

FRAGILE RECOVERY

The State of Public Services in Manitoba [spring 2003]



Canadian Centre for Policy Alternatives - Manitoba

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“The measure of a nation's greatness does not lie in its conquests, or its Gross National Product, or the height of its skyscrapers. The real measure of a nation is the quality of its national life, what it does for the least fortunate of its citizens and the opportunities it provides for its youth to live useful and meaningful lives.”

— Tommy Douglas

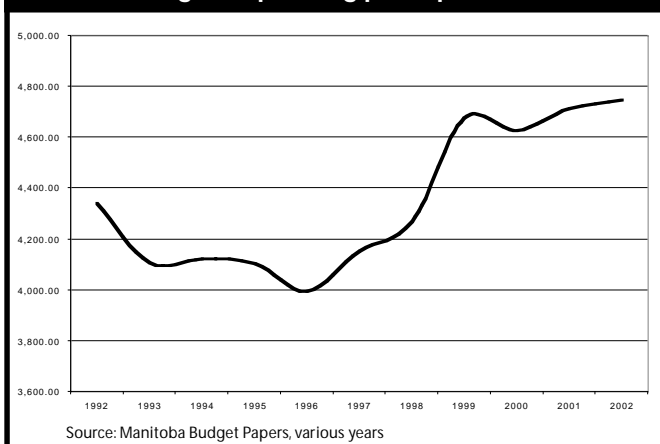
FROM MAJOR PROGRAMS SUCH AS HEALTH CARE, education, and the fire department, to parks, libraries, and cultural institutions, public services fundamentally enhance our quality of life. Public services also provide protection and support for the most vulnerable in our communities, through, for example, social assistance and emergency shelters.

Oliver Wendell Holmes once famously said that “taxes are the price we pay for civilization.” What does the “civilization” that we pay for really look like? How does it manifest itself in our everyday lives? Largely through public services.

The accessibility of public services is a key part of what makes them truly public

Public services are a way for us to pool our financial resources and use them efficiently. The alternative to having strong public services is a situation in which we all pay out of pocket for the services we need – or what we can afford. At best this might benefit the very wealthy – and even they would find it difficult to build their own personal hospital, highways, or garbage collection systems.

Figure 1
Manitoba Program spending per capita, 1991 dollars



During the 1990s, governments across Canada cut spending on public services. Ostensibly, this was done in order to reduce and then eliminate government deficits. Once that goal had been achieved, and the federal and most provincial governments could be counted on to run balanced budgets, the service cuts might have stopped. But did they?

Rather than using the “fiscal dividend” that resulted from the budget surpluses of 1990s to reinvest in public services, many governments chose instead to cut taxes. And, as Oliver Wendell Holmes might point out, you can’t cut taxes and reinvest in public services at the same time.

Figure 1 demonstrates, at the most basic level, what has happened to per capita program spending in Manitoba over the 1990s. There was a steady drop until 1997, at which point program spending per capita began to climb back toward historical levels.

This report was undertaken to evaluate the state of public services in Manitoba, and track what has happened to them over the past ten years*. We examine four categories of public services in Manitoba: health, education, social services, and municipal services in Winnipeg. We consider the overall conditions and major policy developments, and highlight several key programs in each sector. While there are no doubt important services that do not fall under these four major categories – and particular aspects within each one that we do not examine in detail – we are confident that this report provides an accurate and useful picture of the general state of public services in Manitoba.

We measure the services in each section according to two major criteria: quality and access. By quality we mean the ability of these services to meet individual and social needs, and to enhance the quality of life. The accessibility of public services is a key part of what makes them truly public. Accessibility can be undermined by lack of resources (leading to, for example, a shortage of childcare spaces or hospital beds), or by user fees or other charges.

*We track the major developments in public services over the past decade. We use the most up-to-date data available, and as a result the period under consideration varies slightly from section to section. In most cases, however, we look at the years 1992 – 2001, inclusive.

Overall Assessment

The 1990s were a harrowing period for public services in Manitoba, as quality and accessibility were eroded. However, many services either plateaued or improved toward the end of the decade. (Several exceptions – most notably municipal services and social services for the most vulnerable – are detailed below.)

Yet these gains are fragile at best. The current NDP government has cut taxes steadily since being elected in 1999, and the other major parties in Manitoba promise even bigger tax cuts if they take office. The province's own-source revenues, made up of taxes and fees, are falling relative to the size of the overall economy. If this trend continues, it will be impossible to keep services at their current levels, let alone rebuild them to make up for the cuts of the 1990s.

The news about municipal services in Winnipeg is almost entirely bad. Quality and accessibility both have been in steady decline for years, and unlike the other three categories we examined, municipal services in Winnipeg did not rebound or even plateau at the end of the 1990s. While essential services such as the fire department have not suffered major cuts, almost all other services, from swimming pools to grass cutting, have seen program cuts and increased user fees.

