

# **PRUDENTLY PROGRESSIVE: CALEDON'S FIRST DECADE AS A SOCIAL POLICY THINK TANK**

**By**

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It was like a dark and stormy night when Caledon appeared on the scene, a gloomy and unsettled time in Canadian politics and social policy. In the early 1990s, the economy was in recession and welfare caseloads, which had not completely fallen following the last recession of the early 1980s, shot further upwards again; the Mulroney Conservatives were retrenching a broad array of income support and social service programs, including universal family and elderly benefits, until then assumed politically secure; the national policy agenda was dominated by free trade, far more than fair treatment, and by major constitutional reform efforts which ultimately were rejected by provinces or the public; and the budgetary politics of Ottawa and most provinces focused on deficit control and reductions.

## **Caledon's Place in the Social Policy Community**

Caledon joined a community of think tanks which, at that time, was dominated by centre-right to radical-right organizations, such as the C.D. Howe Institute, the Institute for Research on Public Policy, the Canada West Foundation, and the Fraser Institute. Thus, Caledon was a democratically valuable and analytically vital addition to the social policy community, complementing the work of other think tanks, such as the Canadian Council on Social Development and the Roehrer Institute, the federal government's own National Council of Welfare, along with citizen groups like the Council of Canadians, while countering the analysis and advocacy of more conservative think tanks. Through the 1990s, Caledon was accompanied by other think tanks offering progressive ideas and policy choices of a social liberal or social democratic perspective, for instance the Canadian Policy Research Networks, the Parkland Institute, and the Canadian Centre for Policy Alternatives.

Over the years, Caledon has been extending its network of clients, colleagues and audiences. The Maytree Foundation funds much if not most of Caledon's work, affording Caledon its prized autonomy from government funders, and provides the Institute the ability to determine its own research agenda and perspective on issues. Nonetheless, Caledon has done research on contract for federal departments and agencies, especially Finance and Human Resources Development Canada, as well as the Auditor General of

Canada, and Canada Mortgage and Housing, among others. Indeed, at times, some in the social policy community have felt that Caledon has had too close a relationship with federal government politicians and administrators, and not close enough with other advocates and think tanks pushing for change. Perhaps this criticism stems, in part, from the apparent ability of Caledon to have relatively more standing with, and influence on government advisors and decision makers.<sup>1</sup> In turn, this likely relates to Caledon's orientation toward doing research and offering policy options that they themselves call "based on what can be achieved in the world in which we live."<sup>2</sup> We could call this style of policy analysis prudently progressive.

A scan of their publications over the years reveals a broadening policy focus, spreading out well beyond the halls of power in Ottawa, to include foundations, corporations, international experts, Canadian academics and consultants, provincial officials, intergovernmental groups, municipalities, and numerous civil society organizations. Like other successful and effective think tanks, Caledon has cultivated a credible and regular profile in the mass media.

### **The Activities of a Think Tank**

Caledon describes itself as "an independent and critical voice" on matters of poverty and social policy, engaging in three main activities: doing research and analysis, seeking to inform and influence public opinion and to foster public discussion, and developing and promoting specific, feasible plans for reforming social programs. The scope of these activities encompasses all levels of government and "social benefits provided by employers and the voluntary sector." In policy research, they are best known for their empirical work on federal and intergovernmental income security program operations and spending trends - especially child benefit, pensions and welfare – and on taxation, including tax expenditures, the so-called hidden welfare system of Canada. In more recent years, Caledon's policy research has also moved into the areas of public education, social housing and community development.

A hard-working and energetic think tank, Caledon's trilogy of activities – policy research, public awareness, and social program reform proposals – is carried out through a prolific volume of papers, articles, commentaries, monographs and book chapters. As well, it is carried out by the hosting and organizing of conferences, such as on pension reform or the social security review process in the mid-1990s; by making presentations and submissions to parliamentary committees, such as on employment insurance or federal budgets; and by advising governments and officials on such matters as child benefits, disability issues, and elderly benefits.

