

Our promise to Canadians in the 21st century: Social health or social deficit?

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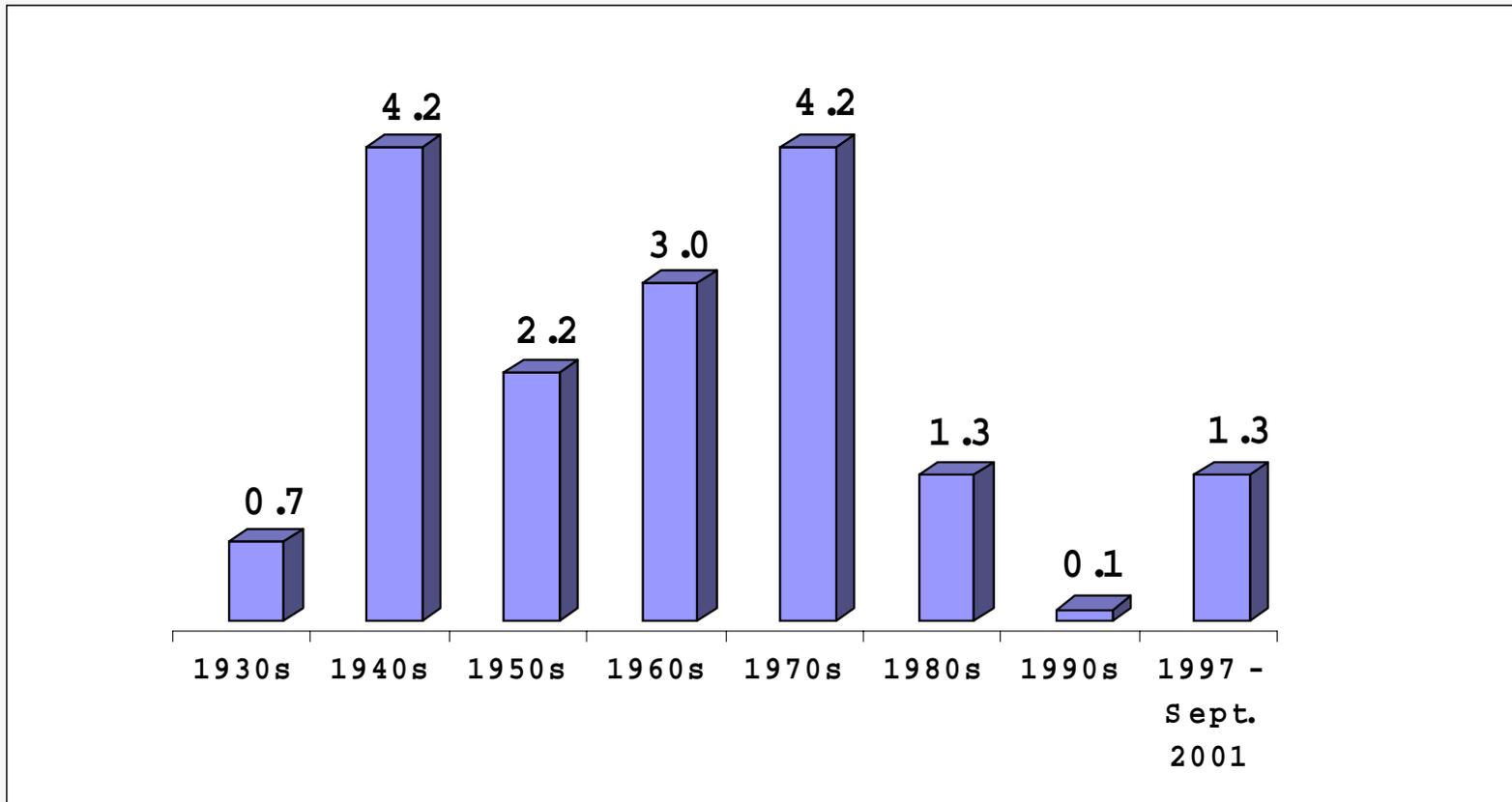


Outline

- The post-war contract between citizens and state created a strong synergy between economic and social policies
- After 1975, Canada changed, and so did Canadians
- What are the new challenges and what is our room to manoeuvre?
- In what ways do we need to adapt core institutions around education, family and work
- Implications for the pension system

Two decades of hard times

Growth In Real Disposable Income Per Capita*



*Compound annual growth rates; Decades are 1930-39; 1990-99 etc; 1997 - September 2001 assumes January- September 2001 is an annual average for the purposes of calculation.

Source: Statistics Canada.

How Canada changed

- At home
- At work
- In public policy guarantees
- Overall, we have moved toward the individualization of risk

How Canadians have changed

- Markets now determine who has more, who has access, and who is excluded.
- During the hard times, self-reliance trumped collective responsibility
- Middle class has lost cherished rights.
- Young people are struggling to make their way in the world

More room to manoeuvre

- Economic house is in better order;
- Capacity to prosper in the new economy
- Room to set our course on social and economic policies
- But . . . need to establish a new synergy between the social and the economic
- . . . an ageing society must invest in the next generations

What are the new realities?

- Many families are not earning a “living wage”
- Many people who used to be cared for at home or in institutions are on their own
- Lifelong investment in learning is essential
- Inequality leads to marginalization
- Evidence of an emerging underclass in a double-edged economy

Double-edged economy

- The new economy is doubled-edged
 - It is creating immense wealth *and* greater social distress
 - People are falling through the cracks
 - Few bridges from social distress to well-being
- So what's the promise of the 21st century?
 - If you've made it, you are in?
 - And, if you are down on your luck, you are out?
- Or, is there a better way?

Rethinking core principles

- Education
- Family
- Employment
- Are we going the wrong way?

Implications for pensions

- Which pillars of the retirement income system are likely to grow
- Will we use the room to manoeuvre created by the sacrifices of the 1990s?
- Will we invest in bridges to self-reliance for the victims of the double-edged economy?
- Should pension managers lobby for smarter social and education policies?

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