

# The Evolution of Québec's Social Assistance Over the Last 20 Years: Two Steps Forward, One Step Back?<sup>1</sup>

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## Introduction

In this brief paper, I review the evolution of Québec's social assistance regime, including related poverty reduction initiatives, since the mid-1990s. The focus is on the policies, programs, and measures put forward by the Québec government and their implications for low-income people in the province. My argument has three parts. First, following others before me (see Bernard & Saint-Arnaud, 2004; Boychuk, 1998; Haddow, 2013; Lefèvre, Boismenu, & Dufour, 2011; Noël, 2013; Proulx, Faustmann, Raïq, & van den Berg, 2011). I argue that Québec's social policy regime is qualitatively different than that of the rest of Canada. Second, I concur with Alain Noël (2013) in arguing that Québec's distinctive social policy regime displays three components: “an ambitious and encompassing family policy, a set of active labour market programs, and a law and a strategy against poverty and social exclusion” (p. 262). Furthermore, I argue that Québec's recent social policy regime is characterized by “activation” ideas characterized by an emphasis on tightening the connection between social protection and the labour market (Barbier & Ludwig-Mayerhofer, 2004; Daigneault, 2014).<sup>2</sup> Third, while successes to the Québec's approach have to be noted, these successes have been tarnished by serious setbacks. Moreover, significant challenges lie ahead.

## Québec's Distinctive Social Policy Regime

In this section, I review the three fundamental components to the social policy regime that had been taken hold in Québec since the mid-1990s (Noël, 2013). It has to be noted that these components are intertwined: Québec's family policy reinforce the active measures put in place, which, in turn, also counts as poverty reduction measures. Taken together, these three developments epitomize an activation logic where the objective is to reconnect social policy with the labour market.

### *1) An ambitious and encompassing family policy*

The cornerstone of Québec's family policy is undoubtedly the ambitious universally-accessible regulated childcare that it launched in 1997. Initially known as “*Les garderies*

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<sup>1</sup> This brief paper derives from a presentation for a round table organized by Adje van de Sande and Allan Moscovitch at the Joint Session of the Centre for Studies on Poverty and Social Citizenship (CSPSC) and the Social Policy and Advocacy Committee (SPAC), on Ottawa, June 3, 2015.

<sup>2</sup> In the field of social assistance (see Daigneault, 2014), activation ideas are characterized by the principle that welfare is a contract between the State and its citizens according to which there should be a balance between rights and responsibilities. Activation emphasizes the need to tear down the “welfare wall” (i.e., increase work incentives for low-income people), invest in human capitals and fight poverty among low-income workers. The aim is to reconnect social protection with the labour market. While basic welfare benefits should be low according to activation ideas, they should be supplemented by various income supports for low-income workers. Finally, governments should support and invest in active measures such as skills development, job search assistance, and life-long learning. Assistance becomes increasingly conditional to employment and participation in active measures.

à 5\$” — because this was the fee paid by parents for each day their child used this service — this affordable and high-quality childcare system provided 220,000 subsidized places in 2013-2014 through non-profit CPEs (*Centre de la petite enfance*) and subsidized private childcare. In addition to its positive contribution to the well-being and development of children, Québec’s regulated childcare system has had a demonstrated positive impact on the labour force participation of women (Fortin, Godbout & St-Cerny, 2012; Proulx, Faustmann, Raïq, & van den Berg, 2011). A second pillar of Québec’s family policy is the generous child assistance provided to all but, in particular, low-income families. Each family receives a non-taxable benefit ranging from \$664 to \$2,366 annually (\$995 to 3,196\$ for lone-parent families).<sup>3</sup> The benefit is increased for each subsequent child. For a second child the increase ranges from \$613 to \$1,182 (\$944 to \$2,012 for lone-parent families). The Québec Parental Insurance Plan, launched in 2006, is the last piece of the province ambitious family policy. This public insurance scheme aims to reconcile professional and parental obligations of Québec’s parents. It provides paid maternity (15-18 weeks reserved for the mother), paternity (3-5 weeks reserved for the father), parental (25-32 weeks that can be shared between parents) or adoption (28-37 weeks) leaves based on contributions from workers and employers. Depending on the program version, the length of the leave varies from 28 to 55 weeks for a replacement rate that ranges from 55 to 75% of the insurable salary.<sup>4</sup>