At the other end of spectrum is education. Public education suffered in terms of both quality and accessibility

in the mid-1990s, but it has rebounded strongly since then. University has become more accessible and public funding levels are on the rise. There is reason for concern in some areas, such as operating funding for Universities and the area of Aboriginal education at all levels. Nonetheless, the state of public education in Manitoba is cause for optimism.

It has recently become expected of governments to cut spending, but pledge to leave health and education alone. In Manitoba, those two departments make up nearly two-thirds of the annual budget. If you are going to cut spending but not touch health or education, what's left? Social services. Of these, the services that the most vulnerable Manitobans rely upon were allowed to erode so much over the past decade – and they have barely been rebuilt, if at all. However, a number of other social services, such as housing and childcare, have been strengthened significantly, and the trends are encouraging.

Health is the biggest and fastest growing budget item in Manitoba – it is not faced with a government unwilling to spend. In fact, spending pressures from health care are often blamed for squeezing out other services. Yet the recent increases are in part making up ground lost over the last decade, when many hospital beds were closed, and the system was restructured to try to cut costs.

	Quality	Trend	Accessibility	Trend	Overall
Municipal services in Winnipeg	D	↘	F	↘	D-
Health	A-	→	B	↘	B+
Education	B+	↗	B+	→	B+
Social services	C	→	D	↘	C-

Municipal Services in Winnipeg

Quality

THE PLACE TO BEGIN AN ASSESSMENT OF THE QUALITY OF PUBLIC MUNICIPAL services in Winnipeg is simply to evaluate how much the City spends on those services. To do this we must calculate the total amount that the City spends, less the amount that it pays toward servicing or paying down its debts. Figure 2 shows the decline in program spending per capita in Winnipeg for three representative years over a ten-year period.

In the 1980s, and through the early 90s, per capita program spending was relatively stable. Beginning in the mid-1990s, however, that level began to fall.

This situation was not one in which population growth was so rapid that revenues simply could not keep up. Winnipeg's population grew by less than 3 per cent between 1992 and 2001, while over the same period per capita program spending, adjusted for inflation, fell by nearly 17 per cent.

It is possible that the City may have found efficiencies that allowed it to cut spending on services – in other words, deliver the same quality of service, but do so more cheaply. Yet even the most bloated, corrupt bureaucracies could not cut spending as sharply as Winnipeg has without letting services suffer. And suffer is exactly what has happened to municipal services in Winnipeg.

The biggest cuts were to “second tier” services: services other than the police and fire departments. There are many examples of such cuts over the past decade. The most severe reductions occurred in the late 1990s.

Skating Rinks

- The number of pleasure rinks prepared and maintained by the City has fallen dramatically over the past five years:

1997/1998	135 rinks
1998/1999	112 rinks
1999/2000	30 rinks
2000/2001	42 rinks
2002/2003	21 rinks

Parks

- Nine city parks no longer have their pathways cleared of snow in the winter.
- Parks litter collection has moved from a 7-day cycle to a 14-day cycle.

Libraries

- Public libraries' hours of operation have been cut. Fifteen neighbourhood branches are now closed on Wednesdays.
- Staffing levels in the library cataloguing section were reduced by half. This, combined with cuts to the number of library pages, means that it takes much longer for new books to be processed and returned books to be put back into circulation.

Traffic Services

- A decade ago, the City performed two complete cycles of traffic line markings annually. In the mid-1990s this was reduced to one, and recently city crews have been unable to complete even one marking of the entire city due to budget cuts.
- In recent years the Branch has ended its area sign renewal service. Now signs are replaced when they fall down or are unrecognizable.
- Over the past decade, the residential street sweeping program has been steadily reduced. Today, beyond spring cleanup, there is no planned residential sweeping program, and fall street sweeping is carried out only as the budget permits.

Forestry Branch

- The regular city-wide program to prune city trees has moved from an 8 or 9 year cycle to a 13 or 15 year cycle. There are currently more than 2,300 outstanding public requests for forestry services.

Grass Cutting

- Inner-city boulevard mowing has been eliminated. Residential flankage mowing has been moved up to a 10 to 12 day mowing cycle.

Animal Services

- Between 1992 and 2002, the number of animal services officers was cut by more than 25 per cent.

MANY OF THESE CUTS, SUCH AS GRASS CUTTING AND street sweeping, undermine recent moves to “beautify” the city, to help attract and retain people and businesses. The drive in from the airport may be spruced up, but that does little good if the rest of the city looks neglected and dirty.