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<sup>1</sup> See Wendy E. McKeen, "Writing Women Out: Poverty Discourse and Feminist Agency in the 1990s National Social Welfare Policy Debate," *Canadian Review of Social Policy*, No. 48, Fall 2001, pp. 19-33.

<sup>2</sup> From the Caledon website, <http://www.caledoninst.org/overview/htm>.

Caledon publications are not dull and dry, at least to policy wonks! They are known for sweeping coverage, and historically well-grounded reports that are highly readable, with an eye to reform, catchy titles and sprinkled with metaphors. Illustrations of this include *History/Hysteria*, *Desperate for Respite*, *Green Paper/Red Light*, and *How Finance Re-Formed Social Policy*.

## **Contributions to Canadian Social Policy**

In its first decade of operation, Caledon has made contributions to Canadian social policy in at least three ways.

1. Producing an impressive empirical body of work that gives sustained attention to, and analysis of major pressures and demands on social programs. Through this work, Caledon reminds us - lest we forget, have never known, or are misled by political propaganda - of our past commitments to core social values and choices in policies and programs. In tracking expenditure trends, Caledon routinely converts budget allocations to constant dollars, taking account of inflation, to trace the real value of benefits to real people over real time. This approach reveals the true degree of resource commitment by a government to a particular policy and clientele. It also tells us that the adequacy of income support depends upon the actual purchasing power of benefits through time.
2. Contributing in a significant way to the conceptual landscape on which social policy is discussed and debated in the country. Every think tank has a think talk: a way of reasoning, writing and conversing about issues. One measure of the influence of a think tank is its ability to trigger and shape public discussion and debates, and on this Caledon has had considerable success. Caledon has invented new terms that have entered our public discourse in how we think and talk about social policy issues, processes and many so-called reforms. The concept of stealth is likely most famous – a term coined by Ken Battle just prior to the birth of Caledon, but used extensively and with great effect in numerous publications ever since.<sup>3</sup> The evil twins of stealth, “bracket creep” and “credit corrosion” were off springs of Battle’s conceptualizing of the politics of stealth, as is the notion of “relentless incrementalism” that he has written about recently. The idea of the “welfare wall” is another term Battle and Sherri Torjman created to highlight the problems of barriers and disincentives in making a transition from welfare to work, and which played a role in shaping the National Child Benefit.<sup>4</sup> Along with coining new terms, in which to analyze and assess the impact and merits of social program changes, the Caledon Institute has contributed to the advancement and

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<sup>3</sup> The original article published under the pseudonym Gratton Gray, because Battle was at the National Council of Welfare, “Social Policy by Stealth,” *Policy Options*, 11, 2 (March 1990).

<sup>4</sup> Ken Battle and Sherri Torjman, *The Welfare Wall: The Interaction of the Welfare and Tax Systems*, (Ottawa: Caledon Institute of Social Policy, 1993). Other terms have long existed in social policy circles to describe this problem: one is poverty trap. This sheds light I think, on part of the success of the Caledon Institute, namely, their ability to label complex program impacts and policy processes with evocative metaphors.

application of ideas, already in circulation, to Canadian social policy debates. Writings by Sherri Torjman on citizenship, the civil society, national standards, and sustainable development, are examples of this contribution to our public discourse.

3. Influencing governmental policy thinking and program decisions. Perhaps Caledon's greatest success to date, in influencing policy change, has been the reforms to federal child benefits; in particular, the change in 1997 from the Canada Tax Benefit to the Canada Child Tax Benefit and, as part of the National Child Benefit system, the provincial reinvestments in programs for low-income families with children. Through a number of additional investments in the CTTB since then, it is becoming a substantial income support program for low-income families with children. Another area where Caledon may claim some credit, through their attack on stealth, was the re-introduction, in 2000, of full indexation of federal income tax brackets and many benefits and thresholds associated with them. Caledon also has had some disappointments in their efforts to affect change in government policy. An example is the failed effort to reform seniors benefits. With respect to influencing government at the level of policy vision, Caledon has had notable impact on federal and federal/provincial/territorial governments' approach to disability policy. In particular, through the work of Torjman on advancing a vision of full citizenship for people with disabilities.