## 2) *Active labour market measures*

A second component of Québec social policy regime is its myriad of activation measures aimed at increasing the attractiveness of work through financial incentives and at developing human capital through various employability and training programs. First, in 1997, all employment programs were integrated under the same roof at Emploi-Québec in order to better serve the various clientele. The same year, a public prescription drug insurance plan was adopted to provide better coverage for low-income people. The regime, which is mandatory, intended for those not already covered by a private company through their employer (about 3 million people). In addition, various programs and pilot projects were implemented to tear down the “welfare wall”, in particular for long-term social assistance beneficiaries. The Supplément de retour au travail (1997-2014), was a lump sum benefit of \$500 for long-term social assistance clients who got back on the labour market to work full-time. Action Emploi (2002-2005) was a very innovative pilot project that was inspired from the Self-Sufficiency Project implemented in BC and NB (on the latter, see Foley, 2015). Under Action Emploi, long-term social assistance clients who would reintegrate the labour market on a full-time basis would receive financial support over three years (\$390 per month for the first 12 months, \$260 the next 12 months and \$130 per month for the last 12 months). Action Emploi was shown to have a positive impact on employment which lasted beyond the end of the project (Lacroix & Vigneault, 2013). The youth was also a prime clientele for active measures. The Solidarité jeunesse pilot project (2000-2002), which was followed

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<sup>3</sup> See [http://www.rrq.gouv.qc.ca/en/programmes/soutien\\_enfants/paiement/Pages/montant.aspx](http://www.rrq.gouv.qc.ca/en/programmes/soutien_enfants/paiement/Pages/montant.aspx) (accessed 08/17/2015).

<sup>4</sup> See [http://www.rqap.gouv.qc.ca/includes/tableaux/tab\\_synthese\\_prestations\\_en.html](http://www.rqap.gouv.qc.ca/includes/tableaux/tab_synthese_prestations_en.html) (accessed 08/17/2015).

Alternative jeunesse (2007-2014), was a voluntary project for young people under 25 years old who had difficulties integrating the labour market. There were given support and counselling but also financial incentives to help define their integration project (work, study, volunteering). In 2004, the Québec government introduced the Work Premium (there is also an Adapted Work Premium for people with disabilities) for low-income workers. In 2015, this benefit ranges in value from \$552.02 for childless singles to \$3,078.50 for couples with children.<sup>5</sup> In 2008, the Supplement to the Work premium would follow in Action Emploi's footsteps but is less generous (200\$/month for 12 months for long-term welfare clients who go back to work).

### 3) *The fight against poverty and social exclusion*

The third component of Québec's distinctive social policy regime is its anti-poverty policy. After an intense and extended civil society mobilization that started in the mid-1990s (Dufour, 2004; Noël, 2013, 2015), Québec was, in 2002, the first province to take legislative action against poverty and social exclusion with Bill 112. The goal was for Quebec to be, in 2013, the advanced nation where there is fewer poor and socially excluded people. The law was followed, in 2004 and 2010, by two actions plans which contained measures worth \$4.5 and \$7 billion, respectively.<sup>6</sup> In 2005, two new organizations were created within the Ministry of Employment and Social services: an advisory body called the *Comité consultatif de lutte contre la pauvreté et l'exclusion sociale* and a research centre called the *Centre d'étude sur la pauvreté et l'exclusion*. Together, they produce studies, report and recommendations for the government.

### The State of Social Assistance, Inequality and Low-Income in Québec

There are two streams of last-resort income support in Québec. Social assistance is restricted to people who are employable or who suffer from a temporary barrier to employment. Social solidarity is restricted to people with a severely limited capacity for employment and whose profile s whose socio-professional profile limits his or her capacity for employment. The number of beneficiaries in Quebec is still significant (see below). Childless single persons represent the largest group of beneficiaries (57.2%), followed by lone-parent families (22.8%), couples with children (14.6%), childless couples (5.3%), students' spouses or partners (0.2%) (MTESS, 2015).

	Households	All beneficiaries	Adult beneficiaries	Children beneficiaries
Social Assistance	196,038	304,278	215,391	88,887
Social Solidarity	127,182	143,605	135,08	8,525
Total	323,22	447,883	350,471	97,412

Source: Ministère du Travail, de l'Emploi et de la Solidarité sociale du Québec (2015)

<sup>5</sup> See [http://www.revenuquebec.ca/en/citoyen/situation/faible\\_revenu/prime\\_travail/montant.aspx](http://www.revenuquebec.ca/en/citoyen/situation/faible_revenu/prime_travail/montant.aspx) (accessed 08/17/2015).

<sup>6</sup> See [http://www.mess.gouv.qc.ca/publications/pdf/ADMIN\\_Plan\\_de\\_lutte\\_2010-2015\\_en.pdf](http://www.mess.gouv.qc.ca/publications/pdf/ADMIN_Plan_de_lutte_2010-2015_en.pdf) (accessed 08/17/2015). Of the \$7 billion in the second plan, \$1.1 billion are in new investments.