Figure 2
City of Winnipeg Program Spending per Capita (2001 dollars)

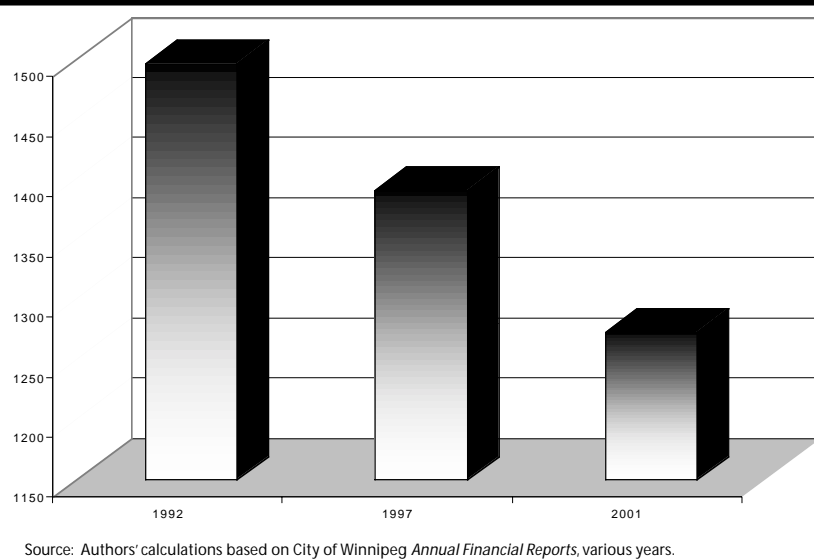
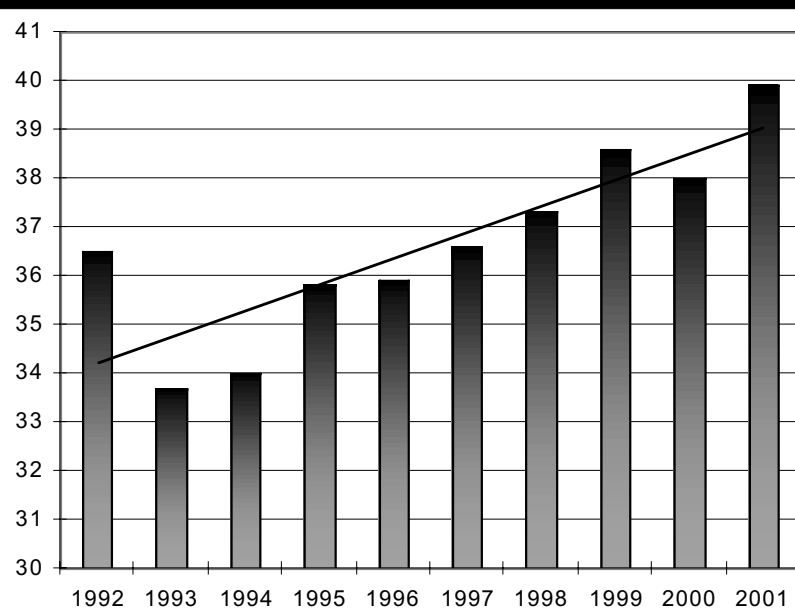


Figure 3
Winnipeg User Fees as a % of Total Revenue



Accessibility

All citizens of the city benefit from having access to strong public services. Yet when those services are cut, it is frequently low-income families – especially seniors and families with children – who suffer the most, because they are least able to purchase services on the open market. While many municipal services have simply been cut, the city has also, over the past decade and especially since the mid-1990s, relied more and more on user fees to fund programs. These fees act as barriers that restrict access to programs for lower-income families. Figure 3 demonstrates the trend.

Perhaps no service is a better barometer of accessibility than Transit, as this service is disproportionately used by seniors, students, and low-income people. Transit ridership levels are therefore particularly vulnerable to increases in rates. As the City's own report explains,

During the 1990s, transit fare increases were implemented at least annually.... During the same time period, the operations costs of regular transit did not change significantly and, in fact, the amount of operated service decreased. Concurrently, the costs to the user of riding regular transit have increased at a rate much higher than the rate of inflation.¹

While many municipal services have simply been cut, the city has also relied more and more on user fees.

Figure 4 shows how Winnipeg Transit has come to rely more on revenue from fares, and less on funding from the City. Responsibility for funding the transit system has been shifted onto the backs of those who are most reliant on bus service – typically, they are the Winnipeggers who are least able to afford it. This undermines Transit's status as a service provided as a public good, part of a just society. It also makes it much more difficult for unemployed people to find work and for students to pursue their studies – perverse consequences that benefit no one.

