

Moving Back into the Shadows: Social Economy, Social Policy and the Harper Government

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INTRODUCTION

In September of 2006, an amusing news item blipped onto the computer screens of Canadians. A British Columbia scientist with the venerable Geological Survey of Canada had been relieved of his duties after refusing a ministerial directive asking to refer to the federal government as “Canada’s New Government.” The decision was quickly overturned and the geologist reinstated while Natural Resources Minister Gary Lunn described the situation as a simple mistake.

This somewhat comical incident was nevertheless symptomatic of a desire in the government led by Prime Minister Stephen Harper to break with the past and to mark the federal policy agenda with a distinctive conservative signature. Later that same month, this became abundantly clear when Finance Minister Jim Flaherty and Treasury Board President John Baird announced more than \$1 billion in cuts to federal programs in areas such as youth employment, literacy organizations, women’s groups and

Aboriginal health initiatives. The announcement came as the federal government reported a surplus in excess of \$13 billion.

There can be little doubt that the new Conservative government of Canada elected in January 2006 intends to act on its handful of stated priorities and that these are different from the priorities of the previous Liberal governments. This creates a problem for the voluntary sector in general, and for the label of social economy in particular, as both have been a focus of recent Liberal administrations. The Voluntary Sector Initiative (VSI) – launched under Prime Minister Jean Chrétien and which resulted in an Accord to strengthen the relationship between the federal government and the voluntary sector, as well as the *social economy* focus developed under Prime Minister Paul Martin – both seem to have fallen into disfavour with the new Conservative government. In fact, these terms are currently more or less blacklisted from federal civil service lingo. What is interesting to note is that this new turnaround is not even the result of a stringent evaluation process. In fact, the VSI was positively evaluated while the social economy penchant of the last Liberal government was never fully implemented outside of its academic component.¹ In light of what is more than a small war on terminology (or revenge on branding), I endeavour to explore here how the relationship between the social economy sector and the new Conservative government could develop or evolve, particularly with reference to the field of human services.

I begin by making a few prefatory remarks on the social economy and social services in the context of Canadian federalism. Using the example of childcare, I then briefly comment on why it has been difficult to establish a national policy in Canada in the field of social services, particularly when it involves the social economy sector. The purpose of this paper is to offer some thoughts on the future of the social economy in Canada at a time when the political winds seem to be blowing towards the right of the political spectrum. Is the social economy to survive in this context? Can it strive? Or, to frame the question more positively, does it represent a social reality that is extremely resilient and can survive (albeit often with great difficulty) many changes in government? In attempting to answer this question, it is necessary to first look at where the social economy initiatives may fit conceptually in the priorities of the Conservative government. I conclude by arguing that regardless of the political party in power, the

social economy will remain an important social actor in Canadian social policy in the years to come.

THE SOCIAL ECONOMY AND SOCIAL SERVICES IN THE CONTEXT OF CANADIAN FEDERALISM

What Is the Social Economy?

The term “social economy” originated in France in the late 19th century. It is formed by joining two terms, economy and social, that are often (but wrongly) seen as antithetic. It refers to a myriad of initiatives, organizations and enterprises through which people (often on a local basis) decide to join together to do something about a situation or a problem that has not been appropriately addressed by either the existing market forces of commercial capitalism or by the solutions offered (or lack thereof) by the formal apparatus of the state. Historically, some components of the union and women’s movements have played a role in fostering these developments. As a result, an entire universe of initiatives can be conceived as belonging to the social economy, from large ones offering financial services, to small ones caring for family members.

For example, in some communities, including in rural Quebec, *caisses populaires* (credit unions) were formed to provide a collective response to address the lack of access to credit and capital, which until then had been restricted. Another more recent example flows from the advocacy work parents of children with intellectual disabilities (then called mental retardation). They were unsatisfied with the approach of the state, which consisted of warehousing their children in large mental health institutions (at the time often named hospices or asylums). These parents formed associations to advocate for the return of their child into the community and, once that was done, to provide services to their children with the support of state funding. In doing so, they not only constituted social economy initiatives in social services, but they also influenced health policy reforms by triggering the deinstitutionalization movement. These are two very different examples of how social economy organizations emerge in response to the unmet needs of local communities or specific groups.

