

New Century New Risks
Report from Conference Nov 18-19 by Becky Lipton

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Opening Plenary – New Century New Risks

David Green: Economics, UBC

Summary:

Conc: Higher gini-coefficient, the job retention rate is higher, there is a higher probability that you will remain at the same job level, and there is a lower probability that people will move over the gap between the rich and the poor. The result is that the people at the top are less likely to fall to the bottom and are less likely to want to contribute to lower income levels. Furthermore the people at the bottom are less likely to make investments in order to get out of poverty because the risk is too high. The end result is that people are being left behind.

Notes:

- The Gini-Coefficient (indicates gap in income between rich and poor) is spreading
- Market income after tax
 - 1989-2000 = 6% increase
 - 1980-1989 = decreased
 - Now similar to 1980 level
- 1 yr job retention rates – Trajectories?
 - Retention rate has gone up in the 90s and is now less a risk
- Probability of staying in same job level
 - Greater probability will remain (if high stay high, if low stay low)
 - Lower probability of moving over the gap between rich and poor
- Income and Education
 - Univ grads make 36% higher incomes than H.S. grads
- HS grad income
 - 80s decreased by 13-14%
 - 90s decreased again
 - recent increases but still 11% lower than 1980
- Effects of People at top less likely to fall to bottom
 - People at top are less likely to want to contribute to low income-levels because they are unlikely to be there themselves
 - People at the bottom are unlikely to make investments because too high risk
 - People are left behind.

Peter Hicks: Social Development Canada

Summary:

He provided an analysis of the working poor. Essentially he is stating that the welfare state left behind the WP and that now being low-paid is not the main problem for WP. He states that most low-paid workers make higher than minimum wage (avg. \$12/hr) and therefore bringing up minimum wage would not make a significant difference, while at the same time most low-paid workers are not the working poor (76% of low-paid workers are not poor). Instead the defining characteristic of WP is the number of parents and the number of children. Furthermore the poverty line is now based on a two earner household.

Main Points:

- Central feature of welfare state = income transfers, but
 - Welfare state alleged to have left behind the working poor.
- Analysis of low-paid workers
 - 76% are not poor
 - 24% are working poor
 - 20% not low-paid but still working poor
- Analysis of Working Poor
 - High levels of self-employment
 - High attachment to job: ie work as much or more as the haves
 - Earn less – average \$12/ hr (note: higher than minimum wage)
 - But: most low-paid are not working poor
 - Defining characteristic of WP is # of parents and # of children
- Persistent Poor
 - People move in and out of poverty
 - 5 at risk groups:
 - recent immigrants
 - single moms
 - middle-aged middle class unattached
 - aboriginals
 - People with disabilities
 - Average 3 yrs in poverty
 - 40% are still WP after 4 yrs.
 - Not a transient phenomena and not the same population as risk groups
 - Most WP are not part of the high risk groups, although the high risk groups are over-represented in the WP
- Poverty line is now based on 2 earner families
- Low-Paid is part of the problem and **NOT THE PROBLEM**

Peter Banting – book on inequality in Canada coming out soon

Celine Le Bourdais – Demographer, McGill University

- Missed much of talk but covered demographics
- Changing Family structure
 - 2 earner families
 - stereotypical family no longer exists
 - Most kids have 3 or 4 parents
 - Live in 2-3 houses

Labour Risks – Breakout session

Summary:

- Have to look at more than education (eg Nordic countries). “Education is not the silver bullet”.
- When focusing only on economic return – it makes more sense to focus on education because get a higher return from more educated, but if focus on skill development for lower third then have high social returns, but no way to measure those.
- General frustration with and desire to focus on services, leftist type social policy interventions. Framed in a social welfare discourse.

Michael Smith – McGill

Ireland- 70s –85 more full time work and more poverty vs now more part-time but labour market better off.

Andrew Jackson – Canadian Labour Congress

Canada is low wage country 2nd only to US in having a low wage workforce.

Wider issues of bottom third. Move in and out of low-income. Look more at social inclusion rather than from an exclusion perspective.

Look at low paid jobs from redistribution or address labour market itself.

Look at Nordic (equal) countries tend to have higher levels of opportunities such as higher levels of literacy etc. B/c of higher levels of collective bargaining + higher minimum wage standards. Much higher public services sector and lower private sector services.

Comments

- Put emphasis on increasing the level of skills of lower third rather than in universities. Would lead to higher productivity in labour markets.
- Very few protections of workers rights.