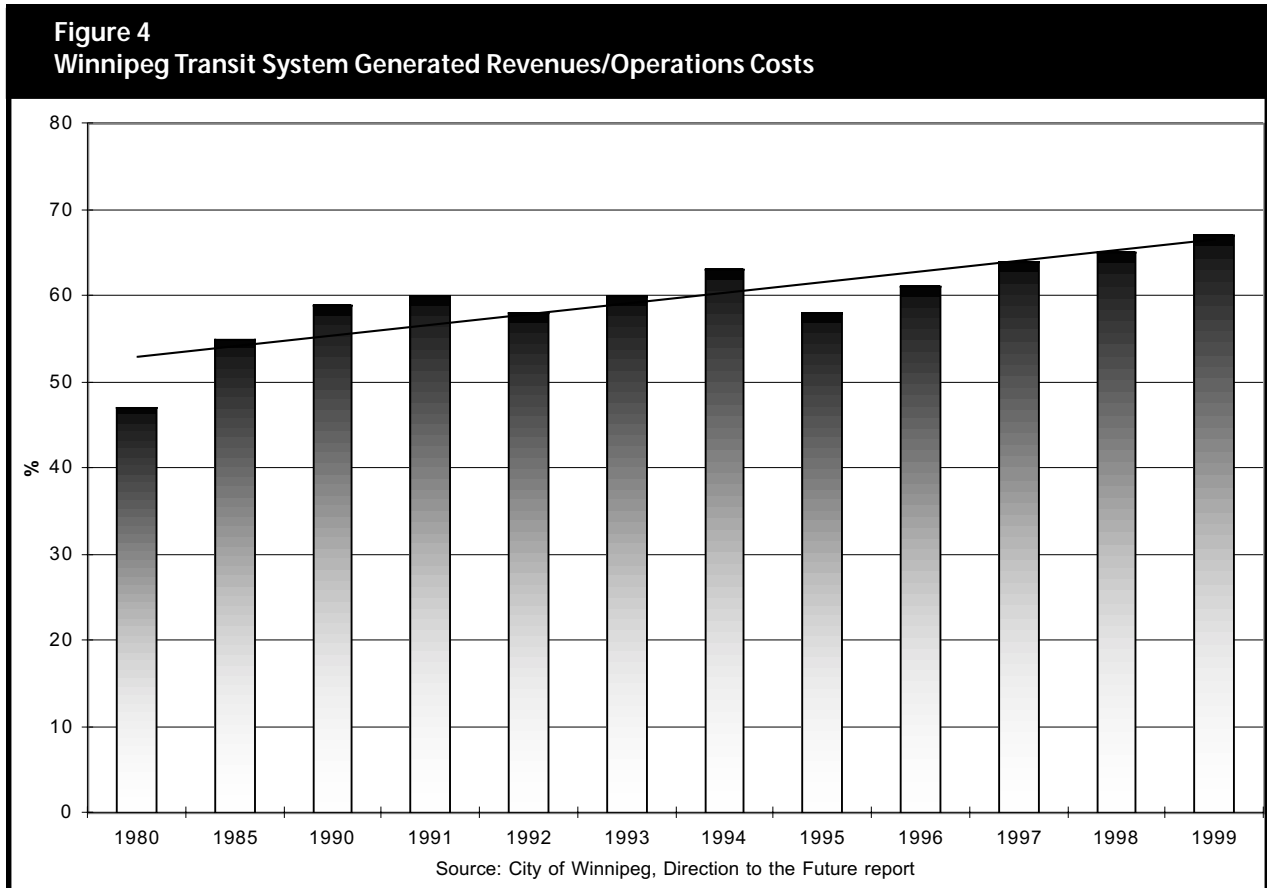
Assessment

The City of Winnipeg's 2003 Preliminary Operating Budget contained a clear and sobering assessment of

the weak state of the City's public services:

"Winnipeg is facing a problem of aging infrastructure. Roads, buildings and other infrastructure, built during a period of growth, are in need of repair or replacement. The City is getting further and further behind in this investment. In addition, service levels expected by the community will continue to put pressure on expenditures. Inflationary pressures alone cannot be covered through even modest increases in property taxes."

When Council finally passed its 2003 Operating Budget, it continued the trend that has been seen in Winnipeg since the mid-1990s: fewer and weaker public services, a move initiated by the City's efforts to cut property taxes and reduce borrowing. And increasingly the City is reducing direct program funding, while relying upon less-equitable user fees to fund services. In other words, both the quality and accessibility of municipal public services are in decline.



Health Care

Quality

IN THE 1990S, MANITOBA'S HEALTH CARE SYSTEM UNDERWENT A MAJOR RESTRUCTURING. In 1992, a complete overhaul of the health care sector was begun. Almost all Winnipeg hospitals and health care institutions were affected by bed closures, reorganization of management, centralizing and streamlining services, and budget cuts. The Department of Health was integrated with the Manitoba Health Services Commission.

In 1997, ten rural and northern Regional Health Authorities were formed, and the following year the Winnipeg and Brandon RHAs began operating.

In part as a result of these shifts, the use of hospital beds in Manitoba fell throughout the 1990s. This trend – which resulted in more than a quarter of the province's hospital beds being closed – began before the bed closures initiated in 1993. It partly reflects the widespread understanding that there is nothing inherently good about long hospital stays, and that many patients who had previously been staying in hospitals would be better off in personal care homes, or some other model of community care.

