

## SOCIAL PROTECTION OF POPULATION

### English Summary

This monograph presents the outcomes of a joint Russian-Canadian project on social protection of the Russian population during economic transition. The Russian perspective is represented by faculty and staff from the Institute for Socio-Economic Studies of Population at the Russian Academy of Sciences in Moscow, and the Canadian perspective by the faculty from the School of Social Work and the Department of Political Science at Carleton University in Ottawa. The research was funded by the Gorbachev Foundation at the University of Calgary.

The first part of the book, "Strategies for Social Protection of the Russian Population Under the Transition to a Market Economy," was prepared by the Russian team, while the second part of the book, "Social Protection of the Canadian Population", was prepared by the Canadian team. The participation of the faculty of Carleton University has provided an opportunity to use the Canadian experience during the process of formulating a set of needed reforms in Russia.

In Part I, the opening chapter deals with general theoretical and methodological issues of the social protection in Russia. It sets forth a social doctrine for the transition period and gives a detailed description of the strategies for social reforms in Russia. Since the strategies for a social protection system respond to the present social situation and closely related to it, the second chapter is devoted to social problems of the transition period. In the third chapter the strategy for reforming the social protection of the Russian population is outlined while the fourth chapter offers a set of propositions for realizing this strategy. The fourth chapter has five major components: a) a definition of the poverty line and eligibility criteria for social support, as well as a definition of minimum social guarantees; b) reform of wage payment system; c) increasing the efficiency of a labour market and reduction of unemployment; d) reformation of the social insurance as the core of the social protection system; e) reform of social welfare payments and benefits. This framework for the social protection reformation for the period up to 2010 is summarized in the fifth chapter. This part is supplemented with a glossary of terms on the social protection in Russia.

Part II of the monograph presents an overview of the Canadian social welfare state and a glossary of terms on the social protection in Canada.

#### PART 1. SOCIAL PROTECTION OF THE RUSSIAN POPULATION

##### **The Approach to Social Protection**

Providing an adequate standard of living for the Russian population on the basis of building of the social security system becomes an urgent imperative. The United Nations gives a rather wide definition of social protection: "Social pro-

tection as a whole is understood as a set of strategies and programs of the public and private sectors, carried out in the society, as a result of various unforeseen circumstances, in order to compensate for the absence or essential reduction of income from the labour activity, to provide assistance to families with children, and to ensure healthcare and housing for people".

However, it is important to take into account that the specific conditions in Russia originated as a result of the market reforms carried out "from the top down" (from above sounds almost religious). Dangerous and intensive impoverishment emerges in society when people lose opportunities of satisfying elementary needs and find themselves outside of areas of physiological survival. This results in a processes of pauperization and social exclusion.

Therefore, the primary task of the social protection of the Russian population under the conditions of transition to a market economy is to alleviate poverty which includes the reduction of the number of people living below the poverty line and the prevention of social exclusion of impoverished people. Social protection can be considered in wide and narrow senses of the word. The concrete definition of this category depends on the certain problems for which "protection" is aimed.

The Commission for Social Development of the United Nations, establishes the boundaries of a policy in the field of social protection, and provides its own classification. It defines social protection as a set of measures designed to reduce risks and helplessness among people, with the purpose of guaranteeing access to the means for satisfaction of basic needs and the realization of fundamental rights. It assumes the guaranteed "acquisition of income and means of subsistence, job availability, healthcare, education, food and housing".

The research methods and results presented this monograph illustrate an approach which is in agreement with the United Nations concept. The only difference is that the authors take into account the specificity of the transition period in Russia from a society that had a centrally planned economy to one that now features the primacy of the private market.

A distinctive feature of this monograph is that it has (and should have) an extremely ideological character, establishing foundations, frameworks and principles of social protection in Russia under the conditions of transition of the economy. Social protection touches upon all spheres of life including the forming of social relations, the basic sources of income of the population (wages, transfers, business income), their distribution and channels of redistribution, and the development of the social infrastructure. Finally, the concrete and detailed description of a reformed social protection framework for Russian people, supported by statistical documentation, can be realized only in cooperation with appropriate official bodies.

The strategy for social protection and the development of social policy during the transition is based on seven main principles: 1) a proper combination of liberal policies and social guarantees; 2) the development of a system of measures for encouraging labour motivation, which should be addressed to all groups and sections of the population. In order to solve the problem of the lack

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of economic motivation, it is necessary to reduce the differentials in the population incomes, particularly in the payment for work; 3) resources for the family which can serve as a support for individuals and may help to mitigate some of the effects of the social and economic upheavals; 4) active participation of the state, local self-government bodies and the public and charitable organizations in the development of social programs and initiatives; 5) a clear and fair delineation of the responsibilities between the federal and regional governmental bodies; 6) recognition that reform should be carried out simultaneously in all segments of the social bubble and strategic and tactic measures should be clearly formulated and well coordinated; and finally; 7) gender and national-ethnic variations must be recognized in social policy and there must be a commitment and active movement toward the elimination of all forms of gender discrimination and the provision of equal opportunities for social activities, social and cultural development of ethnoses.

### **The Social and Economic Context**

The social and economic transformations of Russian society, which were especially deep and intense in 1992, have no analogues in history. Reforms, carried out "from the top down", have resulted in a crisis in all areas of social well-being including at the levels of society, the family and the individual. Consumers' spending has decreased 2.5-3 times. The liberalization of the prices and open import of consumer goods have resulted in a galloping inflation, which depreciated wages, pensions, scholarships and grants.

In addition, the savings of the population has been largely expropriated. At the same time the social infrastructure was dismantled and Russian citizens were faced with a serious reductions in income, loss of savings, and threats of unemployment. A process of degradation of the spheres of social infrastructure began simultaneously; there was a danger of actual loss of citizens' access to free of charge public healthcare, education, cultural benefits and housing and communal services.

In 1992 70—80% of the households found themselves living below the poverty line if we were to estimate it in terms of the minimal consumer budget of 1989. In ten years, the situation essentially remained unchanged, despite some periods of increase (10—15%) in the actual income of the population. The crisis of August 17, 1998 placed the majority of Russians in a situation similar to the period of "shock therapy" of 1992. The social protection of some groups of the population became even more important and necessary.

The development of a social infrastructure is contradictory to the demands of a private market economy. The harsh conditions of living caused an active discontent of the majority of citizens of the country, for whom the social price of the reforms turned out to be excessive. The active discontent takes different forms, the direct expression of which appears in protests that, according to social polls, have significant potential for destabilizing the reform process. Moreover, social security is locked in a vicious circle: the lower the level of production (and, accordingly, real income of the population), the

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larger the number of poor people and the required size of public assistance. But the decline in production reduces the possibilities for rendering material support unless there are state supported and financed programs. However, the less social support, the more unprotected each individual becomes in the end, and the weaker the human element of production is. In addition, the quality of labour potential is lower with the result of less production.

The fragmentary social policy is reduced to the "patching of holes" which essentially does not change the general situation. In order to transform the social sphere as a whole, there is a need in an abrupt social maneuver — radical social reforms. Only then can there will be an opportunity to break off the "vicious circle", which determines a "downturn" spiral of a standard of living. Moreover, crossing the boundaries of the basic social guarantees, when the majority of the population is not provided with the minimum set of consumer goods, practically leads to quantitative and qualitative losses of the population fund.

In view of the topic of the given research, some logical questions arise: What are Russian citizens being socially protected from? Where does the main threat come from and to whom is it directed to? Who should protect the population? Complex consideration of the social sphere, status of the population and dynamics of the processes under the conditions of total crisis demonstrates, that the threat comes from the different sides.

### **Social Problems in the Russian Society**

A response to the major social problems facing Russian society underlies the proposed strategy for social protection:

#### *1. Catastrophic drop in payment for work.*

During the transition to a market economy the state has reduced its role in the sphere of work payment and retained only three major policies: setting minimum wage; regulation of work payment in the budget sector and in state-run enterprises; tax regulation. An analysis of the current situation shows that these regulators are not working, as is testified by:

*Low level of the average payment for work* which in 2001 was about 2 subsistence minimums;

*Minimum wage does not serve as a real minimum guarantee.* In 1992 minimum wage was equal to one third of the subsistence minimum for the able-bodied; by 1995 it decreased to 14%, and after the crisis of 1998 it dropped to 8% of the subsistence minimum. The minimum wage rate set in 2001 at 300 rubles a month made up only 12 % of the subsistence minimum. Subsistence minimum determines the wage rate in the first grade of the Uniform Tariff Scale used in the budget sector. Wages and salaries in all 18 grades of the UTS are below the subsistence minimum;

*Dramatic growth in wage differentiation.* In 1992 wage differentials reached 32 times by funds coefficient and 12 times by decile coefficient of differentiation. In April 2000 these indicators were 34 and 12.2 respectively;

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*Violation of employees' right to a timely receipt of work payment takes place both in the state and alternative sectors of the economy;*

*Widespread use of hidden forms of payment for work.* According to the Goskomstat of Russia, 27.7% of the total wage fund were concealed from taxation in 2000;

*Market mechanisms for regulation of work payment through a system of social partnership (tariff agreements, collective bargaining) are not working.*

### **2. Poverty.**

In 2000 54.6% of rural households and 37.6% of urban households had incomes below the poverty line. Two thirds of the poor households have working members. Almost half of them are so called "new poor" — working couples with 1-2 children and single able-bodied persons. Summing up the structure and factors of poverty, we have come to the following conclusions: one third of the poor are in poverty because of low wages, wage arrears and unemployment; one third — because of low pensions; and still one third consists of the traditional poor (single mothers, families with many children, disabled persons).

