

Social and Economic Policies Work Hand in Hand



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Two notions of competitiveness

Can they co-exist?

- Cost minimization
 - ▶ Short-term survival
 - ▶ Layoffs, non-standard work
 - ▶ Economic insecurity
 - ▶ Breakdown of mutual trust
- Long-run, dynamic growth
 - ▶ Invest in learning
 - ▶ Build human capacity
 - ▶ Value well-being of future generations
 - ▶ Build social capital

Polarization of family income since 1980

	<\$30,000	\$30,000 to \$60,000	>\$60,000
1970*	39%	52%	9%
1980	26%	50%	24%
1990	27%	49%	24%
1996	31%	47%	22%

Constant \$ incomes after tax and transfers

* 1970 data are estimates

In the 1970s:

- Increase in high income is mainly due to rise in two-earner families
- Decline in low income families is mainly the improvements in public supports for the elderly

Polarization began in the 1980s and accelerated in the 1990s

Two scenarios for Canada

Which way are we heading?

- Polarization, leading to:
 - ▶ Gated communities
 - ▶ Lower social expenditures, but higher security costs
 - ▶ Destruction of mutual trust
- Resilience, created by:
 - ▶ Helping citizens and institutions to adapt
 - ▶ Redefining the roles of citizens, employers, and the state
 - ▶ Building mutual trust and reciprocity

Cornerstones of a resilient society

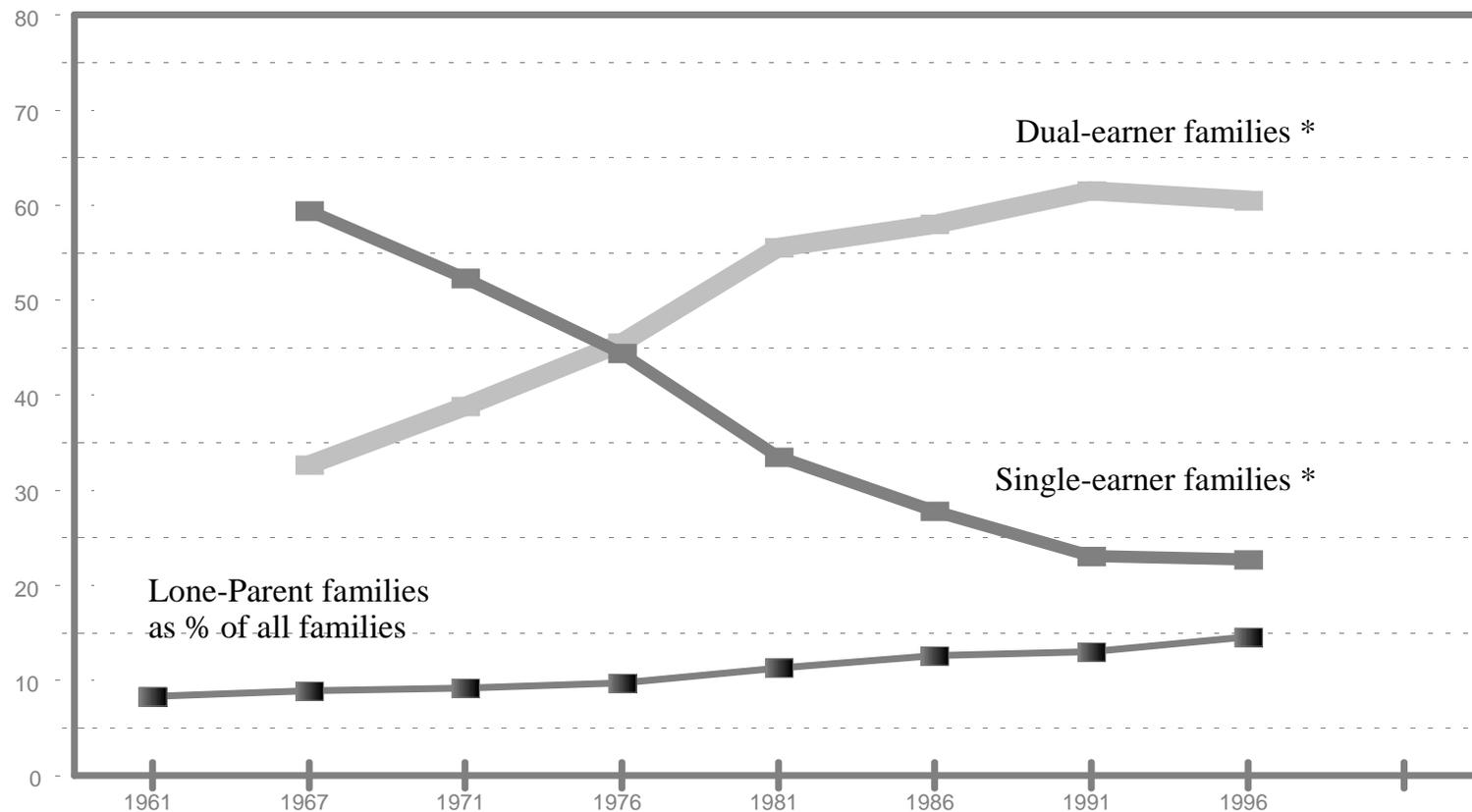
- A learning society from cradle to grave
 - ▶ education, training and early childhood are investments
- The caring role of the family is valued
 - ▶ supported by employers, governments, communities
- Progress is measured by tracking outcomes,
 - ▶ not spending. Equity means creating opportunity
- New forms of collective action are fostered by all the stakeholders

