequent users' (many of whom were seasonal workers), and reduce the level of benefits to fifty per-cent of earnings, although there was to be a family based supplement for low-income earners. Part II of the Act proposed measures to expand employment development services and benefits to enable those eligible for EI to upgrade their skills and adjust to the changing labour market. In March 1996, shortly before the new Employment Insurance Act was proclaimed in July, agreements under the Employability Enhancement Initiative and the Nova Scotia Compass program came to an end. With little left in HRDC coffers for transition to employment programs, the demise of CAP and the more flexible approach to social program spending under the CHST meant the provinces were now able to determine their own social program spending priorities. They would also be freer to move away from transitional support and move towards more punitive measures.

Provincial Responses to the Federal Budget

The provinces had voiced concerns about the prospect of drastic cuts to federal funding for social programs in the 1995 budget and what they regarded as a lack of consultation on the new block-funded transfer (*The Globe and Mail*, January 23, 1995), but there were some important differences between their positions on reform. Like the sovereignist Quebec government, the Bloc Quebecois was vehemently opposed the cuts, but it supported the idea of block funding and the demise of federal conditions under CAP on the basis that they had been an intrusion into provincial jurisdiction. Provinces affected by the 1990 cap on cost-sharing also voiced opposition to the cuts, but Alberta (and later

Ontario) were supportive of the greater flexibility provided by block-funding (*The Globe and Mail*, August 24, 1995). Only some of the smaller 'have-not' provinces still benefiting from full cost-sharing such as Newfoundland/Labrador, Saskatchewan, Manitoba and Nova Scotia were not supportive of either the cuts or of the block-funding arrangement (Interview, Senior DCS Official.).

In several provinces, the demise of CAP and its conditions would lead not only to cuts in benefits but to harsher welfare to work measures. In Ontario, a political discourse promoting generalized concern about the deficit and welfare spending resulted in the election of a new Conservative government in July 1995 on a promise to put welfare recipients back to work. After the election, cuts of 21.6% to benefits and other changes to the welfare system were announced that would make access to welfare more difficult. The Ontario government later announced a scheme whereby to be eligible for benefits recipients deemed employable would be expected to work or volunteer.⁸¹ Such measures raised the possibility that other provinces would follow suit and that there would be a downward spiral effect in social assistance programs across the country. In Alberta employable welfare recipients were required to participate in training or community-service programs, but cuts to welfare and changes to more strictly enforce work requirements were not limited to right-wing governments. By the end of 1995 an NDP government in British Columbia cut welfare rates for employable recipients, but at the same time introduced a modest family bonus for low-income families with children (*The*

⁸¹ Reforms included withholding welfare for three months for people fired from a job; requiring a caseworker visit as a condition of eligibility; random home visits; a "snitch line"; investigations to establish whether a single mother was co-habiting (a controversial rule that had been removed by the previous government) and applying tougher conditions to teenagers on welfare (*The Globe and Mail*, August 24, 1995). The workfare scheme initially included lone mothers with children over the age of three but the "work for benefits" scheme proved harder to implement than had been expected and the regulation related to lone mothers was later modified (*The Globe and Mail*, February 7, 1996).

Globe and Mail, November 10, 1995).⁸² Similar changes came about in Saskatchewan (*The Globe and Mail*, February 1, 1996). Manitoba cut welfare rates by ten percent (*Globe and Mail*, March 30, 1996).⁸³

In Nova Scotia, the provincial-municipal service exchange originally planned to take effect April 1, 1995 was put on hold (*Nova Scotia Auditor General Report*, 1995). The government made few cuts to social assistance benefits in its 1995 budget, but the Minister of Finance warned that the large cuts in federal transfer payments meant the provincial government would need to take “drastic measures” very soon. Indicating that all programs would be re-assessed, he singled out the social assistance system for cost cutting and change. In response to media questions about what kind of changes might emerge, the Minister of Finance indicated that he expected changes would be patterned on “an experiment” in Cape Breton where the administration of municipal and provincial welfare had been combined “so delivery is more efficient with less duplication.” Responding to further questions about the changes would mean for the Nova Scotia social assistance system, a senior DCS official indicated that it would be more efficient but it was “not workfare as described in the Contract with America down south (*The Chronicle Herald*, March 15, 1995).

⁸² Claiming that welfare recipients were moving from Alberta to escape the effects of cuts and more stringent work requirements there, it placed a three month residency requirement on welfare applicants. Residency requirements contravened the one CAP condition the federal government had maintained in the CHST and the province was penalized financially. *The Globe and Mail*, December 8, 1995.

⁸³ Quebec had reduced welfare benefits for youth who refused participate in job training programs and by the end of 1996 it substantially lowered benefits for single parent families. Similar to the proposals in the *Green Paper*, the Quebec government proposed to create a child allowance system that was separate from adult welfare that would go to all low-income families based on family income, making it more advantageous for lone mothers to find paid work. At the same time, Quebec planned more subsidized child-care for the working poor (*The Globe and Mail*, December 11, 1996).

Facing very high rates of unemployment and social assistance case-loads, in 1994 the municipality of Cape Breton had asked the Province for assistance in meeting its social assistance obligations due to a lack of fiscal capacity the province had taken over the administration of income assistance and several municipalities were amalgamated in 1995 to create the regional municipality. Income assistance had been harmonized in the region and in what came to be referred to as “the Cape Breton project” the region had become a site for experimentation and a testing ground for a harmonized income assistance system. Distinct income assistance Family Benefits systems were maintained but recipients were required to report changes in their status on a monthly basis and a new computerized client information system was introduced which made use of linkages to other sources of client information through the Workers Compensation Board, Registry of Motor Vehicles, and the UIC and CPP programs administered by HRDC (Nova Scotia Auditor General Report, 1995: 4). A committee of private sector employers was established to provide advice to the Cape Breton project steering committee on employment opportunities and new income assistance recipients would be required to participate in training and employment programs as a condition of receiving benefits (Highlights, Auditor General Report, 1995). In addition to tightening eligibility procedures and fraud prevention in the region, the Family Benefits Career Planning program was no longer operative and new eligibility policies and practices were tested. Provincial staff administering the SARS and Compass programs were co-located with municipal ERC staff and plans were afoot to co-locate Family Benefits and municipal income assistance staff. A new computer system was to come into effect on August 1 1995 to enable case-workers in the region to assess clients in relation to their eligibility

for training or other employment services. The Department proposed to evaluate the Cape Breton project before expanding the model to the rest of the province once a service exchange agreement in the UNSM came into effect (Interview, Senior DCS Official, 1995).

In the meantime, DCS proceeded with plans for reform. Some of these were designed to cut social assistance costs in an attempt to deal with the federal cuts that were to take effect in 1996/97 but others were laying the ground for more systemic social assistance restructuring and regime change. In May, the government discontinued the practice of allowing lone parents in the Family Benefits Career Planning program to take out student loans to cover the difference between welfare benefits and the living allowance available to other students with dependents. This would limit the ability of lone parents on welfare to choose post-secondary education as a means of improving their economic prospects. In making the change, the government said it would enable Family Benefits recipients to better manage their student debt load, but it also exploited divisions amongst the poor and justified the new policy in terms of ending 'double dipping'.⁸⁴ During 1995, more resources were directed towards the discovery of welfare fraud and according to the Auditor General's Report, the Department of Community Services was tightening its procedures in all areas of the Family Benefits system in an effort to control costs. The report recommended more stringent eligibility reviews of clients as part of the intake

⁸⁴ Letter, Director of Student Assistance, May 15, 1995. It stated that similar policies had been introduced in other Atlantic provinces and in Ontario, Manitoba and Alberta. The issue was taken up by lone parents at universities in Halifax and by the student unions, university officials and the Advisory Council on the Status of Women, but the policy was supported by other students and the government stuck to its policy (Stella Roche, "The Single Parent Dilemma", *The Journal*, Saint Mary's University, vol 61, no. 3, September 20, 1995).

process.⁸⁵ By the end of 1995, DCS had created a new Income Assistance division and discussions were proceeding on how to create a harmonized income assistance system throughout the province. The plan was to maintain differential welfare rates between income assistance and Family Benefits initially, but to work towards a fully integrated, generic, single tier welfare system (Interview, Senior DCS Official, 1995).

As I explain in Chapter Eight, in the context of federal-provincial provincial negotiations about what remained of the federal social security reform process, the provinces would have the opportunity to negotiate some priorities that would assist Nova Scotia to move towards a two stage process of social assistance reform that would include gender regime change and mandatory employability requirements for lone mothers.

⁸⁵ Nova Scotia. Auditor General Report, 1995. *Highlights*. p. 4. The Report recommended that a more permanent revenue recovery unit be established. It noted that a number of errors and improprieties” had been detected during an eligibility review that that annualised savings of \$2.9 million had been realized. It also expressed concern about the rising costs of Family Benefits, noting there had been a 21% increase in cases and an increase of 46% in costs over the 5 years ending March 31, 1995 which it ascribed to higher benefits, the changing profile and number of clients, and reductions in federal income security programs.

CHAPTER VIII: RE-SHAPING GOVERNANCE AND THE FIRST STAGE OF WELFARE RESTRUCTURING IN NOVA SCOTIA, 1996-1998

As Brodie (1996) explains, 'restructuring' implies replacing what is "torn down" with something else. The cuts to social transfers, the demise of CAP and cost sharing had been replaced with block-funding. This compromised the financial foundation for social assistance and social services and eliminated most of the federal conditions for provincial social assistance (Rice, 1995). This chapter examines how in the wake of the 1995 demise of CAP and cuts to social program transfers, the politics of restructuring shifted towards forging new policies and programs to support the turn towards workfare. The chapter also explains how institutional arrangements affecting governance in the field of social assistance were being reconfigured at federal, provincial and municipal levels.

As an established institution, Pierson (2001) identifies federalism as a potential 'veto point' for restructuring because such political structures tend to "lock existing policy arrangements into place" (p. 414). Yet, Rathgeb-Smith (2002) argues that during processes of restructuring traditional veto points can become access points. As Mahon (2002) explains, "welfare state restructuring is also implicated in the broader reconfiguration of relations among the different layers of the state" (p.191).

The first part discusses the strained relationship between the federal and provincial governments and inter-provincial discussions on provincial priorities in what remained of the social security reform process and the development of negotiations with the federal government on the idea of an integrated child benefit. The second section examines the first phase of social assistance restructuring process in Nova Scotia. It demonstrates how, leading up the introduction of a harmonized 'first tier' income assistance system

administered by the Province in April 1998, the Department of Community Services used the newly amalgamated regional municipality of Cape Breton as a site for experimentation by making linkages between income assistance and the Family Benefits program and developing new eligibility criteria. It also shows that after the province took over municipal income assistance following the creation of the Halifax Regional Municipality (HRM) (composed of the former municipalities of Halifax, Dartmouth, Bedford and Halifax County) in 1996, it harmonized income assistance benefits in the region but at the same time built on the work of the employment resource centres to develop and institutionalise more 'gender-neutral' welfare to work processes. The chapter demonstrates that as the government's plans to restructure the regime became clearer, resistance on the part of both anti-poverty and feminist groups became more organized.

The final section discusses federal provincial negotiations to develop a National Child Benefit (NCB) modelled on an option in the *Green Paper*. Along with the Employability Enhancement Initiative, the demise of CAP, and the development of a block-funded CHST, the NCB would be pivotal for social assistance reform in Nova Scotia because it allowed provincial governments to use offsets from social assistance to support both child development and employability initiatives. The negotiations on the NCB and other matters arising from the federal social policy restructuring agenda were embedded within broader negotiations on a social union framework that would re-shape federal-provincial responsibilities and governance arrangements for social policies and programs.

Federal-Provincial Relations and Provincial Reform Priorities

Despite the somewhat different ideological and political stances of the provinces on the demise of CAP, there was unanimity that the size of the cuts was in effect downloading

the impact of federal deficit reduction to provincial governments. In agreement that it was in their interests to limit the federal government's power to unilaterally determine future reforms, the annual meeting of the provincial premiers in August 1995 made the issue of federal-provincial negotiations on the parameters for the remaining elements of federal reform the focus of their discussion (*The Globe and Mail*, August 24, 1995; *Final Communique*, 36th Annual Premiers' Conference, St. John's Newfoundland, August 23-35, 1995). At the meeting, the Premiers agreed to the formation of the Ministerial Council on Social Policy Reform and Renewal with the authority to recommend a common statement of principles and a process for greater provincial involvement in the reform process. The Council was to lead inter-provincial consultations on the CHST, develop common policy positions on major social policy issues, and produce a set of guiding principles. A smaller working committee of social services ministers was struck to develop a course of action for a report to the Premiers in December (Warriner, 2005).

A background discussion paper attached to this report identified a number of grievances in how the federal government dealt with provincial governments on social policy issues.⁸⁶ The main purpose of the paper, however, was to outline criteria for negotiations with the federal government. Reiterating many of the same rationales for social policy reform as had been in the federal *Green Paper*, it called for a national, integrated approach that would involve both the federal and provincial/territorial governments in "a new and genuine partnership" with "a clear definition of federal-provincial roles and responsibilities" (p.2). Overall, the report was a recipe for greater

⁸⁶ *Redefining the Social Services Roles and Responsibilities of Federal and Provincial/Territorial Governments: A Discussion Paper* Submitted by the Provincial/Territorial Ministers Responsible for Social Services to the Ministerial Council on Social Policy Reform and Renewal," December 12, 1995.

provincial involvement in social policy development and programming and an expanded reform agenda.

A statement of principles outlined four central themes to guide social policy reform: social programs must be accessible and serve the basic needs of all Canadians; reflect individual and collective responsibility; be affordable, effective and accountable; be flexible, responsive and reasonably comparable across Canada (p.1). It also stressed the need to assess and more clearly define the roles and responsibilities of the two levels of governments in key social policy areas the provinces had designated for reform. These included aboriginal social services; services to children and families; income support for seniors, children under eighteen and employable persons; legal aid; employment and training services; and issues related to research and information. Assessment criteria for this review were to include constitutional responsibility; level of contact required with clients; the need for flexibility and customisation; existing delivery mechanisms; the need for a national approach; effectiveness; and the extent to which each order of government already delivered services (p.2). In some areas such as income support for children and adults and employment and training services, the paper suggested the direction could be towards joint management, but in reference to the recent federal actions, it warned that joint management “can be a recipe for gridlock and non-responsive programs” in the context of unilateral action by one order of government (Executive Summary, Report: 4).

The Report recommended that one of the first priorities should be the creation of a child benefit along the lines outlined in the federal *Green Paper* in part because it had popular support (Warriner, 2005). Since there was support for the idea that the best delivery mechanism was the tax system, there was also support for the federal proposal to

integrate existing federal and provincial income support programs for children (including the child benefit portion of social assistance) into a jointly managed single benefit delivered by one order of government. Like the *Green Paper*, it noted that such a benefit would have the effect of removing income support for children from the welfare system and act as a work incentive (p.14).⁸⁷

Responsibilities for employment and training services were not quite as clear. There had been significant overlap and duplication between the federal and provincial governments in this area historically. It noted that the federal government was shifting resources away from job training towards employment development services. Since the SARS program was to end in 1996 and there was uncertainty about the future of employment and training programs, especially for persons with disabilities, it indicated that the management and delivery of these programs needed to be better linked with income support (pp.12-22). It also argued that because the area required services customized to client and regional needs and personal contact with clients, the provinces were in the best position to manage and deliver them. It noted though that fiscal resources and capacity must follow any re-alignment of responsibilities to the provinces.⁸⁸ The report concurred that UI was a federal responsibility, but with changes to the program and a proposal to use UI funds to develop a Human Resources Investment Fund (HRIF), it suggested that UI could be converted from a federally-managed to a jointly-managed

⁸⁷ The paper noted that the federal government was poised to invite the provinces to participate in a new cost shared child-care arrangement, but contrary to the *Green Paper* it indicated that all services to children, including child care and the federal CAP-C program, should be under provincial jurisdiction or become integrated under provincial management.

⁸⁸ In this regard, the report also noted that recent changes to Canada Employment Centres had allowed for more decision making power at the local level and it was thought that these services could be jointly managed or even delivered by the provinces. This proposed was later embodied in labour market development agreements with some (but not all) of the provinces.

program so that income assistance for employable clients could be harmonized or integrated under a single program.

If there were differences in regard to the roles and responsibilities of the different levels of government, the principles for renewal demonstrate that like the federal *Green Paper* the provinces wanted to shift away from the social liberal ideas of universality and entitlement. They not only emphasised government-community partnerships, better coordination of social programs to ensure effectiveness, and a preventative approach, but individual responsibility and the flexibility to respond locally to different conditions and individual circumstances. Under the first theme of accessibility, social policy should support and protect Canadians “most in need”, but should only assure “reasonable access” to programs to meet basic needs. Social policy should promote conditions “which enhance self-sufficiency and well-being” and the “active development of individuals’ skills and capabilities” because individual responsibility and self-sufficiency were the “foundation for social and economic development” and would “assist all Canadians to actively participate in economic and social life” (Ministerial Council on Social Policy Reform and Renewal, *Report to the Premiers*, December 1995, p.5).

The second theme of individual and collective responsibility built on this and stressed the importance of partnerships amongst governments, communities, social organizations, business, labour, and families to strengthen the social system. In turn, “coordination of services” involved coordination of social program funding to ensure affordability, accountability, and effectiveness. “Greater flexibility” was to ensure that there was access to “reasonably comparable basic social programming” throughout Canada but it also meant responsiveness to changing social and economic conditions, regional and local

priorities, and individual circumstances. More promisingly, this theme recognized the need to take into account the differential impact social programs can have on women and men (pp.4-7). It also called for a greater emphasis on early intervention in the design of social programs (p.6).

In December, the Ministerial Council on Social Policy Reform and Renewal accepted the criteria in the background paper and recommended that similar criteria be used to assess the areas of health, post-secondary education, and labour market programs. In the context of growing concern amongst social groups about the erosion of commitments to national standards, however, before it was formally accepted by the Premiers, the report was leaked to the media amidst allegations that fundamental changes in social policy that “could fundamentally alter the historic role of the federal government in social programming” were being made behind closed doors. The new HRDC Minister, Douglas Young, appointed as a federal representative in future negotiations with the provinces, warned that while he welcomed the provinces’ report, negotiations would be constrained by budget considerations and that he would “refuse to budge on the question of maintaining national standards for any programs funded by the federal government” (Margaret Philp, *The Globe and Mail*, February 6, 1996 and February 8, 1996).⁸⁹

Federal-provincial negotiations for a child benefit supplement

In the context of deepening acrimony between the federal and provincial governments, the Ministerial Council recommended that the Premiers enter into dialogue on the Report’s priorities with the Prime Minister. Through direct negotiations between the

⁸⁹ In response, a spokesman for the provinces from Saskatchewan said that the recommendation for a national consolidated income support program for children demonstrated that it was a mistake to assume that the provinces simply wanted to decentralize programs and that it was the view of the premiers that national standards for social programs should be negotiated between Ottawa and the provinces, rather than be decreed unilaterally by the federal government (*Globe and Mail*, February 8, 1996)

Premier of Newfoundland and former federal cabinet minister Brian Tobin, the Prime Minister agreed that the issues identified in the Ministerial Council Report should be placed on the agenda of a First Ministers' meeting in June 1996. Despite a number of contentious issues at this meeting, agreement was reached on the creation of a federal-provincial Ministerial Forum, jointly co-chaired by Alberta and the federal government.

At the annual Premiers meeting that followed in August, there was agreement that the provinces would work with the federal government on a proposal for an integrated child benefit "that could be implemented within existing fiscal frameworks." A federal-provincial committee was struck to work initially on two of the seven priorities outlined in the report—an integrated child benefit and integrated income support for persons with disabilities. At the conference, the Premiers formally endorsed the idea that a federal-provincial Ministerial Forum should "provide an integrated and coordinated approach to advancing social policy reform and renewal." They also agreed on five ground rules to ensure a "shared perspective on how to approach negotiations with the federal government." The first was that "each government comes to the negotiations as an equal partner." A provincial/territorial Council on Social Policy Renewal was established to coordinate the issues for negotiation with the federal government. Included in the social policy issues identified for discussion was "options for intergovernmental mechanisms or processes to develop and promote adherence to national principles and standards" (p.1).