- Daycare in Quebec is largely through not-for-profit which is not directly subsidized by gov't.
- Have to look at whole range of policies in Nordic countries, not just education.
- Investment in skills of lower third is lower return of economic productivity. There is however social return but no way/tools to measure that.
- Brussel Sage foundation bk Low-wage America – transformation of low-wage jobs.
- Gains from economic growth have gone disproportionately to the top 1%.
- A lot of focus on raising skills of the bottom third. – 25 year project.
- One man saying frustration b/c works with people with disabilities and the funding frozen since 1994-2004 on gov't programme that is supposed to help them enter labour market.
 - Need to focus on the connection between services and policies – how are policies are actually follow through.

Plenary 2 – Governing Social Development in 21st century.

Defi au partenariat entre domain social et gov't

Phillippe Pochet – Observatoire social Européen

- Model ouverte de coordination en Europe dans le domaine sociale.
- Obligation de ne pas dépenser en Europe et Canada
- Méthode ouverte de coordination – pas de définition exacte
 - Processus réflexive forme de coordination participative
 - Entre législation classique et autre
 - Objectif en commun; indicateur pour mesurer les objectifs; mise en oeuvre des objectifs agrregé avec participation de tous acteurs intéressé; mise en oeuvre des objectifs; évaluation
 - Formation can be partnerships or not, but the welfare recipients dois être former.
 - Using getting people off long-term welfare as an example of this model but not saying much about the theoretical and political position of how to get people off of welfare.
 - Unions hardly participate but NGOs have a space and it is there where people can have a say.

Judith Maxwell

Summary:

Governments need new tools of governance. Specifically they need to learn to work better with place-based policies so that you can make meet local needs and make use of

local assets. She also makes the point that in general the market and the community play a very vital role in the well-being of a community, but at the moment the importance of these contributions is not recognized by either the market sector or the government, employers and businesses are not thinking of about their role in social responsibility, and in the meantime the community itself is being overloaded.

Main Points:

- Not just state and gov't that contribute to social well-being of our society. But community and market also contribute and they must be involved.
 - Family and community under pressure. Community is overloaded. Undercapitalized, can't fill the gaps in the social safety net.
 - Gov't needs new tools but employers and businesses are not thinking about their roles in social responsibility.
 - Why out of kilter? Erosion of trust of gov'ts, cities have outgrown their power. Creating a new aboriginal gov't and centralization of gov't and market.
 - Also missing tools. No model for citizen participation. Fed, prov terr. Not working well – only fighting for power.
 - Need to deal with these gaps in order to deal with new structures in society.
 - Challenges in holistic place based policies: driven by local but buttressed by senior officials.
 - Don't have place where all actors can contribute actively towards problem solving. Neil Bradford – problems in communities solved when local leader comes out and mobilizes a coalition of all actors and then builds a relationship with the gov't. and they provide tools they own
 - Problem with gov't is that they are so poor in dealing with place-based policies.
 - Not based on ideas that you can differentiate from one community to another.
 - General policies also important but need place-based policy so can deal with local needs and make use of local assets.
 - She thinks we were more effective in place-based policies in 70s.
 - Skippy policy on homelessness as eg of policies that are happening now
 - These are long-term agreements. Evaluated and re-written. Highly participative across gov'ts and agencies. Make investments in capacity building. Public servants become community facilitators.
 - Need to learn how to create the coalitions.
 - Capacity to have a national conversations.

Theodor Marmor – Yale University

Summary:

- Old Risks – same problems eg. Unemployment, healthcare, family size etc.
- Pre-welfare thinking. Worried that people don't understand why welfare state and go back to pre-welfare thinking.
- I found his analysis to be over-simplistic and not all that enlightening.

Main Points:

- New Century Old Risks. Haven't gone beyond unemployment child allowances, healthcare, family size etc. These were central concerns of the welfare state. And are still no more neutral or beyond.
- In US idea that we should go back to pre-welfare state thinking eg people should save for their healthcare etc.
- New risks: transformation of family of which the collective arrangement of welfare state was meant to protect (eg unemployment and disability, retirement etc).
 - Capitalism and market exchange – welfare state was to protect people from.
 - Bush's gov't is pre-welfare state thinking.
- His main point is that people understand very little the basis for the welfare state and the reasons behind it. Worried about the thinning out of them.

Keith Banting: Queens U. Politique Publique Chair Poverty, politics and policy

Summary:

Multi-level governance is a central feature of governing. Need to better learn from ourselves. Need to better balance power in place-based collaborative governance

- Centrality of multi-level governance
 - A central feature is reality of multi-level governance everywhere, when gov'ts breakout from and go unilaterally and rupture complex processes of governance there is a sense of illegitimacy.
 - We need to have better processes of learning from ourselves. In order to better create appropriate policies that fit within the context of Canada.
- Social economy – partnership b/w gov't market and civil society

Balancing power in place-based collaborative governance

- Intermediaries who help to balance that power in place-based collaborative and work to create people who can be speakers for communities.