### **3. Social differentiation.**

Over the period from 1991 to 2000 the Gini coefficient, characterizing the scale of income differentiation and estimated on the basis of sample surveys of household incomes, grew from 0.26 to 0.41. The household surveys do not cover the rich and very rich household (10—15% of the total). With the account of this income group, the differentiation is much higher.

### **4. Unemployment.**

Over the period from 1992 till February 2001 the number of economically active population was reduced from 74.9 million to 70.2 million, and the rate of economic activity fell from 70.3% to 63.5% of the total population. Regional differentials in unemployment rate vary from 5—7% to 29—52%.

### **5. Population health and accessibility of health services.**

One hundred and fifty-five million to one hundred and eighty-five million cases of acute and chronic diseases are registered in Russia annually with 100 million of them diagnosed for the first time. Within the period 1990—2000 mortality rates rose by 20%. Both the state commitments in the sphere of health care provision and the system of health insurance are not put into effect. As a result of privatizing medical services, the share of people's spending reached 50—56% of the total health care costs.

### **6. Social insurance problems.**

Despite 10 years of declarations that social protection of the working population should be reorganized on insurance principles, the insurance-based system of social protection has not yet taken shape. It is mostly acting as social assistance. Major problems include: the formation of separate types of social insurance with no uniform methodological basis; there is no individual registration of the insured and therefore no account of insurance-related rights of each insured person; insurance risks are not specified, there are many exceptions

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from the general rules, a wide scope of privileges. Insurance funds are overburdened with commitments of a non-insurance character; there is no evaluation of incidence of insurance risks, so the rates of unified social tax and insurance contributions have no proper substantiation; there are no strict rules for insurance indemnity, and no uniform regulations for its indexation. The rules are permanently being changed. So, none of the insured knows the amount of the compensation due to the lost income, if insurance case occurs; there is no fully-fledged insurer responsible for the commitments to every insured person. As a rule, the insured are unable to protect themselves in court; and generally the system of insurance administration is cumbersome and ineffective. Funds act as insurers only at the stage of registering insureds; and there is no unemployment insurance program; the present system of accounting provides no clear picture of the extra budgetary social funds activities.

### ***7. Low levels of social benefits.***

In 1999 social benefits accounted for 14.4% of the total social transfers, pensions — 73.3%, and stipends — only 1.4%. The share of all social benefits (both of an insurance and non-insurance character) made up only 2% of the population's total incomes, while before the financial crisis of 1998 it had been slightly above 3%.

### ***8. Ineffective system of allocating privileges and subsidies.***

According to the Goskomstat sample survey of household budgets, in 2001 only 25.2% of those receiving privileges and subsidies had disposable resources below the subsistence minimum. These households received 24.7% of the total amount of allocated privileges and subsidies. The ongoing reforms do not ensure redistribution of resources in favor of the poor. And this is clearly demonstrated by the reformation of child allowances and housing subsidies.

### ***9. Reduction of the state social expenditures.***

The Russian Government gave priority to the formation of financial market institutions and privatization, and attached less importance to the social protection of population. It was mainly concerned with the reduction of the public social expenditures. Although the state has transferred over half of the economic infrastructure to private sector, the actual structure of the state budget (with account of hidden forms of funding the economy) has not changed as compared to the pre-reform times. Redistribution of allocations in favor of the social sphere has not taken place. Social commitments of the state were not legally repealed, but in fact they ceased to exist for lack of financing. As a result, we observe an actual neglect of the primary function of the social state — to provide social protection for the population. A reduction of the state's social commitments to a minimum is the main trend of the past decade. The state's "truncated" social protection function is gradually turning into a manager and watchdog for monopoly business interests.

Expenditures on social protection should not be regarded as unproductive expenditures, but rather as important investments into the human capital. Economic growth and rising living standards are closely related. As the realities of

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the Russian life show, it is impossible to ensure economic growth first, and then solve social problems.

*The directions for the social welfare strategy are as follows:*

- 1) a complex revision of the work payment, taxes and social insurance contributions on the basis of a radical redistribution of incomes
- 2) transformation of the social sphere branches: health care, education, housing and communal services through reformation of their funding and reorganization of their work on the basis of new technologies.
- 3) promotion of effective employment and alleviation of mass unemployment. The priority task of the social reform program is to radically change the minimum living standard, its qualitative composition and size.

### **Proposals for Social Protection Strategy**

From 2003 on, the subsistence minimum should allow for a higher level of consumption taking into account the extending payable services and the trends in actual consumption of the population groups with incomes above the poverty level. It is necessary to develop special methods for definition of a social minimum living standard (a minimum consumption budget) ensuring an extended reproduction of population; these methods should substantially differ from those for the subsistence minimum definition of 2000. Purely normative approach to the construction of a minimum consumption budget should be replaced by a statistical or combined one with current trends in population consumption taken into account. Minimum consumption budget should allow for some disposable resources (savings up to 8—10% of the able-bodied person budget).

The next important task is to raise wages to levels that ensure decent living standards for workers and their families. Not only should the levels be raised, but also the structure of wages should be changed to meet the conditions of a market economy. To solve these tasks, it is necessary to put into effect the scheme of wage payment regulation adopted at the beginning of the transition. That is, to set a minimum wage that takes into account the present conditions, to revise the system of work payment in the budget sector, to change the taxation system, to pursue a policy that takes into account regional variations, and to develop social partnerships.

The rate of growth of the minimum wage must be higher than that of the average wage, until the minimum wage reaches 30—33% of the average, that corresponds to a wage differentiation of 5-6 times by decile coefficient. A rapid growth of the minimum real wage (134—135% a year) will raise it in 2010 to the level of minimum social standard ensuring an extended reproduction of simple labor force. And the real average wage will increase by 4.5 times.

A guaranteed minimum wage should be set not in absolute figures, but as a ratio (%) of the minimum wage to the subsistence minimum in each region. It is necessary to develop minimum living standards for each subject of the Russian Federation. Raising payment for work in the budget sector should be carried out without reduction of the present differentiation (3.65).

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In case of abolition of various privileges to separate categories of workers (in taxation, housing bills, transportation), their cost should be included in work payment. This also concerns the rate of deductions from wages to social insurance.

Growth in wage differentials can be reduced through flexible forms of work payment, as well as collective and individual agreements between employers and employees. These agreements must have provisions setting minimum and maximum wage limits. Differentiation increase resulting from an intensive rise in earnings of highly paid workers must be restrained by means of taxation. The present flat rate of income tax should be replaced by a differentiated and progressive scale.

In order to promote effective employment and reduce mass unemployment it is necessary to: promote favorable starting positions for small and medium-sized business; further create local levels of commercial structures oriented to the development of continuous production complexes; develop local programs for targeted assistance to self-employment of vulnerable groups and people entering the labor market for the first time; foster commercial structures oriented to the implementation of the programs for environmental protection and restoration, including those funded with foreign financial support; implement targeted programs aimed at a radical improvement of the socio-psychological state of youth, restoration of the value of high-skilled complex labor and the cultivation of proper labor values; and develop regulations for employment of a foreign labor force and prevention of illegal immigration.

***Strategic task in the sphere of social protection is the development of insurance of working people against possible changes in their economic and social positions.*** All types of social insurance should be based on the following propositions: Insurance contributions and incomes from all kinds of their investments must have a status of *shared property* of all insured persons. Insurance contributions are part of labor costs, but not state property. And if not for compulsory insurance, they would become entrepreneurial incomes or worker's wages. Insurance should be based on individual registration of insured persons. Collection and spending of the insurance resources should be performed through a system of uniform (universal) identification numbers. It is impossible to balance insurance obligations and resources without individual accounting of both discharged obligations and accumulated resources. Insurance tariff rates must be determined for each kind of insurance risks and insurance cases on the basis of actuarial calculations. This is necessary for economic substantiation of the insurance tariff rates. Insurance is to be executed by self-governing insurance companies. These companies must be independent from executive bodies of any level, subordinate to law and controlled by an elected tripartite Board of Trustees consisting of representatives of the interested parties: employees, employers and state.

Transparency of the extra budgetary funds' activities cannot be guaranteed under the present system of statistical and accounting regulations. Therefore, it is necessary to revise the system of statistical indicators on social extra budgetary funds published by the Goskomstat of Russia.

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*/ Propositions for reformation of the pension insurance:*

*Labor pensions* should be divided into two self-standing kinds of pension: basic (social) pension and insurance pension.

*Basic pension* is paid to all workers, whose total insurance contributions ensure the pension up to 80% of the subsistence minimum of pensioner (SMP). It is a flat-rate benefit granted to all pensioners. Part of the insured pensioners go to the category of social pensioners. Indexation of pensions is made automatically in line with the SMP raising.

*Insurance pension* is paid to those whose total insurance contributions ensure

the pension higher than the basic one. This pension is paid out from the Pension Fund. Therefore, it is necessary to return part of the social tax to the Pension Fund. Insurance pensions are funded from the current workers' contributions. This *pay-as-you-go* scheme is based on the principle of inter-generational solidarity. The size of the insurance pension is determined as a ratio of two indicators: indexed total amount of the contributions over the period of employment record (pension capital) less administrative costs and average life expectancy at the retirement age. The replacement rate should be no less than 40%, and after 2005 - 50%.

Pensioners eligible for early retirement can receive insurance pensions only on reaching the regular pensionable age. Prior to this time they are entitled to basic pension, unless employers pay additional contributions for their early retirement.

The maximum size of the pension is determined by setting the upper limit of the insurable wage. This should replace the present setting through the regressive unified social tax rate.

Disability pensions and survivors benefits in cases of work injury should be shifted from the Pension Fund to the system of compulsory insurance against work injury.