By September the provinces had reached consensus on the goals for their first priority for reform—a harmonized child benefit. They agreed that provincial social assistance and the current federal Child Tax Benefit (CTB) were deficient because they discouraged employment, failed to prevent poverty and lacked coordination on some basic goals

(Warriner, 2005). By enhancing and redeploying resources currently devoted to these two programs, a new child benefit would provide a more harmonized approach and financial benefits for families with children. The benefit could be redesigned in a way that would “help to prevent and reduce poverty”, “promote attachment to the workforce” and “reduce overlap and duplication.” In the late fall, work began on various options which would take into account costs, flexible approaches for different regions, impacts on social assistance clients, welfare rates and family benefits, as well as the interface between the current CTB and provincial social assistance benefits (Warriner, 2005). When provincial Social Service Ministers and the Minister of HRDC met in November to discuss progress, both the provinces and the federal government appeared to prefer a harmonized child benefit in which both levels of government would retain some autonomy but there would be flexibility for each of the provinces to decide how the benefit would work in relation to social assistance (Edward Greenspon, *The Globe and Mail*, November 28, 1996).

A core objective of a harmonized child benefit was to remove children from welfare and allow the provinces to increase work incentives, but it could also be used in conjunction with other family and children’s services to “promote development and healthy families” (Provincial-Territorial Council on Social Policy Renewal, *Progress Report to Premiers*, February 1997). The benefit’s goals were more or less consistent with the *Green Paper* proposal to combine the federal child tax benefit (and possibly the federal WIS and child tax credits programs) with provincial benefits for low- income families and the benefits assigned to children within the social assistance system.⁹⁰

⁹⁰The government of British Columbia had already designed its own program introduced in 1996. Saskatchewan and Quebec were also preparing to introduce a child benefit (Ken Battle and Michael Mendelson, *Child Benefit Reform in Canada: an evaluative framework and future directions*, Caledon Institute of Social Policy, November 1997).

At this point, it appeared that the federal government was considering investing money in the 1997 federal budget to enhance the existing child benefit and create a platform for what would be referred to as the National Child Benefit (NCB).⁹¹ It was understood that the increase would not necessarily be passed on to social assistance recipients and that the provinces and territories should be able to reallocate savings to supplemental child support services or enhanced child benefits for the working poor (Warriner, 2005). Indeed, social policy and child development advocacy organizations had recognized that with the demise of the CAP and the block funded CHST it would be difficult for the federal government to impose conditions for the proposed NCB. Following on the heels of the November agreement, the federal government indicated that it would seek firmer assurances from the provinces that any extra money the federal government contributed to a child benefit would not be “siphoned off” through cuts to provincial welfare rates (Christa Freiler, cited in *The Globe and Mail*, November 28, 1996).

In the negotiations that followed, the federal government emphasised that while any enhancement of the federal CTB should not result in any reduction in benefits to families on social assistance, it need not necessarily flow through to income assistance recipients (Warriner, 2005). On this basis, the provinces agreed to develop various options and officials were instructed to prepare an interim report on how the plan should move forward by the end of January 1997. It was intended that a final proposal could be

⁹¹ Federal- provincial negotiations in the fall of 1996 determined that a child benefit with the capacity to take children off social assistance would need to be in the range of \$2500 per child, \$1,500 higher than the current child benefit. The Canadian Council on Social Development calculated that the proposed increase in the federal benefit would not compensate for the cuts or erosion of benefits for children since 1986 (*CCSD Backgrounder*, January 1997). According to Warriner officials estimated that additional expenditures of \$2.5 billion annually would create a benefit sufficient to take children off welfare and allow the provinces to reinvest approximately \$1.25 billion annually into programs and services for children and families (Warriner, 2005:10-11).

considered at the First Ministers meeting in June 1997.⁹² In the meantime, in Nova Scotia, the first stage of welfare reform was proceeding through the reshaping of governance arrangements.

Harmonizing Municipal Income Assistance in Nova Scotia

Discussions with the UNSM on a service exchange agreement had been put on hold after the federal cuts in 1995. In the meantime, the province had proceeded with policy changes in Cape Breton and with bi-lateral negotiations to amalgamate municipalities in Cape Breton, as well as Queen's and Halifax Counties. The proposed new Halifax Regional Municipality (HRM) was to include the municipalities of Halifax, Bedford, Dartmouth and Halifax County.⁹³ Some of these municipalities had been at the forefront of developing ERCs and the Halifax Social Planning Division in particular had built up a fair amount of experience in welfare to work programming through its social planning department. To prepare for harmonization, a joint Employment Service Policy and Procedure Working Committee involving DCS officials and ERC staff was established in the central region to develop common income assistance policies. Amongst other things, the committee worked to develop common employability criteria, assessment practices and delivery procedures for income assistance recipients. Amalgamation of the municipalities in Halifax County and Queen's County came into effect on April 1, 1996. The Halifax Social Planning Division was dismantled and the provincial government recruited several staff from the three municipalities who would become key players in the social assistance reform process.

⁹² Media release, meeting of the F/P/T Council on Social Policy Renewal, Toronto, January 29, 1997. Provincial-Territorial Council on Social Policy Renewal, *Progress Report to Premiers*, February 1997.

⁹³ The first three municipalities and parts of Halifax County could be considered part of metro, but Halifax County was large and covered a number of small rural and coastal communities with high unemployment.

At the same time, the different municipal income assistance systems within the amalgamated municipalities were harmonized. Within HRM, this resulted in an increase in benefits for some recipients, including some lone mothers on short-term assistance, but benefits for others were reduced. Harmonization established food and shelter rates for families with dependent children at the same level as had been in place in Halifax, resulting in a slight increase for similar families in the former municipalities of Dartmouth, Halifax County and Bedford. Lone parents on income assistance would also be given access to prescription drugs in line with Family Benefits policies, but they would now pay \$3 per prescription (to a maximum of \$150 per annum). The shelter rate for new single clients was set at the Halifax County rate resulting in a reduction of as much as \$125 a month for some single recipients in Metro (New release, Department of Community Services, March 20, 1996).

This cut provoked an organized protest by community-based agencies and anti-poverty activists. The Options coalition asked for a meeting with the Deputy Minister while another informal coalition of community-based groups organized a media campaign to convey the effects of the cuts on the most vulnerable. In response, the government agreed to a top up the shelter allowance for persons with disabilities, women fleeing abusive situations, persons with chronic illnesses and those aged 55 years or older. In addition, there were to be no further reductions in short term assistance in HRM and when the new province-wide harmonized benefit structure came into effect it would be based on the benefit structure now in effect in HRM (Presentation to NSACSW by DCS staff, September 12, 1998).⁹⁴

⁹⁴ Restraint and the government's intention to move towards a single tier system was affecting staff within DCS and Family Benefits workers were said to have an average of between 500 and 600 cases each. In

As I explain below, the ERCs continued to operate, but the metro ERCs were co-located with DCS Career Planning staff where they would form the basis for a new Employment Support Services (ESS) Division within DCS. Pending a full service exchange agreement between the province and the UNSM that would entail full provincial responsibility for income assistance, services were becoming more rationalized and bureaucratized. Common employability assessment tools for both Family Benefits and income assistance clients were introduced and staff was working on a generic database and other tools for case-load management. This was said to facilitate joint discussion and decision-making on clients on a case-by-case basis and the streaming of clients according to common criteria (Interview, Halifax ESC Manager).

In October 1996, just days before the Premier announced that the province had resumed negotiations with the Union of Nova Scotia Municipalities (UNSM) on a service exchange agreement that would include all 55 Nova Scotia municipalities, the Minister of Community Services issued a Statement outlining “a number of new directions” which, in light of the projected \$72 million loss of federal funding under the CHST, would “enable the Department to meet increasing demands on its services while staying within its budget” (Statement by John MacEachern, Minister of Community Services, October 6, 1996). He indicated that the budget forecast for 1996/97 was already \$21.7 million over the original estimates and that the Department intended to reduce the shortfall and stick more closely to its three core functions of assuring the basic necessities of food shelter

April, the Nova Scotia Government Employees Union (NSGEU) publicly called on the Minister of Community Services to reduce the caseloads. NSGEU media release, April 12, 1996.

and clothing; protecting children and others at risk; and supporting people who needed help to achieve self-sufficiency (*The Chronicle-Herald*, October 9, 1996).⁹⁵

While maintaining earlier assurances that there would be no general reductions in social assistance benefits, the Minister proposed several cost-saving measures that would affect conditions for recipients. These were to be achieved through a newly created Revenue Recovery Unit to deal with over-payments, a social assistance eligibility review, and tightening up regulations. The latter were to include counting CPP survivor benefits for adult children of Family Benefit recipients as income; increasing the minimum board rate from \$40 to \$80 for adults (anyone over 19 not in full-time education) living in the same household as a recipient; and increasing the minimum parent contribution for subsidized child care from twenty-five to fifty cents a day.⁹⁶ He also announced that “in the next few months” the Department would finalize a review of social assistance “with the intent of building a system that will best meet the needs of the future.” (Media Release, Department of Community Services, October 4, 1996).⁹⁷

The review was to take into account what the Minister said were longstanding criticisms of the disincentives to work, the “large number of employable people, including lone parents, who receive social assistance” and the demand for “a system that support their efforts to become independent.” Identifying the three amalgamated income assistance programs in Cape Breton, Halifax and Queens Counties as a move in this

⁹⁵ A DCS spokesperson said that the discrepancy was in part due to the effects of municipal amalgamation already in effect in the three regional municipalities of Cape Breton, Queens and Halifax. Departmental Briefing, October 4, 1996.

⁹⁶ With the surcharge already levied by most child-care centres, this would raise the parental contribution from about \$35.00 to \$45.00 a month.

⁹⁷ The Minister also indicated that the Department would review all the agencies it currently funded. As a result of the review in October 1996, grants to community based service delivery agencies were cut by three per-cent for 1996/97 and back-dated to April. This effectively reduced grants by 6% for the year. NAPO, *Changes to Social Assistance and Services*, March 21, 1997.

direction, the Minister stated that the province intended to “build on the experience in these areas to reinvent the social assistance system in this Province” (Statement by John MacEachern, Minister of Community Services, October 6, 1996). The Minister promised a public consultation on the Department’s proposed reforms.

By the end of 1996, it had become increasingly evident that though municipal income assistance harmonization in the new Halifax Regional Municipality (HRM) had brought increases in benefits for some municipal recipients, the reduced shelter allowance for single ‘employable’ recipients was creating serious hardships. In addition, as a result of the provincial review of agency funding and the amalgamation and the rationalization of services within HRM, several social service agencies in metro were experiencing funding uncertainties and shortfalls. Even though there were more financial, regulatory and informal pressures on lone mothers to upgrade their skills and find paid employment there was a great deal of uncertainty for those agencies providing educational upgrading or referrals to job training for lone parents.

The situation was even worse in Cape Breton where, under the auspices of the ‘Cape Breton project’ DCS had been experimenting with changes to Family Benefits policies. Despite having fulfilled the six-month eligibility requirement, there were reports of delays in transferring lone parents from income assistance to Family Benefits. Lone mothers were again being pressured to name putative fathers and obtain court orders for child support as a condition of eligibility (Personal Notes, CAN meeting, October 31st, 1996). In addition, new teen lone mothers (aged 16 to 19) were ruled ineligible for social assistance unless they lived in a supervised situation and agreed to take parenting classes (Reported at CAN meeting by Legal Aid Community Worker, Jeanne Fay. CAN meeting

notes, November 1996). A new provincial Family Benefits regulation only applicable in Cape Breton at the time (regulation 18), stipulated that lone mothers on income assistance receiving assistance with job training expenses through the Compass program were now ineligible for Family Benefits (Personal communication, Dalhousie Legal Aid social worker (December 3, 1996).

The Nova Scotia Advisory Council on the Status of Women received a number of complaints from women on social assistance in Cape Breton about intrusive investigative techniques and interrogations (especially about co-habitation), coercion to sign documents without informed consent, discontinuance of assistance without proper explanation and demeaning attitudes and behaviour of some of the staff.⁹⁸ In September, the mayor of Cape Breton was suggesting that social assistance recipients should be allowed to work for their benefits (Billy Joe MacLean, cited in *The Chronicle-Herald*, September 21, 1996). By the end of 1996 Cape Breton had become a testing ground for other welfare to work experiments.⁹⁹

The social justice community responds to the changes and cuts

With growing concern about the new DCS policies and practices, especially in Cape Breton, and uncertainty about what further ‘reforms’ might bring overall, in November 1996 the Nova Scotia Association of Social Workers called on its members to document

⁹⁸ The Chair of the Council, Patricia Doyle Bedwell met with a number of women in the region and then requested a meeting with the Minister to discuss the issues (News release, Nova Scotia Advisory Council on the Status of Women, December 12, 1996).

⁹⁹ In a pilot project to provide literacy training in exchange for childcare, the Peers Helping Peers project funded by HRDC and DCS in 1996 was intended to “demonstrate a program that could eventually run free of government assistance.” It recruited unemployed teachers or university graduates as unpaid volunteer literacy teachers and tutors. Learners were to rotate participation in literacy training with childcare for other participants, the teachers and tutors. The project failed to attract enough unemployed teachers and had to rely on retired teachers and students in a university co-op program who did not have childcare needs and the program was modified to exchange other types of work or services. Constance deRoche and John deRoche, Paper presented to the Atlantic Association of Sociologists and Anthropologists, Saint Mary’s University, Halifax, October, 1998.

the effects of policy changes on clients, agencies, and frontline workers. In December, a coalition of groups in metro organized a media conference to publicize a report that demonstrated the effects of funding changes on service agencies in the region.¹⁰⁰ CAN also continued to monitor changes and pressure the government for a full consultation on social assistance reform. The Nova Scotia Association of Social Workers released its report in March 1997 (The Social Action Committee, Nova Scotia Association of Social Workers, *January Story Campaign*, March, 1997.) According to the media release documenting a number of incidents, these “demonstrate that the current policies and practices of income assistance programs are demeaning and de-humanizing” and that “clients are rendered ‘faceless’ due to bureaucracy and high caseloads.” The Report also noted significant contradictions in the system that discouraged the purported goal of greater self-sufficiency. Despite the Minister’s assertion that the government was “unequivocally committed” to assuring the basic necessities of food, shelter, and clothing, protecting children at risk and supporting people “who need help to achieve self-sufficiency,” the basic needs of clients were not being met. As a consequence, social workers felt they were unable to offer effective ethical protection and care to their clients. The report recommended that the Department establish a single-tier, province-wide system but that the process of developing it should also entail greater transparency and public accountability, including an opportunity for public response to a discussion paper on the policies and practices currently under consideration. It also recommended that an Advisory Committee composed of both income assistance recipients and case workers be

¹⁰⁰ Captain William Spry Community Centre, Metro Community Services Network and the Nova Scotia Association of Social Workers, “More Crises, Less Resources: The Impact of Cuts to Community Agencies, December 1996. This was followed two years later by “Under Siege: A Study of non-profit, community-based agencies in an era of cuts”, January 1998.

established to support and advise the Department about appropriate reform policies and that a more permanent, legislated and properly resourced forum be established as part of the reforms, “to ensure client, professional, and public involvement in service delivery” (*January Story Report*, p.10)

In response to cuts and changes during 1995 and 1996, several community groups had organized to lobby against what were expected to be more cuts to programs and services in the 1996 budget and regressive changes to the Nova Scotia system. These organizations would play an important role in advocating on behalf of welfare recipients as changes in social assistance and social services came into effect during the social assistance restructuring process.¹⁰¹ Indeed, the Community Advocates Network (CAN) organized in 1996 to monitor changes affecting people on welfare and low incomes had become aware in early 1996 that DCS had already expressed interest in contracting with the Metro United Way to conduct consultations with ‘stakeholders’. Expressing the fear that major changes in the social safety net could “take us back to the days of the Poor Laws” and that a limited consultation would result in outcomes that were already pre-determined community legal worker Jeanne Fay wrote on behalf of CAN to the Deputy Minister to suggest that the Department “institute a full and open consultation process that would include public hearings.” In response, a newly appointed Deputy Minister indicated that the Department was exploring the idea of a series of focus groups and that he also wanted the consultation process “to be as inclusive as possible.” He said he was

¹⁰¹ A coalition formed before the 1995 federal budget cooperated with the Maritime School of Social Work and the Disabled Persons Commission to create Options a group whose purpose was to share information and monitor the effects of federal cuts on provincial programs. Metro Community Services Network made up of social service agencies monitored changes affecting community-based services. The Community Advocates Network (CAN) made up of social service advocates and consumers was organized in 1996. In 1997 Feminists for Just and Equitable Public Policy (FEMJEPP) made up of feminist activists and women’s service delivery agencies was formed to focus on changes affecting low-income women and to advocate for more integrated programs.

“reviewing other avenues for input in the review of social welfare policy” and invited Ms. Fay to contact a senior government official to discuss her concerns.¹⁰²

It was not until January 1997, however, that members of CAN met with the Administrator of Income and Employment Support Services to clarify the Department’s intentions regarding a consultation process for social assistance reform and discuss the group’s concerns about recent changes. At the meeting, the administrator argued that the Department had ‘a huge budget problem.’ Regulation 18 in Cape Breton was said to be a means of “easing the way into a new system.” He argued that there were many difficulties in ‘managing significant change’ and that the delays in transferring lone mothers from Income Assistance to Family Benefits were due to technological problems in harmonizing two very different systems. He indicated that the Department would be conducting a one-year assessment of what they had learned from harmonization in the three regional municipalities and intimated that they intended in the longer term to move towards a single tier social assistance system which would improve the situation overall. He also surmised that there would be some improvements for those presently on income assistance, including the possibility of abandoning the categorical nature of the Pharmacare program, but that improvements for those on Family Benefits would likely be more limited (Notes of meeting, March, 1997).

Pressed to keep the government’s promise of broad public consultation before a new provincially administered income assistance system came into effect, the administrator indicated that the Department still proposed a public consultation on reform and that an

¹⁰² Correspondence from Jeanne E. Fay, Community Legal Worker, Dalhousie Legal Aid to Dr. Patricia Ripley, Deputy Minister of Community Services, March 25, 1996. Response from Deputy Minister, Gordon Gillis, April 18, 1996.

“issues paper” was in its final planning stages. He noted, however, that since the formalization of the service exchange agreement with the UNSM was still pending, DCS first needed to consult with the municipalities on how to convert municipal programs to provincial control and other issues related to this first stage of reform.¹⁰³

In April 1997, the Nova Scotia government announced that the Province and the UNSM had reached agreement on the terms of a service exchange agreement to come into effect in April 1998.¹⁰⁴ This meant that income assistance would be fully harmonized and under the full authority and administration of the province. It was still not clear, however, what the government’s intentions were regarding the provincial Family Benefits system. What was clear, though, was that within the newly harmonized income assistance system the province intended to apply generic employability requirements and expectations across the board. Legislative and regulations changes are important in determining the nature of regimes, but a third level of policy, developed through program practices, can determine how needs are interpreted and addressed (Fraser, 1990). Such procedures are also used to enforce welfare to work policies (Lightman, Mitchell and Herd, 2005).

Developing generic welfare to work practices for a harmonized system

There had long been cooperation between the employability resource centres in Halifax and the Family Benefits program to identify employability readiness and stream Family Benefits clients into various employability options. In readiness for province-

¹⁰³ Peter Barteaux, Project Manager, Welfare Reform, March 25, 1997 in response to letter from Jeanne Fay, Dalhousie Legal Aid to Ron L’Esperence, Administrator, Income and Employment Support Services.

¹⁰⁴ Municipal social assistance contributions were to be fixed at the current levels of about \$42.8 million annually but the municipalities wanted the Province to take over the full cost of social assistance in exchange for responsibility for road construction and upkeep. The Province said it needed to balance its books and could no longer afford this kind of arrangement (*The Daily News*, April 2, 1998).

wide harmonization DCS had been experimenting with new procedures and testing new 'gender-neutral' employability practices in cooperation with staff in the three amalgamated municipalities. When the exchange agreement with the UNSM was announced, the DCS Employment Service Policy and Procedure Working Committee issued a draft employability assessment model for discussion with Employment Support staff (ESS) (Department of Community Services, Draft Employment Support Services Policy and Procedure Working Group for Discussion Purposes, *Summary of Presentation*, April, 1997). Some of the policies and procedures would be changed as a result of staff feedback and possibly also due to growing protests from advocacy groups about enforcing a job search, but the draft protocols report illustrate that DCS was proposing a generic approach to employability based on the approach already in use in HRM, Queen's County and Cape Breton. It also illustrates the strain the newly amalgamated system was under due to higher caseloads on the one hand and the end of the SARS and Compass programs and the decline of available resources for employment support services on the other. The report indicated that space and materials would be provided for group information sessions and job search services, but there were to be no additional human resources to implement the new employability model.