Plenary 3: New Centuries New Risks

John Stephens - University of North Carolina

Summary:

- Goal now is: High employment (negative activation = get off ei, Pos activation = labour incentives)
- Need to combine high labour force with welfare state

Bruno Palier – Centre de recherches politiques de Sciences

- Need a new architecture not = neoliberal
 - Need b/c the political econ and the 'politique sociale' have changed
 - Changes:
 - Econ growth decreased
 - Post-industrial
- Talked about Keynes and shifts in economy since.
- Welfare
 - Before seen as a problem of economy
 - Now seen as a problem d'offre, more individual oriented, negative
 - 80s resulted in a conflict between 'politique sociale' and perception of welfare and ei

Jane Jensen- UdeM

Summary:

- Post neoliberal stage
 - Rebalancing role between gov't and community
 - Now have higher employment rates (Keynes was just about employment of males but now females are working)
 - Reduction of the deficit a priority
- Neoliberalism can't continue
 - People working but still poor
 - Markets can't meet the demand (OECD report not enough childcare for eg)
 - Social investment needed not just reduction
 - Community = signs of stress
- Economic development depends on social development
- Need higher skills for new economy
- Jobs don't equal enough income (need 2 incomes, but also need time)
 - Need to move beyond the job to the quality of job
 - Need to protect vulnerable workers (which is different from income security)
 - If jobs don't have benefits, the benefits must come from elsewhere (ie gov't)
 - Need also to provide services, not just income (eg. The income supplements given by the government are not enough because they are not services).
 - HH don't have time to care, so can't leave it to the family (need services)

- Need to think about the family and children when thinking about social development
 - The new economy make old assumptions about care (childcare, elderly, disabled etc) inoperative because they were predicated on care being based in the family. No longer one person at home to fulfill that role.
 - Family and market cannot bare the burden of vulnerability, but instead we must find a new way to make it a collective risk.

General Summary

Most significant contributions to the general discussion of where we are at today:

- Changing Family structure
 - 2 earner families
 - stereotypical family no longer exists
 - Most kids have 3 or 4 parents

Celine Le Bourdais – Demographer, McGill University

Conc: Higher gini-coefficient, the job retention rate is higher, there is a higher probability that you will remain at the same job level, and there is a lower probability that people will move over the gap between the rich and the poor. The result is that the people at the top are less likely to fall to the bottom and are less likely to want to contribute to lower income levels. Furthermore the people at the bottom are less likely to make investments in order to get out of poverty because the risk is too high. The end result is that people are being left behind. **David Green: Economics, UBC**

He provided an analysis of the working poor. Essentially he is stating that the welfare state left behind the WP and that now being low-paid is not the main problem for WP. He states that most low-paid workers make higher than minimum wage (avg. \$12/hr) and therefore bringing up minimum wage would not make a significant difference, while at the same time most low-paid workers are not the working poor (76% of low-paid workers are not poor). Instead the defining characteristic of WP is the number of parents and the number of children. Furthermore the poverty line is now based on a two earner household **Peter Hicks: Social Development Canada**

Contributions in terms of analysis :

- In response to higher education not being the silver bullet (as Angela was covering last week) When focusing only on economic return – it makes more sense to focus on education because get a higher return from more educated, but if focus on skill development for lower third then have high social returns, but no way to measure those.
- Old Risks – same problems eg. Unemployment, healthcare, family size etc. Pre-welfare thinking. Overly simplistic. **Theodor Marmor – Yale University**
- Post neoliberal stage

- Now have higher employment rates (Keynes was just about employment of males but now females are working)
- Economic development depends on social development
 - Need also to provide services, not just income (eg. The income supplements given by the government are not enough because they are not services).
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Jane Jensen- UdeM

Place Based policies:

Governments need new tools of governance. Specifically they need to learn to work better with place-based policies so that you can make meet local needs and make use of local assets **Judith Maxwell**

Multi-level governance is a central feature of governing. Need to better learn from ourselves. Need to better balance power in place-based collaborative governance **Keith Banting: Queens U. Politique Publique Chair Poverty, politics and policy**

General comments:

General frustration with and desire to focus on services, leftist type social policy interventions. Framed in a social welfare discourse. **Labour Risks – Breakout session**

Social Policy is not Economic policy, and in general they have difficulty meeting. However, because of economic imperative, social policy must be framed in terms of economic benefits. People were trying to address this throughout the conference, for example with the issue of investing in skill development would have higher social effects but lower economic effects, which is why policy always focus' on education (boosts economy).