Social economy organizations can be defined as formally organized entities (under a variety of legal statuses) producing goods and services with a clear social mission. They share, to various degrees, the following *ideal type* feature characteristics:

- Services to members and communities and non-profit orientation (but surplus can be accumulated and redistributed)
- Management is independent of government
- Some attempt at implementing a democratic decision-making process in the governance of the organization (e.g. voting at the AGM is not proportionate to the number of shares held, as in a corporation)
- People have priority over capital
- Participation, empowerment, individual and collective responsibility are emphasized

In a more succinct way, the social economy can be seen as composed of associations, cooperatives and mutual companies. In Canada, the social economy is a significant player in a number of areas of activities, including health and social services (e.g. homecare and childcare services), labour market integration, media and information technology, popular education, sports and recreation, tourism, advocacy, cultural activities, land management, the environment (e.g. recycling), local and regional development, fair trade, financial services, and low-income housing (Vaillancourt et al. 2004, 316).

As a label, the social economy is a concept that overlaps in part with a number of other known terms, such as third sector, non-government organizations, non-profits, voluntary sector, community economic development, and civil society organizations. Space does not permit me here to detail all the nuances existing between these terminologies. It has been argued that the social economy terminology is somewhat vague and non-descriptive, but this can also be said of most of the other common terms listed above. The third sector terminology refers to the sector other than the state and market sectors, we are told by researchers in the field. Political scientists tend to prefer the term non-government organizations which simply refers to organizations who do not belong to government, and economists prefer the term non-profit organizations to describe organizations that are not oriented towards profit maximization. That being

said, these terms all negatively define the concept in light of what it is not, as opposed to in terms of what it is, and therefore tell us nothing about what these organizations are doing or what they are about! As one author aptly pointed out, this is about as helpful as trying to describe a lettuce as a non-animal.² The much-used “voluntary organizations” terminology, which English-speaking sociologists are familiar with, emphasizes the volunteer work taking place in these organizations. It masks, however, the fact that these organizations also pay salaries to over 1.1 million Canadians every year.³ In light of this, the more positive and somewhat prescriptive term of social economy might not be so confusing after all. In fact, its focus on the social dimension of the organizational mission effectively sets these organizations apart and communicates their uniqueness.

Social Services and Federalism in Canada

One large and diverse field of activity where social economy organizations are making a noted contribution is in (non-hospital) health and social services (a.k.a. human services). This is not surprising, as social economy organizations are concerned with the well-being of their communities. In the Canadian federal system, social services are under provincial jurisdiction, meaning that the provinces have the responsibility to deliver these services, or to partner with allied organizations to provide them. The federal government has a very large *indirect* role in this in providing the provinces with funding for these services through a number of transfer payment mechanisms, including the Canada Health Transfer (CHT) and the Canada Social Transfer (CST). The federal government also provides some *direct* support (particularly in the fields of health and crime prevention) to social economy agencies via grants for specific projects or initiatives. In doing so, the federal government can go over the heads of provincial governments to influence directly some human services delivered by social economy organizations. Nevertheless, it is important to recognize that in the field of social services, much federal government action is mediated through the provinces. This is not only true in Quebec, where this point is readily acknowledged by most analysts, but also to varying degrees throughout Canada.

So, if we are to examine the role of the federal government in the area of social economy, particularly in the field of social services, it is important

to stress that it must be done with the understanding that the Canadian political system is federal rather than unitary. A focus on the federal government remains extremely important because the federal government has the potential to help expand the use of policies and practices that may originate in a particular province. Medicare, for instance, was first introduced in Saskatchewan, but federal legislation made it easier for other provinces to follow. Similarly, while the social economy first became popular in Quebec, the federal government has the potential to play an important role in generalizing the model across the country, at least in some fields of activity.