The ESS caseload would now be generic. Clients would be designated employable according to an assessment of their employability not their gender, marital or disability status. Participation in programs offered by Employment Support Services for those designated employable would be mandatory. This meant that lone parents and persons with disabilities previously treated as potentially eligible for transfer to Family Benefits as 'long term' or 'unemployable' recipients would no longer be designated as such and

that everyone on the caseload would now be assessed in terms of their ‘job readiness’ or their potential to become employable. Policy changes would likely be needed in the areas of work incentives and work related expenses. In some circumstances this might include wage subsidies or other incentives to “enhance the marketability of clients.” Those already on Family Benefits currently attending training projects were to be grand-parented in. The document also outlined some key assumptions and protocols to guide the new employability model.

An initial assessment of employability would be made by a case-worker at intake. Assessments would place clients into one of three “streams” ranging from “job ready” (stream one) to severe barriers to employment (stream three). Case plans for all streams were to have an employment rather than a training focus but it was recognized that in the context of higher caseloads most attention would be directed initially towards those deemed ‘job ready.’ For those not immediately deemed ‘job ready’ a fuller employability assessment by an ESS worker would occur later.

Clients were to be assessed as ‘job ready’ if they had no health problems or addictions that prevented employment; demonstrated marketable skills, and had a minimum of one year of work or volunteer experience or sufficient training/education to access entry level employment; a good work history (i.e., no history of quitting or being fired from jobs and no unexplained gaps in work history); no “life situations” that would negatively impact on work; possessed job seeking skills and were actively seeking employment (it was not stated specifically, but a ‘life situation’ could include the lack of reliable child-care). These ‘job ready’ clients would be expected to actively engage in a job search and be employed within six months. An initial group information session would provide

information on the labour market and clarify the expectations of employers and the ESS regarding employability requirements. ESS would provide job search services. ESS staff was to monitor the progress of clients and if needed, try to match the client with an employer.

Stream two was for clients who appeared to lack motivation or the necessary knowledge and skills for entry-level employment, had work history problems, or “did not see themselves as being responsible for their own career plan” but were deemed capable of benefiting from employment support services and moving towards employment within twelve to twenty-four months. These clients could be referred to employment planning services staff who would further confirm the client’s employability assessment and determine “the most time and cost efficient method of moving the recipient from social assistance employment.” Clients with more serious employment barriers such as health or addiction problems, or other life situations that prevented full participation could be provided with further assistance in the employment planning process. In some cases, this could involve referral to outside agencies delivering work related life skills, educational upgrading, or on the job experience. Those with severe barriers that prevented employment (i.e., personal life issues, health problems, active addictions or documented learning challenges) or if they were not capable of participating in entry level employment due to lack of skills or knowledge that could not be addressed within a two year period would be assessed as stream three. No recommendations for services were made for stream three clients.

The feedback and recommendations from ESS staff on the draft model was somewhat contradictory, possibly reflecting different values and approaches to the issue of welfare

to work requirements amongst employment counsellors. The report noted that the model could appear to be more coercive than supportive; that career counselling and support for life long learning needed to be added to balance the emphasis on entering employment as quickly as possible and that because some clients faced structural barriers as well as personal barriers to employment, advocacy on their behalf might be required. It also recommended, however, that the model should state more clearly the client's role in determining the employability plan and that participation in motivational programming might be made a requirement to retain social assistance. There was also some discussion about specific gaps in services. One problem was that the model appeared to offer little more than a group information session, even for stream two clients. This, and the lack of services "may not provide sufficient depth of analysis [of their needs]" and "might exclude some clients who might otherwise be employment ready in two years." The model was also criticized because it failed to mention any services for stream three clients, appearing to label them "unsuitable for ESS", thus "condemning stream three client to stay on assistance forever." These various comments and suggestions were forwarded to DCS officials working on the welfare reform process for consideration.

Preparing for a consultation on a single tier system

In June 1997, DCS formally announced that it was moving towards full welfare reform and that the Minister would soon release a discussion paper in preparation for a "wide-ranging" public consultation on the issues to be considered for reform based on focus group discussions (Nova Scotia Department of Community Services News, Vol. 9 No. 1, June 1997). In the fall, DCS commissioned an independent consultant to conduct

focus groups as a starting point for these consultations. At his point, the Department came under more pressure from advocacy groups to publish an issues paper.

The focus group process, organized regionally, was designed to receive input from three constituency groups: social assistance recipients, community organizations, and frontline staff. Focus group participants were to be selected based on names submitted by Community Services regional administrators.¹⁰⁵ The evidence suggests that while the Department initially tried to control input to the focus group process, this became more difficult to sustain in the face of protests and the negative publicity they generated. The CAN group argued that the focus group approach was a means of limiting public input and that participation was too restrictive and made the focus groups a target for protest. It held a media conference and issued a statement calling on the government to broaden the consultation process and release more information about its proposed reform plans which it (correctly) surmised was already well advanced (*The Chronicle-Herald*, November 27, 1997; *The Daily News*, November 27, 1997). The delay in developing a proper consultation process was also a matter of concern to the Nova Scotia Association of Social Workers who raised the issue publicly in December 1997.¹⁰⁶ In response to these protests and criticisms, the new Minister of Community Services, Francene Cosman, argued that social assistance recipients involved in the focus groups were free to raise concerns and make suggestions for changes. A discussion paper was to be published based on the focus groups findings and this would be followed by three months of public consultation. She also told the media that while the target date for the Province to take

¹⁰⁵ Department of Community Services, Summary Report of the Focus Group Initiative, July 1998, p.3.

¹⁰⁶ Jean Bremmer, President of the Nova Scotia Association of Social Workers, "Has welfare reform become a very private affair?" *The Chronicle-Herald*, December 3, 1997.

over the administration of municipal income assistance was still April 1998, the new legislation and a fully harmonized single-tier welfare system would not occur before the fall of 1998. In the meantime, the current priority for the Department was to train municipal staff and “[get] the technology in order” (*The Chronicle-Herald*, December 4, 1997).

While the President of the Nova Scotia Association of Social Workers said that the Association wanted the reforms to include job training, child-care and other options “to help people if they are expected to get off social assistance,” the Minister responded that these issues would be discussed when the new welfare policy was being formulated, but that the immediate challenge was to achieve some equity in the welfare rates by the time municipal income assistance was fully harmonized and integrated with provincial assistance the following year (*The Chronicle-Herald*, December 4, 1997). With no final date for the issues paper and no further announcements on when the public consultation on social assistance reform would occur, about thirty CAN members crashed a focus group meeting set up for invited community organizations in Halifax in December, again demanding that the process be opened up with better representation from welfare recipients (*The Chronicle Herald*, December 10, 1997).

In March 1998, the Liberals were re-elected with a minority government. The service exchange agreements between the Province and the UNSM came into effect as planned on April 1, 1998. Income assistance as well as the remaining municipal ERCs would now be brought under the administrative umbrella of the provincial government and income assistance would be harmonized throughout the province. The Department of Community Services would administer two programs under the two existing Acts (the

Social Assistance Act and the Family Benefits Act), but there would be co-location of services for the two programs and both income assistance and Family Benefits cases were to be integrated into a new computerized management system.

With the earlier commitment that there would be no further reduction in short-term income assistance benefits, DCS estimated that seventy per-cent of social assistance recipients would receive an increase in benefits under the new harmonized arrangement. There would also be more uniformity in special needs allowances, but eligibility for special needs such as dental work, eye-glasses and nutritional allowances would be assessed and determined by on a case by case basis. In addition, all short-term income assistance recipients would be eligible for Pharmacare with a \$3 co-pay prescription fee. The higher benefits would be relatively significant for income assistance recipients in rural municipalities such as Digby that had extremely low welfare rates. Even so, allowances for single employable clients were still low at \$369 a month. Benefits for lone mothers on income assistance in several municipalities also increased, but the rates would be lower than those that currently pertained under Family Benefits. A single mother on short-term assistance with one child age six would receive \$781 per month. A single mother on Family Benefits in similar circumstances would receive \$880 (*The Daily News*, March 19, 1998; April 2, 1998). The government indicated that the cost of the changes “would be offset with employment programs to help people find work” and that the next step would be to “harmonize short term income assistance with long-term Family Benefits,” a process expected to take about two years.¹⁰⁷

¹⁰⁷ Peter Bartaux, DCS official, cited in *The Chronicle-Herald*, April 2, 1998. Bartaux said the changes would cost about \$10 million in 1998-99.

The new harmonized income assistance program was now provincially administered under the existing Social Assistance Act that had allowed for stricter employability requirements. The provincial government integrated some municipal staff into DCS and provided staff development and training for the new system, but former municipal staff delivered the program. (Presentation to N.S. Advisory Council on the Status of Women, September 12, 1998). Though most ERCs in HRM recognized that lone mothers faced particular barriers to labour market participation, more gender-neutral welfare to work practices had already been integrated into employability programming. There were reports in some regions that lone mothers on income assistance were forced to actively engage in a job search regardless of the ages of their children. In response to numerous complaints, the practice in some regions that all applicants conduct a three-day job search prior to receiving their first social assistance cheque was stopped. There would, however, be several other changes in current practice. With income assistance under provincial control, more lone mothers on Family Benefits were directed to employability services and by July 1998 the draft protocols statement issued for feedback to DCS Employment Support Services workers in 1997 had been revised, with some minor improvements.

There were now four employability streams instead of three (DCS, Employment Readiness Survey, revised July 1998). Clients were to be interviewed or provided detailed employability information through a self-administered questionnaire (to be verified by an employment counsellor or case worker) in four areas: employment history; job seeking skills/motivation; academic and cognitive information and goals; life situation; and physical and mental health. Though the approach was generic rather than gender specific, under the heading of "life situation" the new questionnaire included

systemic barriers related to the care of dependents including children, elderly parents or physically challenged spouses would be taken into account.¹⁰⁸ Services available for the 'job ready' were listed as resumé development, labour market information, job finding clubs or job search technique workshops; individual job search staff support; job development and the services of a job developer; self employment activity; wage subsidy programs; clerical services such as fax, internet and photocopying and, within the policy guidelines, allowances for child care, transportation and clothing.

Stream two and three clients with the potential to become employable but requiring some time and assistance to address barriers would be referred to ESS and would be eligible for the same services as stream one clients, but they could be directed to additional services such as individual and career counselling, vocational assessments, life skills workshops, and referrals for academic upgrading or skills training. The assessment forms indicated that stream two clients would be expected to be employable within one year and stream three clients within two years. Stream four clients (those with severe barriers to employment) were now included and would also be expected to become employable, but the protocols document noted that this could take up to four years.

By late 1998 the newly harmonized income assistance program and the development of new practices and processes had laid the ground for the integration of Family Benefits with income assistance and a single tier system. The only thing standing in the way of the government's plan to go ahead with full scale welfare restructuring with a universal, 'gender-neutral' application of the employability principle in Nova Scotia, was the

¹⁰⁸ The questionnaire asked about child care arrangements, but it left the expectation about the appropriate age for child-care up to the respondent. After new legislation in 2000, only lone mothers with children under one year were exempt from being considered for employment interventions.

implementation of the federal-provincial plan for an enhanced child benefit to “take children off welfare” and a public consultation.

Finalizing Federal-Provincial Arrangements for a National Child Benefit

Since federal-provincial negotiations on the social security reform agenda had begun in 1996, officials had gone a significant way towards negotiating a child benefit as one of the first priorities of the provincial governments. By January 1997 a federal-provincial working group had set out the rationale, objectives and principles for an enhanced and harmonized child benefit consistent with the objectives of reducing child poverty while building in work incentives and several models for implementation and delivery were put forward for the consideration of Social Services Ministers. Most of these involved an increase in federal funding. At the January 1997F/P/T meeting, however, federal officials indicated that the initial federal contribution to the child benefit would be more limited than they originally indicated and certainly less than had been estimated was required to take children off welfare. In this context, the working group report advised that governments should take a “staged approach” to the development of the benefit. This would begin with a “reinvestment framework” and the harmonization of a moderately enhanced CTB to form the basis for a new National Child Benefit NCB. Through incremental increases this would move towards further enhancement, integration and provincial supplementation.

Officials proposed that a feasible short term option was for the federal government to reallocate \$5 billion from the existing CTB and WIS programs (including the increase in the WIS promised in the 1996 budget) to develop a “common platform” for a new enhanced child benefit now referred to as the National Child Benefit (NCB) (Warriner,

2005:11). For their part, the provinces agreed to consider developing their social assistance programs to offset any loss in work incentives. It was also agreed that the NCB should not negatively impact families currently receiving social assistance and that any increased federal investment would require the provinces to reallocate the offset from social assistance savings “in a manner consistent with a re-investment framework.” Recognizing that the provinces had different benefit baselines, it was suggested that they could use offset to provide “top-ups” which could vary by province in financial terms and in terms of whether these were directed towards additional benefits, income supports, work incentives, or services for children.¹⁰⁹

Several “politically sensitive issues” were raised in the working group report. One was that the plan would require the federal government to re-allocate its 1996 budget commitment to double the WIS towards an enhanced CTB. This was compounded by the “politically difficult task” of requiring the provinces to reduce social assistance payments for children in some proportion consistent with the CTB increase. Failure to accomplish this would further reduce work incentives for families on social assistance and would also result in a lack of available funds for re-allocation to complementary provincial programs. Depending on which design option was chosen for delivery, the plan would likely require some provinces to redesign their social assistance benefit structures (Working group report, p.5). Given the loss of national standards for social assistance benefits and the cuts and changes to social assistance that had ensued in Ontario and

¹⁰⁹ F/P/T Social Services Working Group Working Group on the National Child Benefit (undated). The Report also indicated that while several operating principles had been agreed upon there were numerous challenges associated with implementation and governance. One was that the current CCTB was not responsive to immediate need because it was based on the prior year’s income reported in tax returns. Integrating income responsiveness under the proposed NCB would require provincial governments to provide top-ups to social assistance families until such time as the tax system recognized their NCB eligibility. This would involve increased program costs and complexity (p.6).

other provinces following the demise of CAP this was also a particularly sensitive issue. The report suggested a shared approach to communications and extensive consultations between governments would be required to “explain the rationale behind the sometimes difficult actions required to successfully implement a NCB.” It also proposed to develop a national public consultation strategy based on a collaborative approach (p. 6).

The working group report also outlined three possible approaches to program governance and accountability. One was to have no joint program governance. The drawback with this was that it would leave “each order of government exposed to possible ‘off-loading’ by the other.” A second approach, which had the advantage of improving public information and accountability, was to conduct social audits through a monitoring body. A third was to develop formal agreements and a joint management structure. It was recognized that regardless of which method was chosen there should be some form of measurement of effectiveness. This could include child poverty reduction, a reduced reliance on social assistance or usage of food banks or other services (p.8).

The 1997 federal budget announced that the federal government would invest \$850 million and replace the existing CTB and WIS with an enhanced Child Benefit to be used as a platform for further investments over time. The main objective of the NCB from the provinces’ perspective was that the investment should be “sufficient to remove children’s benefits from the welfare system.” The enriched child benefit was intended to enable the provinces to redirect funds they would otherwise have spent on social assistance for children towards improving work incentives and supporting low-income families. It was agreed these could include services such as nutrition and day care programs or additional

income support for low-income working families.¹¹⁰ Though the child benefit initiative had been announced, the federal government had not received specific information from the provinces about these reinvestments or firm assurances that welfare recipients would be no worse off financially as a result of the enhanced child benefit and any welfare system adjustments to achieve the savings. Moreover, there was still no firm accountability framework.

In this context, national social policy organizations and others reiterated their concerns about transparency and public accountability for the re-allocation of federal funds to the initiative and in particular that the initiative would meet the goal of addressing child poverty. A new federally funded social policy think tank, the Canadian Policy Research Network, publicly criticized the ad hoc nature of the process to date and called for a more organized federal-provincial response to the reform process, as well as more public accountability and transparency on the NCB in particular. (F/p/t Social Services Ministers *Communique*, April 1997). In response, the federal Minister established a reference group on governance and accountability made up of the national organizations and social policy organizations that had advocated action on child poverty.¹¹¹ The federal government also said it would work with the provinces to develop better accountability and performance measures in relation to the goal of reducing child poverty. By April 1997, provincial governments confirmed that social assistance funds would become available for reinvestment but agreed to identify the programs to which the savings would

¹¹⁰ See Canada. Budget 1997. *Towards a National Child Benefit System*, February 1997. National Council of Welfare, *Child Benefits: A Small Step Forward*, Spring, 1997, p.5.

¹¹¹ Nine organizations are listed in a progress report including the Caledon Institute, National Anti-Poverty Organization, the Vanier Institute, Campaign 2000, Child Poverty Action Group, The Canadian Council on Social Development and the Child Care Advocacy Association of Canada. "The National Child Benefit: We're Making Progress", March 12, 1998. http://socialunion.gc.ca/ncb/fbkgrd3_e.html.

be reallocated under the new NCB initiative. At the same time, the annual meeting of provincial premiers in August 1997 called on the federal government to make a firm commitment to achieve an annual investment of \$2.5 billion by 2000. By September, federal and provincial Ministers had agreed on the operating principles to guide the development and implementation of the NCB.

The NCB was to be a partnership between the federal and provincial governments and built on the principles of cooperation; openness; flexibility; evolution; and accountability. The principle of flexibility was perceived as necessary so that each jurisdiction could “develop programs and services and deliver them in a manner which best responds to the needs and priorities of its communities.” It was also understood that the NCB would require “significant, incremental and permanent investment” by the federal government and that the initial investment of \$850 million only represented “a starting point towards a more significant investment in the future.” There would also be “appropriate and complementary” investments by provincial governments over time and the provinces agreed to explore, contingent on fiscal resources, whether funds could be devoted to their component of the NCB. The March 1998 federal budget increased the federal contribution to the CTB by an additional \$850 million over two years (to a total of \$1.7 billion). This was a slower rate of investment than the provinces had wanted, but sufficient to allow them to begin implementing the NCB.¹¹²

Despite the efforts of national social policy advocates, public accountability would be through annual reports rather than through the parliamentary process. Nevertheless, the federal and provincial governments issued a Framework for Governance and

¹¹² The federal government subsequently committed to invest incrementally in the federal CTB until 2000 and made additional annual investments until 2005.

Accountability to complement the launch of the program. Provincial governments agreed that there was to be no reduction “in the overall level of income support for families receiving social assistance” and each of the provinces and territories agreed to report on their plans for reinvestment into programs and services for low-income families (NCB Governance and Accountability Framework:1). These reveal that two re-investment options were then being considered by Nova Scotia, including “a range of healthy child development initiatives” and a provincial child benefit or an earned income supplement. It noted that both options were consistent with the broad NCB goals and that a decision was pending from the Nova Scotia cabinet.¹¹³

The implementation of the NCB in Nova Scotia

As agreed under the NCB arrangement with the federal government, the provinces could claw-back the supplementary benefit from social assistance recipients and use this offset to develop programs to prevent child poverty on condition that there would be no reduction in the amount families received from social assistance. Shortly before the National Child Benefit (NCB) came into effect in Nova Scotia in July 1998, DCS issued a statement to explain how the supplementary benefit would be delivered. The NCB would increase child benefits to \$605 a year for the first child, \$405 a year for the second child and \$330 a year for each subsequent child. The income threshold for the full supplementary benefit, however, was only \$20,921 (Government of Nova Scotia, *Budget Bulletin*, June 4, 1998). Confirming the government’s intention to abide by the letter of

¹¹³ The Framework included objectives, operating principles, governance and accountability roles, mechanisms for problem solving, government-to-government accountabilities, outcome measures and program evaluation plans. It also included information sharing, the gathering of statistical data on federal investments in the CCTB and provincial/territorial re-investments related to the NCB as well as evaluative analysis. “The National Child Benefit: We’re Making Progress”, March 12, 1998: http://socialunion.gc.ca/ncb/fbkgrd3_e.html. 3-6.

the federal-provincial agreement, the statement indicated that “families on social assistance would continue to receive at least the same monthly income they receive now from all sources” and that they would also “benefit from many of the complementary programs and services for low-income children made available through the provincial reinvestment funds.” The NCB supplement, however, would be deducted from social assistance benefits.