Still, most of the bed closures, as with the other major components of the restructuring, were intended to reduce costs by cutting the fat out of the budget. By the late 1990s, the system was lean in the wrong ways: Manitobans became familiar with the phrase “hallway medicine,” as hospitals could not accommodate the flow of patients, especially during certain times of the year such as flu season.

Interestingly, there is no evidence that these closures hurt patients' overall health, the quality of care they received, or their ability to get access to care when they needed it. A study by the Manitoba Centre for Health Policy on Winnipeg found that the bed closures did not, in general, have a negative impact.²

Figure 5 on the next page tracks the levels of RNs, physicians, and hospital beds in Manitoba throughout the 1990s.

The number of physicians has remained relatively stable, although this does not reflect the difficulty that many Manitobans now experience trying to find a family doctor. Nor does it reflect the shortage of doctors in rural communities. Moreover, the steady decline in the number of hospital beds was not necessarily offset by an increase in the number of personal care home beds – by 1998 the ratio of personal care home beds to Manitobans over the age of 75 had been falling steadily for more than a decade. More recent data on personal care homes was not available, so it is unclear if this trend has been reversed. The evidence strongly suggests that people are living at home longer, and spending less time in nursing homes at the end of their life.

While the number of Registered Nurses relative to the overall population stayed relatively constant, this statistic hides at least three major issues: the nursing workforce got older, while the number of nursing graduates in Manitoba fell; more nurses were employed on a part-time basis; and fewer Licensed Practical Nurses (LPNs) were used to relieve the nursing burden.

In 1990, the average age of a nurse in Manitoba was 39. By 1994 it had reached 40.6, and by 2000, 43.2.³ In other words, the nursing workforce is moving steadily towards retirement, and new nurses have not been available to replace departing ones. By 1999, the number of total nursing graduates in Manitoba had bottomed out at only 210 – less than one third the number in 1992.

The growth in part-time nursing was similarly dramatic. By 1997, approximately 12 per cent of RNs in

Figure 5
Manitoba RNs per 10,000 population; Physicians per 50,000 population; Hospital beds per 10,000 population

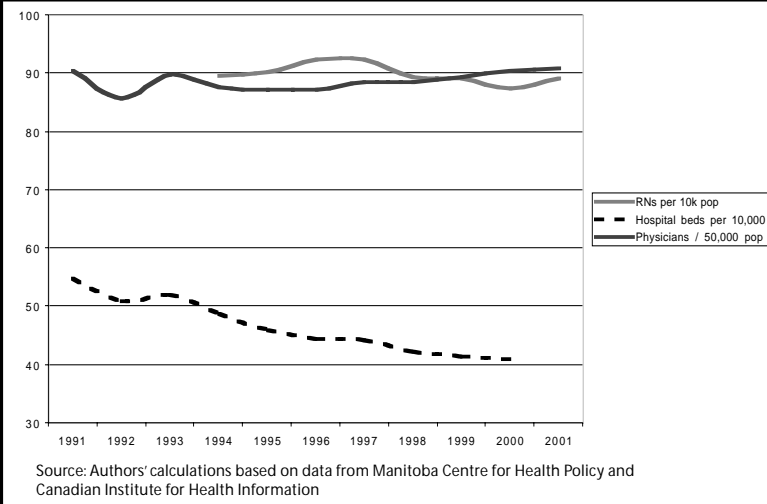


Figure 6
Manitoba Health Drug Spending (\$ millions, current dollars)

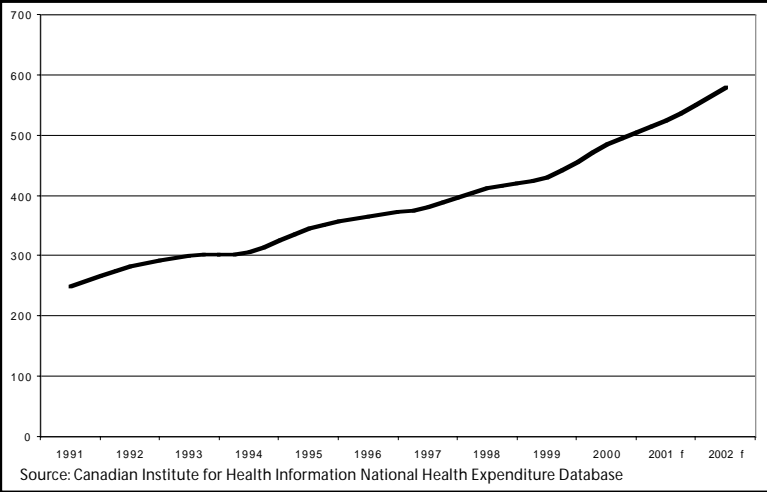
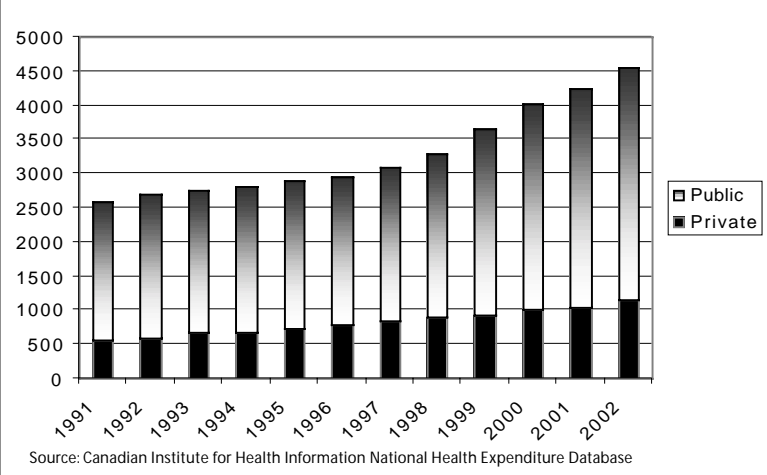


