



Practical and Authoritative Analysis of Key National Issues

SPECIAL BUDGET REPORT

THE FIRST MARTIN BUDGET

by Fred Lazar

BUDGET GOALS

On February 22, Paul Martin tabled his first budget. The budget speech sounded more like a throne speech since it outlined many important areas (social, economic, environmental) that were being studied, and for which major reforms, with significant budgetary implications, would be introduced during the next 18 to

24 months. Although the overview in the budget plan stated that "[t]his budget represents the first phase of a two-stage process which will culminate in the 1995 budget," this budget more likely represents the easy first stage of at least a three-year process. The budget, however, did appear to

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SOCIAL PROGRAMS

by Janine Brodie

Paul Martin may have worn workboots instead of Bay Street brogues to deliver his first budget but his footwear did not change the message that has become all too familiar to Canadians. The new Liberal government, like its Conservative predecessor, announced that it was going to put even more stress on Canada's fraying social safety net. In fact, Martin told Parliament that, "for years, governments have been promising more than they can deliver, and delivering more than they can afford. That has to end. We are ending it."

With that, Martin embraced what critics are now calling "the politics

of stealth." This politics, which was perfected by the Mulroney Conservatives, enables governments to enact major changes in social policy incrementally and silently through complex changes to regulations and a succession of budget cuts. Both unemployment insurance and federal transfers to the provinces fell under Martin's knife. At the same time, he gave Canadians notice that "the days of government simply nibbling at the edges" of the social security system are over. Within two years, the federal government intends to completely overhaul Cana-

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da’s social welfare system. The 1994 federal budget, in Martin’s terms, “sets in motion the most comprehensive reform in government policy in decades.”

Over the past decade, Canada’s social programs have taken a sustained beating through the budgeting process. The Conservatives effectively put an end to the principle of universality by “clawing back” old age security and family allowance benefits. They also wrote new limitations and exclusions into the unemployment insurance legislation. Most significantly, however, they rewrote the terms of the federal government’s contributions to CAP and the EPF — effectively off-loading the crisis in funding social welfare, health care and post-secondary education onto the provinces. They, in turn, have been forced to use the budgetary process to further reduce the social welfare net.

It is still not clear what the federal government intends to do with the social welfare regime that was built up piecemeal in the postwar years, but some of the contours of the new order are already visible. The first foundational shift is from a so-called passive to active welfare model. It is difficult to ignore the obvious valorization of the emerging new order encoded in these terms. Nonetheless, they signal a shift in the philosophy of welfare provision away from the protection of people who are either temporarily displaced or unable to participate in the wage economy to a new regime where participation in the job market or retraining is a condition for assistance. The idea here is that all able-bodied people are effectively “undeserving” of assistance if they don’t try to retrain to better compete in the job market or take some form of work to “top up” their social assistance incomes. This new


preoccupation with “employables,” and youth in particular, reflects their growing numbers on the welfare roles. Faced with the spectre of another “lost” generation of unemployed young people, the Martin budget also announced its intention to launch the Youth Service Corps “in the near future.”

The budget speech was silent about how the federal government intends to reform the social security system even though it has been under the bureaucrat’s microscope for some time. Moreover, Human Resources Minister Axworthy has already expressed his approval for some new provincial programs—New Brunswick’s in particular—because it acts as a “launching pad into the job market.” In keeping with the idea that the provinces will invent the new welfare regime, the budget made some \$800 million available to them to experiment with “innovative approaches” that “will work more effectively in the future.”

There is a new consensus building about Canada’s social welfare system both in Ottawa and the cash-strapped provinces. Although the “newspeak” is couched in the most positive terms, the system is being redesigned to make it more restrictive, especially for those deemed employable. The intent is to force them back into the job market, even if the only jobs available are “non-standard” — that is, part-time, insecure, and poorly paid. It is no coincidence that these are precisely the kinds of jobs that are now being created by Canada’s restructured economy. These “active” social welfare programs serve to make the poor dependent on some form of employment to top up their social assistance and promote an image of the “undeserving” poor as those who do not participate in some form or another in the job market. This image is perhaps especially threaten-

ing to single mothers, the majority of whom live in poverty.

Whether Canada eventually ends up with a new social welfare system modelled after the American “workfare” or a more progressive retraining scheme, one thing is certain. Over the course of the next year, federal and provincial politicians are going to bombard Canadians with the message that our once cherished “social safety net” is contributing to the poverty cycle and welfare dependency. Canadians will be told that we need an innovative system — one that is affordable and serves as a springboard to a job, any job. In the process, we will be encouraged to think about the jobless either as undeserving of assistance or as people whose skills don’t match the market. Left unquestioned will be our “restructured” political economy that is unable to provide employment for an unacceptable and ever-growing number of Canadians.

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Canada Watch welcomes submissions on issues of current national interest. Submissions should be a maximum of 1,000 words. The deadline for consideration in our April issue is Monday, April 4. Write or fax us at:

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