The Province would redistribute what it clawed back from families on social assistance to all low-income families (including those on social assistance) through a new Nova Scotia Child Benefit (NSCB) and additional services for children. The government indicated that of the estimated \$14.6 million made available for re-investment annually, \$13 million would be re-directed towards an NSCB for families in the very lowest income brackets (under \$16,600) “whether parents were working or not.” Of the remainder, \$1 million was assigned to child-care and the rest was designated for parenting and early intervention programs (*Budget Bulletin*, p.2). On this basis, the government estimated it was in effect passing on about a third of the NCB supplement to families on social assistance. Provided the federal government came through with additional funding in the future, the reinvestment option chosen by the Nova Scotia government could lead to the development of a benefit that would be high enough “take children off welfare” as had been suggested in the federal *Green Paper*. The statement pointed out that the reinvestment fund would increase as the federal contribution to the National Child Benefit increased. Because the benefit was income based and detached from the needs based welfare system, it was conducive to a strategy that would reinforce the new welfare to work approach and “make work pay.” At this stage, however, the NSCB was very

low, providing a benefit of only \$250 a year for the first child, \$168 for the second and \$136 for the third and each additional child.

As predicted, the claw back of most of the NCB from lone parents on social assistance became a politically sensitive issue and was widely viewed as mean-spirited (*The Chronicle Herald*, July 17, 1999). It would also become a particularly contentious issue between women's groups and the government during the second stage of reform. The Province received most of the political fall-out from the arrangement, but what was misunderstood or ignored in the public discussion was that this was not simply an option the provinces had pressed for: both levels of government had agreed to use a child benefit to strengthen work incentives and the idea of had been embedded within the logic of the program's development since the *Green Paper* first suggested the option in 1994.¹¹⁴ As I explain in Chapter nine, in Nova Scotia the NCB would be crucial to the development of the single tier social assistance system based on employability requirements.

The Social Union Framework Agreement

Federal-provincial negotiations on the NCB were embedded within broader negotiations on the principles and the respective roles and responsibilities of federal and provincial governments for social policy and social program development the provinces had identified in their Ministerial Council Report in 1996. In spite of apparent progress on the NCB and other child development initiatives, there was still considerable tension in

¹¹⁴ Reports on provincial arrangements under SUFA show that different approaches were taken to the NCB supplement. In some provinces it was treated as an unearned income charge against social assistance or social assistance rates for children were reduced by a comparable amount. Only New Brunswick allowed the full supplement to flow through to social assistance recipients, while Newfoundland and Labrador and Nova Scotia took a similar approach that offset a portion of the supplement from social assistance benefits. Quebec chose not to participate in SUFA or the NCB arrangement. On the insistence of the federal government increases to the NCB after 2000 were not offset from social assistance. As I explain in chapter nine, Nova Scotia eventually opted for an integrated child benefit. This entailed restructuring social assistance benefits See "Internet Annex: Approaches to Replacing Social Assistance Benefits for Children." <http://www.nationalchildbenefit.ca/eng/98/update.shtml>

inter-governmental relations. Although there was anticipated to be a larger than expected surplus in the 1998 federal budget, the federal government had not fully restored the \$6 billion it had cut from provincial transfer payments in 1995. The provinces were under pressure on healthcare issues and they feared that the federal government was now poised to introduce new programs, as they had recently done in post-secondary education, without previous notice or consultation.¹¹⁵ Amongst other things, the provinces' position called for written notice of major program changes, and joint decisions related to standards and Ottawa's use of its spending power in areas of provincial jurisdiction (John Richards, C.D. Howe Institute, *Backgrounder No. 59*, March 2002). In addition to these demands, Quebec wanted the right to opt out of programs while retaining the funding to run their own. Though the federal government did not appear to be especially anxious to engage in negotiations on these broader "social union" issues, they did accept politically the need to do so. They were not only keen to respond to criticisms from social policy advocacy groups about the erosion of national standards in health care and social welfare programs but they also wanted to ensure greater control over and accountability for the money the federal government was transferring to the provinces.

Despite somewhat different provincial positions of welfare, the provinces would not agree to federally imposed standards on social services. Basing its position on the principle of guaranteeing equality of opportunity for all Canadians and assuring access to comparable social programs across the country, the federal government argued that the

¹¹⁵ In the 1998 federal budget, the government had put new money into a Millennium Scholarship fund and was floating the idea of introducing a Pharmacare or a home care program in its 1999 budget. Neither of these programs emerged, but the provinces wanted limits on Ottawa's right to unilaterally introduce new social programs, more say in how social programs were developed, the flexibility to design programs to meet their own priorities, and more clarity on how federal-provincial disputes would be settled.

provincial proposals would “undermine national standards and create a checkerboard with different social benefits in various provinces” (*The Daily News*, July 30, 1998). The federal government stated that it was prepared to make the provision of a basic level of assistance to those in need one of its demands in return for more consultation on new initiatives (Edward Greenspon, *The Globe and Mail*, July 21, 1998). Negotiations temporarily broke down in June 1998, but after a personal meeting between Prime Minister Chrétien and Roy Romanow, the Chair of the Premiers’ Council, negotiations resumed.¹¹⁶

At the annual meeting of Premiers in August 1998, the provinces reiterated their position that until the cuts under the CHST were fully restored, the first priority was to funnel any extra federal money into healthcare. At the same time, Quebec agreed to join with the other provinces in negotiations with Ottawa on a proposed social union framework on the understanding that their negotiating position would allow for provinces to opt out of national programs while receiving transfers for substitute programs of their own.¹¹⁷ Faced with a more united provincial position, federal negotiators “used both stick and carrot to persuade the provinces to abandon their opting out agenda.” On the one hand, they threatened to accuse the provinces of undermining social programs, but on the other hand they agreed to increase funding under the CHST (John Richards, “The Paradox of the Social Union Framework Agreement,” C.D. Howe *Backgrounder No. 59*, March 2002). Arguing that they wanted “incentives in a social union...tilted in favour of

¹¹⁶ It was mutually agreed “to deal with one item at a time” and the provinces agreed to cooperate with Ottawa in setting some standards for social programs (*The Daily News*, July 30, 1998).

¹¹⁷ In response to the statement, the federal Minister of Inter-governmental Affairs, Stéphane Dion said that in talks with the provinces on the future of the social union his objectives were to favour the “mobility and equality of opportunity for all Canadians and to have a lot of flexibility in the federation in order to allow each province to invent their own programs.” *The Globe and Mail*, August 8, 1998.

national programs rather than opting out” the federal government agreed to give one year’s notice before launching any new programs (Edward Greenspon, *The Globe and Mail*, August 8, 1998). As a result, the provinces backed away from their stronger united negotiating position and agreed to take the money while Quebec opted out of future negotiations.

On February 4, 1999 the Social Union Framework Agreement (SUFA) was signed by ten of the eleven Premiers and the federal government (*A Framework to Improve the Social Union for Canadians: An Agreement between the Government of Canada and the Governments of the Provinces and Territories*, February 4, 1999). The Agreement outlined principles, accountability measures, and processes for the development of social programs including a principles that would ensure “access for all Canadians...to essential social programs and services of reasonably comparable quality” and the provision of “appropriate assistance to those in need.” Nevertheless, other than a reference to the Canada Health Act, there was no allusion to common standards nor any definition of what “appropriate assistance” might mean in practice (p. 4). The Agreement simply committed provincial governments to ensure that “no new barriers to mobility are created in new social policy initiatives” and to eliminate residency-based policies “which constrain access to post-secondary education, training, health and social services and social assistance.” At the same time, many of the provinces’ demands for greater collaboration, joint planning and consultation were included in the Agreement, including a provision that the federal government would “consult with the provinces at least one year prior to renewal or significant funding changes in existing social transfer to the provinces/territories...and will build due notice provisions into any new social transfer.”

It also contained federal commitments to work collaboratively with all provincial and territorial governments “to identify Canada-wide priorities and objectives”, not to introduce new initiatives “without the agreement of a majority of provincial governments,” and that to meet the agreed objectives for any new initiatives, provincial governments could “determine the detailed program design and mix best suited to its own needs and circumstances” (Appendix I).

Reference was also made to mechanisms to ensure greater public accountability and transparency. These included the involvement of Canadians in “developing social priorities and reviewing outcomes,” using transfers for the purposes agreed upon, and specific measures for monitoring of outcomes. The Agreement also committed governments to make eligibility criteria and service commitments publicly available, ensure mechanisms to appeal unfair administrative practices and to make complaints regarding access to services and the results of these public. Nevertheless, the failure to include accountability measures for social assistance and the absence of real standards, including a meaningful definition of need and the right to benefits regardless of cause under SUFA, would give the provinces substantial leeway to define their own policies and amongst other things to initiate or enforce welfare to work measures.

CHAPTER IX: THE DEMISE OF FAMILY BENEFITS AND GENDER REGIME CHANGE

By 1997, local capacity development during the SARS program and harmonization had brought income assistance under provincial administration and an infrastructure to deliver employability interventions had been built. The practices and processes developed by employment resource centers were now directed more broadly to income assistance recipients through the new Employment Support Services division, but they were also layered over those in the Career Planning Program and more lone mothers on Family Benefits were now being referred to the Division for employability assessment. In 1998, the NCB opened the way for the second stage of social assistance ‘reform’—the conversion of the two tier system based on categorical assumptions to a single tier system based on gender-neutral assumptions. Yet social assistance was still governed by two separate Acts with different regulations on employability requirements. It was still unclear whether ‘reform’ would entail universal employability requirements or how coercive and punitive these might be. Under pressure from social advocacy groups to specify the parameters for reform, the government had promised a public consultation.

In the first part of this chapter, I examine the public consultation process and the government’s reform proposals in the context of unequal power relations and a universe of political discourse increasingly influenced by neo-liberal thinking. As I explain, the consultation was a relatively controlled process that occurred within the parameters of already established goals. It used the federal cuts, the new child benefit, and the two tier system to foster a new politics of need based on ‘fiscal sustainability’, ‘employability’ and an emphasis on ‘fairness’ to recipients and the working poor. Yet proposals were

also contested. The official opposition initiated parallel hearings, community advocates mobilized and responded vigorously to the proposals, and community agencies and staff raised concerns. Many respondents to the official consultation also expressed reservations about the focus on fiscal restraint, the expectation that families should be partially responsible for support, and that single mothers should become 'self sufficient' through employment. As I explain, in response to the consultation the government began to think about modifications to its proposals. Though the goals of financial sustainability and employability were to remain intact in the weeks before an election in July 1999, it was considering a shift towards a more 'social inclusion' approach.

The second part examines the deepening divisions within the political discourse after July 1999 when a new Conservative government moved forward on legislative change. It demonstrates that despite opposition, a climate of high unemployment and fiscal restraint enabled the government to foster a gendered and residualist political discourse in support of gender-neutral employability requirements. Yet as the ESS Division prepared to implement the new policies, pressure from some service delivery staff led managers to modify employability protocols to take into account of serious barriers to employment. Nevertheless, welfare-to-work requirement remained. The Employment Support and Income Assistance Act (2000) and new employability regulations and practices in 2001 introduced a single tier system based on the enforcement of welfare to work for all recipients deemed capable of work regardless of gender or parenting status.

The Consultation on Social Assistance Reform

Rebuilding the System (RTS), the long awaited public discussion paper outlining the government's reform goals, was published in June 1998. RTS proposed that the Province

harmonize Family Benefits with income assistance and move to a single tier system under a new legislative framework. The proposals were guided by seven goals: creating a fair and equitable system; removing barriers to work; providing social assistance recipients with support to upgrade skills and education; special support for individuals with mental or physical disabilities; improving the administrative efficiency and effectiveness; building prevention programs for children and youth; and maintaining a financially sustainable system with a reasonable level of services. The document outlined the rationale for the new policy direction and drawing on the findings of focus group research, it invited public input (in writing or through a 1-800 telephone number) on the key issues it claimed remained undecided.¹¹⁸ Originally to end in October, the consultation was extended until December due to delays in receiving input but also because shortly after the release of RTS, at the instigation of Maureen MacDonald, an NDP MLA with significant experience as an anti-poverty activist and a professor at the Maritime School of Social Work, the two opposition parties forced the legislative Standing Committee on Community Services to hold public hearings on reform.¹¹⁹ Commencing in September 1998 and ending in early January 1999, the Standing

¹¹⁸ Nova Scotia, Department of Community Services Social Assistance Restructuring Initiative, *Rebuilding the System: A Discussion Paper*, July 1998. The consultation elicited 87 written submissions and 109 telephone comments from anti-poverty advocates, service delivery agencies and individuals (some of whom were or had been on social assistance). The results of the consultation were published in a *Progress Report* in June 1999. This indicated that of the written submissions forty-two came from community groups and forty five from individuals and that departmental officials also received input through face-to-face meetings with community groups and professional organizations such as the Nova Scotia Association of Social Workers (*Progress Report*, 1999.)

¹¹⁹ As chair, Ms Macdonald ensured that the Committee had a budget to travel. The Committee heard from 190 witnesses in communities from Cape Breton to Yarmouth (Hansard, Standing Committee on Community Services, January 6, 1999). Submissions came from departmental officials the Committee called as witnesses, individuals living in poverty, service delivery agencies, and local and provincial anti-poverty groups some of which boycotted the departmental consultation.

Committee travelled to numerous locations around the province, and hearings were relatively well publicized. Their mandate was relatively broad and open-ended and designed to engage individuals and groups in a wide-ranging public discussion about welfare reform. The hearings also served as a forum for organizations to raise public awareness about the issues and in some cases this helped to organize local opposition. During the latter half of 1998, then, there were two parallel but quite different consultation processes occurring. Unfortunately, the final report of the Standing Committee hearings was not published before an election was called in June 1999, but some of the concerns raised were taken into account in the *RTS Progress Report*, the DCS response to the consultation.

The reform process, therefore, was socially and politically constructed. To provide a sense of the debate, the issues that pre-occupied DCS as they developed their plans, those at stake for lone mothers on social assistance, and the positions of oppositional groups, the analysis that follows draws on the *Focus Group Report (FGR)*, *Re-building the System (RTS)*, and the *Progress Report (PR)* as well as the responses of anti-poverty and women's organizations to *Rebuilding the System* and the Standing Committee hearings.

Resistance and opposition to the government's vision for reform

As in the federal hearings on the *Green Paper*, the goals, questions, and issues highlighted in the social assistance reform consultation were pre-defined and motivated mainly by financial constraints and the drive to reduce the case-load and create a system that would move welfare recipients (especially lone mothers) into the labour market. Yet the views of focus groups during 1997-98 (as outlined in the FGR) are worth considering, not only because these informed issues highlighted in RTS, but also because participants

included social assistance recipients, community organizations, and DCS field staff.¹²⁰

Although focus group participants were hand picked by DCS, agency and field staff were generally sympathetic to the plight of social assistance recipients and demonstrated frustration with the level of resources available to them. Their views on reform often diverged somewhat from what the government initially had in mind.

Reform goals were defined with the priority of creating a single tier, gender-neutral system that would result in financial savings and promoting the “financial independence of clients” was proposed as the overall vision for reform.¹²¹ The FGR shows that while there was a lack of consensus on several issues, participants shared a concern about this vision. Given labour market conditions and the numerous barriers recipients faced, many were skeptical that they could actually achieve financial independence through employment. They thought that promoting financial independence should be one goal for reform but that ensuring adequate incomes for families in need was equally, if not more, important. Concerns were also expressed about the current level of benefits and there was a clear message that “social assistance reform must not be used as a cost-reduction measure to cut income” or for making further cuts to Family Benefits (FGR: 4). Due to these reservations, “achieving financial independence” was not identified as the overall vision for reform such in RTS. Instead, several criteria, said to be consistent with focus group input, were outlined as goals for the new legislative framework. The idea that financial sustainability should be the guiding principle, however, was not abandoned and

¹²⁰ A total of sixteen focus groups were held in each of the four regions of the province with three separate groups for social assistance recipients, community organizations and advocacy groups, and frontline Community Services staff. Four additional focus groups had been conducted with both recipients and community organizations in Metro, including two that paid particular attention to issues facing youth.

¹²¹ *Summary Report of the Focus Group Initiative*, Nova Scotia Department of Community Services, Social Assistance Restructuring Initiative, Martell Consulting Services Ltd. In association with Power Analysis Inc., July, 1998, p.6.

this became the underlying theme in most of the goals, questions for public discussion, and in the government's Response to RTS.¹²²

The anti-poverty network, CAN, and the feminist groups Connect (an umbrella group of seven rural women's centres) and FEMJEPP were particularly vocal critics of the government reform agenda and critical of the scope of the questions and the fact that the goals for reform seemed to be already determined. Neither group was officially included in the focus group process, but they took somewhat different positions on the government consultation. CAN participated in the Standing Committee hearings, but objected to the way the consultation process was designed. Taking the position that there should be open consultation with more community participation and solutions developed in partnership with the people most affected, CAN protested through 'direct action' disrupting a focus group session with government officials early in the process. FEMJEPP and Connect, made up of feminist activists, service providers, and women's centres, participated in both the government consultation and the Standing Committee hearings.

Though CAN chose not to make a formal response to RTS, the network had developed a position that was considerably more radical than what the government was proposing and most of its member groups participated in the legislature committee hearings. CAN's proposals included full, adequate and secure assistance; fair and equal treatment (while recognizing that different groups have special needs); universal programs to address family poverty (including health care, child care), reversal of the claw-back of the NCB;

¹²² These were that policies should be fair and equitable and consistently applied across the province; be flexible enough to meet the needs of individuals who depend on social assistance; help people in need to achieve greater self-reliance; help those who are able to work by reducing barriers to employment while providing support for those trying to re-enter the labour market; have a broad focus with prevention objectives in mind; and reduce duplication and provide better service to clients.

full and safe employment (with an emphasis on job creation, employment equity and adequate wages and benefits); access to educational and employment support; and several goals related to respectful treatment of recipients.

Like CAN, FEMJEPP argued for the more direct involvement of community-based organizations in social assistance reform and a more integrated and coordinated approach through the development of an overall social policy development framework. They also identified several issues and concerns about the current system. These were organized into four themes: adequate assistance to meet the real needs of recipients; the cessation of the NCB claw-back; rescinding the idea that families of teenage lone mothers should be responsible for their maintenance; and ensuring access to education and retraining and financial supports to help women move into sustainable employment.

Women's Centres, through their umbrella group Connect, similarly argued for a more holistic and integrated approach and a social infrastructure based on a new set of principles organized around social justice and government accountability.¹²³ Gleaned from women who used the centres, they also identified numerous problems related to Family Benefits and the new harmonized income assistance system. These included inadequate benefits and access to emergency assistance; a lack of information about rights and an inadequate appeals process; and the negative and demeaning attitudes of some case-workers. The organization also raised issues related to removing barriers to employment, including the need for more subsidized child-care; better access to public transportation; extending limits on earnings; and better access to training programs and

¹²³ These included equity and fairness; diversity and inclusion; respect; hope and dignity for all citizens; democratic and equal participation; freedom to make individual choices; meaningful work and economic security; reciprocal trust between government and the community; and government accountability. Connect brief.

supports such as Pharmacare and student loans. The Nova Scotia Advisory Council on the Status of Women (NSACSW), though a government agency, identified similar issues and also drew attention to the impact of the demise of CAP and the cuts to the CHST and the gendered nature of the labour market.

Both anti-poverty and women's organizations, therefore, supported the idea of supportive action to encourage employment, but they adamantly opposed coercive welfare to work practices and the NCB claw-back. Yet as the PR stated, interventions from these groups articulated a holistic vision for reform (PR: 11). They not only raised concerns about many of the RTS objectives, but presented alternative approaches to reform.

Public Responses to “Rebuilding the System”

The underlying assumptions in *Rebuilding the System* (RTS) were based on residualism and ‘employability’—the idea that social assistance should be a last resort until paid work could be found. Yet, as I demonstrate below, the government built many of its arguments for reform on the principles of ‘equity ‘within the system, ‘fairness’ to the working poor, and the need to address barriers to employment.