Hence, acknowledging the embedded nature of federal/provincial relations is important for analyzing social economy. To illustrate this point, I will draw on some previous work pertaining to the Saskatchewan Department of Social Services. In 2001, I conducted a study (Thériault 2001) that identified over 600 social economy organizations that were funded by the Department of Social Services in areas of activities as diverse as child care services, family violence services, and services for persons with disabilities. In this province of roughly one million people, the total amount of funding provided to these social economy organizations by this department alone in 2001–2002 was estimated to be between \$74 and \$100 million⁴. This represents between 12 and 17 percent of the entire budget of the Department of Social Services (\$578.6 million). If we exclude from that department's budget the social assistance component (\$255 million), where there is almost no involvement of social economy organizations, then we see the percentage of funds directed to services delivered by social economy organization increase to somewhere between 22 and 30 percent of the Saskatchewan Social Services budget. It was also estimated in that study that the number of employees working in these 600 social economy organizations was greater than the total number of employees working in the Department of Social Services's regional offices. This example highlights the extent to which public social services in the province of Saskatchewan, as in other provinces, are heavily dependent on, and embedded within, the social economy sector.

The example of Saskatchewan also clearly illustrates that it is perilous in the context of the Canadian federation to speak about relationships between the federal government and the social economy (particularly in health

and social services) without fully acknowledging the very important mediating role of the provinces.

As far as social services are concerned, it is likely that the relationship between the provinces and the social economy will continue to develop with some degree of autonomy from the federal government. That being said, as long as we understand that the federal government is not the sole, or even the main player, influencing the development of social economy initiatives, it is nevertheless interesting to analyse the new federal government's agenda, and attempt to understand how its efforts or blockages can contribute to the development of the social economy around the country.

In the next section, we turn our attention to childcare, a policy area where social economy organizations tend to have a significant presence. In Quebec, social economy organizations were successful at working with the provincial government toward the establishment of a provincial public daycare system. This model was then touted by the Liberal government under Paul Martin's leadership, and inspired them to establish national standards in this field. This initiative was abandoned soon after the Conservative party came to power. Therefore, it presents an interesting case from which to analyze the federal government's policy interest in social economy.

THE DIFFICULTIES OF ESTABLISHING A PRO-SOCIAL ECONOMY NATIONAL POLICY: CHILDCARE AS A CASE STUDY

Early childhood daycare services (thereafter *childcare*) have been a contentious public policy issue in recent years. The labour force participation rates of women with children have risen dramatically over the last 25 years in Canada. Clearly, developments in the economy during the last several decades have resulted in an increasing proportion of dual-earner families, even when pre-school aged children are present in the household. The increased participation of women and mothers in the paid labour force in the last decades can be explained by an increase in the costs of living, a change in attitudes regarding women's role in society, the need for mothers to remain connected to the job market because of difficulties related to re-

entering this market after a prolonged absence and, finally, by improvements in birth control and technologies that have enabled women and couples to better plan pregnancies to fit with educational plans, work requirements or personal ideals. In 2003, 75 percent of Canadian mothers with the youngest child aged 3–5 years were in the paid labour force (Friendly and Beach 2005), and the need for childcare services is thus self-evident for many observers.

Ideologically, however, there is a general polarization in the public policy debate between those who favour more state intervention to help structure the supply of services and those, more on the conservative side of the political spectrum, who feel that the problem is better left to the forces of the market or the resolve and ingenuity of individual families to make informal arrangements with family members, neighbours or friends. This polarization is more fundamental than one might think as it refers to the question of whose job it is to care for young children. In Canadian public policy circles, the traditional answer has been that this is a private issue to be solved by parents. But with the rise of dual-earner families, this answer has become increasingly unsatisfactory and segments of society, including unions, anti-poverty and women's groups, and some academics have begun to question it, stressing that a coherent public policy approach is needed (Aubry 2001).