The Pension Fund must be an insurance corporation with clearly determined obligations to the insured. It should be in charge of collecting insurance contributions and paying out *only* insurance pensions. It must be released from paying out all social pensions, both to insured and not insured pensioners, for the latter are to be funded from the federal budget.

The minimum qualifying period of insured employment must be no less than 15 years. A 5 years period set by the present legislation is sufficient only for providing social pensions.

The proposed model for a pension system may be put into practice only on condition of raising work payment.

Moving 40% of labor pensioners to the category of social pensioners would allow them to be paid pensions at the level of 80—100% of SMP. The insurance pensions of the remaining 60% of pensioners could be raised up to 54% of their wages by the end of 2010.

*2. Proposals for reformation of the health insurance.*

All workers across the country should be covered by the system of compulsory insurance against the following risks: temporary disability, work injury and occu-

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pational disease, the death of insured persons or disabled family members who are dependent on them, and in the event of maternity. Insurance principles must be uniform across the country, but the insurance norms must be differentiated by regions.

It is expedient to combine the insurance against all the above mentioned risks in one fund, i.e. to unite the Social Insurance Fund with the Compulsory Health Insurance Funds. Reformation of the health insurance must include establishing insurance offices, which should pay out benefits and transfer money for rendered services to health care institutions. Establishment of insurance offices will make workers' insurance independent from employees and will facilitate reformation of the health care funding system. Otherwise, unification of the funds will have negative effect on the combined types of insurance.

Contribution rates should be set for each kind of insurance risk. For the first four kinds they should be uniform in all regions. For health insurance it is differentiated by regions, since there are regional potentials for providing health services in Russia. Rates of contributions paid for non-working persons should be related to those paid for workers receiving the average regional wage.

Non-insurance obligations, including health improvement services, should be exempted from the insurance system and given over to executive bodies. It is necessary to develop and put into practice the norms and standards of health services for each disease covered by the Program of the Compulsory Health Insurance (including prevention, diagnosing, treatment). Information on these norms and prices of services should be available to all medical personnel and to the population.

According to our estimates, in the first two years the health insurance system will be short of resources. Therefore, it will need either to apply for subsidies from the state budget or raise the contribution rate. In order to cover this deficit, the contribution rate should be set at 9.2% in 2002 and 7.6% in 2003. In 2004 the rate may be set at 7.6% , and beginning with 2005 it will be possible to either gradually reduce the rate, or form a provident fund, or extend the list of services covered by the basic program.

### *3. Unemployment insurance.*

Compulsory unemployment insurance must be introduced by 2003. This insurance should provide coverage for all employed people with insurance contributions deducted from workers' wages. Until the minimum wage reaches the level of subsistence minimum including insurance contributions, contributions for employees receiving wages below the subsistence minimum should be paid by employers.

Only insured workers are eligible to unemployment benefits. Therefore, the system of unemployment insurance (accumulation of resources and payment of benefits) must be based on individual accounting. Twelve months of insured employment and involuntary loss of jobs are the qualifying conditions for unemployment insurance.

The size of unemployment benefits is as follows: in the first 3 months — of the insured wage, the next 3 months — 50%, and the last 6 months —

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45%. The maximum duration of payments is one year. The maximum size of benefits is limited by the set maximum size of insurable wage. This "ceiling" should be fixed at the same level as in pension insurance.

To effectuate unemployment insurance in case of projected unemployment rates and raising wages, it will be expedient to set worker's contribution rate at 1% for 2003-2004; 2% for 2005-2006; 1.5% for 2007-2008; 1.2% for 2009-2010.

Rising work payments together with growing tax revenues will solve the problem of raising social benefits by 2010, so that they could actually become minimum social guarantees. In order to alleviate poverty, monthly child benefits, housing subsidies and targeted social assistance (poverty benefit) are essential.

Extension of the list of targeted social benefits should be made with caution, for targeted assistance involves large administrative costs connected with collection and checking up information, allocation of benefits. And it is quite possible, that all efforts intended to save public resources will produce the opposite effect.

Budget funding of social privileges and subsidies for the bulk of the population can be discontinued only after raising minimum wages to the level of the minimum consumption budget. When work payment reaches the level that ensures extended reproduction of the labor force, and social guarantees — the level of minimum required consumption, most part of the population will be able to pay in full for the currently subsidized goods and services.

The present project includes assessments over the period of 2000-2010. The year 2000 was taken as the basis (reference point) and 2010 as the goal for projection estimates. Calculations were made with no account of inflation, and all money indicators were given in 2000 constant prices.

The following indicators were used for assessment of the distributive relations: a) share of workers with wages below the subsistence minimum; b) share of pensioners with pensions below the subsistence minimum; c) share of population with per capita incomes below the subsistence minimum.

There should be simultaneous changes in the subsistence minimum, minimum wages and minimum pensions, followed by corresponding dynamics in payments for work, pension provisions and average per capita incomes of the population.

Two series of parameters were set for experimental calculations: one is relating to the basic (reference) point of time, and the other to the goal point. The latter was fixed at 2010, when the minimum social guarantees should be effective. So, calculations may be made in the reverse order; from the goal point to the starting point.

The key indicator is the amount of the subsistence minimum. Among the given indicators are: a) limit value of work payment differentiation; b) ratio of average unemployment benefit to average wage; c) demographic data (number of total population, of pensioners); d) minimum replacement rate in pension insurance. Other indicators are estimated on the basis of functions and models

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describing distributive relations. Optimum value of wage differentiation, which is set by experts, and the size of minimum wage are used for calculation of average wage and wage fund.

Average wage and projected employment rates are used for estimating the financial resources of each type of the compulsory social insurance and the amount of insurance-related payments (pensions, benefits). Calculations of the number of economically active population, of the employed and unemployed are made on the basis of population projections produced by the RF Goskomstat. The main results of the calculations are presented in a transformation matrix.

### **PART II. SOCIAL PROTECTION OF THE CANADIAN POPULATION**

In Canada there is a complex arrangement of publicly and privately financed and administered social programs and services variously called the social security system, the social safety net, or the welfare state. The roots of the public system lie in the mid-nineteenth century industrial development, but it was not until the two world wars and the depression in the 1930s that the "welfare state" proper was developed in Canada. By the mid-1960s its main components were in place. They embraced a wide range of government programs and services designed to help people in case of illness, injury, disability, old age, poverty and unemployment. The legislative regulations included: the Employment Insurance Act of 1935, the Unemployment Insurance Act of 1940, the Old Age Security Act of 1951, the Hospital Insurance and Diagnostic Insurance Act of 1957, the Canada/Quebec Pension Plans of 1965, the Canada Assistance Plan of 1966 and the Medical Care Act of 1966. In the 1960s and 1970s the system continued to develop, but this was followed by a period of retrenchment by the state in the 1980s and 1990s.

An important role in shaping the social protection system is played by the relationship between the federal and provincial governments over the welfare of Canadians. Federal transfer payments were an effective means for the federal government to be involved in areas of provincial jurisdiction (e.g. health, post secondary education, and welfare). The cost sharing and establishment of national standards were characteristic of a short-lived phase of cooperative federalism in Canada in 1960-1970s. However, the mounting costs of these programs led to the eventual reduction in transfer payments and the national standards associated with them. In the early 1990s the Canadian government was preoccupied with a spiraling debt and deficit crisis. It entered into a period of cutting back on its social expenditures. The provinces followed the example and the trend developed whereby some of the costs of social insurance were transferred from the federal government to the provinces and from provinces to the municipalities. In addition to the devolution of responsibility to lower orders of government, there has been a trend toward moving some responsibilities into the voluntary sector and towards privatizing others (for example, the provision of home care services, private health care clinics, pri-

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vate nursing homes). Canada, like most western nations is adapting to the demands of global economy through policies that, among others, decrease corporate taxes, limit government involvement in the market mechanisms, support privatization of social services and public utilities, and lower environmental standards. These conditions form the backdrop for understanding the current social protection system in Canada.

The importance of a comprehensive, government supported social welfare strategy cannot be overstated. Harsh economic conditions, compounded by a meager welfare state, directly impacts on how people relate to one another<sup>1</sup>. Persistent high levels of unemployment, poverty, and social exclusion have a harmful impact on social cohesion.

There are also negative health effects of economic inequality. For example, a recent Canadian research study indicates that economic and social conditions of Canadians are more influential than diet, activity or tobacco use for heart disease<sup>2</sup>. It was found that low income and the subsequent exclusion of people from full participation in society causes cardiovascular disease. The feelings of uncertainty and loss of control over decisions that impact on one's life create high levels of stress. "Chronic stress is expected to increase the rate of premature death directly through the immune and neuroendocrine systems and indirectly through adverse behavioural responses such as smoking, excessive drinking, and violence"<sup>3</sup>.

Economic development and a healthy population depends on access to productive labour, equity and economic and social justice. The reallocation of resources in favour of the poor is likely to improve the economy as a whole and contribute to social cohesion and good mental and physical health among the population.

The components of the Canadian social welfare state discussed in this monograph are social welfare assistance, unemployment insurance, old age pensions, and health care. The response to three areas of social concern, child welfare, violence against women and alcohol and other drug overuse, is also summarized.

### ***/. Social assistance: Canada's response to poverty.***

Social assistance (or welfare) is often referred to as the social program of last resort for individuals and families in need of financial aid. It provides people with a modest amount of money to offset the costs of food, shelter, clothing and other vital needs. To qualify for social assistance, an applicant must meet a needs test that considers the income and household assets of the individual or family.

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<sup>1</sup> See e.g. Joseph E. Stiglitz "Foreward", in Karl Polanyi, *The Great Transformation*, Boston, Beacon, 2000.

