A New Social Architecture for Canada's 21st Century

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Canada's Changing Social Architecture

The well-being of Canadians results from the contributions of their families and communities, their activity in the private sector, and from their governments. But how do we make sure that the mix of contributions from these four key actors is optimal?

The answer to that question today will be different from what it was in the post-war period where many of Canada's current social policies originate. What do the enormous economic and social changes, and changes to our values, over the past 50 years imply for the way we do things? This is the focus of CPRN's *Social Architecture* research series.

The results of our research highlight three major social policy challenges: addressing unmet needs, making use of undeveloped capacity, and reforming governance.

What's in this Research Highlights?

This issue of *Research Highlights* provides an overview and summary of the main themes developed in CPRN's *Social Architecture* research series. The series was conceived and directed by Jane Jenson, former director of CPRN's Family Network and now a Family Network Research Associate.

The nine research reports in the series are described briefly in the insert. The ninth paper, by Jane Jenson, is a synthesis that builds on the findings of the other eight. All the papers are available for download at www.cprn.org. Each includes its own executive summary.

What Is Social Architecture?

Social architecture is the term we use to describe the roles and responsibilities of families, communities, the market and the state and the way in which their relationships are governed (Jenson, 2004a; Jenson, 2004b). This is captured graphically in Jenson's "well-being diamond," an analytical tool that helps us see how the four sources of well-being are inter-related – a change on the part of one inevitably has an impact on the others.

The Well-being Diamond
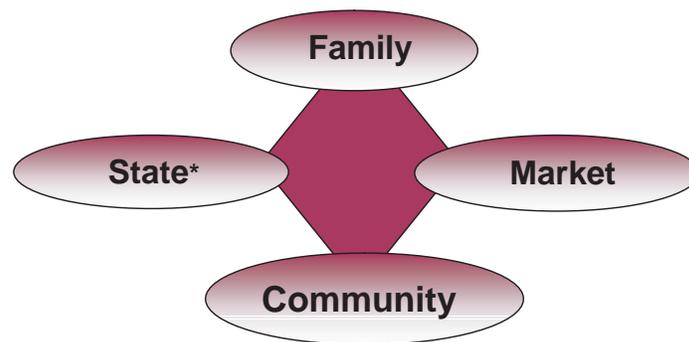
*State includes governments (federal, provincial, territorial and municipal) and core public services such as education and health care.

What Is Well-being?

What is well-being and how is it defined? What is it that Canadians are trying to achieve? A common understanding of what Canadians mean by well-being could contribute to more focused and goal directed efforts by each of the actors in the well-being diamond. We need a "moral compass," and Canadians themselves are the best people to define what well-being is in the 21st century.

The relationships among the actors in the diamond are guided by values – values such as those expressed by 400 citizens participating in a recent CPRN dialogue on the future of Canada (MacKinnon, 2004):

• **Shared community** – shared values reinforce shared identities and interests.

• **Equality and justice** – mutual respect, equal opportunity and compassion for the vulnerable.

• **Respect for diversity** – valuing ethnic, cultural, and religious diversity and lifestyle choices.

• **Mutual responsibility** – individuals have a responsibility and a right to contribute to society and in return can expect to be supported to make that contribution.

• **Accountability** – the essential underpinning for trust, critical to societal and market functioning.

• **Engaged democracy** – meaningful opportunities for citizens and decision-makers to connect on issues affecting quality of life.

What is important to note is that these values "surfaced naturally," i.e., they were not an explicit focus of the dialogue and they were not prompted by the facilitators (MacKinnon, 2004: 9). Canadian citizens seem to instinctively understand what Canadian policy makers may sometimes forget: that all four actors – families, business, communities and governments – are key contributors to well-being. And citizens can clearly describe their unmet needs – in income, services and community development.

These values are not cast in stone – they are continually reassessed, debated and modified, as required,

through "conscious and deliberative" processes (MacKinnon, 2004: 10). They reflect 21st century experiences. They are supported by other research over the past decade or so, using a variety of research methods. (cf. Drover and Kerans, 1993; Freiler, 2001; Kenny, 2004; Peters, 1995; Rioux and Hay, 1993; Roeher Institute, 1993).

Balance among the Points in the Well-being Diamond

The citizens in CPRN's dialogue spoke about the disconnect between their core values and the reality of life in Canada today, and this is reinforced in Jenson's two papers (2004a; 2004b). The current contributions of families, communities, the market and the state do not meet their needs or expectations. Things are out of balance. Why has the balance shifted? What has changed?

