

CANADA Country Summary

Introduction and Overview

In a detailed overview, two Canadian scholars sum up as follows:

"As the Canadian government has created no explicit family policy, policies affecting families are embedded within legislation or regulations of broader social or economic programs. This means that any change to family policies necessarily require reform to many economic and social programs, including laws taxation systems, and empowerment programs" (Baker & Phipps, 1997, p. 197).

The exception is the Province of Quebec, with an explicit, more extensive, and more generous family policy system in the French tradition, including a strong pronatalism.

In the range of social policy approaches characteristic of modern industrial societies, Canadians share with the others in the Anglo-American family a historical preference for a minimalist welfare state, means-testing over universalism, an attraction to market rather than bureaucratic and institutionalized solutions and individual-case rather than public goods responses to poverty, family problems and special needs, as modern demographic shifts have occurred and been acknowledged. However, some critical responses have been made with reference to parental leaves and (more limited) to child care needs in particular. On the other hand, the Canadians have tended to follow a European approach to infrastructure, especially with regard to health and education programs (Baker & Phipps, 1997).

Under Canadian federal structure (nine provinces, two territories, two languages, two different legal systems), the federal government's main social policy roles involve income support, while the provinces have considerable power and autonomy with regard to services. Broadly defined, the above-described diversity along with major geographic differences are reflected in political, attitudinal and cultural differences and thus a very pluralistic social sector. Indeed, provincial differences have tended to increase and federal influence to weaken under recent political and economic circumstances.

Government Agencies

Most of the relevant family policies are among the responsibilities of three federal departments. (The provinces differ in their governmental structures.)

- Human Resources Development Canada
 - Responsible for income security programs, education, employment- related programs, lead role on child and youth policy assigned to Secretary of State for Children and Youth. (Education, health, social assistance responsibilities carried by provinces.)
- Health Canada
- Revenue Canada

-Oversees the child tax benefit and other tax matters, as well as pension and unemployment insurance contributions.

Demographic and Other Social Trends

Canada is a vast country with a total area unmatched in the OECD, except by the United States, which is slightly smaller. Its population of a bit over 30 million (1998) is exceeded by both mid-size and large OECD countries. It has slightly more under-15's, and slightly fewer over-65's than the EU or OECD average, but is "older" than the less developed of the OECD countries.

As in other advanced industrialized countries, Canada's demographic patterns have shifted markedly, especially since the end of World War II, in the direction of "smaller households, lower rates of legal marriages, declining fertility, more mothers in the labor force, rising divorce rates, an increase in births outside of marriage, more one-parent households, and rising life expectancy." These trends both challenge and reflect policy (Baker & Phipps, 1997, p. 108).

Of interest, Canada's total fertility (1.6, 1996) is among the rates of the lower, but not lowest European tier, well below the U.S. (2.1). Since the baby boom of the 1960's and the large young immigration of recent decades, there has been no pronatalism widely advocated, except in Quebec where it has political-cultural roots.

As have other countries, Canada has experienced an increase in lone-mother families, as a percentage of families with children, since 1960. Of all Canadian children, 12.2 percent were in lone-parent families in the late 1990's, rates exceeded in the Scandinavian countries, U.S, UK and Australia, and much of Europe. Cohabitation has also grown, especially in Quebec. These increases have come more through divorce and separation than as a result of out-of-wedlock births. Nonetheless, the latter rate also has significantly increased, but remains below rates in the U.S, U.K, the Nordic countries, and much of Europe. Child poverty rates in these families are high (see below).

Below the Nordic countries, but at about the same level as the U.S., Canada has relatively high female labor force participation rates; 64 percent for women with children under the age of 3 in 1998 and 70 percent for those with children aged 3 to 5. Its part-time component is less than the EU average. A high percentage of employed married mothers with children work full time, several percentage points more so than do lone mothers with children.

Canada was among the high unemployment, recession-impacted countries of the 1990's, facts which contributed to social policy constraints and cutbacks. Youth unemployment was not particularly high, comparatively.

Social Protection

Canada has all the social protection programs of a modern industrial society, their specifics reflecting some of the factors outlined above. "Infrastructure" programs are universal and have

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European-style coverage (health, education). Income supports are means-tested, not generous. Services are developed by the provinces and the voluntary sector and therefore very varied. Provinces have directed family services to low-income families and those in crisis, only recently turning attention to the needs of mothers as care providers, according to Baker (Baker & Phipps, 1997, p. 171). The pattern of the late 1990's has been to cut back, urge and require work for lone mothers with children; poverty is approached more as a problem of individual deficits than of under-or un-employment and poor human capital.

Canada has a larger public sector (proportionately) than Australia, U.S., U.K., Ireland and higher tax burdens than the Anglo-American groups—but not the U.K.