<sup>2</sup> North York Health Network, *Inequality is Bad for Our Hearts: Why Low Income and Social Exclusion are Major Causes of Heart Disease in Canada*, Toronto, 2001. Full report can be found at <http://www.yorku.ca/wellness/heart.pdf>

<sup>3</sup> *Ibid.* p. 25.

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In Canada there is no official method for measuring poverty, and various organizations are doing it in different ways. However, the "Low-income cut-offs" (LICOs) approach designed by Statistics Canada is most commonly used. It is based on the relative concept of poverty.

The LICOs are constructed by first determining how much Canadian families spend on the three basic necessities of food, shelter and clothing. This information comes from Statistics Canada's Family Expenditure Survey (FAMEX). Once family expenditure is determined, the LICOs are set at the point where families spend, on average, 20% more of their income on basic needs compared to most families. The result of this technique is a set of low-income cut-off points that vary depending on family size and region of residence. There are 7 categories for family size (from one to 7 persons) and 5 regions (from rural areas to those with one-half million or more residents) resulting in 35 LICOs that are updated each year by Statistics Canada.

According to the latest available data published by Statistics Canada, in 1997 there were 5.2 million people in Canada living below the poverty line (17% of the total population). This figure is in fact an underestimate, because it does not include residents of the 3 northern territories, aboriginal people living on reserves, seniors who reside in homes for the aged, patients in hospitals and prison inmates.

Who is at risk of poverty in Canada? Most Canadians are at risk at some times in their lives, since poverty is usually the result of loss of job, insufficient work, declining value of real wages, low wages, death or disability of a family breadwinner, breakup of a family relationship, health problems or other unforeseen circumstances that introduce unanticipated costs and expenses. However, there are some categories of people, that consistently face greater risks of poverty. Among them are young families, lone female parents, unattached people, children, seniors, aboriginal people and people with disabilities. Young families with the main breadwinner under age of 25 and families headed by a lone mother are at greater risk of poverty than other types of families. Unattached individuals living on their own face higher living costs and generally have less income. They also have a greater risk of being poor. Women are particularly vulnerable, especially those unattached, older and raising children on their own. Poverty is also concentrated in aboriginal population and among people with disabilities. Children are poor because their parents are poor.

Social assistance in Canada consists of a range of programs and services that vary across provincial and territorial jurisdictions. In the last decades the eligibility criteria have become stricter and benefits have become significantly reduced, mainly as a result of a fundamental restructuring of the funding arrangements between the federal government and the provinces. Between 1966 and 1996 the federal government played a central role in financing and setting standards for social assistance programs under the Canadian Assistance Plan. But through the years this arrangement changed and in 1996 it was entirely modified with the introduction of the Canada Health and Social Transfer (CHST). The responsibility for social assistance has become the purview of the

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provinces, as the federal government eliminated most of its national standards for social assistance. The amount of federal support to provinces has been decreasing over the last decade. These changes have led to an erosion of social assistance across the country and undermined the basis of Canadian federalism. They opened the potential for dramatic variations among the provinces. Most of the provinces have modified their welfare systems mainly by reducing the amount of benefits and by tightening the eligibility criteria. Since the adoption of CHST welfare is no longer regarded as a right based on need, as it was under the Canadian Assistance Plan. Now most provinces have made work for welfare (commonly called workfare) or training for work a condition for eligibility. Workfare stands in direct opposition to the right to freely chosen work provided by the UN International Covenant on Economic and Social Rights. Although Canada has signed this covenant, workfare programs are introduced across the country.

To construct an effective social assistance system, a basic set of principles must be put in place. First, there must be a strong commitment by government toward reducing poverty; anti-poverty strategies cannot be left to the private sector. There is an urgent need for the involvement and leadership of the federal state (in consultation with civil society, including impoverished people). Among other measures this could include the provision of adequate financial support for poor people and effective strategies for helping people to get out of poverty — such as job creation, quality and affordable child care, valuing of the caring work performed by women, and decent wages.

### ***2. Unemployment insurance.***

Unemployment insurance is an indispensable social safety net for millions of workers in Canada. It came into being during the high-employment era of World War II and helped to manage the transition to a post-war economy. Unemployment insurance programs were introduced in 1940. They were focused on the income support of regular, full-time, year-round workers. Over the next 30 years the insurance expanded to cover almost all workers. While retaining its primary income-support focus, it was broadened in the 1960s and 1970s, as the labor market began to require more active forms of support, such as training, job creation programs etc.

The early 1970s seem to be the most beneficial for workers. Later changes to the unemployment insurance system (particularly those started in the 1990s) were directed towards serious cuts and reductions to the programs. This trend has received serious criticism from organized labor. The 1990s are marked by significant reforms of the unemployment insurance program, culminating with its replacement by the employment insurance system in 1996.

The main feature of changes included restriction on eligibility and reduction of benefits. Under the new program every hour of work is insurable, so that income benefits are based on hours rather than weeks worked. The new system also reduced benefits from 57% to 55% of a claimant's insurable earnings (with exception of lower income workers). The duration of benefits was also reduced from 50 weeks to 45 weeks.

The primary role of the current program remains income replacement through social insurance. However, the program is now expected to contribute to the achievement of such goals as promotion of equity through income redistribution, labor market adjustment and macroeconomic stabilization. It is expected to do it in a way that minimizes the financial impact of premiums on the economy and distortions in the labor market. It has never been a simple task, however, to balance those priorities.

### ***3. Old age pension system.***

Canada's old age pension system is a solid one that compares well to other retirement security systems around the world. Relative to the standards of other countries, various assessments have considered it to provide a range of social programs to the elderly; to have made substantial progress towards alleviating poverty among senior citizens, as well as reducing the disparity between men's and women's pensions; and to be relatively cost-effective in its share of government spendings. However, as the proportion of retirement-age people in the population continues to grow, experts debate whether Canadian pension system will have the fiscal and innovative capacities to adapt effectively to the future needs of the Canadian society. But other analysts lament what they perceive to be the declining government commitment to those features of the pension system historically valued by the citizenry, in particular the idea that old age benefits should be available to all Canadians irrespective of their income or financial need.

The Canadian pension system consists of a universal program the Old Age Security (OAS) and a social insurance program the Canada Pension Plan (CPP). Both OAS and CPP are national programs administered by the federal government, that is responsible for creating a nation-wide system of standards for pensions. Quebec is a special case, insofar it administers its own social insurance, but its policy is for the most part consistent with the national. In addition to OAS there is another universal program for seniors with particularly low incomes — the Guaranteed Income Supplement (GIS). In 2000, 3.7 million Canadians received OAS and 3.6 million claimed benefits from the CPP, while 1.4 million received GIS.

Recently the pensioning system has undergone significant changes. OAS has been drastically curtailed for people with significant incomes from their own savings and economic activities. From the late 1980s high-income seniors were taxed on their OAS benefits and required to repay a "clawback" of their benefits to the government. Over time, OAS was simply scaled back for the most well-off pensioners. Finally, a new reform is currently replacing OAS and GIS by a "Seniors Benefit". This benefit is to be paid upon consideration of the senior citizen's family income (combined income of the individual and his/her spouse). Its advocates say, that the new system would better serve the poorest seniors, and critics argue, that it will even further limit the availability of benefits. The recent reforms put an end to the revered symbol of the old age security as a universal right of Canadians.

In 1997 the government increased contributions to CPP in order to provide a more solid financial basis to cover pension expenditures for future aging

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population. It established a greater reserve fund in the pension system, in which some revenues will be invested in the private sector for the benefit of the future pensioners.

In addition to these reforms of public programs, the government policy since the 1980s has emphasized, that the private sector and individual savings should play an increasing role in providing for elderly people's needs. Many workers are involved in private pension plans administered through their employers, who pay additional benefits beyond those provided by OAS and CPP. Besides, the government gives a tax deduction to individuals, who save money into officially recognized individual investment accounts known as Registered Retirement Savings Plans (RRSPs). However, most Canadians don't have private pension plans, and only a minority of people have RRSPs.

The Canadian pension system is an important source of social stability, helping to promote concord and amity among citizens. Government-funded programs are popular among the Canadians. Pensioners' organizations are very active in debates on the future of the pension system. They are decisive in opposing the government plans to limit indexation of pensions according to increase in the cost of living. As the proportion of senior citizens in Canada increases, maintaining adequate old age pension programs is likely to remain an important priority for Canadians.

#### ***4. Canadian health care.***

Health care is not only Canada's best-loved social program, it is central for the national identity. Health and health care have increased in importance as a shared and common value making the health system a defining national characteristic. Efficient health care contributes to the health of Canadian workers while keeping costs down for Canadian employers.

Since its inception, the Canadian public health care system has been characterized by decentralization and by separation between purchasers and providers. Provinces have strongly defended their jurisdictional rights to health, and have often been supported by private sector insurers and by organized medicine in their resistance to a national system. The federal government, however, has used its spending power to bring provinces into a national scheme, in response to popular pressure and with a desire to avoid inter-provincial rivalries stemming from differential tax rates for health care. It offered to pay half the costs of hospital services, and then of physician services, met by provinces that conformed to some basic principles. From 1971 on, no province could resist such an offer. In 1984 the hospital and physician insurance were brought together, and the principles made more explicit in the Canada Health Act.

*The Act was based on the following 5 principles:*

1. **Universality.** In a given province, everyone must be eligible for coverage, and on uniform terms and conditions. This principle promotes social solidarity (everyone is in it together) and efficiency (no administrative costs to determine eligibility).
2. **Accessibility.** Services are available on the basis of need, not on the ability to pay, geographic location or some other factors. Canadians are also

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free to consult the providers of their choice, and different providers under different circumstances, rather than assigned providers. The act also specifies "reasonable compensation for all insured services rendered by medical practitioners or dentists".