Certainly, a lot has changed over the last 40-50 years, for example:

Economic

- Globalization and open economies, bringing cost competition (among firms) and fiscal competition (among states).

- Increased knowledge-based work with reductions in manufacturing, and growing service sector, employment.

- Increasing inequality in family disposable income, and an even greater increase in wealth inequality.

- Some workers are "paid to be poor" through low-paid employment.

Social

- The proportion of women over 15 in the labour force doubled from 1961 to 2001.

- Divorce rates in 2001 were six times higher than in 1961.

- The number of lone-parent families doubled over the same time period.

- The percentage of the population over 65, and over 85, nearly doubled between 1961 and 2001.

- Immigrants from Europe and the United States dropped from 94 percent of all immigrants in 1961 to 22 percent in 2001; immigrants from Asia were three percent of the total in 1961 and 58 percent in 2001.

- The percentage of Canadians reporting Aboriginal ancestry grew by nearly 400 percent between 1961 and 2001.

These changes, Jenson states, create a number of new social risks and challenges that require new responses. In summary:

- Growing income inequalities associated with the shape of the global economy and restructured work in knowledge-based economies may demand new strategies by the state and families to ensure that health and other forms of well-being do not begin to track inequalities in income.

- Rising employment rates have eliminated neither the problem of unemployment (and low income associated with loss of work) nor that of low income. Low-paid, part-time and insecure jobs (what we call, "precarious work") mean that Canadians are often "paid to be poor." Couple families with a single earner, lone-parent families and young families, are particularly hard hit. Different responses by employers in the market sector of the welfare diamond as well as by states are needed to address what many Canadians see as an affront to their values as well as a threat to a healthy economy. Expanding services and supplementary benefits, as well as providing income supplements and housing, are ways of responding to this complex situation.

- An ageing society and changing family structures mean families can no longer provide care for children and vulnerable adults in the same ways as in the past. All four sectors of the welfare diamond must be involved in sharing that burden.

- Whole categories of the Canadian population face barriers to social inclusion. Newcomers to Canada and visible minorities face greater obstacles to decent jobs and other forms of integration than in the past. The market and community sectors, as well as the state, have roles to play here.

- Aboriginal peoples, living out the consequences of centuries of marginalization and mistreatment, require particular efforts if they are to realize their full potential and a level of well-being equivalent to that of other Canadians. Here the community sector (i.e., Aboriginal institutions) is particularly important, as is the state sector – governments at all levels, including Aboriginal governments.

Jenson's point is that these new risks challenge our current ways of doing things. They force Canadians to rethink the balance of roles and responsibilities of the four actors in the welfare diamond. And, as roles change, new governance arrangements are needed to cope with the complex issues facing Canadians.

The Social Architecture Papers

Over time, there have been major policy changes, many of them triggered by the need to control public spending. For example, income maintenance programs were primarily universal in the post-war period, but had become primarily contributory by 2000. Other countries have faced similar challenges but have responded in rather different ways.

The European Union, for example, has tried to adapt existing welfare regimes to the increased economic emphasis on the market, sound public finances, employment, contributory pensions, and managed competition in health care (Palier, 2004). The key is linking social and economic policy – recognizing that sound social policy is a necessary part of achieving international economic competitiveness.

In the "liberal welfare state" regimes of the United States, the United Kingdom and Australia, welfare reforms have emphasized a role for the individual – e.g., personal responsibility (US), employability obligations (UK) or self-determination (Australia). These roles are distinct from family roles and Pawlick and Stroick (2004) suggest that "nesting" the individual within the well-being diamond illustrates the relative roles of family, community, market and state in supporting the individual's responsibility for providing well-being.

Four Policy Logics for Public Policy

Four "policy logics" explain state provision of social well-being in Canada (Boychuk, 2004):

- Universal *social provision* for the whole population, for services that "do not fully belong" in the market (e.g., universal programs such as health care, pensions, education);

- *Social insurance* against risk, usually borne by workers, to encourage labour market attachment (e.g., workers' compensation, unemployment insurance, contributory pensions);

- Ensuring *social inclusion* through establishing a social minimum, to mitigate the effects of marginalization (e.g., refundable tax credits, social assistance, social housing); and

- Ensuring *social cohesion* by fostering social integration in a community, emphasizing "place-based" solutions (e.g., community development programs, programs for Aboriginal peoples and immigrants, industrial adjustment programs).