Figure 7
Health Spending in Manitoba by Source of Finance (\$000,000 current dollars)



Manitoba were employed on a casual basis.⁴ There has been clear progress in this area recently, and in 2001 the 1997 level had been cut in half. Meanwhile, by the mid-1990s the stress on RNs was worsened because LPNs were being seriously under-utilized. In 1996, fully 22 per cent of all LPNs maintained their annual registration, but were *not working in nursing*. By 2001, that level had fallen to 2 per cent. Over the same period, the percentage of LPNs working full time rose from 25 to 33 per cent.⁵

Health is the largest and fastest growing provincial budget line in Manitoba. Within that budget, pharmaceuticals have been the fastest-growing major expense. Figure 6 shows the astonishing growth in spending on drugs. In 1990, Manitoba Health spent 9 per cent of its total budget on pharmaceuticals; by 2002 the figure had reached an estimated 12.7 per cent, and is still climbing.

This is not to say that a decade ago, Manitobans received only three-quarters of the pharmaceuticals they needed, or that the drugs they are now prescribed are 30 per cent better than they were at the start of the 1990s. As in all provinces, the use of more expensive, name-brand (as opposed to generic) pharmaceuticals has grown, thanks in large part to legislative changes made at the federal level by the Mulroney government. Since taking power, the Doer government has been very active in calling for the changes necessary to reverse this unsustainable trend. For this, as for its other interventions during the Romanow Commission hearings, the NDP deserves a good deal of credit.

In order to offset rising drug costs, the province cut back in a number of areas, delisting drugs covered under Pharmacare, and cutting back on nursing, as mentioned above. Among the biggest cuts were those in the area of capital spending. Figure 7 shows how sharply this spending item fell through the 90s; it has rebounded since.

Overall, how did the health of Manitobans fare over the past ten years? A major 2001 study by the Manitoba Centre for Health Policy (MCHP) tracked the health and health

care use of Manitobans over the 14-year period from 1985 to 1998. It found “a remarkable improvement in the health of Manitobans. Life expectancy increased ... and premature mortality rates (deaths before age 75) fell.”⁶

Yet the benefits of this improved health were not shared by all. Remarkably, the health of residents of the three least-healthy RHAs (Nor-Man, Burntwood, and Churchill), actually declined.

Figure 8 is based on the extremely sophisticated, age- and sex-adjusted data prepared by the MCHP. It shows how the rates of premature mortality, considered to be a strong indicator of overall community health, fell province-wide, but rose in the least-healthy areas.

Accessibility

Manitobans pay for their health care system through their taxes, but a growing piece of the total health care spending pie is made up of private spending. If, for example, you wish to use the services of a health care provider not covered under the public health system, you pay out of your own pocket.

Some categories of health spending are almost completely public. Nearly 100 per cent of the money spent on public health, administration, and doctors is public money. However, an estimated two-thirds of drug costs are covered by private money – either directly by individuals out of their pockets, or indirectly, through insur-

ance plans. This includes Pharmacare deductibles. Since drug costs are one of the fastest rising health care expenses, it is no surprise that private spending as a proportion of all health care spending is growing. Conversely, the cuts to capital spending over the 1990s no doubt contributed to this shift toward private spending, as the vast majority of capital spending is made up of public dollars.

The restructuring of the 1990s included a number of cost increases. For example, in 1996 the province ended free eye examinations for people 19 – 64 years of age. Pharmacare deductibles rose steadily throughout the early 1990s, from \$163 for families without any seniors to \$231 for the same families in 1995. In 1996 the deductible formula was changed, and became based on a percentage of family income and the amount paid for drugs.