The social assistance rate<sup>7</sup> in Québec has declined significantly since the mid-1990s, from close to 12% in 1997 to 6.6% in March 2015 (Kneebone and White, 2014; MTESS, 2015). Using the conservative measure of poverty developed by Christopher Sarlo's, social assistance benefits in Québec in 2012 covered basic needs for couples with two children and lone-parents with one child (Kneebone and White, 2015). Moreover, the situation of these family units has improved since 2004, when the first poverty reduction action plan was launched. Sarlo's measure is quite controversial, however, and the "generosity" of Québec's benefits vanishes when using a measure of low-income rather than basic needs. Indeed, in 2013, the amount provided through social assistance ranged from 73.8% (couple, two children) to 80.5% (single parent, one child) of the Market Basket Measure or MBM (Tweddle, Torjman, & Battle, 2014). In other words, the level of the social assistance benefits in Québec is not sufficient to buy a basket of goods and services that insure a modest standard of living. Whatever measure is used, however, single employable people are clearly the worst off among all types of social assistance clients. Indeed, the benefits provided by the province to them are not even sufficient to cover basic needs, let alone provide them with a modest standard of living (Kneebone and White, 2015; Noël, 2015 Tweddle, Torjman, & Battle, 2014).

If we examine poverty for all families (not just those on social assistance), we note that the Québec government does a relatively good (albeit imperfect) job in reducing poverty and inequality. Whereas the before-tax and transfers rate of poverty for Québec is very close to the Ontario and Canada's rate, its after-tax-and-transfers rate is significantly lower and approaches, to some extent, the rate of Northern and Continental European countries (van den Berg & Raïq, 2014, p. 85).<sup>8</sup> Moreover, the increase in inequality that has been observed in Québec from 1990 to 2011 would have been twice greater in the absence of government intervention (Fréchet et al., 2014, p. 58).<sup>9</sup> Although inequality (as measured by the Gini coefficient) is lower in Québec than in Canada, the worrying upward trend appears to be shared between the two jurisdictions (Fréchet et al., 2014, p. 50).

### Two Steps Forward, One Step Back?

How well does the Québec social policy regime measure up with the situation of social assistance clients and low-income people?

On the bright side, there are more people working and less people relying on social assistance. Furthermore, the material situation of low-income families have improved since the mid-1990s. Although the economy certainly is a significant driver for this positive outcome, Québec's distinctive social policy regime – built around an ambitious and encompassing family policy, active labour market measures and poverty-reduction policy (Noël, 2013) – has also played a role. Fortin, Godbout and St-Cerny (2008) have shown the positive impact of Québec's universally-accessible regulated

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<sup>7</sup> Defined as the number of social-assistance beneficiaries measured as a fraction of the population aged 0 to 64 years.

<sup>8</sup> Poverty is defined as having income below 50% of the median income. Data is for 2007 and comes from the Luxemburg Income Study.

<sup>9</sup> Using the interquintile ratio of income for adjusted family units as an indicator.

childcare on the labour force participation of women. Lacroix and Vigneault (2013) have found that Action emploi has reduced social assistance use even after the termination of the program. Moreover, family units made up of two parents and two children received more in government transfers in 2008 than in 2000, that is +28% (\$0 market income), +109% (\$25,000 market income) and +48% (\$50,000 market income) (Godbout & St-Cerny, 2008, as cited in Noël, 2013, p. 268).

On the dark side, the ambitious and encompassing family policy is under stress. For one thing, the demand for regulated and subsidized childcare exceeds the supply. Many parents cannot find a subsidized place for their child and are forced to turn towards unsubsidized places. For another, the structure of fees has substantially increased from \$5 in 1997, to \$7 in 2003, to \$7.30 in 2014, to \$7.30-\$20.00, depending on family income. Moreover, active measures such as the Supplément de retour au travail and Alternative jeunesse have been recently terminated. In terms of welfare income, the situation of single employables and childless couples has not improved or even worsened since the early 1990s, although small increases are scheduled for 2015-2017, and there is a huge gap between the amount of the social assistance benefit and what is required to cover their basic needs. In addition, various “setbacks”<sup>10</sup> have been noted over the last two years with respect to the regulations and generosity of social assistance programs, possibly motivated by cost-cutting in a context of deficit reduction. For example, since 2013, being aged 55-57 years old or being a couple with children below 5 years old are not considered temporary barrier to employment anymore and, therefore, does not translate in an automatic supplement to the social assistance benefit. In 2015, the government announced that out-of-province time allowed for social assistance clients would be reduced from two months to 15 days per calendar month. Similarly, rental income would have to be declared as for the second room rented by a social assistance clients.

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<sup>10</sup> While I believe that some of these changes are just and legitimate, they nevertheless represent setbacks in that they translate in less money for social assistance clients.

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