Social and economic transformation

Challenges to resilience

- Non-standard work, unemployment, economic insecurity
- Changing family structure – weaker attachments, more discontinuities, more isolation, time crunch
- For two-earner families – the majority:
 - ▶ Worries about child care, and
 - ▶ The time crunch
- Government restraints shift work back to families
 - ▶ E.g. health and social service cut backs

Two earners now the majority - 61% of all husband/wife families



* Data for 1995 only

What do we expect of families today?

- Both parents work; lone parents should work
- Work week longer than most industrial countries
- Take care of children, sick, elderly, support youth until they finish PSE, etc.
- Keep house and garden
- Volunteer and participate in community affairs
- Go back to school for life long learning

What do families need?

All families --

- Earned income for all
- A strong, responsive infrastructure: community schools, health services, child care, etc.
- Communities that are safe, with accessible recreation
- Supports for family success – parenting resources
- Freedom to be at home with infants and toddlers
- Workplaces that are family friendly

What do vulnerable families need?

All of the above and more

- Early interventions for children at risk
 - ▶ Screening, home visitng, headstart etc.
- Integrated community services
- Community schools
 - ▶ with pre and post school programs, mentoring, homework clubs, anger management, summer camps, drop in centres, summer jobs, internships
- Access and funding for PSE
- Etc.

Social policy renewal

Touches all aspects of the lives of families and individuals

- Many of our values and our social policies are founded on a respect for the privacy of the family
- But the family is overburdened in the 1990s; there is an urgent need to reshape the environment in which it is expected function
- The economic environment is insecure for many
- The social environment is often cold, fragmented, and out of tune with reality

Governments can't do it alone

- Lorna Marsden has said:
 - ▶ “Neither the state nor the family can create this new child [of the 21st century]. The state cannot . . . because it is not within the role or the capabilities of the state to do so. The family cannot . . . because we have put families into a position where they do not have the necessary support or resources.”
- Your challenge is to rethink the roles of *all* the players in this enterprise

Governments are key to success

Spending and taxing are *not* the most important levers

- Convening and listening
- Informing citizens
- Identifying best practices
- Harmonizing, coordinating
- Delivering responsive, people-centred services
- Tracking progress against goals and priorities that have been defined by citizens

Employers and communities are part of the solution

- Employers (public and private sector) need to rethink employment practices
 - ▶ There are strong productivity payoffs from family-friendly work arrangements
- ... and become partners in the community
- Community organizations, especially schools, are the local engines for making things happen
- Unions, associations etc., have power to mobilize

Social policy renewal

- Renewal is not just about where and how governments spend
- It's about how all institutions in a society have responded to a transformation in the environment in which families and individuals live
- Every province and community faces this challenge. There is no magic solution.
- The way forward has to come from the people