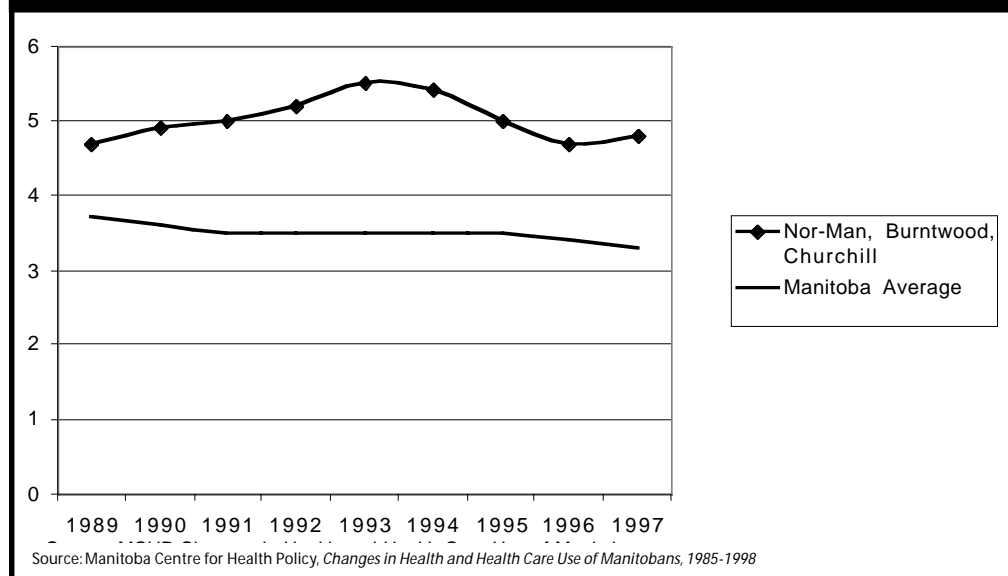
At the same time, in the late 1990s, health care services such as midwives were brought into the public health system, and thus become accessible to everyone at no additional out-of-pocket cost. Private cataract surgery ended in Manitoba in 1999 – until then, patients who went to a private clinic had to pay a “tray fee” of about \$1,000. In 1999, Manitoba Health covered all the costs.

Assessment

Does the health care system give Manitobans longer, healthier lives? Does the system have the resources it needs to ensure that treatment is available when needed, and ensure a high quality of care?

These are huge and complex questions, but for the most part the answers are “yes.” Manitoba’s health care system is not without problems, but overall, over the long term, it is strong and getting better.

Figure 8
Premature Mortality (age/sex adjusted)
Rates per 1,000 Population (rates are 3-year moving averages)



Education

EVALUATING THE STATE OF PUBLIC EDUCATION IN MANITOBA REQUIRES TAKING INTO consideration the prevailing pressures from other jurisdictions; the historical situation in the province; and the general tenor of public opinion. For most of the 1990s, Manitoba, like much of the rest of Canada, was governed by a neo-conservative ideology.

During that time, there weren't the abrupt changes experienced in other provinces, notably Alberta and Ontario, but the policy direction in education was no different. While a variety of actions by the current government indicate some reversal of the neo-conservative agenda, it is less easy to argue that a comprehensive alternative program has been articulated.

Accessibility

Funding is a key overall indicator of access to education. Through most of the 1990s, there was little increase in funding to public education. When adjusted for inflation and rising costs, there was actually a significant decline, especially in the period from 1993-94 to 1997-98. More recently, the provincial government committed itself to funding public schools at, or above, the level of provincial economic growth. It has done so in each of its provincial budgets. By 2002-03 total provincial government support for public education was approximately \$1.13 billion or 73.4 per cent of the cost of the public schools system.

Provincial funding for post-secondary education (PSE) has followed a similar pattern over the past ten years. As Figure 10 on the next page shows, through the early to mid 90s, expenditures on PSE remained basically flat. But, taking inflation and rising costs into account, funding for PSE actually dropped considerably during those years. Like funding for K-12, however, the late '90s and early 2000s have seen a noticeable increase to what appears to be a new plateau at around \$400 million per year.

Delivering on their election pledge, the current government has held the line on tuition and encouraged expanded enrolment at colleges and universities. To that end, tuition rates for general academic programs featured a 10 per cent rebate to eligible students and the restoration of the Manitoba bursary program. Moreover, full and part-time enrolment at universities has increased by 8,480 students (23.5 per cent) and 2,004 students at the college level (18.1 per cent) since 1999. The recently mandated tuition fee freeze has been a major factor in these increases.

It is unclear, however, how long the tuition freeze will remain in place. All post-secondary institutions say they need more income to maintain quality programs. Government funding, they say, falls far short of meeting rising costs. As such, over the 1990s, Manitoba universities relied more and more on tuition fees, as shown in the following Figure 9.

A similarly disturbing recent development has been the government's acquiescence to demands from professional faculties – most recently the University of Manitoba's Faculty of Law – to substantially raise tuition rates that they claim are needed to meet competition from outside the province. In each instance, there has been a promise that the new fee schedules will not pose barriers to disadvantaged students.