During the second mandate of Prime Minister Brian Mulroney, the Conservatives favoured the enrichment of childcare expense tax deduction measures for working parents as a policy solution. The major difficulty with the tax deduction approach, however, was that parents were often unable to obtain receipts from care providers working within the informal economy. Over the years, the limited federal funding for childcare that was transferred to the provinces in effect subsidized a relatively small number of spaces. Hence, many parents who qualified for a subsidized childcare space were not able to obtain one. As a result, informal childcare (by relatives, neighbours and paid sitters) remains the most prevalent form used in Canada for children under 6 years old whose parents work for pay. As for the tax deduction approach preferred by the Conservatives in the 1980s, it was more beneficial for families with higher incomes and much less helpful for those with very low incomes.

In sum, Canada has had a “you figure it out” non-system where parents are left to find their own arrangements according to their respective financial

means and social contacts. With this approach, the Canadian “system” ranks well below most European countries (OECD 2006), and services here are very fragmented. While the lack of a coherent childcare system in Canada has not prevented mothers from entering the labour force, it has certainly produced considerable difficulty, anxiety and stress for many of them.

In the 1990s, under Prime Minister Jean Chrétien, a number of electoral promises were made regarding childcare. While the *Little Red Book* of 1993 promised a national childcare program that would be funded 40 percent by the federal government, 40 percent by the provinces and 20 percent by parents, once elected, relatively little action was taken on the childcare issue, until the very end of the Chrétien era in 2003.⁵

When Paul Martin took over as Prime Minister of Canada in December 2003, childcare rose significantly among the policy priorities of the federal government. Moreover, the focus on the issue of childcare was connected to a focus on the social economy. The objective of promoting the establishment of a national daycare program was taking its inspiration from the Quebec childcare centre (known as CPEs or *centres de la petite enfance*) model which is one of the *fleurons glorieux* of the social economy in the province.

The interest of Paul Martin for the social economy in general can be explained in at least two ways. Firstly, the new Prime Minister wanted to distinguish himself from his predecessor in Quebec with a policy orientation that would resonate with the Quebec electorate. The emphasis on the social economy clearly fit that bill. Secondly, Paul Martin was elected in the working-class riding of LaSalle-Emard, which was strongly affected by the recessions of 1981 and 1991 and where the community economic development initiatives of the *Chantier de l'économie sociale* (and its leader Nancy Neamtan) had proven positive impacts. As an entrepreneur, Paul Martin appreciated and probably genuinely believed in the potential of the social economy approach.

Understanding the Quebec Childcare Centre Model

While it suffers from some imperfections, like all social services, the Quebec childcare system has been widely viewed as a positive public policy innovation in Canada. The model was originally developed under the Parti Québécois, beginning in 1997, after the passing of the Canada Assistance

Plan (CAP). One potentially positive consequence – and there were some negative ones – of the disappearance of CAP was that it stimulated a certain amount of experimentation in social services delivery in a number of provinces (Thériault 1999). In Quebec, one of the experiments focused on structuring the supply of childcare services rather than simply supporting the demand. When CAP ended, services no longer had to be targeted only to disadvantaged families who would benefit from federal transfers, and so a universal orientation to services was adopted. Perhaps most importantly, policy preference (but no exclusivity) was expressed for services delivered by social economy organizations.

As a result, the childcare system in Quebec is currently supported by mixed financing (approximately 80 percent by public funding and 20 percent by the parents). Its twofold stated objectives are child development and women's access to the labour market. Standards of quality are set by the provincial government. About one third of workers and centres are unionized, which contributes to higher wages than in other provinces,⁶ a factor known to be related to a reduction in staff turnover rates and thus to improved quality (Kass and Costigliola 2004). Unionization, however, might be an aspect of the Quebec model that is particularly displeasing to a conservative government.