In the United States, New Zealand and Australia, there has also been a focus on the special policy needs of Aboriginal peoples. Here in Canada, there have been dramatic developments among Aboriginal peoples, compared to the non-Aboriginal population, over the last 30 years:

- Population growth is nearly 3 times faster.

- The population of Aboriginal peoples is much younger and increasingly urbanized.

- Poverty rates for children and families are much higher.

- Housing and infrastructure (e.g., water, sewers) are much less adequate.

- Wages and educational levels for Aboriginal peoples are rising, although they are still below levels for non-Aboriginal Canadians.

Abele (2004) and Papillon and Cosentino (2004) highlight a number of developments in Aboriginal communities that give cause for optimism – such as the increasingly autonomous role played by Aboriginal organizations in the development and delivery of health and social services, and the strengthening of community institutions. It is in these communities where Aboriginal well-being is most promising.

To fully support this shift to self-reliance among Aboriginal peoples and communities, researchers encourage governments to foster autonomy in community life and invest in capacity building, i.e., enabling Aboriginals to self-organize and to generate both leadership and good governance.

Principles and New Directions for Canada's Social Architecture

Jane Jenson summarizes and integrates the findings from the *Social Architecture* research series in *Canada's New Social Risks: Directions for a New Social Architecture*. Jenson reviews the major social risks facing Canadians, shows why these risks need our attention, and considers the tools for sharing or mitigating these risks. The final section of her report proposes new directions that are consistent with the "values and hopes for well-being that Canadians hold" (Jenson, 2004b: 2).

Jenson proposes five visioning principles behind a new social architecture:

• Social policy is a productive factor; Canadians' social and economic well-being depends on an appropriate social architecture.

• Well-being should be provided primarily from income gained from access to the labour market. Most people should have access to work and the value of work should be recognized.

• Well-being is achieved through a good balance in the welfare diamond, with appropriate roles and responsibilities established for families, communities, the market, and the state.

• Shared citizenship means that social risks should be pooled. Governments have a responsibility to use their powers to cover risks that are beyond the capacity of citizens to address alone.

• Governments take the lead in shaping the social architecture.

Following on these principles, Jenson suggests four new public policy directions (see box below) to respond to unmet needs and contribute to developing community capacities and family resiliency. Governments of different political styles may well choose different policy instruments. But they cannot meet the needs of their citizenry unless they respond to the new social risks described earlier by examining their capacity to deliver social programs, adapt tax systems, and regulate the behaviour of private actors.

Four New Policy Directions

1. Adjust policies in the state sector of the welfare diamond, combining effective investments in services for low-, modest- and middle-income Canadians with the current focus on supplementing the income of low-wage workers and their families;

2. Use the powers of the state and community sectors of the welfare diamond to fill the gaps in the systems of care for both children and the elderly;

3. Rebalance responsibilities within the market and family sectors by encouraging more employers to embrace their responsibility for the well-being of their workers; and

4. Ensure Aboriginal communities and families can move from dependency to autonomy by strengthening community capacity and family resiliency in addition to providing resources from the state sector.

Governance

Balance in the well-being diamond can be achieved through better governance – how all four policy actors collaborate to solve the problems facing society. Governments establish the context for governance by engaging the public in policy discussion and by the way they interact with leaders from business and communities.

Change efforts in the European Union focused not on suggesting or imposing particular policies or programs, but on "leading by working on ideas" together, i.e., efforts were made to influence policy and program knowledge. This was achieved through effective political processes such as:

- Involving all stakeholders.

- Negotiating and seeking consensus on the why, what and how of reform efforts.

- Building a basis for political trade-offs.

- Developing a public and shared justification for the reform.

- Implementing a global and integrated strategy on areas of intervention.

- Transforming, but not necessarily reducing benefits.

Here again, Canada can learn from the European experience. Saint-Martin singles out the Open Method of Coordination (OMC), used by the 15 member countries in the European Union, as an example. The OMC respects the sovereignty of member countries, but creates a cohesive approach to social policy.

Following their experience in consensus building on goals for social policy, EU member countries also established processes for ongoing coordination of programs and policies. Using the EU secretariat as their neutral "meeting place," and supported institutionally and administratively by the EU staff, members meet on a regular basis to report on progress and learn from each other's experience. They have agreed on a common set of indicators which they report to their own citizens and share with each other. This provides the discipline and the opportunity for the policy learning that enables them to do objective, independent, transparent and quality work. "The effectiveness of any new social architecture in Canada may well depend on finding such mechanisms" (Saint-Martin, 2004: 40).