3. **Comprehensiveness.** The act specifies for hospitals, physicians and dentists in hospital settings. It does however provide for federal transfers to provinces paying "other health care practitioners". The core of the Canadian medicare, or what is covered under the act, is acute hospital services and "medically required" physician services.

4. **Portability.** Each province is required to enroll all residents within 3 months of arrival and to pay for services provided to those enrolled while temporarily absent from the province. When leaving a province, residents retain coverage by that province for 3 months until the new enrollment is activated. Because coverage is not tied to employment, labor mobility and efficiency is enhanced.

5. **Public administration.** Each province is required to establish a non-profit agency responsible to and audited by it to administer its medicare payments. This provision promotes efficiency for providers who need billing only one source, and system efficiency in the allocation of resources.

The system has attracted considerable public debate, appropriately so for a program that has so much popular support and accounts for so much spending (about a third of each province's budget, and over 6% of the Gross Domestic Product).

Faced with substantial public debt and deficit, in the mid-1990s the federal and provincial governments cut health care spendings, in real per capita if not in absolute terms. As well as stimulating increased private spending, these cuts resulted in some reduction in service, some increase in waiting times, and thus decreased levels of citizen satisfaction with the system as a whole. Responding to public pressure, governments have of late restored much of what had been cut.

Control over the public spending levels is not an important issue, although private spending and federal/provincial tensions are significant. Waiting times attract much attention, especially from those favoring privatization of payment and/or delivery, but are difficult to measure and likely amenable to improvement by organizational means. The hospital and physician core of the public system has resulted in gaps in service, notably concerning drug and home care coverage. Primary care reform is on the agenda, albeit with concerns over potential privatization. The introduction of more advanced health information systems is underway, again with some concerns, in this instance over confidentiality in particular.

### ***S. Social welfare responses***

#### *Child Welfare*

Child welfare is perhaps the most complex and controversial social policy issue in Canada. State intervention in child welfare, on the one hand, expresses society's recognition that children are vulnerable and need security and

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protection. On the other hand, there is a tremendous controversy over the best approaches to raising children and the role of the state in this realm.

Parents have always been regarded as the guardians and protectors of their children, but the state played a role in child welfare as early as the end of the 19th century. At first child welfare was focused on neglect and cruelty, but eventually the issues of concern expanded. But it wasn't until the 1960s, that programs were established to deal with a broader range of issues, such as child mental and physical health, justice for young offenders, and adoption.

The provision of child welfare falls within the purview of the provinces. For example, in 1893 the Ontario Legislature passed the first Act for the Prevention of Cruelty and Better Protection of Children. It provided for establishment of the first Children's Aid Society (CAS) in Canada, which was given the legal authority to intervene in cases of child neglect and abuse. The act also sanctioned the foster care system in Canada. Currently there are 53 CASs in Ontario. They are playing a central role in child welfare, but the Ministry of Community and Social Services and the provincial justice system also deal with issues concerning children. The government of Ontario bears most of financial responsibility of the CASs.

The Ontario Child and Family Services Act of 1984 represented a shift from a system based on voluntarism to one that acknowledged the direct responsibility of the state for delivery of child welfare services. In May 1999 the Ontario legislature passed the Child and Family Services Amendment Act as a part of the overall reform of the child protection system. The changes allow the CASs to become involved in more cases, where there is a risk that the child is likely to be harmed physically, sexually or emotionally; where there is a pattern of neglect. Every person with "reasonable grounds to suspect", that a child is in need of protection must report to one of the CASs. The Ontario government has prepared a detailed pamphlet on how to report abuse and neglect. Once a complaint has been raised, an assessment is made by a worker from CAS. If the allegation is substantiated, a child can be taken into the care of the CAS and placed in a foster home for up to 24 months.

Complementary to seeking out and punishing irresponsible and abusive parents and caregivers, the governments are concerned with the position of children. As members of society, children are affected by poverty, unemployment, housing shortages, inadequate day care, inadequate welfare benefits, and shortages of women's shelters. Still little support is given to parents in the process of child rearing, particularly to those who are raising their children in poverty. This strategy co-exists with the government's policies to reduce social support systems of the most dependent members of society.

*Violence against women*

In Canada violence against women was identified as a serious problem only in the mid-1970s. The initial response advocated by the women's movement was to open shelters for women and children and to create a more responsive criminal justice system. Assault and/or threatening to harm someone is a crime

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under the Criminal Code of Canada. Legislative additions include mandatory charging of a man in wife abuse case (1982 in Ontario), making rape of a partner a crime (1983), the anti-harassment law (1993).

In 1993 the federal government conducted a Violence Against Women Survey, a first of the kind in the world. The results confirmed that women faced brutality at the hands of their partners. Poverty and alcohol were found to be factors in violence against women. There were higher rates of violence, where there was unemployment, low family income and low occupational status.

The Statistics Canada's report *Family Violence in Canada: A Statistical Profile* (1998) analyses the data provided by 154 reporting police agencies. It shows that women continue to outnumber men 9 to 1 as victims of assault by a spouse or partner, and that between 1977 and 1996 three times as many women were killed by their spouses.

Special programs for abusive men were developed in the late 1970s. Under these programs, men are mandated or volunteer to attend re-education and counselling groups. In each major community there are shelters for women and children. Currently they are 470 in number.

An effective policy in this field requires a coordinated community response, that includes adequate and accessible services for women and children, a responsive criminal justice system, programs for men, affordable housing and child care. However, since male authority inside the family is supported by social relations and social structures outside the family, women's subordination to men is maintained and reproduced. Therefore, a genuine commitment to end violence against women must address the social and economic inequality of women.

### *Alcohol, tobacco and other drug overuse*

The federal government has control over the manufacture and importation of alcohol, tobacco and drugs, while provinces control distribution and licensing. In the 1970s a number of treatment programs for those addicted to alcohol or drugs were developed and funded by the Ontario Ministry of Health. Among the currently acting responses are detoxification centers, assessment services, day programs, residential programs, individual or family counseling. There are special programs for women, youth and the elderly. All government programs offer services free for Ontario residents. While some programs advocate abstinence from any substances, other programs advance a harm reduction model and assist in moderate and safe use of substances.

Tobacco is responsible for more deaths in Canada than any other mood altering substance. Tobacco smoke kills over 40,000 people in Canada each year and one in six deaths in Canada is caused by smoking. The National Population Health Survey (1999) reported that 29 per cent of Canadians aged 15 and over smoked in 1996/97. Youth are particularly vulnerable with 8 per cent of those age 12—14 smoke and 29 per cent of those 15—19 smoke (31 per cent female and 29 per cent male).

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According to the 1993 General Social Survey (GSS), nearly one in 10 adult Canadians (9.2 per cent) reported having problems with their drinking. These problems associated with the overuse of alcohol affect physical health (5.1 per cent) and financial position (4.7 per cent). Also, 43.9 per cent of the respondents reported problems from other people's drinking, such as being disturbed by loud parties (23.8 per cent), being insulted or humiliated (20.9 per cent) and having serious arguments (15.6 per cent). Impaired driving is a major cause of death; among fatally injured drivers in 1996, 42 per cent had some alcohol in their blood and 35 per cent were over the legal limit of .08 per cent blood alcohol concentration (BAC).

In 1994, the most commonly reported drugs used on a lifetime and past-year basis were cannabis (23.1 per cent and 7.4 per cent respectively); LSD, speed or heroin (5.9 per cent and 1.1 per cent); and cocaine (3.8 per cent and 0.7 per cent). Cannabis has long been used as a nausea and pain reducing drug for persons who are ill. While the federal government initiated a pilot project to provide medically authorized individuals with cannabis, there is now reluctance to maintain the program. These events have rekindled the debate regarding legalization of cannabis.

A number of treatment programs specifically for alcohol and other drug overuse are funded by the provincial Ministry of Health. Among the programs there are detoxification centres, assessment services, day programs, residential programs and individual, family and group counselling. There are programs specifically for women, youth and the elderly. While many of the programs advocate abstinence from any substances, others advance a harm reduction model and assist in moderate and safe use of substances, even illegal ones.

One of the more pressing concerns, particularly among intravenous drug users, is HIV disease. From 1977 to the end of 1997, more than 40,000 Canadians have tested positive for HIV, and 15,527 have been diagnosed with AIDS. Adjusted for reporting delays, it is estimated that more than 20,000 Canadians have contracted the disease.

Estimates of the number of injection drug users in Canada vary from 50,000 to 100,000, with high numbers in Montreal, Toronto and Vancouver. These drug users are at a high risk of HIV infection and AIDS. The role of injection drug use as a cause of AIDS is increasing. It was identified as the primary risk factor in approximately one in seven AIDS cases in 1997, and a conservative estimate is that about one in five AIDS cases was related to injection drug use in some way. Injection drug use is a primary means by which the AIDS epidemic has spread to the heterosexual population.

Harm reduction is a set of practical that are designed to reduce the minimize the harmful effects of drug use. Strategies include street outreach, needle exchange, community education on safe drug use and HIV, health care services, treatment programs that promote managed use as well as abstinence.

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### 6. Glossary of Selected terms Related to Social protection <sup>1</sup>

**Aboriginal people** — A term used to describe the indigenous or original inhabitants of Canada. The Aboriginal population is comprised of status and non-status Indians, Metis, and Inuit peoples.

**Aboriginal self-government** — This refers to a governing structure designed and administered by, and for, Aboriginal people.

**Absolute poverty** — A level of poverty that is so severe as not to meet the basic living needs of people. Living in absolute poverty means not having adequate nutrition, housing and clothing. The term "absolute poverty" is contrasted with another definition of poverty, "relative poverty".