RTS highlighted that while income assistance “is more flexible,” Family Benefits was available only to people who qualified as lone parents or as persons with disabilities. It stated that based on ‘equity’, focus groups endorsed the idea of a single-tier system and with only one exception thought that it should be designed to encourage clients to seek employment. Despite appearing to abandon financial independence as the vision for reform, the first goal in RTS “*a fair and equitable system*” proposed to combine Family Benefits and income assistance and to “assess clients on new criteria,” including the

expectation that “those who are able would seek work opportunities” (RTS: 10). The focus group report, however, reveals some ambivalence on this expectation for lone mothers. Participants generally endorsed the idea that lone mothers “should be encouraged to move towards work,” but there was concern about making employment a requirement, and especially about forcing lone mothers to take minimum wage jobs while “leaving their children to be raised by others.” Yet while issues were raised about current conditions in the labour market and the lack of benefits attached to many jobs, most agreed that the ‘employability’ of applicants should be assessed and that this should be the main consideration in determining the best route to financial independence (FGR: 5). The discussion in RTS largely ignored the state of the labour market focussing instead on expectations about employment and how ‘reform’ could overcome barriers. It asked respondents to consider whether “in the interests of equity” a parent should face “the same expectations for work as a person without children”, and whether the ages of children should be a consideration. Both anti-poverty and women’s groups opposed the idea of mandatory work requirements, especially for lone mothers. Similar to the focus groups, they also expressed concerns about labour market conditions.

Women’s groups, however, were also skeptical about the benefits of harmonizing Family Benefits with income assistance and believed that this would result in lower benefits for lone mothers and increase the expectation that they should look for work. Based on the view that “parenting is a right, not a privilege,” women’s centres argued that the social value of parenting must be better recognized and that women should have the choice to stay home with their children (Connect Brief). These points were glossed over in the *Progress Report*. Though the ability of lone mothers to maintain an adequate

level of financial support was registered as a major concern and it noted that opinion was divided on work requirements for lone mothers, it indicated that most respondents considered that two separate systems, with different requirements and benefits, was inequitable. RTS also asked whether basic benefits should “be the same for all clients, regardless of the reason for need” and whether there should be a separate component for people with disabilities (RTS: 10). While some thought basic benefits should be the same for everyone, others thought there should be a separate income support program for persons with disabilities.

Indeed, the overall level of social assistance benefits was the issue most frequently raised in the focus groups and in responses to RTS. For some, it was the key issue. Certainly, this was the case for women’s and anti-poverty groups. The PR noted, however, there was no consensus on what constituted an adequate level of support and that recommendations were wide-ranging—a simple increase in rates, benefits to enable “a dignified quality of life” with telephone and higher transportation allowances, using gross pay rather than net pay in budget calculations, income supplementation schemes and a guaranteed annual income were proposed.

In the focus groups, the issue of support had raised concerns about ‘fairness’ to the working poor. As income assistance benefits “may exceed what a principle income earner could take home from an entry-level job,” it was thought this created a disincentive for people to leave social assistance and was unfair to a “household head” working at a low-income. The provision of Pharmacare to social assistance recipients and not to the working poor was also cited as a disincentive to leave social assistance and an example of inequity. Based on these responses, RTS referred often to both “equity”

and “fairness” to the working poor in rationalizing its plans for social assistance reform. Yet some RTS respondents raised questions about the meaning of “fairness” and “equity,” arguing that besides adequate benefits, these concepts should entail consistency in how policies were applied. Suggesting that restructuring and reform should take a more holistic approach and address the root causes of poverty, women’s groups argued that equity should be applied to universality in all government programs and even to the redistribution of wealth and (Briefs, FEMJEPP; Connect).

In keeping with the focus on employability, the second, third and fourth RTS goals addressed obstacles to employment. Asked about obstacles to employment and the incentives or supports recipients needed to get off welfare, some DCS focus group participants cited the higher benefits for lone mothers on Family Benefits as a disincentive to employment with some suggesting there was “a growing culture” whereby clients viewed social assistance as “a pension and their right.” Most participants, however, believed that the majority wanted to be gainfully employed. Many cited “the challenging labour market” and minimum wage jobs with no access to benefits as the most serious barrier (FGR: 5-6). Poverty itself was also identified as a major obstacle to employment. Referencing the meagre \$200 allowance for work related expenses under the Family Benefits program and the failure to provide Pharmacare and adequate transportation and child-care allowances, several noted that insufficient financial incentives within the system were major barriers to maintaining employment. Focus groups also pinpointed the problem that assisting people with education, training and other supports was often viewed as a cost rather than an investment.

Many also thought that breaking “the cycle of dependence” required longer-term interventions such as literacy and programs that dealt with problems such as alcoholism, family violence, and poor nutrition. DCS staff indicated that given the size of the caseload, they did not have the ability to deal with these issues. They argued they had become “paper pushers,” and that this issue was contributing to “the difficult relationship” between staff and clients particularly in urban areas (FGR: 7). They viewed this situation as demoralizing and argued for more emphasis on long-term training and counselling and resources to maintain and enhance employment initiatives (FGR: 5).

RTS acknowledged that there were “labour market challenges” with fewer full-time jobs, more part-time work, and self-employment, but argued that the longer individuals were on social assistance the harder it was for them to re-enter the job market. While most clients wanted to leave social assistance, they were often prevented from getting work because of “personal circumstances”—identified as “skill deficiencies”—or “attitudes of clients, workers and employers.” It proposed several options to provide better work incentives and transition to work supports as well as recruiting more staff to enable “individualized, intensive intervention.”

The PR indicated that while many thought incentives and supports alone would not be enough to ensure reliable employment, the transitional supports identified by RTS respondents were similar to those suggested in the focus groups. These included allowing clients to keep more earned income and considering take-home pay rather than gross pay in calculations; provision for child care and more money for transportation; covering more medical expenses and pharmacare for those who become employed; and providing

more upgrading and training.¹²⁴ The PR noted the need for a better structure of financial and other incentives to reward the goal of independence, but indicated again that measures should “not be unfair” and should also be made available to the working poor. It is noteworthy that although child-care was mentioned, no specific reference was made in either RTS or the PR to the particular challenges for lone mothers in combining employment and single parenting.

Goal three, “*support to upgrade skills and education*” covered the issues of education and training in more depth. Focus groups supported the idea that all recipients should have access to support to become ‘employable’, but the question of access to post-secondary education had not been raised specifically. Since the changes to the Career Planning Program in 1995 disallowed supplementing benefits with student aid or loans, access to post-secondary education for Family Benefits recipients had become a contentious issue between DCS and women’s groups. RTS raised this issue in the context of ‘fairness.’ It pointed out that recipients on Family Benefits who were traditionally not expected to seek employment were able to attend university and still receive some assistance while those on income assistance expected to seek employment could not. It noted that some recipients had difficulty getting the education and training they needed for today’s labour market, but argued that the practice whereby a single mother could remain on social assistance while pursuing post-secondary education would present obstacles in a generic single tier system. Ignoring the higher educational attainment women required to achieve gender income parity and become ‘self-sufficient’, or the possibility of extending the right to post-secondary education to everyone, it noted

¹²⁴ In their briefs, women’s groups and others expressed concern that lone mothers and people with disabilities who wanted to work were not receiving the help and support they needed to become independent (Briefs by FEMJEEP, Connect, CAN, Veith House).

that “a single assistance program will have a uniform policy on training and education supports.” It basically proposed the ‘work first approach’ that with the demise of the SARS program already pertained within the harmonized income assistance program. The new system should help people to retrain “even if they start with volunteer, part-time, or other opportunities to build skills” (RTS: 12).

Yet respondents to RTS noted that besides allowances for telephones, child-care and transportation, there should be more resources for a well-developed system of employment supports (career counseling, job search skills, literacy, self esteem and life skills) and better access to educational upgrading, job training, and skills development programs. Reflecting the effects of bureaucratic silos and the marginalization of social assistance and social services within the social welfare regime, some argued that it should not be up to DCS to create economic opportunities and that DCS should not be solely responsible for the educational upgrading and other supports that recipients needed.¹²⁵

Opinions were divided, however, regarding the kind of financial support recipients should be entitled to while pursuing education or training. Some respondents thought that training allowances or payments through sources such as EI or CPP to assist the disabled with the costs of education or work should be “without penalty” while others thought there should be no “free rides” and that support should be tied to achievement or time limited. Several argued that if there was to be support for the “unemployed poor”, this should also be available to the working poor. Others, especially women’s groups, thought all individuals should be supported while acquiring skills to become employable, including through post-secondary education. Indeed, the issue of access to post-secondary

¹²⁵ Most thought that the Department should partner with community organizations, the federal government and other government departments to ensure there was better access to these programs and services.

education for lone mothers remained a contentious issue both during and following reform.

Goal Four, “*special support for individuals with mental or physical disabilities*” addressed the categorical designation of persons with disabilities as “unemployable” and in line with what advocacy groups for the disabled had long argued for, the importance of recognizing the abilities of people with disabilities through functional assessments. Focus groups called for better supports, technical and more flexible work arrangements to help the disabled to work at a level they were able but they also thought that persons with disabilities should be assured of sufficient resources to “enable them to maintain an enriched quality of life” including additional costs associated with their disabilities and attendant care if needed (FGR: 8). These findings were supported in RTS. Some respondents agreed with the idea of one income assistance program and special legislation to address supports for the disabled. In this context, some women’s groups argued that due to the barriers they faced in relation to employment, a similar case could be made for a special support program for lone parents.

Goal five proposed to “*improve the administrative efficiency and effectiveness of the system.*” Given earlier government action to curb fraud, new policies in force in Cape Breton, and the issue of inconsistency in the treatment of clients following income assistance harmonization, issues in focus groups considered how staff could exert discretion but at the same time ensure consistency and fairness within the system; whether benefits should be the same across the province; and what measures were required to ensure the system could identify fraudulent claims. The report noted that these issues proved to be particularly contentious, prompting a great deal of discussion

across all groups and regions.¹²⁶ Some expressed concern that DCS invested too many resources into “policing the system” while others thought that existing measures to detect fraud were inadequate.

The PR noted, however, that most respondents thought that DCS itself “was not sufficiently accountable to the public.” DCS staff thought that more resources were needed to improve administrative efficiency and services and especially to reduce caseloads so there could be more individualized and active attention from their caseworkers.¹²⁷ Focus groups generally thought that the key to fairness and consistency was “a clear understanding and consistent application of government policy across the province” but there should be separation between “policies that need to be imparted province-wide and those areas that are more appropriately addressed at the regional or local level.” (FGR: 9). RTS interpreted these findings as consensus that clients should receive the same basic income assistance benefits but that some discretion should be allowed to allocate allowances such as accommodation and transportation according to local circumstances and individual situations. RTS acknowledged that Nova Scotia could do a better job delivering social assistance. It proposed that the new system should strike a balance between Family Benefits, which had policies that were generally applied

¹²⁶ In the focus groups, fraud was less of a concern amongst staff and community organizations than amongst social assistance recipients whose concerns appeared to be driven by the perception that there was already “not enough money in the budget for the people that need it.” Though RTS said fraud was probably in the range of 5%-10%, most client groups thought that 10 and 15 per cent of the caseload were ‘cheating the system’ in some way. Opinion was also divided on why fraud occurred. Some thought that it was primarily due to ignorance of the rules or due to the system’s rigid and contradictory policies. Others thought fraud happened because there were few consequences or because high case-loads meant staff were too busy to provide comprehensive front-end assessments and manage their cases properly (FGR: 10).

¹²⁷ On the issue of “duplication of services,” some thought there should be better communication and collaboration between governments in the development of policies and services. The NCB was identified as a good example of inter-governmental collaboration, but most disagreed with the decision not to pass the full NCB supplement on to social assistance recipients.

consistently throughout the province, and income assistance that relied some on local discretion.

Overall, RTS respondents thought that current policies and procedures were inflexible and unresponsive to emergencies, created unnecessary hardship for individuals, and were an impediment to the efficiency and effectiveness of the system as well as the ability of recipients to achieve independence (PR: 22). Staff needed a better understanding of policies and programs (including those of other government departments), training in counselling and professional ethics and sensitivity towards clients who under stress. Within standard guidelines, there should be more flexibility to accommodate the different needs of individuals and families especially in relation to supports, level of benefits and allowances, and expectations regarding availability for work. At the same time, flexibility should not result in inequities. Again, some thought similar services should be available to both the 'unemployed poor' and social assistance recipients. Suggestions to improve efficiency and accountability in PRS were wide-ranging and included more auditing and reporting, regular evaluation based on service delivery standards, and assessments of both staff and office performance.

FEMJEPP and CAN, however, put forward a more radical view of accountability, arguing that accountability and the policy development process should include those affected by the changes and their advocates. FEMJEPP thought that social assistance policies and procedures should be more readily available to recipients and the public and that there should be "consumer participation" in the design, implementation and evaluation of social assistance policy. CAN also believed recipients should also be involved "in their own case management." They also noted the need for mechanisms to

report inappropriate treatment by staff and for an arm's length appeal process "based on the principles of fundamental justice", with consumer representation. The PR did not address these issues.

Goal six, "*poverty prevention programs for children and youth*" was in keeping with the Department's intention to use part of the NCB offset to prevent child poverty through early intervention programs. Though the government was already committed to this, focus groups were asked to consider what type of programs (child-care, after-school programs, nutrition, or parenting programs) should be built into a strategy to address child poverty. Though the NCB was viewed as a reasonable approach to alleviating family poverty overall, the clawback was opposed by several focus group participants. Pointing out the need for a full employment policy and a guaranteed annual income, these participants thought that families on welfare simply needed more money for the basics of life. They stressed that if children were to be kept out of poverty policies must be directed towards the parents. Others thought early child intervention programs were valuable because they "can minimize problems down the road." Yet participants from community agencies thought that in the context of recent cuts, existing services should be maintained and enhanced before new initiatives were funded.

RTS proposed that parenting supports, family resource centres, and enhanced early childhood education should be strengthened. Funding would be developed in partnership with the community, government, private sector foundations and parents to encourage "healthy parenting and family environments" (RTS: 26). Most respondents endorsed these ideas on the grounds that they had long-term benefits to families and prevented "social assistance dependency" across generations. Though RTS did not discuss where

the money from these programs was coming from, concern was expressed about the effects on children of an environment of poverty. Anti-poverty and women's groups opposed the NCB clawback and in response to RTS they and others indicated that the NCB should not be charged against social assistance benefits. These respondents also thought that child poverty should not be separated from family poverty. Yet these respondents and others also thought that both ensuring adequate income assistance and programs to support families and children should be priorities for restructuring. Again, more support generally for poor families, especially the working poor, was mentioned.¹²⁸

Given the large cuts in federal transfers in 1995, a crucial issue for the government was financial sustainability. RTS claimed that despite the cuts, the DCS budget had been maintained at pre-1995 levels, but that the Department was facing more demands for services. There had also been costs associated with income assistance harmonization. Goal seven, therefore, called for "*a financially sustainable social assistance system that provides a reasonable level of services.*" Focus groups were asked about ways to attain financial sustainability. On the issue of service provision, all groups thought the federal government and other departments should develop a more collaborative approach to addressing employment concerns. Perhaps reflecting recent experience under the SARS

¹²⁸Though not specifically mentioned in RTS, one focus group with DCS youth clients (aged 16 to 18) asked about the problems they faced when they had to rely on Community Services. This age group was viewed as being particularly vulnerable because they fell between cracks in the system—they were too old for Child Welfare but too young to be considered as adults for social assistance purposes. Most responses focussed on the small amount of money they had to live on and the fact that this contributed to the number of youth living on the streets. Other problems were poor work incentives, difficulties getting hold of a caseworker, and delays in getting financial assistance (FGR). RTS respondents also generally thought the needs of youth were not being adequately addressed either through social assistance or Family and Children's Services. Most thought this area of social policy required better cooperation and communication between government departments. Many thought that in order to "break the cycle of inter-generational social assistance dependence," youth should be supported and encouraged to finish their education and that children of social assistance recipients who pursued education beyond secondary should not be removed from the family budget or considered "boarders" in their families' homes. (PR: 25-26).

program, there was little consensus on whether the private sector should be involved in program delivery. If so, stronger regulations and standards were required. Community agency participants expressed the view that community-based employment programs were best. They also pointed out, however, that it was more difficult in the current funding climate to maintain services and that too much time was being taken up in fundraising. DCS staff generally agreed, but consistent with recent policy argued for more accountability for agency-delivered services with better planning to prevent gaps as well as duplication (FGR: 15). Both community agencies and DCS staff thought that there was a need for a better understanding of the infrastructure already in place before establishing new community initiatives and agreed that moving in the direction of community-government partnerships might be beneficial. RTS indicated that both the short and long-term costs of proposals must be evaluated “to ensure that the cost of the system remains within reach.” It suggested that new initiatives “may have to be pursued with non-traditional funding sources in mind.” It mentioned HRDC and several provincial departments, partnerships with the private sector, communities and non-profit groups.

The Nova Scotia social assistance regime has a history of promoting reliance not only community but on the family, especially so when the system was under pressure. The issue of parental support for minors and ‘the man in the house rule’ whereby co-habiting with a male partner assumed a single mother was financially dependent on him had both been longstanding contentious issues between DCS, anti-poverty advocates (especially Dalhousie Legal Aid), and feminists. Focus groups were asked, therefore, whether the financial ability of the family unit should be taken into consideration in determining

social assistance eligibility and whether “financial contributions from families should be considered in cases where they are able to make a contribution and where their support would be positive”. These issues of family income and support proved to be the particularly controversial.

In a special focus group with youth, there was consensus that parents should pay for their upkeep if they were forced to leave home (PR: 16). In the groups that included recipients, community agencies and DCS staff, however, the treatment of teenage lone mothers generated more divergent views. Reflecting the socially conservative view that had come to the fore in the early 1980s, a few participants felt strongly that social assistance should not be paid to young ‘unwed mothers’. The PR noted that most participants disagreed with this view. Yet while the first impulse of most participants was “to completely separate the family from carrying any fiscal responsibility for its family members,” when presented with a scenario in which a sixteen-year old mother wanted to live in her own apartment while her parents were willing to support her to raise the child in their home, most took a slightly different view. Both staff and most clients thought that provided the home was safe, policies should not encourage young teenage mothers to move out on their own and should discourage the idea that “children could raise children”. Community agency representatives, however, were split on the issue of regulating family support, pointing out that discussing the issue with the family was one thing, but imposing support was another. While young mothers often needed family support, they should have the right to make their own decisions and resources should be in place to support them.

Focus groups were also asked to consider whether the income of a man who was in a relationship with a single mother on Family Benefits should be taken into account in determining her eligibility and benefit level. There was no consensus on this issue, but the weight of opinion was in favour of his income being taken into account if he was contributing income or the couple was “in a long-term relationship” (FGR: 11-12). The ticklish issue of assessing whether either of these conditions pertained in specific cases was not discussed.¹²⁹

Responses to RTS about whether families should be required to contribute support were similar to the focus groups.¹³⁰ Some thought that regardless of gender or where a person resided families should contribute support for minors if financially able. Other also thought government should do more to ensure that “delinquent non-custodial parents contribute regularly to the support of their children.” Many argued for shared responsibility between family and government. Yet despite the introduction of such a policy in Quebec, respondents did not believe that family members should have any financial responsibility for adult family members on social assistance (PR: 28).

The PR indicated that overall, focus groups and RTS respondents had concerns about the emphasis on financial sustainability and efficiency and that some thought cutting costs rather than improving services was the primary reason for reform. Arguing that the

¹²⁹ Presented with other scenarios—one of an adult child with the means to support parents who had applied for social assistance and another of an unemployed adult with employed parents—the responses were quite different. Most social assistance recipients and service delivery agents rejected the idea that there should be a mandatory obligation to support parents or adult children, arguing that “family values cannot be legislated” or that “such a notion of family simply does not fit the modern context”.

¹³⁰ As in the focus groups, the treatment of youth between the ages of sixteen and nineteen evoked the most divergent opinions. In the case of teenage lone mothers, the major lines of division revolved around different views on the role of the family, ideas about gender and dependencies in gender relations and the capacity of young mothers to care for their children. A few respondents thought parents of single pregnant women under the age of seventeen should be entirely responsible for the maintenance of their daughters, but others thought this was not always the ideal situation or even feasible.

financial sustainability of social assistance was dependent to a large degree on other government policies such as economic development, job creation, tax policy and education, some expressed the view that economic development and more investment in individuals would reduce demand for social assistance in the long run, especially if “good jobs” were created whereby people could earn wages above the poverty line (PR: 28).

