

Social Assistance and Labour Market Participation: Opportunities, Issues, Challenges

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Overview – ALMP and Social Assistance

- Opportunities
 - What opportunities, in terms of full labour market participation, exist for ALMP aimed at social assistance recipients?
- Issues
 - What are the broader philosophical issues that must be addressed in selecting an approach to labour market programming for social assistance recipients?
- Challenges
 - What are some important challenges in terms of designing ALMP aimed at reaching social assistance recipients?

1.) Opportunities – ALMP and Social Assistance

- challenge – getting ALMP to intended target clientele
- eligibility tightened for both EI and social assistance
 - growing gap between EI and SA programs
- not clear to what extent social assistance rolls are increasingly made up of employable recipients
 - no apparent shift in family composition in SA caseloads
 - hardening of social assistance rolls

1.) Opportunities – ALMP and Social Assistance

- opportunity presented by social assistance population may be more limited than first appears
 - social assistance recipients may not be the most difficult clientele to reach
 - paradox
 - targeting people once they are on social assistance may be a high cost strategy
 - greater depletion of “employability” resources
 - conversely...may need ALMP the most

2.) Issues – Welfare Avoidance vs. Employment Enhancement

- what is the primary purpose of employment-related programming targeted to social assistance populations?
 - employment enhancement
 - underlying goal/challenge is maximizing labour market participation
 - positive active labour market programming
 - welfare avoidance
 - underlying goal is minimizing reliance on social assistance
 - “activation” strategies

2.) Issues – Welfare Avoidance vs. Employment Enhancement

- “work first”/work test
 - in tight labour market, “work first” strategies become work test
- voluntary/mandatory labour market programs
 - welfare avoidance mechanisms must be mandatory
 - mandatory programs shielded from performance evaluation in terms of employment enhancement

2.) Issues – Welfare Avoidance vs. Employment Enhancement

- labour market conditions and employment enhancement measures
 - costs (vary with labour market tightness)
 - substitution effects
 - advantaging certain sub-sectors of those of marginal employability
 - benefits (vary with labour market tightness)
 - demand/need for ALMP
 - productivity benefits
 - getting clientele into marginal productivity jobs

2.) Issues – Welfare Avoidance vs. Employment Enhancement

- effectiveness of approach
 - tighter labour market decreases effectiveness of “work first” approaches
 - increases need for positive ALMP
 - simultaneously increases challenges faced by ALMP provided to SA recipients
- political issues
 - under tight labour market conditions – ALMP may be seen to advantage certain groups over others
 - under loose labour market conditions – ALMP may be seen as unnecessary programming/expenditures

3.) Challenges – ALMP Aimed at SA Recipients

- targeted vs. mainstreamed programming conundrum
- mainstream programs
 - social assistance recipients may have significantly different or higher levels of need than non-SA participants
 - require program harmonization in order to provide income support to individuals while pursuing ALMP
 - political viability
- highly targeted programs risk...
 - stigma
 - incentive effects
 - political viability

3.) Challenges – ALMP Aimed at SA Recipients

- active vs. passive programs
- importance of incentives in passive programs
 - SSP
 - NCB
 - mixing work and benefits (earnings/asset exemptions)
- child care
 - parents on SA & parents leaving SA
 - availability/affordability
 - designed to retain incentives for employment

Conclusion -- Main Messages...

- challenges to ALMP posed by SA pool increasing not decreasing
 - crucial issue is optimizing between increasing labour market participation and aiming ALMP at hard to reach populations
 - choices may be more stark than first appear
- ALMP not a panacea
 - importance of broader labour market conditions
 - need for flexibility
 - structure of passive programs is important
- challenges are also political
 - difficulties do not just lie in technical program design
 - political viability of ALMP for hard to reach clientele poses challenges