**Block funding** — This term usually refers to the financial arrangement whereby the federal government contributes a pre-determined sum of money to the provinces in a "block" for social programs and services. In recent years block funding arrangements have become more popular than cost-sharing (in which the costs of social programs and services are shared 50-50 between the federal and provincial governments, and where the provinces are required to follow specified "national standards" in order to receive this funding.) The *Canada Health and Social Transfer* is one of the largest block funded programs in existence in Canada.

**Breadwinner** — A term that refers to the main income earner in a household.

**Canada Assistance Plan (CAP)** — Federal legislation enacted in 1966, the CAP formed the basis of the federal provincial financial arrangement for social welfare and education. Costs for these programs and services were cost-shared on a fifty-fifty basis between the federal and provincial governments. This legislation included federal standards for the provision of social welfare that the provinces were compelled to follow in order to receive funding. The provinces administered the programs. The CAP was replaced by the Canada Health and Social Transfer in 1996. (See *Canada Health and Social Transfer*).

**Canada Health Act** — Federal legislation enacted in 1984. It pertains to health care in Canada including funding arrangements and five principles that form the basis of universal health care: universality, comprehensiveness, accessibility, portability, and public administration.

**Canada/Quebec pension plan (CPP/QPP)** — A federally operated public pension plan instituted in 1966, the C/QPP is work-related. Generally, all employed people over the age of 18 make compulsory payments to this plan. Their contributions are based on their yearly earnings, within a minimum and

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<sup>1</sup> The definitions provided in the Glossary are based on a wide range of sources, some of which are listed in the sources at the end of the glossary. Glossaries must be used with caution because they summarize complex and sometimes highly debated issues. The glossary is intended to provide a common base of understanding of some terms used in the social welfare field but it is neither definitive or exhaustive.

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maximum level. The pension plan travels with an individual throughout his/her working life. The C/QPP provides benefits in cases of death, long-term disability and retirement. At the age of 65 an individual becomes eligible for a pension based on his/her contributions and years of work. This pension can be collected even if the person is still employed. Both employers and employees contribute to this plan; a self-employed person makes contributions for both the employer and employee portion. The province of Quebec runs its own pension plan that is similar to the CPP.

**Canadian Constitution** — A system of laws and conventions for state governance. It sets out the roles and responsibilities for the federal and provincial governments. Formerly called the *British North America Act*, the *Canadian Constitution Act* patriated the Constitution from the UK to Canada in 1984.

**Canadian Charter of Rights and Freedoms** — Entrenched in the Canadian Constitution, the Charter of Rights and Freedoms outlines human rights in Canada including fundamental rights, democratic rights, mobility rights, legal rights, equality rights and linguistic rights. Equality between men and women is protected by a particular section of the Charter.

**Canada Health and Social Transfer (CHST)** — Federal legislation passed in 1996. It replaced the Canada Assistance Plan and the Established Program Financing and it reduced the amount of federal funds made available to the provinces. The CHST changed what was originally a fifty-fifty federal-provincial cost-shared arrangement to a block funded program whereby the provinces are given a block fund of money and tax points to spend on social welfare, education and health. There are no federal standards imposed on the provinces for the provision of social welfare (with the exception of residency requirements) nor for education. The existence of one block fund for three programs has raised concerns over a potential competition for resources and an erosion of the overall welfare of the Canadian public, particularly with the elimination of many national standards and a reduction in the size of transfer payments.

**Child welfare** — This term generally refers to the system of programs and services designed to protect the interests of children. The programs and services can supplement or replace parental care and supervision. This term also refers to a specific field of practice within the profession of social work.

**Citizen participation** — The active, voluntary involvement of citizens of a community in helping determine policies that affect their lives.

**Class** — In the classical Marxist sense, this term refers to a person's objective relationship to the means of production. In the North American context it is often confused with the term socio-economic status.

**Claw-back** — Refers to the process of claiming back part of a benefit of a population through taxation. For example, a senior citizen in Canada is eligible for the Old Age Security Pension but will be taxed on any amount over a specified income level.

**Commodification** — The process of rendering something a commodity (to be bought and sold in the private marketplace).

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**Colonialism** — The subordination of one country to another more powerful country that politically dominates the subordinate country and exploits it economically. While historically colonialism involved direct administrative control and often the settlement of a country with immigrants from the dominating power, it now takes a subtler form whereby nations may be nominally independent but their economies are still strongly tied to a dominant power. This newer system of colonialism is referred to as neo-colonialism.

**Community development (CD)** — An approach to economic and social development of a community by involving, to the fullest extent possible, the members of that community. It focuses on self-help, local leadership and local initiative. It also refers to an area of study or a methodology in social work focusing on local self-help and citizen participation.

**Community economic development (CED)** — This is a type of community development that emphasizes the economic progress of a community. CED attempts to harness local resources to initiate, create and manage projects with the objective of the community gaining control over the local economy.

**Consumer price index (CPI)** — An economic measurement of the changes in prices of consumer goods and services over time. It is based on a sample of goods and services across the country and economists use it to trace and measure rates of inflation over time.

**Contracting out** — The practice of governments' hiring private agencies to do work formerly done by the public sector; part of a trend toward privatization.

**Cost sharing** — This typically refers to the financial arrangement between the federal government and the provinces of Canada whereby the costs of social programs are shared on a fifty-fifty bases. In many cost sharing arrangements, the provincial governments were compelled to follow specified national standards in order to receive funding, thereby ensuring some measure of equity among programs and services across the country. The largest cost-shared program was the *Canada Assistance Plan*. Cost sharing arrangements in Canada are being phased out and replaced with block funding.

**Day care** — Programs designed to look after people who require care, during the daytime. Day care programs are typically for children or seniors.

**Debt** — This refers to accumulated yearly deficits (the gap between expenditures and tax revenue).

**Decommodification** — With regard to social welfare, this term refers to the process of detaching the provision of social welfare services from the private market.

**Deficit** — The difference between budgetary expenditure and tax revenue over a year.

**Demogrant** — A cash payment made to a population based on certain demographic characteristics of that population (such as age or numbers of children). Also referred to as universal social programs.

**Deserving poor** — A concept used to describe poor people who are seen to be "legitimately" poor, or "worthy poor" because of certain "acceptable"

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characteristics, including a good moral character. Traditionally the deserving poor included widows, orphans, children, the sick, or people with obvious disabilities. It is contrasted with the non-deserving poor or "unworthy poor" who are seen to be not legitimately poor (for example, able bodied, unemployed people), and are regarded as exploiting the social welfare system. The use of this dichotomy of deserving and non-deserving poor is directed toward narrowing the definition of poverty.

**Disability** — The International Classification of Impairments, Disabilities, and Handicaps defines disability as a restriction or lack of ability to do what is within the range of normal human activity. Disabilities are often characterized as being of three types: physical disability, mental illness, and intellectual disability. (See handicap and impairment.)

**Disposable income** — That part of a person's income that remains after taxes have been deducted. **Distributive relations** -This term refers to the way that things are shared or distributed among a given population. For example it can refer to how income is distributed in a country.

**Diversity** — A concept that refers to differences among people including differences in sex, race, culture, ethnicity, class, ability, age, sexual orientation, and religion.

**Employment insurance (EI)** — A publicly administered, federal government program originally designed to assist people temporarily unemployed. A person's eligibility and rate of benefits are determined by a number of criteria including: number of hours worked before becoming unemployed, previous income, and region. The employment insurance program is paid for by paid workers and employers. Parental leave is covered under this program. Before 1996, this was program was called unemployment insurance

**Established program financing (EPF)** — This federal financing arrangement with the provinces was enacted in 1977. The EPF was a block funding arrangement to help defray the costs to the provinces of health and post-secondary education. In 1996 the EPF and the CAP were replaced by the *Canada Health and Social Transfer*.

**Equalization grants/payments** — Federal grants made to the provinces with the objective of improving horizontal equity among the provinces. Equalization grants are usually made to the less wealthy provinces in Canada in an effort to offer reasonably comparable social services to the people in those provinces compared to people in the wealthier provinces.

**Extra billing** — Refers to the additional fees that physicians charge their patients over and above the insurance premiums that the patient pays for medical services. Extra billing was made illegal by the *Canada Health Act* of 1984.

**Family Allowance** — Established in 1944, it provided a monthly sum of money to all mothers in Canada with children under the age of 18. The amount of money provided to each mother was determined by the ages and number of

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children. The family allowance, also called the Baby Bonus, was replaced by the Child Tax Benefit in 1992, which targets low-income families.

**Federalism** — The division of power between the federal and provincial orders of government. The federal and provincial governments are considered complementary to each other; each having different powers and relative autonomy from each other. Municipal governments, however, are created by, and accountable to, the provincial governments.

**Fee-for-service** — This term is most commonly used in reference to the system of remuneration for medical doctors in the Canadian health care system. It refers to the practice of paying physicians on the basis of specific services rendered.

**Feminism** — Feminism has been identified as a political ideology, a theory and a practice. Generally, feminism is based on a commitment to equality for women and a recognition that women are oppressed because of their sex. There are different ideological constructions of feminism including: liberal, radical, socialist, and black feminism.

**Feminization of poverty** — This refers to the growing trend of poverty increasingly concentrated within categories of the female population, for example with lone mothers and elderly women.

**First Nations** — A term referring to the collective of Indian nations in Canada.

**Fiscal federalism** — The financial arrangements between the federal and provincial governments over revenue generation and expenditures.

**Food banks** — Food banks are voluntary agencies that collect and distribute food to people who cannot afford to buy food for themselves or their families. Donations to food banks are usually made by the public or by grocery stores or restaurants that have left over supplies. The first food bank appeared in Canada in 1981; currently there are over 700 food banks across the country.

**For-profit agency** — This refers to an enterprise that is run largely for private profit. The existence of for-profit agencies in social welfare is controversial.