As analysis above shows, cost-recovery from families was a contentious issue. While there was support for financial independence, concern was frequently expressed about the particular barriers to employment facing lone mothers. Indeed, there were considerable reservations about proposals that pushed employability onto lone mothers without adequate preparation and welfare to work requirements that simply led to low paid employment. These brought to the fore problems associated with the gendered nature of the social security system or gender inequality in the labour market, but with the exception of feminist organizations the issues were not articulated in this way. The focus on ‘child poverty’ at the expense of parental poverty, assumptions about women’s dependency on male or family support, and poor social assistance benefits were concerns, yet in the context of the ideological legacies of gendered residualism on the one hand and generalized assumptions about women’s equality on the other, distinctions between ‘employable’ recipients and lone mothers were exploited in ways that favoured a generic system based on employability. At the same time, the limited entitlements available to the working poor were highlighted. Indeed, many thought that those currently caught in low waged work needed access to the same kind of work-related supports proposed for social assistance recipients. An overriding concern was that in the context of high

unemployment and labour market barriers, financial independence should not be the main vision for reform.

Considering the options

Between the end of the consultation in December 1998 and the publication of the *Progress Report* in June 1999 an inter-departmental social policy task force was struck and there were internal discussions and meetings between DCS representatives, women's centres and CAN members about moving towards a social inclusion approach (Interviews, CAN and Connect members). Whether this was an opportunistic strategy as an election approached is an open question, but picking up on the concept of "social inclusion" that was gaining currency within some policy circles and amongst advocacy groups, the Progress Report suggested a revised vision for reform, that "(a)ll Nova Scotians in need are able to participate fully in community life."

The June 1999 Progress Report indicated that the next stage of social assistance restructuring would take time because it "must balance some widely diverging views" with a number of potential solutions and that it would be a challenge to develop policies that met the needs of all Nova Scotians "with an appropriate level of fairness and equity." It concluded that "many stakeholders had identified the need for an overarching government social policy framework" as well as better collaboration with other government departments in developing such a policy and emphasized that resolving poverty issues demanded cooperation between government, community representatives and the public at large.

Yet as I explain below, as the reform process moved into the more political phase of legislative change, de-contextualized concepts of 'fairness' and 'equity' in the context of

a system of last resort allowed powerful forces to exploit differences between categories of the poor. In the context of a change in government, this not only precluded discussion of the alternative principles and values put forward by feminist and anti-poverty groups, but ensured a shift towards compulsory welfare to work measures.

Gender Regime Change and the Shift to Compulsory Welfare to Work Measures

In July a widely anticipated provincial election was called. During the election, women's groups and some anti-poverty activists again called for rescinding the partial claw-back of the NCB supplement from lone parents on social assistance. The Conservatives, who won the election, had added this to their list of 175 pre-election promises but in contrast to the Liberals ran on a neo-liberal agenda promising deficit reduction and tax cuts.

Precisely what the new Conservative government's response would be to the consultation on *Re-Building the System* was unclear, but many anti-poverty activists feared that as in other policy areas the new government would look to Ontario where harsh welfare to work measures, including workfare for lone mothers, had already been imposed by a Conservative government. Nevertheless, DCS assigned the head of the Disabilities Commission to work with community advocates and others to develop principles to encourage a 'social inclusion' approach within the new system. These discussions were ongoing as new legislation and regulations were being drawn up in 2000 and 2001.

In March 2000, the federal government announced it would increase its contribution to the NCB by another \$850 million. In this context, anti-poverty activists drew attention to the Conservative's promise not to claw-back the NCB from welfare cheques. In response, the new Community Services Minister Peter Christie indicated the Province was working towards elimination of the claw-back, but that because "the required extra federal

money” was not projected to come into effect until July 2001 any change would be delayed until then. He promised a decision in the provincial spring budget (*The Chronicle-Herald*, March 4, 2000).

A week before a cost-cutting budget in April 2000, the Nova Scotia government published *The Course Ahead*. This proposed to move towards a single tier system through new legislation. Singling out Family Benefits as an example where recipients “have been in the system for extended periods of time”, it called for a more “active” program, including more contact with case workers and “more opportunities to access job training and employment assistance programs.” (Editorial, *The Chronicle-Herald*, April 17, 2000). Just before the document was released, Minister Christie backed off from comments to the contrary by Premier Hamm on March 30 and told the media that welfare to work programs were voluntary and that for the time being at least able-bodied recipients would not be forced into workfare (*The Chronicle Herald*, April 3, 2000). He was unclear, however, whether a voluntary approach would remain once the system was restructured.

Making Changes as a Prelude to Restructuring

Pending new legislation and regulations and the complete re-design of the system expected within the year, *The Course Ahead* proposed to move immediately to a single entry system with standardized benefits for income assistance and Family Benefits recipients and after May 1st the same standardized rate would apply to all new clients entering the system. A small number of clients who stood to gain from the new standardized rate, mainly in Cape Breton, would qualify for the higher benefits straight

away.¹³¹ Clients who were currently receiving higher benefits than the standardized rate, mainly those on Family Benefits, would maintain benefits at existing levels until new legislation came into effect, but lone parents who were waiting to be processed from income assistance to Family Benefits would remain on income assistance at the standardized rate. There were few details, therefore, about what Family Benefits clients could expect with regard to benefits. Nor was it entirely clear, given the Minister's earlier statements, whether the new system would integrate the same kind of employability expectations for Family Benefits clients as currently existed for those on income assistance.

The 2000 provincial budget

In April, the government brought down a neo-liberal budget that proposed to “remake government”. The budget proposed to make government smaller and less costly to taxpayers. It highlighted an improving economy but estimated that federal revenues would decline by 1.4% in 2000/01. Nevertheless, it promised to balance the books, stop running deficits, and introduce a surplus with tax cuts by 2003-4. Controlling costs and increasing revenues “fuelled by private-sector led economic growth” was to help achieve this scenario. The income assistance budget was cut by \$6 million; user fees increased, including on Pharmacare prescriptions and the budget stated that the government would reduce the caseload through “voluntary back to work initiatives.” To achieve this, \$500,000 was invested in adult basic education to allow adults to complete grade twelve and one hundred new subsidized child-care spaces were added. (*Budget Bulletin*, “Four-year Fiscal Plan: 2000-01 to 2003-04”, April 11, 2000).

¹³¹ An editorial in the *Chronicle-Herald* argued that if restructuring was to be based on the standardized income assistance model it would result in a reduction of \$1200 per annum for a single mother with two children on Family Benefits (Editorial, *The Chronicle-Herald*, April 17, 2000).

The budget indicated that new social assistance legislation to “shape future program development and reinforce government’s commitment to help more Nova Scotians move to self-sufficiency” would be introduced in the fall.¹³² In the meantime, regulatory changes to the income assistance benefit structure tabled shortly after the budget imposed cuts for disabled and single parents and reduced transportation, child care and other transition to employment allowances including earned income retention incentives. The changes also proposed to reduce allowances for household maintenance and supplies and reduce the earned income allowances for single parents with dependents from \$200 a month (*The Sunday Daily News*, April 30, 2000).¹³³

As opposition parties, women’s and anti-poverty advocacy groups protested the changes in the budget and brought forward personal stories of hardship, public discourse on the proposals in *The Course Ahead* became increasingly polarized in the media. Some others criticized lone mothers for their poor budgeting and parenting skills, for not working or for regarding social assistance as a pension (Daniel N. Paul, *The Chronicle-Herald*, April 28, 2000; Stephen Bornais, *The Daily News*, July 29, 2000). Other commentators lamented the cuts, the proposed changes to Family Benefits and the continued refusal of the government, in light of abysmal welfare benefits, to pass on the full NCB supplement (Parker Barss Donham, *The Sunday Daily News*, April 30, 2000; Ralph Surette, *The Chronicle-Herald*, May 27, 2000).

Constructing a ‘Gender-neutral’ Income Assistance System

¹³² Nova Scotia Department of Finance, Budget Bulletin, “Helping Individuals Move to Self-Sufficiency and Independence”, April 11, 2000.

¹³³ In May, DCS reinforced the “harvest labour policy” previously been in place in some municipalities. Employable welfare recipients in some rural areas were warned in a letter that they must “pursue any employment for which they are capable, without restriction to a specific occupation or wage level.” (*The Chronicle Herald*, October 25, 2000).

The Course Ahead had announced plans to reorganize DCS and restructure and redesign social assistance so it could focus on “helping people to overcome barriers to independence.”¹³⁴ Shortly after the April budget, DCS embarked on the final phase of its social assistance redesign project and began preparing new legislation to replace the Social Assistance and Family Benefits Acts in October 2000. This was to include redesigning the benefit system.

The new Income and Employment Support Services Division (ESS), created by combining staff from the Career Counselling for Single parents program and ERC staff integrated into DCS following harmonization of income assistance, was charged with redesigning employability policies and processes in readiness for new legislation and regulations to be implemented the following year.¹³⁵ Their task was to create a single income assistance system that in addition to basic income support would provide “active employment benefits” and measures “to support labour market attachment” with more focus on self-reliance and self-sufficiency.¹³⁶ This was intended to broadly reflect the conclusions of the 1999 consultation *Progress Report*.

Integrating and revising employability policies and protocols

Until now, ESS had been using a modified version of the generic employability protocols developed by the municipal ERCs. As I have explained, by the mid-1990s, these had been gradually layered over the Career Planning Program, but there were still differences in policies between income assistance and Family Benefits and protocols

¹³⁴ Budget Address, April 11 2000: www.gov.ns.ca/finance/budget2000/addr/address.htm accessed January 25, 2004.

¹³⁵ “New Income Assistance System for Nova Scotia,” Communiqué from the Department of Community Services, June 12, 2000.

¹³⁶ Social Assistance Redesign Project. “Project Objectives and Scope” : <http://iweb.coms.gov.ns.ca/redesign/Overaview.htm>. Accessed August 11, 2000.

within income assistance varied regionally. Moreover, as municipal staff had been integrated into the harmonized system, the interpretation of employability policies at the local level varied.¹³⁷ Within a single tier system there was a need for more consistent and rationalized policies. During the summer of 2000, Employment Support Services staff worked with an independent consultant to develop a more coherent and integrated model for delivering services consistent with the emphasis on employability and the shift towards a generic single tier system.

Amongst the recommendations emerging from this internal consultation process was a revised vision and new protocols for the ESS Division. These were to be guided by a new set of principles, some of which reflected the concerns raised in RTS responses. Besides “promoting self reliance and empowerment,” these included “fair and responsive services”; “compassion and respect;” and “efficient and accountable program administration.” Consistent with practices that had existed in the Halifax ESC prior to harmonization, the employability assessment process was to be separated from the determination of financial eligibility for assistance and would now to be conducted by trained staff. On the assumption staff would be properly trained and there would be clear policy guidelines, the new protocols also recognized decentralized decision-making and the potential for flexibility. This would see more authority and responsibility for client services “delegated as closely as possible to the point of client contact.”

The current income assistance policy was that clients who failed to participate in employability activities when required would have their benefit cut-off, but it was recommended that new procedures recognize that some clients—even those who appear

¹³⁷ Negative responses in RTS and numerous complaints about the treatment of clients since harmonization could be put down to diverse municipal policies on employability and differences in bureaucratic cultures.

unwilling to participate in ESS activities—may actually be unable to do so. The internal consultation recommended better processes to determine the reasons for non-participation and suggested changing the policy wording from benefits “will be discontinued” to “may be discontinued” (pp.11-12). Staff also endorsed the idea of a new asset and needs based employability assessment tool that was more “gender and culturally sensitive.”

In July a steering committee and working group made up of staff from head office and from each of the four regions was established to provide more specific direction and recommendations for policies and a service delivery model for the redesigned system. Government policy was to emphasise client employability and self-sufficiency, but consistent with SARS program review, this was to be achieved through a continuum of services and a client centric approach to supports (Report: 3). The new model would make different levels of services available based on employability assessments but instead of “streaming” clients as before, ESS would “individually tailor a plan that is flexible and responsive” to individual client needs (p.8). To ensure that staff “are engaged in a consistent and appropriate plan with the client,” and “departmental resources are being used in an effective manner,” this would entail a case conferencing problem-solving approach and better communication between programs (p.13). It would also provide increased flexibility in decision-making about allocating resources, better communication with case workers on allowable financial supports for specific clients, as well as partnerships with community-based services (p.9). In keeping with the Division’s revised vision and principles, ESS staff developed service delivery ‘filters’ intended to assist employment support workers to move towards a more respectful and client centric model of service delivery.

Redesigning the benefit system to “take children off welfare”

Just days before the new Employment Support and Income Assistance Act (Bill 62), was introduced in October 2000, the government announced an integrated child benefit which built on the 1998 Nova Scotia child benefit. With the infusion of more federal money into the NCB in March 2000 and the promise of a further increase the following year the government would remove allowances for children from the welfare program and combined these with the Nova Scotia Child Benefit to create a new integrated child benefit. The stated intention of the integrated benefit was to treat all low-income children equally, remove the stigma associated with being on social assistance, and help to reduce child poverty, but it was also “to provide an incentive to move families towards greater self-sufficiency and...keep low-income working families from needing our welfare system.” It was this that received the greatest prominence in the Minister’s announcement. As he pointed out, “since children’s benefits will be secure outside the welfare system...parents can take a job without affecting their children’s benefits.” (Statement: 7). The integrated benefit also allowed the government to claim that it had eliminated the NCB claw-back for families on social assistance.

Child benefit entitlements would continue to depend on the number and ages of the children but how this was structured would change. All families with annual incomes of less than \$20,921 would qualify for a full or partial benefit whether employed or not. The income threshold for the full benefit of \$133.33 per month was \$16,000; those earning between \$16,000 and \$20,921 would only be eligible for a partial child benefit (The Chronicle-Herald, October 24, 2000). At the same time, the new social assistance system would be based on a uniform system of core benefits comprised of a shelter rate (adjusted

to account for dependents) and a personal allowance. The government now intended to implement the core rate changes announced the previous May (described as “interim”). It estimated that over twelve thousand social assistance recipients would see a seventeen percent increase in their personal allowances. It indicated, however, that “in the interests of equity” some on Family Benefits would see reductions in their core benefits when moved onto the new system (3). Depending on the number and ages of the children, the total benefit (the core benefit and the benefit assigned to children) declined for some lone parents on Family Benefits while there could be increases for those on income assistance. For a lone mother with one child aged five, total welfare income was \$1,023 under Family Benefits and \$932 under the harmonized program. Under the new income assistance program it would be \$972.¹³⁸ In keeping with the emphasis on employability, the new benefit structure was to include transportation allowances, up to \$400 a month for child-care, wage incentives of thirty per-cent on net earnings (rather than gross earnings) and access to Pharmacare for up to twelve months after leaving income assistance (DCS briefing: 4-5). Yet the projected lower benefits for some single parent families would not only act as a ‘negative incentive’ to move into employment, but the integrated Nova Scotia child benefit threshold remained particularly low for working poor families (Jenson, 2003).

The Employment Support and Income Assistance Act

On October 25, 2000, the government introduced legislation to create a single tier social assistance system. The Employment Support and Income Assistance Act was

¹³⁸ Various DCS scenarios were used to demonstrate how a single parent would be better off under the new system. The best case scenario used full time employment at \$12.96 an hour--a wage higher than what most women on social assistance could expect to earn without training or previous work experience; eligibility for the full \$400 child care allowance which was not guaranteed but based on actual child-care expenditures and an increase in the child benefit to take effect in August 2001.

described as “an Act to encourage the attainment of independence and self-sufficiency through Employment Support and Income Assistance”. All recipients would be required to look for or prepare for employment. The full regulations and the exact amount of assistance under the new Act were not to be published until the following year. There was to be universal application of the employability principle and more streamlined bureaucratic procedures and practices designed to ensure that individuals, regardless of their care and parental responsibilities, moved from welfare to work. The new focus on self-sufficiency could be reinforced by the possibility that, under certain conditions, assistance would be cut-off for non-compliance. In line with the earlier recommendation of ESS staff, the Act allowed the determination of the “conditions to be met to ensure the continuation of the assistance provided” to be delegated to local administrators (Section 7(2)). Although administrators would be guided by provincial policies, this locally based discretion was not dissimilar to what had had existed under municipal income assistance programs. Sections 11 and 12 of the Act required the Minister to establish appeal boards, but the exact grounds for appeal were not stipulated. Given the nature of the legislation and the fact that the boards were to be appointed by the government, advocates were not hopeful that this would adequately protect recipients from abuses within the system.

Supports to move from welfare to work were to include literacy, academic upgrading to grade twelve, and access to skills and job training. At the discretion of the delegated authority (the employment support worker), welfare recipients could be supported to attend post-secondary education institutions (trade schools or community colleges) but only after all other avenues of financial support were exhausted (including student loans) and only for up to two years. Post-secondary education through universities was ruled

out while receiving any benefits from social assistance, unless the degree could be completed within the two year time period. With changes to the post-secondary education system of grants and loans following the 1996 federal social security review and given that research shows that women need higher education levels than men to attain similar earnings, it would be increasingly difficult for a single mother to gain the education and skills necessary to move into anything other than low-waged employment (Nova Scotia Advisory Council, January, 1999).

As Bill 62 went to second reading, the debate in the House and the media continued and critics of the shift towards workfare kept up the pressure. Both Liberal and NDP opposition parties attempted to delay passage of the Bill through the Law Amendments Committee and women's and anti-poverty groups joined forces to argue that the Bill should be withdrawn until regulations were published. This alliance of oppositional groups also brought media attention to the hardships that lone mothers on social assistance were currently facing in the context of the reduced welfare rates for some lone mothers and the prospect of more punitive employment provisions, the lack of realistic employment supports, and low wages in the labour market.¹³⁹ In the days and weeks that followed, most of these issues were covered extensively in editorials, opinion pieces and interview-based news stories (*The Daily News*, October 26-31; *The Chronicle-Herald*, October 26-31).

The public discourse, however, was mixed and at times it bordered on what some critics called 'poor bashing'. In response to a media conference in which lone mothers on welfare with young children argued for the maintenance of choice, most letters to editors

¹³⁹ Memo from the Community Advocates Network, Ad Hoc Legislative Group fighting Bill 62, October 31, 2000; Position Statement from Women in Transition Project, November 2, 2000.

favoured the requirement that they should seek employment. Although many identified the problems of low wages, child-care, and the need for adequate job training, the dominant theme was that the choice of whether to work or not was a 'luxury' that lone mothers on welfare could no longer expect. Several compared the situation of mothers on welfare with those who already worked in the labour market and questioned whether, given the welfare to work supports available under the new regime and the fact that there were now more jobs available, lone mothers on welfare should continue to have a choice about whether to participate in labour force. Some working lone mothers indicated that they too would like to stay home with their children and that it was unfair that as working poor parents they were paying taxes to allow other women the choice to do so.¹⁴⁰

In a context of a low waged economy, but increasing vacancies in precarious employment, the Premier was able to exploit these divisions between the working and non-working poor. In a speech to the Metropolitan Chamber of Commerce widely reported in the media just before Bill 62 went to second reading on November 3, Premier Hamm said that he "personally knew people who were making more money on welfare than those who were working one or two jobs." Making the classical residualist case for punitive welfare regulations, he argued that "the bottom line is no one who is on welfare and who is capable of working should be better off than their neighbour who is struggling sometimes at one or two jobs to make ends meet." In a particularly insensitive and rather contradictory statement, given the limited work incentives and low incomes of those who moved off welfare, he stated that, "what we are talking about...is whether there should be a reward for work." (*The Chronicle Herald*, November 3, 2000; *The Daily News*,

¹⁴⁰ Some anti-poverty advocates suspected that some of these letters had been written at the behest of Conservative Party members of MLAs.

November 3, 2000) In response, the Nova Scotia Association of Social Workers pointed out that most welfare recipients were “struggling just to pay for basics like rent and food.” Anti-poverty and women’s groups went further and at a demonstration supported by both opposition parties at the legislature, argued that Premier Hamm’s remarks were offensive and that he should not fall into the game of pitting poor against the poor (*The Chronicle-Herald*, November 3, 2000).

As oppositional groups awaited passage of the Bill and publication of the regulations, the government and its allies continued to muster support for the idea that “what helps people out of poverty is working.” Indeed, a column by the president of the right wing Atlantic Institute for Market Studies not only argued against higher welfare rates and for workfare, but for keeping the minimum wage low because “employers can only pay a high minimum wage to people who can already produce high value for that wage, which excludes those people who aren’t too productive to begin with.” (Brian Lee Crowley, *The Chronicle-Herald*, November 8, 2000). At the same time, the NDP and other opponents continued to condemn the cuts to welfare rates, the lack of detailed regulations and, in a context of low wages and poor access to child-care, the introduction of work requirements for lone mothers. In the final debate on Bill 62, the NDP proposed amendments to include the cost of a telephone in welfare rates and provisions to ensure that to be eligible for social assistance applicants would not be required to sell their homes. Both these issues received considerable play in the media. At the last minute, the government agreed to insert the latter amendment into the regulations, but the inclusion of the cost of a telephone was rejected as too costly, even though as most critics pointed

out, a telephone was necessary to look for work. Bill 62 was passed a few days later on November 27, 2000.

