

# CanadaWatch

PRACTICAL AND AUTHORITATIVE ANALYSIS OF KEY NATIONAL ISSUES

SPECIAL DOUBLE ISSUE—THE CHRÉTIEN ERA: A RED BOOK AUDIT

## Adaptive navigation in the Chrétien era

### CHANGING THE CANADIAN LANDSCAPE

When Jean Chrétien defeated Kim Campbell in the fall of 1993, Canada's economy was emerging from a recession, the country was in serious debt and running annual deficits, and the Canadian dollar was eroding in value. Quebec had joined the majority of Canadians the year before in defeating the Charlottetown Accord and was ramping up for another referendum on its constitutional status.

BY MICHAEL ADAMS

Michael Adams is the president of the Environics group of companies and author of *Fire and Ice: The United States, Canada and the Myth of Converging Values*.

In the fall of 2003, the Canadian economy is strong, the federal government has reduced its debt and no longer runs deficits, and the Canadian dollar is rising in value.

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## Taking care of business: Chrétien and the Americans

### "HARMED" RELATIONS AND THE BAD SINGER

As I write this comment for *Canada Watch* "The Chrétien Era," his successor, Paul Martin, is gathering editorial praise for his promise to restore the US-Canada relationship, supposedly damaged by Jean Chrétien during his decade as prime minister. Today's e-mail included an invitation to a scholarly conference devoted to the question "Did the relationship between President Bush and former Prime Minister Chrétien 'harm' the Canada-US relationship, and how might this change with the recent political leadership shift in Ottawa?"

BY JOHN HERD THOMPSON

John Herd Thompson is director of the North American Studies Program and chair of the Department of History at Duke University.

I'll argue instead that—given the circumstances in which he governed and the massive asymmetry of power between the United States and Canada—Chrétien did a pretty good job with US-Canada relations, by any reasonable measure. Remember that Jean Chrétien won office in 1993 in large part because Canadian voters were fed up to the

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# The Chrétien legacy and women's equality

From the perspective of women's economic equality, the Chrétien era amounted to 10 lost years. The momentum begun with the 1970 Royal Commission on the Status of Women slowed during the second Mulroney mandate and came to an almost complete halt during the Chrétien years.

## THE LIBERAL MODEL OF EMPLOYABILITY

Taken as a whole, the changes contributed to the construction of a new model of the welfare state, which political scientist Ann Porter has characterized as the "employability model." This model is premised on a polarized labour market for both men and women with state policies for income support and services reinforcing the precariousness of those at the bottom end. It assumes the labour market participation of the overwhelming majority of women but on terms of inequality for all but a small stratum of the professionally trained or highly skilled. In the absence of services to replace the domestic labour of women in the home, improved opportunity for women at the upper end of the labour market is subsidized by the low wages of women employed in caring services in commercial establishments or in private homes.

Policies of the Liberal government have contributed to the construction of this new model in a number of areas, including unemployment insurance, social assistance, training policy, and children's benefits and services.

By the time the Liberals assumed office, changes by the previous government to Employment Insurance had reduced the percentage of the unemployed actually receiving EI benefits to 57 percent, down from 74 percent in 1987. Under Liberal government changes, the coverage rate declined to 39 percent by 2001. The change to basing eligibility on hours worked rather than on weeks worked hit women particularly hard and resulted in a steadily increasing gender

BY BARBARA CAMERON

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Along with cutting the social transfer to the provinces, the 1995 federal Liberal budget eliminated the Canada Assistance Plan and with it the federal conditions, including the right to social assistance based on need that constituted basic social rights for the poor.

gap in coverage. In 1994, there was a four point difference between the coverage rates of men and women; by 2001 this had grown to 11 points. The gender gap reached 15 points in the childbearing and early child rearing age groups. Married women were further disadvantaged by the 1997 shift from individual to household income testing for the family supplement.

## BROKEN PROMISES

Adequate levels of social assistance are a cornerstone of autonomy for many women with children, providing an exit option for those in abusive or otherwise unsatisfactory relationships and basic

subsistence for single mothers. Along with cutting the social transfer to the provinces, the 1995 federal Liberal budget eliminated the Canada Assistance Plan and with it the federal conditions, including the right to social assistance based on need that constituted basic social rights for the poor. The elimination of the conditions signalled federal support for the workfare strategies of provinces, which as Jamie Peck points out, are directed not at creating jobs for workers who need them but at "creating workers for jobs nobody wants."

When the Liberals came into office, the Conservative policy of targeting funding for labour market training to equity groups was still in place, although the shift to "employability" training for social assistance recipients had begun. The offloading of federal training expenditures onto the EI fund was also already underway. The Liberals accelerated the pace of change in the same direction, eliminating spending on training out of general revenue in the name of devolving responsibility to the provinces and entering into bilateral agreements to allow provinces to use EI funds to train social assistance recipients. In the process, funding for training programs targeted to women disappeared and the infrastructure of women's community-based training organizations was undermined.

## CHILD CARE AND CUTBACKS

The 1993 Liberal Red Book promised a significant expansion of funding for child care through cost-sharing arrangements with the provinces. If fully taken up by the provinces, the promised \$720 million in cost-shared money over three years would have resulted in an infusion of over \$1.4 billion of government money into the child care system and 150,000 new regulated spaces. The promise, along with the cost-shared Canada Assistance Plan, fell victim to Paul Martin's 1995 budget. Child care came back on the

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