**Fordism** — Refers to a period of capitalist development following World War I. Fordism is characterized by mass production using assembly line automation and has given rise to the rapid growth of mass consumption.

**Foster care** — A state-supported and administered temporary arrangement whereby children are taken away from their parents who (for various reasons) are not able to look after them and placed with a foster family who will raise them.

**Gay** — a colloquial expression for homosexuals.

**Gender** — This term refers to the social construction of femaleness and maleness.

**Gender-based analysis** — This is a process used to interpret and evaluate the differential impacts of proposed or existing legislation, programs and policies on women and men. It has been variously called, gender-inclusive analysis,

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gender planning, gender equity analysis, gender analysis, gender-sensitive planning and implementation, analysis using a gender lens and gender mainstreaming.

**Gender equality** — Gender equality refers to the existence of conditions that allow for women and men to equally and fully realize their full potentials in society. With gender equality the similarities between women and men are valued equally.

**Gender equity** — This refers to the process that leads to gender equality. Gender equity requires that women and men be treated fairly and this may mean that some women have to be given advantages so that they can move forward on par with men. The process of giving women an "advantage" is called affirmative action.

**Gender mainstreaming** — See gender-based analysis.

**Globalization** — A term popularly used to describe the current process of corporate power and accumulation of wealth on an international scale. Globalization is the latest manifestation of international capitalist development. The ease with which capital flows across national boundaries has been facilitated by technology and governments that are ideologically aligned with corporate interests. The growth of corporate power is dependent upon, and characterized by, a shift in power from states to corporations. The trend is pervasive throughout the world and those nations who oppose it cannot remain unaffected by it.

**Grass roots movement** — This refers to movements that start from the "bottom" or the "roots" and involve those people most affected by the issue of focus for the movement.

**Gross domestic product (GDP)** — The GDP is the total value of goods produced and services provided in a country in the course of a year.

**Gross national product (GNP)** — The GNP refers to the total value of goods produced and services provided by a country in one year (the GDP) plus the net income that country receives through foreign investments.

**Guaranteed annual income (GAI)/ Guaranteed Income** — This is a notion that everyone should be provided a minimum level of income. Although the Canadian government experimented with this idea in the 1970s, a GAI program never materialized.

**Guaranteed income supplement (GIS)** — Enacted in 1966, the GIS is an income-tested pension supplement for low income earners.

**Handicap** — According to the International Classification of Impairments, Disabilities and Handicaps, a handicap is the term used to describe the limitations in a person's ability to function.

**Health insurance** — This refers to a system of health care that is subsidized by the government but individuals must pay health insurance premiums to receive health care services.

**Heterosexism** — The belief that sex between men and women is the only "normal" sexual activity; implicitly or explicitly, it involves the denigration of same sex relationships.

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**Homophobia** — A fear, denial or hatred of same-sex relationships (homosexuality).

**Horizontal equity (horizontal balance)** — The notion of balancing out the wealth and disparities among provinces. This is usually accomplished through the provision of federal transfer payments to the poorer provinces.

**Impairment** — This term refers to any abnormality of physiological or anatomical function or structure according to the International Classification of Impairments, Disabilities and Handicaps.

**Income security** — A term generally used to describe programs that provide cash benefits to individuals or families.

**Income supplement** — These are benefits intended to add to an income, not replace it.

**Income testing** — The process of determining a family or individual's eligibility for benefits based on level of income.

**Indexation** — This refers to the process of keeping benefits up to the level of the buying power of the dollar.

**Indian** — A term that was traditionally used to describe Canada's indigenous or native populations, not including the Inuit and Métis. The term is often replaced with First Nations people.

**Indian Act** — Legislation enacted in 1876, which established the legal framework for how the Canadian government deals with aboriginal people. Among other issues it addresses aboriginal status, local government and the management of reserve lands. The *Indian Act* is a very controversial piece of legislation.

**Institutional social welfare** — This is a concept that refers to the provision of social security measures by the state as a first line of defense against poverty. It is based in the recognition that poverty is not simply the result of individual failings but the result of complex socio-economic conditions in society. In this view society therefore has a responsibility for assisting individuals and families that goes beyond what the market can provide. Institutional social welfare is regarded as the basis of the Canadian welfare state and is usually counter-posed against "residual social welfare".

**Insurance (insuring of risk)** — Sharing of the costs of potential risks by paying a premium based on an assessment of the likelihood of the risk occurring and the costs incurred if the risk materialized.

**Inuit** — An indigenous population living in Canada's far north; formerly referred to as Eskimos.

**In-kind benefits** — This is another word for social services; it refers to non-cash benefits.

**Juvenile delinquent** — Children who are in trouble with the law. This term has been replaced by the term Young Offender.

**Keynesian welfare state** — This refers to the post-WWII welfare state that adopted economic policies based on the theories of British economist John

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Maynard Keynes. Keynesian economics, among other things, stresses the importance of increased government spending as a way of stabilizing the economy. Public spending puts resources in the hands of people who would otherwise not have them, allowing these people to buy goods and services. This leads to an increase in demand for goods and services which stimulates economic recovery.

**liberalize** — Commonly refers to the reduction or elimination of restrictions on something. For example, to liberalize trade means to remove trade barriers.

**Low income cut-off (LICO)** — Initially developed by Statistics Canada in 1959, the low income cut-off is a measurement of poverty in Canada. Using a set of variables (mainly living costs in relation to income), an income level is determined below which one is considered to be living in poverty. A number of methods have been used to determine the LICO, and various LICOs have been developed and debated. The LICO is often referred to as the "poverty line" below which no one can be expected to live adequately.

**Mainstream society** — Derived from a liberal orientation, this is a category that attempts to make sense out of society by ignoring class relations. Sometimes used to mean "the public".

**Marketization** — Commonly refers to the process of placing something on the private market. It also refers to the transformation from a planned to a market economy.

**Means testing** — The process of determining eligibility for benefits based on the income and assets of an individual or family.

**Medicare** — The term commonly used for Canada's public health and hospital insurance systems.

**Metis** — This refers to the segment of the Aboriginal population that is of mixed Aboriginal and European (often French) ancestry.

**Minimum income** — The lowest level of income for survival. This is a relative and highly debated topic.

**Minimum wage** (minimum work payment) — The minimum level of pay that workers receive guaranteed in law. Minimum hours of work - A specified number of hours of work, established in legislation, above which no one is allowed to work.

**Mothers' Allowances** — Provincial government programs originally developed in the late 1910s and early 1920s as a result of WWI. The programs were designed to assist single mothers (initially only morally upstanding widows) in raising their children by providing them with cash benefits. Mothers' Allowances is the precursor of modern day social assistance (welfare) in Canada.

**Multiculturalism** — A term used to describe the practice of supporting and advocating for more than one culture in a society. In 1987 the federal Canadian government enacted a *Multiculturalism Act* recognizing the full and equal participation of all Canadians in society regardless of cultural background.

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**National standards** — A set of conditions attached to federal funding arrangements to the provinces. National standards are intended to assist in developing uniformity of social services across the country.

**Needs testing** — The process of determining eligibility for benefits based on a person's needs in relation to income.

**Negative income tax** — A policy of payment to individuals/families below certain income levels.

**Non-deserving poor** — A term that has been used to single out those people who are deemed not to be worthy of social assistance. Historically in Canada, distinctions were made between the deserving and non-deserving poor but this concept eventually fell out of favour. In recent years it has been re-introduced as conservative governments attempt to limit their social expenditures.

**Non-profit sector** — Usually refers to the non-governmental sector that is driven not by making profit but operates in the interest of a broader social objective. Also referred to as charitable sector, or Third sector.

**Non-status Indian** — A native person not registered under the *Indian Act*.

**North American Free Trade Agreement (NAFTA)** — This is an arrangement that began in 1994 designed to eliminate tariffs and trade barriers between Canada, the USA, Mexico and more recently Chile.

**Occupational benefits** — Private work-related benefits such as work-related pension plans.

**Old Age Security Act (OAS)** — An important part of the Canadian pension system, the old age security act is a federal government program that pays a monthly pension to every Canadian over the age of 65, regardless of attachment to the work force, subject to residency restrictions. Originally considered a universal program, the OAS was clawed-back beginning in the 1980s.

**Patriarchy** — The system of economic, social, cultural and physical dominance of men over women.

**Pension** — A generic term commonly referring to the benefit (in the form of a regular payment) received from a fund into which a person (and possibly her employer) has made regular contributions.

**Pension fund** — The fund from which the pension is drawn. The fund accumulates from people's contributions and/or investments.

**Pension system, funded** — A type of public old-age pension system in which part or all of revenues collected from worker and employer contributions are invested. The returns generated from the growth of investments will be used as revenues for future pension needs. Funded pension systems maybe of two types: fully funded or partially funded.

**Pension system, pay as you go** — A type of public old-age pension system, in which budgetary revenues (often in the form of social insurance contributions paid by workers and employers) are used directly to pay out old age pensions to retired workers.

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**Portability** — This word means "to carry with you". It is often used in regard to pensions whereby a pension is transferred with an individual from one place of employment to another. Portability is also one of the principles of the *Canada Health Act*. It allows for an individual's health insurance to be honored in any of the provinces across Canada.

**Post-fordism** — The period of capitalist development characterized by more flexible work arrangements compared to the assembly line production of Fordism. It is also characterized by an increased use of new technologies.

**Poverty** — This term is used in a number of different ways but it generally describes living below a level of subsistence. Poverty is often discussed in either absolute or relative terms.

**Poverty line** — A concept that is generally used to refer to the level at which an individual or family is just able to meet the basic necessities of life— food, shelter and clothing.