Table 1: Fact Sheet on Childcare in Quebec

- Out-of-pocket cost per child since 2004: \$7/day
- Number of spaces up from 58,000 in 1997 to 140,000 in 2002 to 200,000 in 2006
 - Serves now 55% of children aged less than 6 (compared to just 15% in Manitoba)
 - 88,000 spaces are in 14,000 family child care settings
 - 80,000 spaces are in the 1,000 CPEs (non-profit Early Childhood Centres)
 - 32,000 spaces are in for-profit centres
- Number of jobs up from 11,600 in 1997 to 24,000 in 2002
- 320 of the 1,000 CPEs are unionized
- 40,000 childcare workers
- 7,000 parents on Boards of Directors

Sources: Yves Vaillancourt (personal communication) and www.aqcpe.com

Mr. Dryden Goes to the Provinces

During the spring 2004 electoral campaign, the promised \$5 billion over five years for a national childcare system was often mentioned in key speeches and it was understood that this childcare system took its inspiration from the Quebec childcare centre model. This logically implied that it would make considerable room for social economy as part of the arrangement (Vaillancourt and Thériault 2006). In the second government of Paul Martin, this time a minority government, Ken Dryden, then minister of Social Development, was charged with moving the federal childcare policy initiative forward. Since the area of childcare services is under provincial jurisdiction, Mr. Dryden had to enter into a series of federal/provincial negotiations to try to establish a pan-Canadian consensus. The negotiation process initiated by the federal government involved a series of steps: first, the signing of an “agreement in principle” with each province; second, the drafting of an “action plan” by each province; and, third, the signing of a “funding agreement” with each province. This implementation strategy was supposed to produce a national system that would be flexible enough that the provinces could comply with certain common principles necessary to foster a degree of consistency in Canada as a whole. It was a tall order, given that the provinces (and territories) did not all share the same focus with respect to family social policy in general, and to the relationship of the social economy with childcare services in particular.

Beginning in November 2004, the common principles proposed by the federal government came to be known as “QUAD” (Quality, Universality, Accessibility and Developmental). These principles were touted as the childcare equivalent of the famous five principles contained in the Canada Health Act.⁷ But upon closer examination, it is clear that while the Canada Health Act made a clear reference to a *public administration* of services on a non-profit basis, the QUAD principles did not include a fifth principle found both in the old CAP tradition and the current Quebec childcare centre model: a stated preference for services performed by organizations from the public sector or the non-profit (i.e. social economy) sector rather than by commercial private sector organizations.

Therefore, in 2005, through the attempt at getting a national consensus on a childcare system, the federal government left behind its focus on the

social economy as this made it easier to deal with some conservative provincial governments (such as Alberta and New-Brunswick) that were attached to the delivery of services through commercial, for-profit operators. While the leadership of Quebec on childcare services was still recognized, the contribution of the social economy to the Quebec childcare “success story” was no longer acknowledged. In other words, in part because of issues of jurisdiction found in Canadian federalism, the national policy initiative on childcare of Paul Martin could not explicitly assume a relationship to the social economy. Hence, even in this service delivery field that is a natural fit for the social economy, the federal government was not in a position to fully promote the development of the social economy sector.⁸

In the end, agreements of principle were signed with all provinces, but funding agreements were signed only with three provincial counterparts (Quebec, Ontario and Manitoba) when the Liberal government of Paul Martin embarked on a new electoral campaign which led, this time, to the Conservative Party forming what they termed as “Canada’s New Government.” In July 2006, the new Conservative administration rapidly implemented its own proposed initiative: a childcare allowance of \$1,200 for each child under six years of age. It also announced its intention to terminate, on 31 March 2007, the funding agreements signed with the three provinces. For Quebec, this represents a funding shortfall of over \$800 million. But more importantly, the case study of the failed implementation of the national childcare program shows the difficulties encountered by the federal government in promoting the development of the social economy in areas of activity such as social services that are constitutionally under provincial jurisdiction. This is why the analysis of state/social economy relationship is best performed in a perspective that takes into account the intergovernmental dimension within the Canadian federal context.

THE SOCIAL ECONOMY AND THE CONSERVATIVE PRIORITIES

That was then; this is now. Let us thus turn to the priorities of Canada’s New Government and ask ourselves quickly if, how, and where the social economy can fit into this policy agenda. The stated priorities of the Harper government, at least at the outset of its mandate in January 2006, relates to

issues of accountability, crime prevention, tax relief, and wait times reduction for crucial medical procedures. I will briefly examine them in that order, with the exception of the reduction in the GST, which is unconnected to the development of the social economy.