Saint-Martin argues that there is more knowledge about social problems at the local level. Governments need to tap into this local knowledge to make good policy choices and address needs not now being met (Saint-Martin, 2004: v).

Saint-Martin stresses enhanced governance as key to addressing what are described as "wicked" social problems.[1] Canada should therefore foster policy dialogue across all of

the well-being actors, and build mutual trust among them. This is confirmed by MacKinnon, based on CPRN's experience with citizens' dialogues. She argues that public participation helps to build both credibility and legitimacy for the policy development and review process.

Our research concludes that Canada today lacks the necessary social policy "meeting place" and effective leadership to achieve social and economic well-being for its citizens:

> Moving forward requires a significant policy effort and mobilization of public institutions and political energies as well as commitments by citizens. How might this be done? We know that such changes are possible because other polities have done so. Nonetheless, it is not easy, and close attention to governance is required (Jenson, 2004b: 46).

Summary and Next Steps

The purpose of CPRN's *Social Architecture* research program is to re-examine the foundation of Canadian social policy. The research shows there are cracks in the foundation – needs are not being met, the capacity of governments, communities, employers and families are not currently up to the task, and leaders need new ways of working together – that is, more effective governance.

Canadian leaders in governments and the community have begun to address some of these foundational cracks, but much remains to be done. The series demonstrates that Canada can learn from the experiences of other countries such as the United Kingdom, the European Union, the Nordic countries, and the United States. But choices must be made to suit the Canadian context.

CPRN will forge ahead with a research agenda designed to support sustained progress in renovating policies and programs. Our Networks are pursuing themes such as cities and communities, family policy, vulnerable workers, work and learning, public involvement and governance and accountability. CPRN and its collaborators are committed to improving Canada's social architecture and thereby enhancing the well-being of all Canadians.

Note

[1] "Wicked" social problems are policy problems that challenge conventional approaches as "they are issues that do not appear to belong to any single organization, they represent problems that are difficult to define and even more difficult to link to causes, and they are intractable in that there do not appear to be readily available solutions at hand" (Saint-Martin, 2004: 1).

Additional References

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Project Funders

The **Family Network** supports CPRN's mission to help make Canada a more just, prosperous and caring society. To this end, we seek to identify the "best policy mix" for Canadians at every stage of their lives, from infancy to old age. Family life does not exist in a vacuum. Families in all their diversity "nest" in a series of overlapping social, economic and physical environments. A wide array of policy issues therefore affects Canadian families. Some of these, like child care and parental supports, are the traditional concerns of family policy. Others, like those that determine who is a citizen, or seek to reshape the social fabric of cities, or change the tenor of intergovernmental relations, are less often recognized as "family" domains. Our research touches on all of these issues.

Research Themes

With expertise in Canadian, European and developing society contexts, the Family Network brings local and global knowledge to bear on Canadian policy questions. We undertake research and policy analysis in several intersecting areas of social policy:

- Child and family policy
- Canada's social architecture and ageing population
- Governance and social policy
- Citizenship and diversity
- Social cohesion
- The importance of "place" as a policy issue and policy "lens"

We organize our work under four horizontal policy research streams:

- The Best Policy Mix for Canadians
- Governance and Social Policy
- Citizenship and Diversity
- Cities and Communities

CPRN is a national not-for-profit research institute whose mission is to create knowledge and lead public debate on social and economic issues important to the well-being of Canadians, in order to help build a more just, prosperous and caring society.

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CPRN's Social Architecture Series
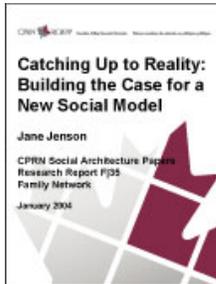
Research Report F|35: **Catching Up to Reality: Building the Case for a New Social Model** by Jane Jenson – In this, the first of the Social Architecture Papers, Jane Jenson goes back to the 1940s and traces the way social and economic patterns have shifted over time. She identifies the new social realities of Canada in 2004, and argues that the roles and responsibilities of market, family, state and community need to catch up – the time has come for a new social model for Canada.

Research Report F|36: **The Canadian Social Model: The Logics of Policy Development** by Gerard Boychuk – The second paper provides an introduction to and comparison of the various policy logics that have informed major social policies since the 1950s in Canada, that is, health, education, and income maintenance. In addition to providing a careful analysis of the Canadian situation, Gerard Boychuk's paper is also an invaluable source of cross-time quantitative information about spending levels and the distribution of benefits within the Canadian social model.