**Premiums (Contributions)** — Refers to the regular payments (or contributions) that individuals pay into (usually in the form of a pool or a fund) for services that they will use such as medical and hospital care and pensions.

**Preventive social welfare/preventive health care** — This is both a perspective on social welfare and health and particular programs aimed at preventing social problems and ill health. Guaranteed annual income programs, breakfast programs for children and prenatal health care are examples of preventive social welfare programs.

**Private sector** — In social welfare this refers to that sector of the economy that provides social programs and services for profit. Among others it includes private health care, private pensions and private day care. Also referred to as the for-profit sector or commercial sector.

**Privatization** — The trend toward transforming public programs and services to for-profit ventures. It includes mechanisms such as contracting out, deregulation and user fees.

**Public assistance (social assistance)** — Refers to state-funded and operated social programs for assisting people in need, usually financial needs which are determined through needs or means tests. Also called welfare.

**Public policies** — Policies that are enacted and operated by the municipal, provincial or federal governments. They can range from formal policies such as acts and regulations to less-formally defined policy objectives. Social policy is a sub-category of public policy.

**Public sector** — In social welfare this refers to programs and services that are publicly funded through taxes, and administered through government agencies.

**Race** — A mythical social construct used at certain times to classify people according to skin colour, nationality/ethnicity, religion, country of origin, or language group.

**Racism** — This is an institutionalized system of economic, political and ideological relations and practices through which one group exercises power

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and privilege over another group based on characteristics such as skin color, nationality/ethnicity, religion or language group.

**Reform (social reform)/reformism** — Incremental changes made toward improving society through the development of social programs and services. Reformist policies are not intended to make fundamental changes to the nature of capitalist relations, but rather to modify some of the negative aspects of this socio-economic political system.

**Refugee** — According to the UN Refugee Convention, a refugee is a person who lives outside of her/his homeland, has a well-founded and demonstrable fear that s/he will be persecuted on the basis of religion, ethnicity, gender, nationality or political opinion if the person returns to her/his homeland, and the individual does not want to return to the homeland for fear of reprisals.

**Relative poverty** — This is a definition of poverty that is based on a comparison of living standards within a designated population within a specific region and time period. It is regarded by many as a more appropriate measure of poverty than the absolute poverty measure.

**Residential schools** — While this term can include boarding schools generally, in the Canadian context it has taken on the meaning of the particular boarding schools that the Canadian government established for Aboriginal children in Canada. In its attempt to assimilate Aboriginal children into white society, these children were taken away from their parents, for many years at a time, and separated from their language and culture. In recent years the residential school system has come under serious scrutiny as the emotional, physical and sexual abuse that these children suffered has come to light.

**Residual social welfare** — This refers to the social welfare services provided only to those in dire need and based on strict eligibility criteria. Historically in Canada, social welfare was residual, that is, it was minimal, temporary and very discretionary. The term residual social welfare stands in contrast to "institutional social welfare," and "universality."

**Selective social programs** — See targeted social programs.

**Seniors** — Typically refers to people over the age of 65 years.

**Sex** — The biological attributes of maleness and femaleness.

**Sexism** — Discriminatory practices against a person based on her sex. Sexism is most commonly perpetrated against women.

**Sexual orientation** — This term identifies a person's sexual preferences and practices — heterosexual, homosexual, bisexual or transsexual.

**Social administration** — In Canada this refers to the planning and management of social programs and services. Social administration is usually preformed by senior administrators in social welfare agencies. In the British context it refers to a field of study.

**Social assistance** — Income security provisions where eligibility is usually determined through a means test or needs test. Also called public assistance or welfare.

**Social indicators** — Criteria used to measure the social well-being of a population.

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**Social insurance** — An income security measure that provides benefits to people who have paid into it. These measures are intended to insure people against costs incurred in the event of certain contingencies such as accidents, injuries, death, and unemployment.

**Social minimum** — The idea that in society there should be a reasonable standard of living, below which no one should fall. This standard should provide people with the opportunities to be healthy, happy and productive citizens.

**Social policy** — While there are various definitions of social policy, at a very general level it refers to the social goals or objectives to which a government or social agency is committed. Social policy is inextricably linked to economic policy.

**Social protection** — This refers to the total set of income support programs and social services of a country. It is also called social security or the social safety net.

**Social safety net** — See social protection.

**Social security** — See social protection.

**Social services** — Usually refers to all the programs and services that are provided to assist people excluding income support programs. Examples of this are day care centers, women's shelters, adoption, probation, and child protection services.

**Social union** — A term popularly used in government circles in the 1990s in Canada to refer to the changing social and economic relationship between the federal government and the provinces. While these changes featured the decentralization of power to the provinces, the erosion of national standards and the movement of power from the public to the private sector, the term "social union" was intended to convey the notion that governments remained committed to the social well being of the population.

**Social welfare** — This is a broad term that refers to all aspects of human well-being.

**Social work** — This refers to the activities of members of the social work profession designed to promote individual well-being as well as to improve conditions of the community through direct practice, social policy development and social action.

**Socio-economic status (SES)** — A term that refers to a person's position in society based on income, education level, lifestyle and job status. It is often confused with, but different from, the term "class."

**Spouses Allowance (SA)** — A means-tested income supplement paid to the spouses of old age pensioners if the spouse is between the ages of 60 and 65.

**Standard of living** — The level of material comfort and wealth available to people or communities.

**Status Indians** — A person registered under the *Indian Act*.

**Structural adjustment policies** — Government policies characterized, among other factors, by a reduction in government spending on social programs, privatization and deregulation, and the erosion of social programs.

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**Structural social work** — An approach to social work practice that considers the structural context of personal and social problems in society. The structural context includes the interaction between personal, social, political and economic aspects of social problems. An analysis of class, race and gender relations is central in structural social work practice.

**Targeted social programs** — Refers to social programs that are directed towards very specifically defined characteristics of a group such as those most in need. Needs-or income tested programs are targeted social programs. They stand in contrast to universal programs that are designed for a broad-based population. These programs are also called selective social programs.

**Tax benefit** — A general term used to describe the situation in which no taxes are required to be paid, or where taxes are reduced or deferred.

**Tax credit** — A tax credit reduces the taxes that an individual has to pay. It can be either refundable or non-refundable. If a person has taxes payable, the tax credit will reduce the amount of taxes payable by the amount of the credit. Individuals whose income is below the minimum required to pay taxes will receive a cheque for the amount of the tax credit. A non-refundable tax credit reduces the amount of taxes owed by a person who pays taxes. Those below the taxable income level do not receive a tax credit.

**Tax deduction** — Tax deductions allow certain costs to be deducted when calculating taxable income.

**Tax exemption** — This is a provision that exempts certain amounts of income from taxation.

**Tax expenditure** — A general term that refers to a range of provisions for reducing income, such as tax credits, tax deductions and tax exemptions. Tax expenditures are used to achieve social policy objectives such as offsetting costs for families with children.

**Tax points** — The "tax room" that the federal government has transferred to the provinces. The federal government reduces its tax rates allowing the provincial governments to increase their rates to fill this space.

**Third sector** — Another word for the non-profit/voluntary sector. This term is used as distinct from the two other main sectors, private and public.

**Trans-gendered** — Refers to a person whose sex does not correspond to the person's sexual identity. A trans-gendered person may deal with this discrepancy in a variety of ways from cross-dressing to pursuing sex-change surgery.

**Transfer payments** — There are two types of transfer payments which include (1) payments made by the federal government to the provinces to assist in the provision of social programs and services (for example the CHST); (2) transfers from the government to individuals such as employment insurance and pension benefits.

**Treaty Indian** — This refers to First Nations, Status Indians who are members of a band that has signed a treaty with the crown.

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**Unemployment insurance (UI)** — See Employment Insurance (EI).

**Universal social programs** — Social programs that are designed to meet the needs of a population based on specific characteristics of that population. They are also called demogrants and are contrasted to targeted or selective social programs.

**User fees** — Fees that are charged for use of a service, for example, extra fees for using hospital services.

**Veterans' Benefits** — Benefits designed for individuals (and their families) who fought in WWI and WWII. Vertical equity (vertical balance) - A principle that attempts to achieve equity between the federal and provincial orders of governments in terms of the revenue they have for meeting expenditures.

**Visible Minority** — In Canada a person is identified as a visible minority if the person has characteristics that are visibly identifiable as non-white, and of non-Anglo-Saxon origin.

**Voluntary sector** — This refers to the non-governmental sector that runs on a non-profit basis (see non-profit).

**Welfare** — This term has a number of meanings including general well-being, or the benefits provided on social assistance (public assistance).

**Welfare state** — This term refers to nations that have made formal commitments to developing policies and programs to enhance the collective well-being of their citizens. Welfare states usually provide some measure of health, income security and education programs and services. Welfarism — These are principles or policies associated with the welfare state.

**Welfare pluralism** — This refers to the idea of providing social programs and services through the involvement of a combination of the private, public, and voluntary sectors. The focus of welfare pluralism is on reducing the state's role and increasing the role of the voluntary sector.

**Women's caring** — This is the work that women do in looking after others and includes their work as mothers, daughters, wives, volunteers, nurses, social workers and teachers, among other jobs. Much of the caring work that women do is not considered to be productive labour and is not economically remunerated. Workers' compensation - A program of cash benefits, medical care and rehabilitation services available to some workers injured on the job or to families of workers killed at work.

**Workfare** — Workfare refers to the principle that social assistance recipients must be involved in employment or training in order to be eligible for benefits. It is also called work-for-welfare.

**Working poor** — Those people who are gainfully employed but whose earnings are so low that they are unable to meet the basic necessities of food, clothing and shelter.

**Young offenders** — children under the age of eighteen who are in trouble with the law. They were formerly referred to as juvenile delinquents.