Accountability was an important theme of the last federal election campaign. Accountability is answering to those to whom one is committed; it is not strictly about counting specific items (money, receipts, hour of services rendered or numbers of meals delivered), although this type of monitoring is certainly something that a responsible organization must do. Accountability is an attitude and a series of practices that reflect genuine openness and a desire to be forthcoming and transparent. Unfortunately, accountability is too often confused with procedures that seem to have more to do with avoiding law suits than with the willingness to be answerable to someone for one's actions or the capacity to demonstrate a certain transparency in management and decision making practices.

The Federal Accountability Act is presented by the Conservative government as the principle tool to bring greater accountability to the federal civil service. It can have an enormous impact on the social economy sector by creating an overcautious attitude in the federal bureaucracy that will close the doors to social innovations. To those concerned with accountability issues, I would say that the social economy sector is formed by organizations that tend to demonstrate on a regular basis that they are answerable to governments and other stakeholders (Thériault 2006b). Not only have social economy organization learned (often the hard way) to be financially accountable to their funders, but they often make significant efforts to show some degree of accountability to their users and clients, workers, and even to their community at large. The example I like to use to demonstrate this is that of a non-profit childcare centre with a board of directors where parents are represented. Each of the 7,000 parents serving on the board of a CPE in Quebec is, in fact, a mini-auditor general monitoring the proper use of resources in the interest of quality service provision for the children. One can also think about cooperatives that try to present a "double-bottom line" in their annual report by attempting to answer for the social impact or environmental footprint of their activities. While there are obviously considerable variations and a few bad apples to be found, I would argue that the social economy sector, because of the values that it is promoting in terms of governance and management, is a sector that is

familiar with accountability and thus a sector that the federal government can feel comfortable doing “business” with.

Crime reduction has traditionally been a priority for conservative politicians in Canada. In the somewhat coded language used by the current Conservative government, crime reduction generally translates into tougher sentences for gun crimes, more police on our streets, and strengthened border security. In the areas of crime prevention, victim assistance, and post-incarceration services, we find a large number of social economy organizations (the Elizabeth Fry Society, the John Howard Society and many others such as the *Association Québécoise Plaidoyer-Victimes* come to mind) that have a long and distinguished record of service. So the social economy is an important partner for any government that is concerned with crime and is ready to collaborate with community agencies to work on the problem locally. This would be one policy area where we might see the role of the social economy expand in the federal policy agenda.

As far as the childcare priority is concerned, Prime Minister Stephen Harper has clearly chosen the approach of a universal childcare allowance (recently renamed the Universal Child Care Benefit) that minimally supports the demand for childcare and is marketed as promoting flexibility in childcare choices. What the childcare benefit is properly structured for is to be compatible with the maintenance of a commercial child care sector.

The childcare benefit is a practical political expedient that is easy to implement and to administer, but it means that the federal government is refusing to help structure the supply of services and this will do little to insure the provision of quality childcare services around the country. Indeed, I have argued elsewhere (Thériault 2006a), that based on what we have learnt over the last 30 years about the reality of childcare services, these monies will be insufficient to respond to the needs of Canadian parents, and indeed to those of the Canadian economy. In fact, the Conservative government’s own polling indicates that while parents are happy to receive additional money, childcare is so expensive that they are likely to spend this allowance on other things instead (Curry 2006).⁹ Along the same line, the Canadian Press reported in early January 2007 that childcare is so costly in Canada that recent immigrants are forced to send babies home (e.g. to China) to spend their early years with relatives (Canadian Press 2007).

Moreover, the new childcare benefit is unfair to some types of family. As pointed out by Battle, Torjman and Mendelson (2006), different types of families with the same income will receive different amounts of after-tax benefits. Single-parent families will receive the smallest after-tax benefits, while the largest net benefits will go to upper-income one-earner couples. This bias closely matches the preference of the Conservatives for what they call the “traditional family.” In the end, the new childcare benefit represents a policy direction that is out of step with a growing consensus within developed countries (OECD 2006) and that is not adapting family policy to the transformation of contemporary family structures.