The protests of oppositional groups, sympathetic allies within the government and input from ESS workers had contributed in various ways to preventing 'work for welfare', but they did not prevent workfare understood in the broader sense of the requirement to take steps to look for, or prepare for employment under the threat of penalties (Evans and Sayeed, 1995). When the regulations finally emerged in late March 2001 they included the provision that those who voluntarily left employment, were fired for just cause, refused to participate or cooperate in employability programming or refused to take a job when suitable employment was available could be denied assistance. DCS spokespersons indicated, however, that in keeping with the new ESS protocols employability assessments would be 'very client-centred,' requirements would not be applied in an arbitrary way and expectations would be "tempered by the local job market and access to child-care and transportation."¹⁴¹

Under criticism from the official opposition for not informing welfare recipients whose benefits would go down after the new rates came into effect on August 1st (Chronicle Herald, May 2, 2001), the government delayed the scheduled rate reductions for two months to allow lone parents affected to make adjustments. Meanwhile, due to consistent pressure from advocates at local and national levels, the federal government had imposed a new condition on further increases in NCB contributions. The Nova Scotia government promised that when the new integrated child benefit structure came

¹⁴¹ Department of Community Services, *Presentation to the Nova Scotia Advisory Council on the Status of Women*, June, 2001.

into effect any further increases in the NCB would be passed on to both social assistance recipients and the working poor.

Women's groups continued to argue that lone mothers transitioning from welfare to work should continue to be eligible to maintain their welfare benefits while they attended a post-secondary institution, including university (*The Daily News*, February 14, 2001) but the two-year time limit on interventions to assist someone on social assistance to become employable remained in place. Though money for a telephone could be provided for "health and safety reasons", other provisions were unchanged from those announced earlier. Access to training and employment supports would depend on individual assessments of employability using a case-managed approach.

Based on local decision-making about suitable interventions, these could be allotted in terms of the needs of local labour markets. With the exception that those without grade twelve education there would be no automatic entitlement to skills development training for those leaving assistance. Those not considered 'job ready' could be referred to literacy or educational upgrading programs. Premier Hamm continued to argue there would be opportunities for training so people "won't be going to work at minimum wage" (*The Daily News*, March 24, 2001), but oppositional groups reiterated their fears that due the demise of the SARS program and cuts and changes in labour market development programs there would be little real job training available for social assistance recipients and that the new regulations would simply reinforce low waged work (CAN member, Paul O'Hara, Letter to the Editor, *The Chronicle-Herald*, March 31, 2001).

The ability to participate and access to child-care was to be taken into account in new 'gender sensitive' employability assessments and protocols would consider serious barriers to employment such as low education, access to child-care or child health problems, but in the new generic regime, the realities of combining full-time employment with care and single parenting would not be considered and there was now no room for the preferences of mothers themselves about when to move off welfare. The new income based child benefit and child-care subsidies demonstrated a small step away from a needs based approach, but the income thresholds for both were very low and residualism was strengthened in that eligibility for the adult benefit is not only subject to an assessment of need but the employability test. At the same time, the criteria of 'less eligibility' based on moral worthiness under the Family Benefits system—the 'man in the house' rule, naming the putative father, and obtaining a court order for maintenance—still pertained.

Conclusions

My findings show that social assistance gender regime change in Nova Scotia was socially and politically constructed by a variety of actors in the context of institutional arrangements specific to Nova Scotia and of poor labour market conditions, especially for women. Municipalities and anti-poverty activists had supported the harmonization of income assistance system and in the main the development of a single tier system. Yet this occurred under different circumstances than pertained in the early 1990s and in a context of unequal power relations. Supported by new policy initiatives of the federal government and the capacity already built under the SARS program, in the post-1995 period the Nova Scotia government followed the lead of several other provinces to develop a generic system based on gender-neutral compulsory employability measures.

At the same time, the two governing parties were not influenced to the same extent by the burgeoning forces of neo-liberalism. They appear to have taken slightly different approaches in response to the contestation and struggle that emerged. As an extreme residualist welfare to work policy based on compulsory measures and sanctions for non-compliance came to the fore in this context, service delivery actors within DCS attempted to modify its effects through revised protocols and practices.

The evidence suggests that the welfare case-load declined dramatically after 2001, but more research is needed to differentiate the impacts of economic growth, lower unemployment rates and labour market demand for low-waged employees on the one hand and the restructuring of child benefits and the welfare regime on the other. Advocates argue that it is doubtful whether without supplementary benefits, major improvements to transitional supports and a stronger employability infrastructure (child care, adult education, job training and job counselling, earnings incentives and employment supports) the high risk of poverty amongst lone mothers leaving welfare, even under conditions of economic growth, will significantly decline in Nova Scotia in the long term (Nova Scotia Poverty Reduction Coalition, 2007). In the context of low waged employment, gender inequality in the labour market and mandatory employability requirements, the new employability policies and protocols would also do little to address the large numbers of lone mothers amongst the working poor.

CONCLUSIONS: THE POLITICS AND PROCESSES OF SOCIAL ASSISTANCE GENDER REGIME CHANGE, THE NOVA SCOTIA CASE

Framed within mainstream and feminist literatures on welfare state restructuring, my thesis has taken seriously the claims of regime theorists who argue that regimes are more likely to persist than to undergo radical change. Though particular policies and programs may be adjusted to meet new and emerging social risks, the institutions, and policy legacies of regimes or the interest politics to which they give rise place constraints on changes that call into question their overarching goals and logics (Esping-Andersen, 1999; Pierson, 2001). However, my thesis also supports those who suggest that path dependency approaches have downplayed the impacts of economic, ideological, and political forces associated with economic liberalization and have failed to account for why and how liberal welfare regimes are being restructured towards even greater reliance on the market (Brodie, 2002; Goul-Anderson, 2000; Streeck and Thelen, 2005).

Moreover, while many mainstream theorists point to how the basic tenets of liberal welfare states have been compromised, they have not paid sufficient attention to how the gendered legacies of welfare states helped to maintain unequal gender relations and women's dependency on male support or how welfare regimes constructed in the post-war period created a gendered two-channel social security system that continues to contribute to women's inequality and poverty today (Christie, 2000; Daly and Rake, 2003; Fudge and Cosman, 2002; Kingfisher, 2002; O'Connor, Orloff and Shaver, 1999).

New opportunities in the labour market, reproductive control and shifting gender relations since the 1960s helped to increase women's labour force participation and reduce this dependency, but insufficient attention in public policy was paid to creating conditions for women's equality. During the 1970s there was a shift towards social

liberalism in Canada. Social policies and programs increasingly espoused gender equity, but they did not change sufficiently to fully support women's equality, nor did they successfully challenge the legacies of residualism. With little of substance to address gender inequality in the labour market and women's particular relationship to welfare, work and care, many women—and lone mothers in particular— have remained vulnerable to poverty. Many women found themselves in low waged service sector jobs or with little or no financial support for dependent children. Unable to support their households, more lone mothers relied on social assistance.

Pierson (2001) and others ascribe such problems to new and emerging social risks and the unresponsiveness of regimes to 'institutional stickiness'. I have made the case, however, that theorists often miss the way these risks arose as much from contradictions and unresolved policy issues embedded within the gendered and residualist legacies of the social welfare regime as from social and economic change itself. Yet as Canadian governments responded to fiscal pressures and the challenges of social change and economic globalization during the 1980s and 1990s, the political discourses and policy ideas that had provided the underpinnings for the post-war welfare state—Keynesian approaches to economic and social policy and social liberalism—came under attack from political forces that espoused neo-liberal approaches to social and economic problems (Brodie, 1996). Reinforced by limits and cuts to entitlements, governments pursued both social spending restraint and supply side labour market adjustment policies that promoted employability and social policy 'reforms'. These emphasised market-oriented solutions, adaptation to new market conditions and individual and family responsibility for social welfare (Rice and Prince, 2000).

As feminists point out, while post-war welfare states were gendered this restructuring has also been gendered (Evans and Werkele, 1997; McKeen, 2004). It not only placed extra burdens on middle and low income families, but the high risk of poverty for women and lone mothers was exacerbated, residualism has been strengthened, and the shift towards gender equity has given way to gender-neutral policy assumptions. Provincial social assistance regimes now assume that lone mothers on welfare have a 'duty' to participate in the labour market regardless of conditions or their parenting and care responsibilities. Refusal to comply increasingly carries negative sanctions (Baker and Tippin, 1999; Bashevkin, 2002; Evans and Werkele, 1997; Little, 2001).

My thesis, therefore, generally supports Peck's (2001) claim that the shift away from 'passive' welfare as the guiding principle for social assistance indicates the emergence of a new regulatory logic based on 'activation' and workfare. Indeed, looking for work or taking steps to become employable is now the overarching organizing eligibility principle of the Nova Scotia social assistance gender regime. Yet Peck (2001) and others have overlooked how, in the context of shifting gender relations, changes in family formations and rising welfare caseloads, the shift towards workfare has been gendered. The commodification of the labour of lone mothers has been a means of 'resolving' the contradictions arising from the legacies of gendered residualism, but the emphasis on production over care has deepened the effects of unresolved policy issues related to welfare, work and care. These changes have significant implications for lone mothers.

Given that policy regimes are assumed to be path dependent and relatively stable and Nova Scotia faced particular institutional barriers to regime change, my thesis analyzed the politics and processes that brought about this kind of shift within the Nova Scotia

social assistance gender regime. I argued that social assistance gender regime change in Nova Scotia was driven by a shift towards market oriented policy solutions to social and economic challenges and gendered political and policy responses to unresolved policy issues affecting women. My thesis shows that regime change in Nova Scotia was shaped by the gendered and residualist legacies of the national social welfare regime within which it is nested and embedded within policy changes at a national level pursued unilaterally by the federal government or through federal-provincial negotiations. Yet it was accomplished in the context of specific local conditions and to a large degree through program development and the 'politics of need' defined by regional under-development and the institutional and ideological legacies of the two-tier regime. In the process, new welfare to work policy prescriptions and approaches were both actively promoted and accommodated as well as resisted and opposed by a variety of differently located social and political actors at national, provincial and local levels.

My research has been guided by three broad research questions: Why, and under what conditions, did the Nova Scotia social assistance regime shift away from protecting lone mothers from job seeking requirements to a regime in which lone mothers must seek paid work; how did these changes occur, how were they accomplished, and what are the implications of the changes for lone mothers? In this concluding chapter I bring together my findings on these questions and address some of the issues they raise.

Neo-liberalism and the Policy Dynamics of Social Assistance Regime Change

Analysts of social welfare regime change have sometimes viewed neo-liberal restructuring as occurring through processes that 'tear down' entitlements and then 'build up' new systems based on limited entitlements with new, more market oriented goals

(Brodie, 1996). The shift in the treatment of lone mothers on welfare in Canada, therefore, has been primarily attributed to the large federal cuts and changes to social program transfers in 1995. However, my thesis corroborates the contention of Streeck and Thelen (2005) that institutional change and policy restructuring usually involves more than a single event and has generally been accomplished incrementally.

The 1995 federal budget that displaced CAP and converted transfers to a block fund with no conditions attached was a tipping point that put social assistance gender regime change squarely on the policy agenda. Yet the limitations created by regional underdevelopment, a lack of capacity to deliver welfare to work programs to lone mothers, and a two-tier regime, meant that the shift towards gender-neutral assumptions and compulsory employability requirements was a longer process that entailed developing an infrastructure capable of delivering employability measures, dispensing with a two-tier system, and creating a single tier system. I argued that the conditions for these changes were brought about not only through federal social spending restraint, cuts to social transfers and the demise of CAP, but through a series of initiatives and policy changes that occurred both before and after the 1995 cuts with the purpose activating the labour of welfare recipients, including of lone mothers.

Streeck and Thelen (2005) show that the creation of conditions for new institutional goals can occur unevenly through processes such as policy drift, layering, displacement and conversion. As I have shown, these dynamics were at play at the national level during social welfare regime restructuring. Yet they were influenced by federalism and growing tensions and shifts in federal-provincial relations. Moreover, while the policy dynamics

of restructuring entailed contestation of various forms, pressure for change did not always emanate from above. There was also pressure from below.

Given divided responsibility for social welfare and the specific policy legacies, institutional arrangements and local conditions that prevail provincially, however, we cannot 'read off' the policy dynamics and processes of restructuring at the federal level and assume that the policy and program dynamics of change will be the same at the provincial level. Indeed, a major finding of this thesis is that though high level policy change at the national level and the shifting politics of federalism defined the terms of social assistance restructuring, specific institutional arrangements and local conditions determined how these policy initiatives were implemented, received and responded to within the Nova Scotia social assistance regime.

In the early 1970s an ideological and political climate conducive to reform along social liberal lines emerged, but economic instability and fiscal problems constrained social security reform efforts and the federal government withdrew from the process in 1978. Its failure and the policy drift that ensued in a period of fiscal restraint and rapid social and economic change left the provinces to cope with rising social assistance caseloads. The federal-provincial tensions and heavier demands on provincial social assistance that ensued were first addressed through modest changes to CAP to facilitate voluntary transition to work programs. In Nova Scotia, the Halifax Social Planning Division developed pilot projects based on the concept of 'rehabilitation' and the importance of counseling and educational upgrading in the transition to employment. The provincial Career Planning program, layered over these partial programs in limited

localities in the early 1980s, augured a change in approach that was the basis for reversing an automatic 'unemployable' designation in the Family Benefits Act in 1983.

Yet in the context of the gendered legacies of residualism within the Canadian social welfare regime and the residualist and conservative nature of the two-tier system, its inception was surrounded by an ideologically polarized debate defined by residualism and social conservative views about family and morality, as well as an emergent neo-liberal discourse emphasizing individual responsibility. Though the program was limited to provincial recipients, a lack of institutional capacity presented numerous obstacles to universally applying the 'employable' designation to lone mothers on Family Benefits.

When the issue of CAP reform re-emerged in 1984, it was under different economic, ideological and political conditions. In the early 1980s, there was a shift away from social liberalism and federal labour market policies promoted adaptation to new labour market demands and the increased 'marketability' of the unemployed through job training. Fiscal restraint, growing unemployment, and higher caseloads also led some provinces to adopt stricter labour force participation regulations for lone mothers on welfare (Baker and Tippin, 2002; Bashevkin, 2002; Peck, 2002). The development of similar measures in Nova Scotia, however, was constrained by the lack of institutional capacity and a two-tier regime with significant variations in benefits and work incentives.

Welfare to work policies in the United States, proposals to negotiate the North American Free Trade agreement, and the new Conservative government's position on cost containment and social spending restraint no doubt contributed to the federal government's decision to review CAP in 1984. While the provinces successfully resisted attempts to move away from cost-sharing, some of the larger provinces questioned the

validity of constraints on stronger welfare to work measures. In 1985 federal-provincial negotiations resulted in the quasi-experimental Employability Enhancement Initiative whereby modifications to CAP allowed active measures to be layered over 'passive' income support and the re-direction of cost-shared resources to privatized job training.

I have argued that it was the development of programs under this Initiative that allowed Nova Scotia to build capacity to deliver employability programming more broadly, including to lone mothers. Yet a vigorous responses to market forces in federal labour market policy and a decline in federal funding for job training under the 1989 Labour Force Development Strategy (LFDS) affected how the SARS program programs was delivered during its second phase. Exacerbated by cuts to Unemployment Insurance and federal limits on cost-sharing in 1990, these changes increased tensions in federal-provincial relations. In a period of higher unemployment and social assistance expenditures these measures further reduced support for the CAP conditions.

Within Nova Scotia, provincial downloading and inequities within the second tier municipal income assistance system also produced pressure for change from both social justice advocates and the municipalities. The social security review, cuts to transfers, and the demise of CAP in 1994-95 created a fiscal, ideological and policy environment conducive to social assistance regime reform. Between 1994 and 1998, municipal income assistance was harmonized under provincial control and a formal 'reform' process to bring about a single tier system was set in motion.

Yet more was required to bring about gender regime change. During the early 1990s, federal policy drift had eroded the Family Allowance allowing a shift towards child tax credits, opening the way for an income-targeted approach. The 1994 Social Security

Review proposed to enhance child benefits for low-income families in a way that would increase labour force participation. Negotiated in the wake of the 1995 federal cuts and in a context of increasingly acrimonious federal-provincial relations, the National Child Benefit layered a child benefit supplement over the Canada Child Tax Benefit. This established the final condition for gender regime change. In allowing provinces to claw-back the NCB from social assistance recipients and considerable flexibility in how the offset could be used to reduce “the welfare wall” for lone mothers, the NCB opened the way for social assistance gender regime change and compulsory welfare to work requirements in Nova Scotia. The provincial government used resources from the offset to develop modest employability support measures for lone mothers leaving welfare and a Nova Scotia Child Benefit for both working and non-working low-income families. In the final stage of social assistance restructuring in 2001, the child benefit was separated from adult social assistance to reduce a financial disincentive to employment.

The Politics and Processes of Gender Regime Change in Nova Scotia

As my thesis demonstrates, though the conditions for regime change in Nova Scotia were created by top down policy and program changes, the developments and changes that accomplished it occurred in the context of conditions on the ground and the local ‘politics of need’ arising from regional under-development and the institutional and ideological legacies of the two tiered regime. Though Hemerjinck (2005) does not take sufficient account of the forces of neo-liberalism or of contestations that arise in the context of restructuring, he has correctly argued that Streeck and Thelen’s (2005) concept of policy dynamics underplays the role of actors and the contributions that policy translation, social learning and knowledge transfer can make to regime change. As I have shown, however,

social learning can also occur at the program delivery level through on the ground experience. As Rathgeb Smith (2002) points out though, the dynamics of restructuring in the realm of program delivery differ from those at the policy level. In this respect, the activities of local bureaucratic and service delivery actors were crucial in determining how national policies and initiatives shaped social assistance restructuring in Nova Scotia.

Program development, social learning and capacity building

As a quasi-experimental initiative, the 1985 Employability Enhancement Initiative promoted collaboration and de-centralized inter-departmental and inter-governmental management arrangements to identify regulatory barriers to employment and reduce social assistance caseloads and expenditures. My thesis demonstrates that the Nova Scotia SARS and Compass programs funded under this Initiative laid a foundation for gender regime change and that social learning during the course of implementing and delivering these programs became a primary means of accomplishing it.

Knowledge translation through formal evaluation based on efficiency and cost-effectiveness and best practices research were important in determining the direction of these programs. The limited cost savings found to derive from job training or other employability measures in the absence of woman-friendly supportive policies played a role in shifting the direction of the SARS program towards delivery through employment resource centers. In a context of limited federal resources, the experience and knowledge of program administrators and service delivery agents were also drawn upon during program review and served as the basis for a shift away from job training towards more flexible and shorter-term interventions in the early 1990s. Once social assistance gender

regime change was more firmly on the policy agenda, the formal evaluation supported arguments for a subsidized employment component directed to lone mothers under the Compass Program. This model, however, was not pursued after the demise of CAP.

Yet, due to Nova Scotia's limited capacity to deliver welfare to work programs, the SARS and Compass programs were more than experiments about cost effectiveness and efficiency. As my thesis shows, they became the means whereby knowledge about how to implement and deliver welfare to work programs to welfare recipients at both the municipal and provincial levels was developed. As bureaucratic and service delivery actors interpreted and negotiated policy and program goals established at the federal or federal-provincial levels in the context of conditions on the ground—variations in policies and benefits within the two-tier social assistance regime, limited services and support for women re-entering the labour market, high rates of unemployment and a lack of jobs that paid a living wage—their activities were crucial to how the turn towards employability was managed and implemented. In the process, the province was building capacity to deliver welfare to work programs at the local level and shifting the underlying gender assumptions of the regime.