Applying the U.S. "absolute" ("breadbasket") poverty line, Canada, with the 5th best per capita GDP, has the seventh lowest (the tenth highest) child poverty rate among 16 OECD countries, at 9.5 percent (1995). By the more commonly used international rate (households with incomes below 50 percent of the country median), it has the 5th highest rate (the 14th lowest) among 23, at 15.5 percent. The later measure is most sensitive to income distribution. Canada's poverty rate for children in lone parent families was 51.6 percent, whereas it was 10.4 percent for children in other families (UNICEF, 2001, Figures 1, 2, 3).

As an indication of the impact of income transfer policies, we note that Canada's child poverty rate is decreased from 24.6 to 15.5 percent as a result of these programs, considerably more than the impact of similar programs in Italy, USA, or Germany—and similar to impact in Spain. But this impact is very small when contrasted with Europe's generous welfare states (UNICEF, 2001, Figure 9). Overall the UNICEF comparative "report card" for industrial states rates USA, U.K., Ireland and Canada as the "worst performing countries" (UNICEF, 2001, Figure 10).

Canada's per capita GDP compares favorably in the industrialized world, above both EU and OECD averages, if well below the leaders, Luxembourg and the U.S. Its total health expenditures as a percent of GDP is exceeded only by France, Germany, Switzerland, and the U.S. (1997). Its education investment compares favorably with the rich countries. However, in overall social welfare expenditures as a percentage of GDP, it is, as already noted, in the low-ranging Anglo-America group - with U.K. more like continental welfare states.

Moreover, a recent study by Gornick and Meyers found that among 19 OECD countries, Canada's expenditure of 4.4 percent of all its social spending in the mid-90's for "family policy" was well below the country average of 6.9 percent. Within the total, maternity and prenatal leave commanded about a fifth (about the average), but the per child expenditures, overall were depressed—it would appear—by childcare, child allowances, and/or tax credits.

In 1996 in the context of efforts to cut back federal welfare expenditures at a time of economic stress, further advance devolution to the provinces, and give the provinces more flexibility for welfare "reform", the Canadian assistance plan and the funding mechanism for health-care and post-secondary education was replaced by the Canada Health and Social Transfer. This new program offered lower levels of federal funding to the provinces, given as one block grant, with expectation of further cuts to come. The new block grant covers social assistance, personal social services, health insurance, post-secondary education.

This block grant, while it discontinues federal funding for social assistance, does not preclude province programs providing assistance with their own funds. Province programs are not covered on this web site and users are reminded of the very different and extensive family policies in Quebec.

For more information on the social security systems, labour market regulations, collective bargaining, social and family policies, see the International Reform Monitor.

Child, Youth and Family Policy Regimes

Maternity, Paternity, Parental, and Family Leaves

As of 2001, Canada doubled the length of its paid maternity/parental leave to eligible parents through the Employment Insurance Program (previously called Unemployment Insurance) from six months to one year. This applies both to newborn and to adopted children. This is accomplished by increasing the parental portion of the leave from 25 to 50 weeks. Benefit levels were unchanged: 55 percent of average weekly earnings to a set maximum; 80 percent for low earners. Relatively high earners will repay a portion. The maximum work requirement for eligibility was reduced from 700 to 600 hours. And, as is the case with Employment Insurance, a recipient may work part-time and earn 25 percent of the wage, to a maximum (Bertelsmann Foundation, 2000).

Early Childhood Education and Care (ECEC)

As was the case in a number of countries, Canada's ECCE developments come out of two systems, both still present (Baker & Phipps, 1997). Childcare services developed out of a welfare tradition that sought to assist neglected children and to protect children of low-income women who had to go out to work or morally endangered children of the poor. Public kindergartens and nursery schools came out of child development or education philosophies attractive to the middle class. There was, by the past World War II period, a day care system, mostly welfare-based for the very young, fee-charging centers and nursery schools for the 3-5 year olds, and a kindergarten system. Care of children while mothers work became politically important as an issue in the 1980's, but despite platform promises, commissions and task forces, Canadian experts regard the public response as inadequate to this point.

There is free, universal kindergarten for the 5-6 year olds, largely part-day. The under-5's are served in a fragmented system with uneven coverage and many supply shortages, mostly in non-profit center care and in family day care, but unregulated family day care is the most prevalent form of ECCE. Center-based care, commercial or not-for-profit, is the most common regulated care. Data are inadequate given the fragmented nature of the provinces-based system. By the early 1990's, 3.2 percent of children under 1-1/2 were in care; 9.6 percent of those 1-1/2 - 3; 10.8 percent of the 3-5's; also 40 percent of the 4-5's, were kindergarten (Baker & Phipps, 1997). We find reasonable an estimate that about half of the under 5's are now in center care or family day care.

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Childcare is seen as one of the soft spots in Canadian family policy. Parent fees are the major source of finance, as well as province allocations to "welfare" programs out of their block grant. More recently, an upgraded childcare tax credit was enacted and is of help to better-off families mostly, since it is forfeited by those without adequate taxable income (Baker, 1995).