The first step to improving skills is to build an excellent infrastructure for early childhood development.

David Dodge, Humber College, March 30, 2005

In pursuing this policy direction, the government of Stephen Harper is missing an opportunity to promote social economy organizations such as non-profit childcare centres that support parental and citizen involvement in the overseeing of operations. This is a feature not often found in the private, for-profit childcare sector. The social economy governance culture, in this respect, is potentially compatible with the populist grassroots concerns that used to be at the heart of the Reform Party platform. But, by the general look of things, it seems that Prime Minister Stephen Harper prefers to promote governance models that resemble more the “control and command” style of the Chrétien era than the old populist promises of Preston Manning.

The fifth and last original priority of the Canada’s New Government relates to working with the provinces to establish guaranteed wait times for certain medical procedures. At first glance, this is an area that, like childcare, is riddled with potential complications in terms of intergovernmental relations, given the clear jurisdiction of the provinces in this field. This can explain why this “priority” has been slow in materializing.

It appears that (in-hospital) health services is also a policy area in which there is little role for the social economy sector, given that the medical

procedures concerned here (e.g. hips replacements or cataract surgeries) are delivered in hospital, outside the scope of community-based social services. Yet I would argue that if we look at the health and social services systems we can see that even what is happening in emergency or operating rooms is connected to what support services are available in the community outside the hospital walls.

To undergo a major medical procedure, a patient needs to be admitted and a bed must be available for him or her. Currently, some hospital beds are occupied by patients who could be discharged to return home if sufficient homecare services (both medical and maintenance or home support services) were available to them in their community. With the aging of the population, the organization and offering of homecare services will probably be one of the major health and social services challenges of the 21st century in Canada. In fact, homecare will perhaps be one of the main overall public policy challenges faced by this country. The social economy sector has a rich tradition of charitable organizations (such as the Victorian Order of Nurses) and other more recent and varied non-profit organizations that deliver either or both medical as well as home support services (Thériault and Salhani 2001). Social economy organizations have an established track record in offering allied and complementary services to the healthcare system for prevention and post-acute care. Any Canadian government, regardless of political stripes, that is concerned with the smooth functioning of Medicare must thus pay close attention to how the services from the social economy sector will interface with the healthcare services provided under the responsibility of provincial governments. Hence, once again, the social economy has a clear place within the limited list of priorities of the Conservative government – if they are ready to face the service delivery challenges awaiting us.

THE FUTURE OF THE SOCIAL ECONOMY IN SOCIAL POLICY

In the current conservative political climate in Canada, what can we reasonably expect for the social economy? Of course, the identification in the mind of many Canadians of the “social economy” label with the governments of Paul Martin has meant for some that this is a concept with more

of a past than a future. The New Government of Canada, under Prime Minister Harper, has gone out of its way to signify a change in priorities and, perhaps most importantly, in language. What can be seen as the buzzwords of “capacity building,” “voluntary sector,” and the “social economy” have fallen (perhaps only momentarily) from grace with the federal government. Advocacy is now also perceived as an increasingly difficult type of activity to engage in for those who receive any federal funding. This is not only true for frontline social economy organizations, but even for social economy academic researchers who have been warned recently by the Social Sciences and Humanities Research Council of Canada to frame their productions as research and not as advocacy activities.

The post-Gomery accountability framework of the federal government, with its focus on “value for money,” can also represent a challenge for the social economy sector which tends to place some values over and above the concern for money. The capacity of the sector to take risks and to innovate has been weakened by an overcautious attitude. But all is not lost because, as we have seen in the case of Saskatchewan, the social services of provincial governments are often strongly embedded into agreements with social economy organizations. This has created a co-dependency to a large extent. While many social economy organizations are dependent upon government financing (through various departments and programs), it is also true that the social services mission of the state can hardly be accomplished today without the contributions of social economy organizations.