Research Report F|37: **Social Protection Reforms in Europe: Strategies for a New Social Model** by Bruno Palier – By examining both the national level and that of the European Union, Bruno Palier provides a two-level analysis of the patterns of challenge and change in the many systems of social protection in Europe. He also considers in detail the politics of reform, including the strategies used within countries and those deployed within the institutions of the European Union so as to ensure a modernization of the European Social Model.

Research Report F|38: **One Discourse, Three Dialects: Changing the Social Model in Australia, the United Kingdom and the United States** by Roxanne M. Pawlick and Sharon M. Stroick – The fourth Social Architecture Paper provides a very detailed comparative policy analysis of the three "liberal welfare regimes" usually treated as most similar to Canada, that is, the United States, Australia and the United Kingdom. In addition to a narrative analysis of the ways these three countries have altered their social models, the research report provides a unique set of comparative inventory tables of the specific programs in place in each country.

Research Report F|39: **Urgent Need, Serious Opportunity: Towards a New Social Model for Canada's Aboriginal Peoples** by Frances Abele – The report provides a rich synthesis of the diversity of Aboriginal peoples in Canada and the challenges facing them. Challenges include those that also confront non-Aboriginal Canadians and those that affect most particularly the futures of Aboriginal peoples, whether living in cities or on reserves, in southern Canada or the North. The paper then turns to a description of the policies and programs of the current social architecture and its support for Aboriginal people living in Canada, concluding with a set of remarks about possible ways to redesign it.

Research Report F|40: **Lessons from Abroad: Towards a New Social Model for Canada's Aboriginal Peoples** by Martin Papillon and Gina Cosentino – The sixth paper provides one of the very few systematic comparisons of social policy and programs directed toward indigenous peoples in Australia, New Zealand and the United States. The authors provide a synthetic overview of programs for health, income security and education in these three countries, as well as a comparison of their similarities and differences. The paper points to some lessons Canada could draw from these experiences of our neighbour and our fellow ex-colonies.
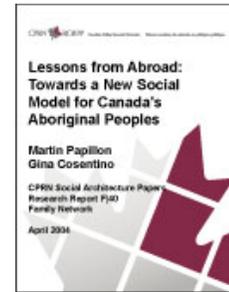
Research Report F|41: **Coordinating Interdependence: Governance and Social Policy Redesign in Britain, the European Union and Canada** by Denis Saint-Martin – The research report provides a structured comparison of the efforts of three jurisdictions – Great Britain, the European Union, and Canada – to respond to governance challenges presented by the new configuration of roles. After reviewing the literature on the "new governance," Denis Saint-Martin describes the goals and strategies used in each of the three cases, synthesized in an innovative typology capturing the differences across these three cases.

Research Report F|42: **Citizens' Values and the Canadian Social Architecture: Evidence from the Citizens' Dialogue on Canada's Future** by Mary Pat MacKinnon – Drawing on the findings of another major CPRN project, Citizens' Dialogue on the Kind of Canada We Want, Mary Pat MacKinnon provides a synthetic overview of the values Canadians express when they are invited to reflect deeply, over the course of a full day, with their fellow citizens about their hopes for the future and their ideas for getting there. This paper reveals that Canadians remain committed to fundamental values of equity and sharing, even as they understand the need to make significant adjustments to "ways of doing" in the face of new challenges presented by external forces such as global markets and by changing Canadian circumstances.
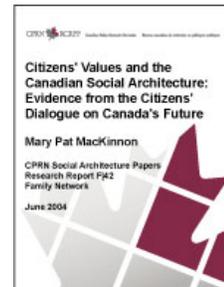
Research Report F|43: **Canada's New Social Risks: Directions for a New Social Architecture** by Jane Jenson – The research report provides a synthesis of the year-long analysis undertaken by Canadian and international experts for the Social Architecture research series organized by the Family Network of CPRN. Its starting point is that any social protection system for risk sharing is significantly greater than a set of separate government programs. It is the expression of overarching values and a vision that define the desired social objectives, the economic functions of social policy and the appropriate role of the state. To use an architectural metaphor, the edifice of social protection is based on an overall blueprint that provides its coherence.

The Social Architecture Series is available at:
http://www.cprn.org/en/network.cfm?network=1

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