

THE BATTLE AGAINST EXCLUSION

Volume 3

Social Assistance in Canada and Switzerland

TABLE OF CONTENTS

<i>Chapter 1. Introduction to the review</i>	11
Background to the review	11
Terms of reference and focus of the report.....	11
<i>Chapter 2. The social policy context</i>	15
Constitutional structures	15
Macroeconomic indicators	16
Labour market indicators	19
Systems of social protection	25
Switzerland	28
Canada	30
The distribution of income and poverty.....	31
Conclusion	36
<i>Chapter 3. The benefit systems</i>	37
Unemployment benefits.....	37
Unemployment insurance	37
Unemployment assistance.....	38
Duration of unemployment benefits	39
Social assistance	40
Who is eligible for social assistance?	40
The basic allowance	42
Assets' ceilings	43
Adapting for differing needs.....	45
Work and social assistance receipt.....	48
Child and family benefits	49
Net benefit rates.....	50
Caseloads	50
<i>Chapter 4. Clients and safety net provisions: adequacy, access and attitudes</i>	57
Adequacy	57
The philosophy behind the setting of benefit rates	57
Basic benefit payment rates.....	60

Meeting exceptional needs	61
Adapting benefits to family size.....	62
The provision of services and the role of NGOs	64
Overall benefit generosity	66
Access to benefits.....	69
Family resources.....	69
Repaying social assistance.....	70
The role of elected officials and the attitude of staff.....	70
Switzerland: professionalism versus political legitimacy?	70
Canada: how tight should administration be?.....	72
Concluding remarks.....	76
Chapter 5. Avoiding long-term dependency.....	79
Introduction.....	79
Financial incentives to work.....	84
The gap between benefits and earnings: net replacement rates	84
Combining work and benefit receipt.....	87
Other barriers to work within the social assistance system	92
Financial incentives and their consequences for reintegration strategies	94
Reintegration strategies.....	95
Enhancing job search.....	96
Reintegration of persons with unemployment benefits	100
Reintegration of social assistance clients: the short road towards employment?.....	103
Placement in the primary and secondary labour market.....	105
Compulsory participation in ALMPs and workfare.....	106
The impact of policy reform on caseloads.....	110
The effect of social assistance policy reforms	110
The effect of unemployment insurance policy reform	112
Are those who left social assistance back in work?	115
Conclusions	119
Chapter 6. Policy coherence.....	123
Introduction.....	123
The organisation and financing of social assistance.....	124
Canada	124
Switzerland.....	128
Balancing subsidiarity and minimum standards	130
The new Social Union.....	131
Subsidiarity and minimum standards in social assistance policy	132
Consequences of the financial arrangements.....	136
Fiscal arrangements between federal and intermediate governments.....	136

The role of local government.....	138
Possibilities for cost-shifting.....	142
Employment services and social assistance.....	145
Who provides services?	146
Improving coherence in delivery of labour market services	150
Conclusion	153
Chapter 7. Conclusions.....	157
Objectives of policy	157
Adequacy, access and attitudes	158
Reintegration.....	159
Policy coherence.....	161
Caseloads	163
<i>Annex.....</i>	<i>165</i>
<i>Notes</i>	<i>169</i>
<i>Bibliography.....</i>	<i>177</i>

Liste of tables

2.1. Population and area.....	16
2.2. Main economic indicators.....	17
2.3. GDP per capita at market prices in Canada.....	18
2.4. Immigrant population in Canada, 1997	20
2.5. Employed foreigners in Switzerland, 1990	20
2.6. Main labour market indicators	22
2.7. Part-time employment	22
2.8. Provincial employment and unemployment rates, annual averages.....	23
2.9. The earnings structure.....	25
2.10. Public social expenditure as a percentage of GDP, 1980-95	26
2.11. Public social spending on the working-age population, 1980-1995.....	27
2.12. Public spending on unemployment compensation, 1985-1997	27
2.13. Public social spending on disability cash benefits and occupational injuries, 1980-1995	28
2.14. Cantonal spending on social assistance and unemployment assistance..	29
2.15. Low-Income Cut-Offs in Canada, 1997.....	33
2.16. Incidence of low income in Canada and Switzerland.....	33
2.17. The incidence of low income by age and household type, Switzerland, 1992	34
2.18. The regional distribution of poverty, Switzerland, 1992	35
2.19. Low-income rates in Canada (1991) after taxes and transfers.....	35
3.1. Net monthly unemployment insurance benefits in 1998 US\$ PPP.....	39
3.2. Categorisation of social assistance recipients in Canada	41
3.3. Maximum monthly basic payment rates in 1998 US\$ PPP	43