

# Women, work, and social policy reform: The Chrétien legacy

## THIRD WAY REFORMERS

When they ran for the highest political positions in their respective countries, Bill Clinton, Jean Chrétien, and Tony Blair seemed like balanced, compassionate campaigners who might fulfill at least some progressive, pro-feminist, pro-welfare state expectations. As politicians who claimed to borrow the best from a variety of ideological traditions, these leaders presented the public face of what became known as the “Third Way” approach to politics.

At one level, they offered a compelling critique of conservative political executives then in office. George Bush, Brian Mulroney, John Major and their fellow partisans were portrayed as too harsh, too extreme, too immoderate in their handling of the delicate mix of state and market forces that shape people’s lives. Rather than dismissing the idea that society exists as an organic unit beyond the realm of individuals and families, as Margaret Thatcher had famously done, new leaders were anxious to talk about how they would bring communities closer together so as to renew a frayed social fabric.

At the level of rhetoric, proponents of the Third Way emphasized moderation and centrism as antidotes to the rough, tough “market fundamentalism” of Reagan, Thatcher, and company. Yet on another plane, they also suggested it was time to displace the unwieldy, statist and rights-based preoccupations of left-of-centre interests. For example, Third Way leaders promised to respect traditional values including individual responsibility and local community autonomy. The initial electoral platforms of Bill Clinton, Jean Chrétien, and Tony Blair differed in their specific details, but all were shaped by a common thread that spoke to renewed social cohesion and, in particular, to a judicious rather than heavy-handed use of state levers

BY SYLVIA BASHEVKIN

Sylvia Bashevkin is director,  
Canadian Studies Program, and  
professor, Department of Political Science  
at the University of Toronto.

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to temper the rising clout of international market forces.

## BROKEN PROMISES

Just how balanced and moderate would these new leaders turn out to be, particularly with reference to single mothers and social assistance policy? Three consecutive Chrétien majority governments in important respects produced policies that were *more* punitive, more restrictive and more obsessed with paid work than those of Conservative leaders. After 1993, Canadian Liberals introduced a layer of what were effectively *work-tested social benefits* in most provinces, notably the National Child Benefit. These work-tested benefits were largely developed and administered as part of tax or fiscal policy, rather than in the context of tradi-

tional social welfare programs. The “post-conservative” approach to benefits was thus increasingly *taxified or fiscalized*, in contrast to the usual social program expenditure route that had been followed in older schemes.

## ATTACKING THE SOCIAL BOND

Chrétien’s use of tax-based vehicles to target work-tested benefits to parents who were employed for pay contributed to an *erosion of social citizenship norms*. Rather than building a more robust regime of universal social engagement and rights, as campaigners on the left had hoped, Third Way efforts tended to define in more narrow terms the paid employment of parents as the *sine qua non* of post-industrial belonging. In so doing, Chrétien and others effectively demeaned the unpaid caring work of many adults, overwhelmingly mothers, at the same time as they diminished the citizenship status of people without children and conveniently ignored the erosion of wages and permanent work in the Canadian economy.

In this respect, Chrétien’s approach obscured the profoundly unequal outcomes produced by the economy that social benefits recipients were supposed to join. As British social scientist Ruth Lister observed, Third Way strategies attempted the impossible—namely, “to divorce the rights and responsibilities which are supposed to unite citizens from the inequalities of power and resources that divide them.” They glossed over fundamental social divisions involving gender, class, and race using a seemingly balanced discourse about cohesion and inclusion, which in turn eclipsed any basis for exclusion other than failure to pursue paid work.

The very significant withdrawal of federal funds from social programs that was announced in Paul Martin’s 1995 budget

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lower-income groups. Tax changes also contributed to greater inequality.