Family and Child Allowances

None. Abolished in favor of a refundable tax credit known as "child tax benefit," effective 1998 (see below). Funded by the federal government out of general revenue as part of the new block grant (see above).

Child and Family Tax Benefits

In the past three years since 1998 Canada has participated in a phased reform designed to equalize assistance to the children of the working poor and the welfare poor. They now have an income-tested, indexed (to cost of living), delivered tax benefit with thresholds that include 90 percent of families. The maximum per child benefit is higher for first than for second and subsequent children. By 2004 the federal government will have increased its child benefit expenditures by 58 percent (inflation adjusted) over 1998. This will phase out most social assistance for children. Provinces are said to be reinvesting their social assistance saving in other social welfare programs (Bertelsmann Foundation, 2000, 1999).

Child Support

The Constitutional jurisdiction for child support is shared between the federal and the provincial and territorial governments in Canada. The federal government's jurisdiction is limited to individuals who divorce. Child support guidelines have been adopted either through legislation or through practice in all provinces and territories. A joint federal/provincial/territorial committee in the early to mid 1990s developed the prevalent child support formula. The tax inclusion/deduction treatment for child support was abolished in 1997 to coincide with the introduction of guidelines.

Support enforcement is a matter of provincial/territorial jurisdiction. All provinces and territories have support enforcement programs. The federal government plays a coordinating role and administers a federal enforcement program to assist the provincial and territorial programs. The federal government also has two enforcement statutes, one relating the suspension of certain federal licenses for chronic support defaulters and certain Crown monies, and the other permitting the garnishment of a support debtor's salary and/or pension where that person is a federal employee.

Other Child Conditioned Income Transfers

The unemployment insurance income replacement rate rises in the case of low- income claimants with dependants (from 55 percent of average gross earnings to 80 percent in 2000).

Provinces paying social assistance were not permitted to decrease payments to families with children under the new 1998 child tax benefit to a point where any family has a decrease in income. Some provinces continue social assistance with their own funds, supplementing the federal child benefit program. There is a child supplement to earnings-related disability benefits

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and an orphan survivor benefit as well under the "old age, disability" system. Varying by province, there are child survivor benefits under the work-injury system.

Child and Adolescent Health

Under Canada's 1998 reform, provinces receive funding for their universal health insurance ("Medicare") as a part of the block grant, Canada Health and Social Transfer. Hospitals and physicians negotiate their funding arrangements or fee schedule with provincial governments, although many Quebec doctors in public clinics are salaried. Province supplement block grant money and spend one-third or more of their budgets on health services. Federal funding rules ensure universal access and comprehensive services, but provinces vary with regard to such things as optometry and dental services. Canada, with U.S. and Germany, is one of the three high-health spending countries.

In this context, Medicare fully funds prenatal and postnatal health care, related family education and support activity, well-baby clinics and family planning services. Public authorities and non-profit organizations also operate clinics, often targeting services to adolescents. Provision for medical and dental examination of all children is usually included in provincial public health or education legislation. Some -but not all- provinces mandate compulsory child immunization and provide it as a free service (Baker & Phipps, 1997, pp. 165-169). Canadian maternal, child, and adolescent health indicators (and life expectancy rates) compare well in the industrial world. However, low-income--and especially aboriginal children lag behind.

Housing Benefits

Except for special, but quite limited help to social assistance recipients in the provinces, there is no family or child oriented housing program. There is little social housing.

School-Aged Children: Policies and Programs

Compulsory school ages, usually 6 - 16 years.

Youth

In a document prepared for the Lisbon "World Conference of Ministers Responsible for Youth" (August, 1998), Canada noted the major role of provinces and territories. In general the provinces deal with education, social assistance and health, while the federal government "manages a range of economic, social and cultural issues." There are diverse provincial structures and at the federal level many agencies and departments are involved. A Secretary of State for Children and Youth has the lead role in Human Resources Development Canada.

Reporting mostly in generalities and citing some illustrations, the report listed the following as youth priorities: unacceptable unemployment in the 18 – 25 group, health, environment, discrimination, and treatment of young offenders. There is interest in promoting youth "participation" and "well-being" (Government of Canada, 1998).

Depending on the issues, according to the report, the youth span can cover ages from 12 to 30.

- School age programs are targeted at 12 - 19.
- Educational or vocational transition efforts usually cover 15 - 24.

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- Some programs (including some international exchanges) go into the 30's.
- At age 12, a youth may be charged with a criminal offense (but they are usually processed as "young offenders" if under 18)
- The voting age is 18, but legal drinking can be at 18 or 19, depending on the province.
- Minimum school leaving, home leaving, independently obtain medical assistance at age 16.

Canada was one of the fourteen countries participating in the OECD thematic review From Initial Education to Working Life—Making Transitions Work. For more detail on the transition to working life in Canada, see OECD's background report on Canada.

Reconciliation of Work and Family Life

See ECEC and parental leaves. Relatively little attempt to achieve workplace or worktime flexibility.

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