So, the question is not “if” governments (provincial or federal) will continue to maintain relationships with the social economy sector. That will most likely occur, but the language and framing will change to preserve the sensibilities of the government in power. Already, the “social economy” and the “voluntary sector” are terms strongly associated with the previous Liberal government’s policy agenda. The question is “how” these relations will take place and develop. For now, at least in the short term, the social economy has lost some political visibility in Ottawa. We might be entering a period of retrenchment in which these relations are marked by a fairly traditional instrumental outlook in Ottawa whereby the social economy sector is seen only as a delivery agent, functioning through tightly regulated contracting-out agreements. Nevertheless, some variations will be observed in the relationship from one province to another. Quebec is likely to remain (even under Jean Charest) more open to experimentations towards

a model where the social economy sector is seen as a recognized, legitimate and true social partner that can participate in the co-construction of public policy, not simply in the implementation of service delivery strategies.¹⁰

If childcare is not the Canadian social policy issue that is pushed forward dramatically by the social economy in the coming decades, perhaps homecare will be the one coming to the fore? As Canadian society looks for innovative and cost-effective ways to deal with the impending demographic reality of an aging population, the country will not be able to ignore the contribution of the social economy. In the end, the social economy will survive in Canada because of its built-in resilience and because it responds to genuine social needs of local populations. However, it might not benefit from the help of the federal government again until a new climate or a new window of public policy opportunity is created for its development. In the meantime, progressive social actors, including academics and social movement activists, may be well advised to keep discussing the contributions of the social economy to social policy, so that in the long run these contributions become better known, appreciated and recognized.

Notes

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¹ Federal social economy funding for academic research has been allocated to several community/university networks across the country through the Social Sciences and Humanities Research Council of Canada (<http://www.socialeconomynetwork.ca>). However, outside of Quebec, the social economy funds budgeted for concrete pilot projects and community initiatives were not allocated by the federal regional development agencies and were cut in September 2006 because these activities did "[...] not meet the priorities of the federal government or Canadians." (Treasury Board Secretariat Web site, 2006).

² See Lohmann, Roger (1989).

³ Cornerstones of Community: Highlights of the National Survey of Nonprofit and Voluntary Organizations, Revised version, June 2005. Ottawa: Minister of Industry. Statistics Canada catalogue no. 61-533-XIE. The number 1,185,762

employees excludes employees in universities and colleges, hospitals and business and professional associations and unions.

⁴ The total budget varies depending on the criteria used to establish the list of social economy organizations funded.

⁵ A notable exception in 2001, some progress was made on the related issue of maternity and parental leaves which were extended through the Employment Insurance system to a possible combined total of 52 weeks of partially paid leaves (17 weeks of maternity leave + 35 weeks of parental leave).

⁶ For instance, in Saskatchewan, where only 13 percent of childcare workers were unionized in 2005, the average hourly wage was \$11.16, as compared to \$15.36 in Quebec where 30 percent of childcare workers are unionized.

⁷ The 1984 Canada Health Act established the following principles as the basis for the federal funding of provincial health care services: i-*Public Administration* on a non-profit basis; ii- *Comprehensiveness* of services covered; iii-*Universality* (coverage for 100 percent of population); iv- *Portability* from province to province; and v- *Accessibility* of services.

⁸ At the same time, I recognize that the implementation of the national childcare system would have most probably produced, de facto, an expansion of the social economy service delivery in many provinces.

⁹ In the meantime, wealthier Canadians are being advised in the financial press that taking the Universal Child Care benefits and dumping them into the RESO is a great way to use government money to fund your child's education.

¹⁰ As indicated by Laforest (2006), the state attitude towards the social economy is also changing in Quebec. However, the capacity of the Charest government to turn back the clock completely in this regard is limited. The strategy of the Quebec government towards the social economy movement in recent months has been to focus on the community economic development side of it, rather than on its advocacy or social development capacity. Minister Raymond Bachand was thus cited in *Le Devoir* (Boucher 2006, G3) as saying: "l'économie sociale représente l'un des acteurs importants, voire incontournables, du développement économique du Québec."

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