### A SKEWED INCOME DISTRIBUTION AND CHILD POVERTY

Note that a family in the middle of the income distribution saw only a 14.6 percent increase in real market income over the eight years from 1993 to 2001, and a 14.1 percent increase in real after-tax/after-transfer income. A real income gain of only about 1.5 percent per year looks very small in comparison to the average real GDP growth rate of over 3.5 percent per year over the same period. The bottom 40 percent of families fared even worse in terms of growth of after-tax/after-transfer incomes. In short, there

has been a major disconnect between the statistics of overall economic recovery, and the incomes of ordinary working families, explained in significant part by the very unequal distribution of income gains.

The picture is slightly different when it comes to poverty rates, as measured by the after-tax low income cut-off line. Under the Liberals, poverty fell significantly for all age groups, reflecting the fact that the jobs recovery did give a boost to the incomes of those at the bottom, even if their share of the overall income gain was not large and was offset by cuts to transfers. However, poverty rates for the working age population in 2001 were still well above the level of 1989, when unemployment was at about

the same level. The fact that the child poverty rate was about the same in 2001 as in 1989 is no reason for great celebration given that this was the decade for the elimination of child poverty.

The clear bottom line is that income inequality increased significantly in the Liberal years, mainly because the increasingly unequal distribution of market income was not offset to the same extent as in the recent past by government transfers to lower-income families. And, poverty rates remained disturbingly high.

***A note on sources:** Except as otherwise indicated, data are taken or calculated from the standard sources as reported in the 2002-03 issue of Statistics Canada's Canadian Economic Observer Historical Statistical Supplement.*



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coincided with a loss of the national policy guidelines or principles that had prevailed for three decades. The supports for job training and child care that Liberals promised in their 1993 Red Book platform failed to materialize, leaving poor women in Canada to face less generous, more punitive, and often more paternalistic welfare regimes at provincial and local levels. Since significant cuts to federal social transfers, reductions in federal spending controls and weakened protections for poor citizens characterized the Canada Health and Social Transfer regime introduced in 1996, it was not surprising that subsequent years saw the arrival of US-style workfare programs in Ontario and time-limited social assistance benefits in British Columbia.

### CHRÉTIEN'S ATTACK ON SOCIAL POLICY

So what? Of what larger significance were these patterns? Chrétien and other Third Way leaders tipped an already precarious and uneasy weighting of social rights and individual obligations toward a seemingly inexorable stress on duties owed. Over time, the combined effects

of their policies included narrowed social assistance eligibility, a glorification of paid work as the single unambiguous answer to welfare "dependency," and the growth of invasive social regulation in the lives of single mothers.

Austerity arguments as framed by Chrétien, Martin, and others suggested it was time to narrowly target scarce public funds toward selected "work-ready" recipients, in this way eliminating what were described as the wasteful universalist solutions of a "failed" welfare state. The combined upshot of their claims was the emergent Anglo-American duty state, under which individual obligations trumped social rights and administrative discretion rewarded "responsible behaviour."

For poor women, the crucial irony within the scenario of a fading residual or liberal welfare state and emerging duty state was stark and sharp. Surely among society's most dutiful members were mothers who cared for their children in the absence of a spouse or partner, in the absence of measurable financial assets, and in the absence of supportive social norms that said caring

work mattered. Yet it was precisely lone mothers at the bottom of the income scale who were singled out under the terms of the emergent duty state to find paid work, or a husband, in order to conform to moralistic norms about "self-sufficiency," "self-reliance," or "family values." Just as older social rights-based claims or entitlements were giving way to a nascent regime grounded in ideas about duties owed, women who thought they were fulfilling their obligations were assigned yet more responsibilities, and stripped of the rights they might have used to contest those additional burdens.

In short, Chrétien era welfare reform directions in Canada, when closely compared with conservative precedents in this country and elsewhere, often reflected more similarities than differences. From the perspective of late 2003, it seemed likely that a Paul Martin Liberal government would continue in the same directions as its predecessor—particularly given that Martin as finance minister had mapped out so many of those directions in his crucial budgets of the early Chrétien era.