A think tank can matter. Perhaps unlike some other policy institutes and many advocacy organizations in Canada, Caledon has performed a major role in social policy development and budgeting. Caledon makes a difference in determining policy ideas, raising public awareness and, at times, shaping the preferences and choices of senior decision makers.<sup>5</sup>

### **Next Decade, Next Steps**

The Caledon Institute has helped us better understand and to follow *what* is happening to social programs, public institutions and social values in Canada, and *how* it is happening. Through their rich conceptualizing work, Caledon has also changed, in part, the *way* many of us talk and write about social policy and *where* within governments we look for program reforms occurring and impacts.

However, Caledon has not been immune from controversy. Over the years, it has been criticized for paying insufficient attention to gender-based analyses; for their support of income testing benefits based on family income rather than on an individual basis; for “thinking the unthinkable” in the 1990s, at least among many social policy advocates, in supporting the move away from universality to selectivity in child and elderly benefits; and for emphasizing supply-side responses to unemployment and under-employment

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<sup>5</sup> Donald E. Abelson, *Do Think Tanks Matter? Assessing the Impact of Public Policy Institutes* (Montreal and Kingston: McGill-Queen's University Press, 2002). Researchers now need to examine how, when, where, and why think tanks matter, and with what consequences.

while underplaying demand side solutions to create jobs.<sup>6</sup> Even with these critiques, detractors and supporters alike acknowledge the quality of Caledon's crisp analyses of the unavoidable technical aspects of substantive program reforms.

Caledon has emerged to become one of Canada's most influential national social policy think tanks, contributing to changes in policy areas in both the federal government and the intergovernmental forum. Much work remains on exposing stealth, tackling child poverty, and addressing issues of health care, unemployment and social housing among many other areas. In addition, I welcome recent reports, and would encourage additional work by Caledon, on the areas of provincial and local government programs, Aboriginal policy and governance issues in Canada, and international and comparative policy studies.

The Caledon Institute practices what I call directed incrementalism. They set long-term goals and visions for major change in certain social policy sectors, develop reform options, and propose a schedule of steps over several years by which to move toward achieving the goals and vision. This is what sustains their guarded optimism, and what supports their ability to influence policy. It may well be that by 2010 the National Child Benefit will, as they suggested at the time of its introduction, represent the most important social policy innovation since medicare.

The issue of the implications of the changes to social policy for democracy – both through stealth and more blatant attacks through sheer political strength – bears much more analysis by all of us engaged in social reform and policy analysis. In contrast to the stealth style, which Battle and others have examined so closely, the politics of strength is a style of transforming policies and programs that relies on conviction, toughness and power, and which generate considerable confrontation. The strength style of social policy reform, evident in Harris's Ontario, Klein's Alberta, and Campbell's British Columbia, expands public and media awareness of changes and activates debate. Yet, like the politics of stealth, reform through the exercise of sheer political strength typically occurs without a genuine process of public consultation. In both governing styles, government seems to have relatively high autonomy in framing the problems and imposing the solutions on the public and other governments and public sector bodies. Thank goodness for independent progressive think tanks. As the Caledon Institute begins its second decade, I expect it will contribute their respected voice and research to this crucial debate of the relationship between social policy, program changes, and the quality of democracy in Canada.

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<sup>6</sup> See, for example, Douglas Durst (ed.) *Canada's National Child Benefits: Phoenix or Fizzle?* (Halifax: Fernwood Publishing, 1999); James J. Rice and Michael J. Prince, *Changing Politics of Canadian Social Policy* (Toronto: University of Toronto Press, 2000); James P. Mulvale, *Reimagining Social Welfare: Beyond the Keynesian Welfare State* (Toronto: Garamond Press, 2001).