Project monitoring, and the sharing of information about program delivery problems and barriers to participation helped program managers to identify 'bureaucratic obstacles' such as the lack of harmonization in federal, provincial and municipal regulations and the loss of ancillary benefits such as access to child-care and Pharmacare and make small program adjustments even before the formal evaluation identified these as major barriers for lone mothers. In a context of limited resources and a proliferation of private job trainers competing for funding, it also allowed officials to weed out those who did not

achieve desired outcomes—the ability of trainees to get and maintain employment—and identify those who were more successful. This also resulted in practices compatible with the enculturation and ‘self governance’ processes that Offe (1985) argues accompany the labour market commodification process and Dean (1995) identifies with new activation modes of regulation. Certain training components such as job search and life skills were identified as particularly helpful in motivating trainees to look for work and were incorporated as curriculum requirements in SARS projects. It was the processes and practices developed through employment resource centres, however, that provided the organizational base and foundation for the welfare-to-work infrastructure in Nova Scotia. In this regard, the activities of service delivery actors were crucial.

The role of local service delivery actors

The Halifax Social Planning Division, which had pushed the province to sign the federal-provincial agreement, played a particularly important role in capacity building and especially in the development of employment resource centers and ‘effective’ welfare to work protocols and practices. Using its existing experience of delivering welfare to work programs to municipal assistance recipients, at the inception of the SARS program the division spearheaded the development of the first employment support centre in the province. At an early stage, it shared information about its programs with other municipal income assistance delivery agencies and encouraged the development of similar centers in other areas. As new centres emerged, networking and information sharing between service delivery actors facilitated social learning and the development of common employability assessment tools, protocols and practices. Yet under pressure from growing unemployment and shifting policy priorities and funding constraints the

principles of support and enablement that to an extent had motivated the development of the Halifax center were sidelined. As interventions moved towards experimentation with 'work first' policies, similar approaches were adopted in other centers.

By the time income assistance harmonization came onto the government's policy agenda in 1994, the centers had become the primary means through which welfare to work interventions were delivered. This was reinforced as the Halifax center collaborated with provincial officials in the Career Planning program to develop common assessment tools. As a narrower range of options and the more immediate goal of gaining sufficient education or training to get a job were layered over the provincial program, the centers played an important role in laying the ground for gender regime change. The experience of service delivery actors on the ground also led the designers of Compass to incorporate the role of job developer who liaised with employers, sought out on-the-job training placements, monitored client progress, and dealt with ongoing problems. This more active intervention model was later integrated into the restructured single tier regime.

Peck (2001) observed similar innovational activities in the development of workfare in the United States, where the dissemination of information and knowledge about what worked in the context of rapidly changing labour market environments allowed program planners and service delivery actors the flexibility to meet shifting welfare to work program goals at the local level. As he points out, such innovation must be viewed in the context of the imperatives of policy and program goals that ensure local bureaucratic compliance and accommodation with the shift towards labour market flexibility, which is part and parcel of the logic of workfare. Constrained by the demands of the program's goals and in a context of declining resources, the centers turned to 'rationing' and a shift

towards 'work first' approaches for those deemed job ready, yet we also cannot entirely dismiss the agency of service delivery actors in restraining the effects of restructuring. Service delivery actors also pushed for more client focused protocols and practices to better serve their clients. There is also evidence that in the lead up to reform some resisted the institutionalization of punitive policies while others transferred to managerial positions within DCS tried to modify the narrow workfarist parameters of reform established by the government policy by promoting social inclusion approaches.

The politics of need and the harmonization of municipal income assistance

Peck (2001) argues that because changes in the political economy are linked to demands for labour market flexibility—especially in the lower reaches of the labour market—the development of workfare lends itself to greater local control due to greater dependence on the concept of 'less eligibility'. As Herd, Mitchell and Lightman (2005) have shown, local control and regionalized decision-making was a feature of the shift towards workfare in the Ontario case. Indeed, by the early 1990s it appeared that Nova Scotia municipal employment resource centers could become the main entry point for the new focus on employability for both income assistance and Family Benefits recipients within larger amalgamated municipal units. The harmonization of municipal income assistance and conversion from a two-tier to a single tier system under provincial control, therefore, is somewhat difficult to explain.

Yet in the context of the legacies of the regime and 'the politics of need' that emerged as a result of provincial downloading to municipal programs, there was pressure from the municipalities and social justice advocates to reform the governance of income assistance, largely justified in terms of dispensing with discretionary decision-making

and the significant variations in municipal benefits, policies and work incentives.

Rationalizing municipal income assistance under provincial control, however, can also be viewed as a systemic condition for social assistance restructuring that entailed gender regime change and a more universal application of welfare to work measures.

A fiscal crisis and municipal amalgamation in Cape Breton not only presented the opportunity for provincial control in 1995 but for further experimentation in readiness for harmonization and a single tier system. Stricter eligibility criteria for Family Benefits recipients and more gender-neutral employability policies were developed for lone mothers entering the system. Though provincial-UNSM negotiations on a service exchange agreement were temporarily put on hold following the federal cuts in 1995, the first formal stage of social assistance reform occurred through income assistance harmonization within the newly amalgamated municipalities of Cape Breton, Halifax and Queen's counties in 1996. The government's municipal amalgamation policy was later abandoned, but the Province's global service exchange agreement with the UNSM allowing a fully harmonized income assistance program under provincial control came into effect in 1997. In the process, the provincial government harnessed the municipal welfare to work service infrastructure developed under the SARS program.

Harmonization was generally supported by social justice critics and indeed overall benefits improved, but it took some time for province wide policies to modify the localized discretionary decision making of the past and the program remained regionalized. Most municipal employment support staff were integrated into the newly harmonized provincial income assistance program and some were hired in administrative, management, or policy positions. Their experience and knowledge was used to form the

basis for a new provincial Employment Support Division. In readiness for the second stage of social assistance reform, the Division proposed more gender-neutral employability policies and practices based on those in Cape Breton and the metro ERCs.

Given the shift in assumptions about lone mothers and employment and the new approaches and processes that had been institutionalized in the course of the SARS program and income assistance harmonization, the second stage of reform implied the development of a single tier regime and the incorporation of more gender-neutral approaches to policies and benefits. Yet based on SARS evaluation there were numerous financial and other obstacles to the 'self sufficiency' of lone mothers. Regime change based on gender-neutral compulsory measures would depend not only on increased capacity to deliver employability measures or even legislative change, but also on reducing financial disincentives and the provision of more transitional support. As I have explained, it was the NCB that provided the lynch pin for gender regime change, not only in financial terms but politically.

Using the NCB to consolidate social assistance gender regime change

The NCB has been regarded as a recalibration strategy to reduce poverty and increase social investment in children, but it was a hybridized solution. It was a targeted approach to poverty reduction for working poor families in the tradition of social liberalism but it also fostered the neo-liberal vision of promoting greater reliance on the market through welfare to work programs. Once the NCB came into effect in 1998 a public consultation was launched to garner public support for reform based on gender-neutral policy goals.

Fearing that reform would entail a single tier system with benefits and employability policies similar to those within the income assistance program, anti-poverty and feminist

organizations stepped up their opposition. In the process of a highly contested public discourse, government communication resources were brought to bear in support of social spending restraint and a new gender-neutral welfare to work regime based on 'fairness' and employment as a means by which lone mothers could achieve 'self sufficiency'. While the consultation document ignored the realities of women's labour market inequality and their prime responsibility for care, the consultation demonstrated resistance to the idea that financial sustainability and employment should be the main vision for reform. Yet arguments incorporating a simple 'fairness' discourse and references to differential policies for those on income assistance and Family Benefits appealed to generalized concerns about equity. The government response to the public consultation incorporated only minimal changes and financial sustainability, spending limits, the discontinuance of assistance based on ascribed categories and work-oriented reforms remained paramount in the reform agenda.

In 1999 resources from the NCB offset were directed to a Nova Scotia Child Benefit in which the income threshold for the maximum benefit was only slightly above the welfare eligibility level. In late 2000, the Employment Support and Income Assistance Act proposed a single tier gender-neutral system that would dispense with categorization and require all able-bodied employable recipients, including lone mothers, to look for work. More restrictive eligibility requirements and 'gender-neutral' employability measures were to be applied.

Following tabling of the legislation, anti-poverty, women groups, welfare recipients and opposition MLAs openly opposed the proposal to make job-seeking requirements mandatory for lone mothers. Amongst oppositional groups, a discourse advocating

voluntary participation and a mother's right to care emerged and was supported by some in the media. While traditional social conservative views based on family values and social liberal discourse about welfare entitlements and 'rehabilitation' visible in the early 1980s were virtually absent from the debate, the dominant political discourse was defined by both traditional residualist ideas about welfare and work and more 'modern', albeit gendered, ideas about work and care.

Yet, in a context in which the labour force participation of mothers with young dependent children was growing, the idea that lone mothers belonged in the labour force not only received support from media critics and members of the public, but also from some employed lone mothers. Moreover, the idea that employability was a means to build a more financially sustainable system appealed to a deficit conscious public that had been bombarded with the message that social assistance was too costly and that all recipients required to become self-sufficient was a little help to get a job. Towards the end of a lengthy and polarized public debate, influential government actors sold the new legislation by pitting the 'worthy' working poor against those who remained on welfare. Playing on the deeply embedded idea that welfare was a system of last resort that should not provide benefits more generous than low-waged employment, the Premier also endorsed the idea that society could no longer afford 'the luxury' of lone mothers remaining on welfare while working poor families supported them through higher taxes.

A single tier gender-neutral system based on employability requirements and penalties for non-compliance came into effect in Nova Scotia under new regulations in the summer of 2001. Financial supports for child-care and transportation to reduce barriers to leaving assistance were introduced and an enhanced Nova Scotia Child Benefit was used to

separate child benefits from adult social assistance, allowing the province to claim that it had “taken children off welfare”.

The Politics of Gender Regime Change, Unequal Power Relations and the State

The contested ideological discourses and political struggles that re-shaped the Canadian social welfare regime and the Nova Scotia social assistance system within which it is ‘nested’ were defined by unequal power relations. Contestation by oppositional groups and resistance from some within the bureaucracy and the service delivery sector made a difference to the politics and processes of social assistance gender regime change. Yet in a context of neo-liberal, residualist and gendered political and policy discourses and unequal power relations between the various institutions of the state and non-governmental actors, resistance had only limited effects on moderating the shift towards workfare. As McKeen (2004) points out, unequal access to decision-makers and somewhat different policy positions amongst politically marginalized oppositional actors such as anti-poverty and feminist groups and those in the ‘policy community’ also played a role in shaping the policy dynamics of restructuring as mainstream advocates argued for action on child poverty rather than on the impoverishment of women

Brodie (1995) argues that it is ‘the state’ that has the final authority and power to ‘state’ and enact policy changes. Yet if we understand the state to include federal, provincial and municipal governments and their respective bureaucracies as well as the institutions of federal-provincial relations, the particularities of policy and program developments that contributed to regime change were not only promoted and accommodated but also resisted and contested in the context of unequal power relations within and between the different institutions and levels of ‘the state’.

Service delivery actors—managers and front-end workers—played an important though ambiguous role in the process of regime change. They were often vocal about the lack of resources or new employability protocols they perceived as particularly punitive, but restricted by their institutional roles and the imperatives of government policies and program goals they were also pivotal in developing provincial capacity and the new processes and practices that facilitated the shift towards employability. Moreover, the dominance of the federal Department of Finance and the relative power of federal and provincial governments, and within Nova Scotia between the province and the municipalities determined how fiscal restraint was downloaded to social programs and lower levels of government, as well as the overall goals of restructuring.

Yet resistance and contestation between different levels of government were major factors in defining the politics, process and nature of restructuring. Indeed, shifting relationships between central and sub-national governments are important because creative solutions to existing dilemmas can be sought out. Traditional veto points then become points of access (Rathgeb Smith, 2002: 95-96). As my thesis demonstrates, the politics of federalism in the context of Quebec's demands for greater autonomy and strains between federal and provincial governments over high unemployment, fiscal restraint and downloading during the 1980s and 1990s did not so much inhibit social assistance regime change, as facilitate it.

The Employability Enhancement Initiative and the NCB that provided two important conditions for regime change came about through federal-provincial negotiations that were not only shaped by growing tensions over the effects of federal policies, but by strains within federalism itself. Exacerbated by Quebec's position on federal standards,

the demise of CAP meant the federal government relinquished most of its control over the conditions of social assistance to the provinces. Under pressure from advocates not to abandon federal control over the “children’s agenda”, the federal government used its spending power to extract agreement on some common principles and accountability measures for the NCB, but these were weak compared with past practice. Yet these outcomes were not simply by-products of tensions within federal provincial relations. The politics surrounding block funding and the NCB did not mitigate one of their intended goals—to give the provinces the flexibility to strengthen employability requirements and support increased work effort amongst lone parents on social assistance. Similarly, the shift to a single tier system in Nova Scotia was influenced by the politics of provincial-municipal relations. Yet reform was not primarily about resolving cost-sharing disagreements, but restructuring the regime to support workfare.

In what Swyngedouw (2000) calls rescaling, shifts in governance arrangements are linked to globalization and as Mahon, Andrew and Johnson (2006) argue to the politics of restructuring. In Nova Scotia control over social assistance funding, overall policy goals and regulation has been centralized, while decisions on interventions and accountability for results has been left to local and regional decision-makers. Swyngdeouw (2000) argues that rescaling is opening the way to more authoritarian forms of governance. More centralized control of social assistance in the hands of the provincial government has undoubtedly mitigated the worst effects of the old discretionary municipal system, yet de-centralized policy interpretation about ‘special needs’, employability requirements, and appropriate interventions leave control over the conditions of employability in the hands of case managers and local administrators. This allows for the kind of local

flexibility in regulation interpretation that Peck (2002) argues underlies new regulatory forms associated with workfare. The rescaling of governance within the Canadian social welfare regime, therefore, has broad implications for the provision of social welfare in Canada, as well as for lone mothers on social assistance.

The Implications of Social Assistance Regime Change for Lone mothers

Social assistance restructuring in Nova Scotia was a gendered process that not only strengthened residualism but also deepened its gendered effects in ways that contribute to maintaining women's vulnerability to poverty and control over their lives. The new regime remains a system of last resort that relies on low benefits and limited work supports and incentives. By incorporating gender-neutral employment requirements, the principle of 'less eligibility' and punitive regulations enforcing low-waged or precarious employment have been strengthened. Given these and other conditions, Nova Scotia can be viewed as operating a workfare rather than a welfare program.

Though a compulsory transition from welfare to work is likely to be experienced differently by women depending on their particular situation, the ability of lone mothers to earn a wage sufficient to maintain a family under prevailing labour market conditions is limited. Yet gender-neutral compulsory welfare to work measures not only fail to address gender inequality in the labour market but ignore women's responsibilities for care and gendered inequities within the broader welfare regime. They impose on mothers a duty to participate in the labour market as a condition of responsible citizenship (Bashevkin, 2002), but they do so with little regard for their parenting and care obligations and with inadequate resources and supports to ensure a sustainable livelihood. This has potentially negative implications for their health and well-being (Colman, 2003).

Moreover, restructuring has not simply been about social assistance regime change; it is also about the conditions under which lone mothers must now seek to become self-sufficient. While the Nova Scotia labour market has produced more jobs (many of them in low-waged sectors of the economy) and welfare rolls have declined since 2000, changes to federal social programs such as unemployment insurance, job development and training, affordable housing, and post-secondary education since 1996 have affected the policy environment within which lone mothers are now required to move from welfare to work. The new gender-neutral social assistance regime legitimates the idea of lone mothers as ‘breadwinners’, but women on welfare are treated as the new ‘undeserving’ poor, the realities and responsibilities of parenting and care are marginalized, and the gendered effects of the broader social welfare regime legacies remain. Limited employability supports and mandatory employability requirements in a residual system of ‘last resort’ and changes within the broader social welfare regime create even more difficulties for lone mothers.

As this thesis is completed at the beginning of 2009, Canada is on the brink of what some predict will be the deepest recession since the 1930s. The turn towards compulsory welfare to work measures in this context is likely to yield particularly adverse outcomes. Changing the situation for lone mothers requires a stronger more holistic approach to women’s economic security and well-being that does not rely on residualism but takes into account women’s particular relationship to social welfare, work and care. Yet such an approach continues to be hampered by the dominance of neo-liberalism, unequal power relations and the changes in governance arrangements that are re-shaping Canada’s social welfare regime.

APPENDIX

Informant Interviews

Federal Government

Ivor Krupko, Canada Employment and Immigration (CEIC), Ottawa, October, 1989.
Gerry Walsh, SAR Program Coordinator, CEIC, Halifax, December 1989.
Betty McIsaac, Manager, Re-Entry Program, CEIC, Halifax, July 1991.
Mike Yeodon, Human Resources Development Canada (HRDC), Dartmouth
Employment Centre, Dartmouth, October, 1995.

Nova Scotia Government

a) Senior Officials

Bill Campbell, DCS, Halifax October 1991.
Wayne Doggett, Adult Education and Job Training, Halifax, July, 1991.
Sandy Kennedy, Compass Program, DCS August 9, Halifax, 1995.
Ron L'Esperance, SARS Program, DCS, Halifax, September, 1988; November 1989;
1991.
Liz McNaughton, DCS, Halifax, November 1989.
Fred Fisher, Adult Education and Job Training, Halifax, February 1990.
Bessie Harris, Family Benefits, DCS, Halifax, February 1990.
Joan McKinnon, Family Benefits, DCS, Halifax, August 1991.
John McInnis (seconded to DCS SARS Operations Committee from Adult Education and
Job Training), Halifax, January 1990.
Shulamith Medjuck, DCS, Halifax, May 2002.
Ruth Ann Moffitt Dixon, DCS, Halifax, August 1991; January, 1993.
Carmen Moir, Deputy Minister, DCS, Halifax, July 1991.
Mike Townsend, DCS, Halifax, September 1995; December 2001.

b) Service Delivery Workers, Department of Community Services

Lynn Cheek, Single Parents Career Planning Program, New Glasgow, November 1991.
Wanda Lawrence, Single Parents Career Planning Program, Sheet Harbour, October
1995.
Tanya Levy, Single Parent Career Planning Program, New Glasgow, August, 1990.
Lorna McPherson, Family Benefits Single Parent Career Planning, Halifax, August 1990.
Ruth Sherman, Family Benefits, Truro.

Municipal Social Services and Employment Resource Centres

Bernard Anderson, Employment Resource Centre, Dartmouth, November 1995.
Janet Bews and Louise Devisson, Halifax County ERC, Halifax, October 1995.
Yvonne Blanchard, Halifax Social Planning Division, Halifax, July 1991.
Jill Ciccoline, Employment Resource Centre, Halifax, July 1991.

Susan Coldwell, Employment Resource Centre, Halifax County. July 1991.
 Jerri Costa, Digby Employment Resource Centre, January 1996.
 Harold Crowell, Director, Halifax Social Planning Division, Halifax, July 1991;
 November 2001.
 Shelley Fillmore, Employment Resource Centre, Dartmouth, October 1995.
 Emily Lane, Director, Children's Aid Society, Truro. November 1990.
 Ian McArthur, Employment Resource Centre, Halifax County, November 1990.
 Nancy Pike, Employment Support Centre, City of Halifax, July 1991; August 1995.
 Sandra Spencer, Employment Resource Centre, City of Halifax, August 1990.
 Darren Smith, Pictou County Municipal Social Services, November 1991.
 Bob Webber, Halifax County Municipality, August 1991; July 1995; January 2002.
 Tracey Williams, Employment Resource Centre, Dartmouth, October 1991.
 Jan Wissent, Employment Support Centre, Halifax, October 1995.

Voluntary Sector

Beryl Callahan, Supportive Action for Women, Cobequid Centre, July 1990.
 Jeanne Fay, Dalhousie Legal Aid
 Peggy Fergusson, STEP youth employment agency, Sackville, August 1990.
 Jackie Ferdinand and Barb Gillis, JOMP, Truro.
 Dian Graham, Women's Employment Outreach, Halifax, July 1990.
 Susan Rawson and Linda Randolph, Life Planning and Learning Centre, July, 1990.

Private Trainers and Training Coordinators

Ian Austen, Charles Fraser and Associates, Pictou, November 1990.
 Heather Callicot, SARS Coordinator, Truro, November 1990.
 Joe Kanary, Career Path Centre, Halifax, July 1991.
 Carole Madden, Life Style Management, Sobey Project, July 1991.
 Gordon Michaels, Continuing Education, Halifax County School Board, October 1990.
 Sheila Pender-Wedge, Halifax YWCA, July 1991.
 Hazel Potter, Scotia Career Academy, Halifax, July 1991.
 Nancy Nunn Stobert, YWCA Re-Entry Program, October 1990.

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