Worthwhile accessibility has to mean access to – and the opportunity to be successful in – culturally and socially -relevant educational experiences.⁷ Work has begun in a number of areas: legislation in the area of Special Education is promised as is an action plan on equity and diversity, and an English as a Second Language Re-

Delivering on their election pledge, the current government has held the line on tuition and encouraged expanded enrolment

Quality

view is underway.

Undoubtedly the most pressing and elusive area of change is in the area of Aboriginal education. This rapidly increasing portion of the provincial population continues to fare less well than other groups in terms of academic success. A recent study⁸ proposes a wholesale re-orientation of the curriculum in urban schools to recognize and reinforce the growing Aboriginal character of the city. It also calls for a renewed emphasis on the education and recruitment of Aboriginal teachers and recognizes the need to ensure that all graduating teachers are equipped with the tools, the training, and the mandate to share the cultural and political history of Aboriginal Peoples within their classrooms.

The proposed university college in northern Manitoba promises to provide an important step in this direction in post-secondary education. In other areas of adult learning, Aboriginal apprenticeships, and Prior Learning Assessment Recognition are important steps that put Manitoba at the forefront of Canadian developments. Still, looking at the entire public education system, much remains to be done to improve the educational experiences and success rates of Aboriginal students.

The notion of “quality” and its indicators in public education is complex, contested and goes to the heart of the

Figure 9
Manitoba University Tuition Fees as % of Total Revenue

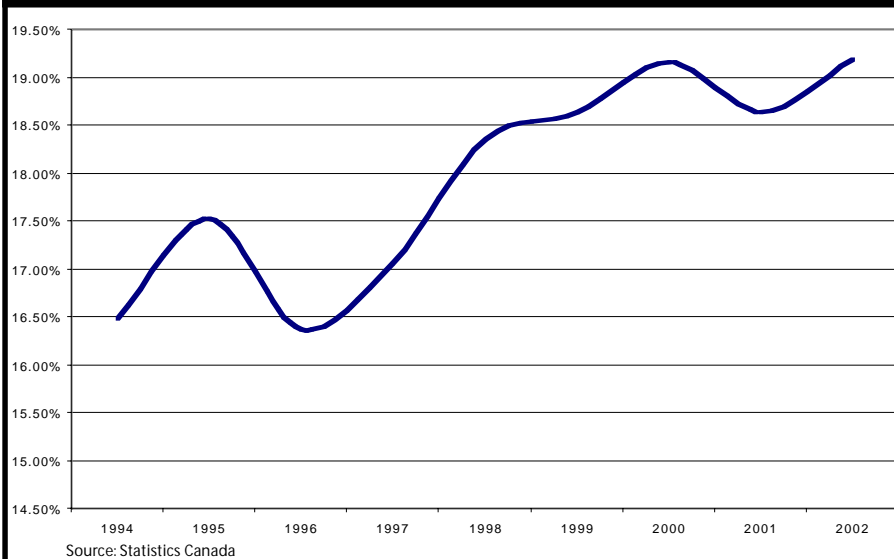
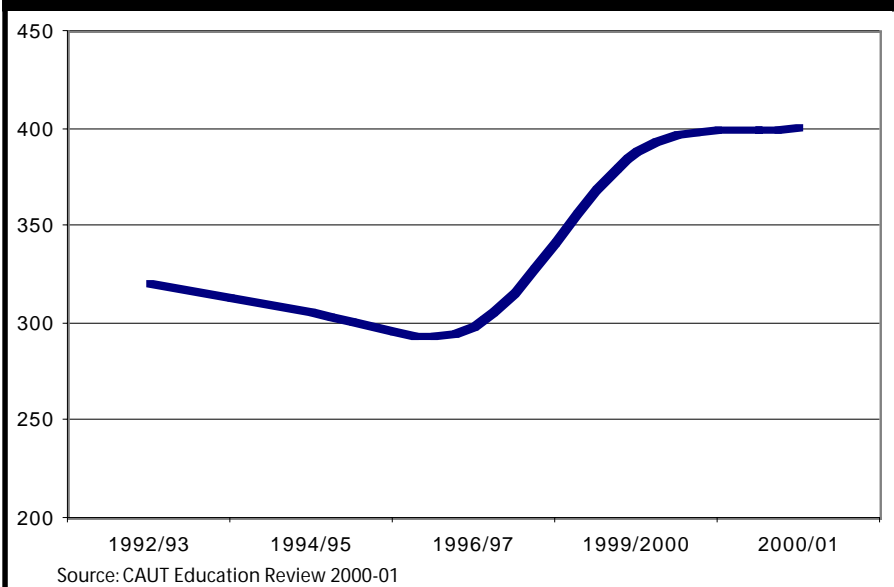


Figure 10
Manitoba Provincial Expenditures on Post-Secondary Education



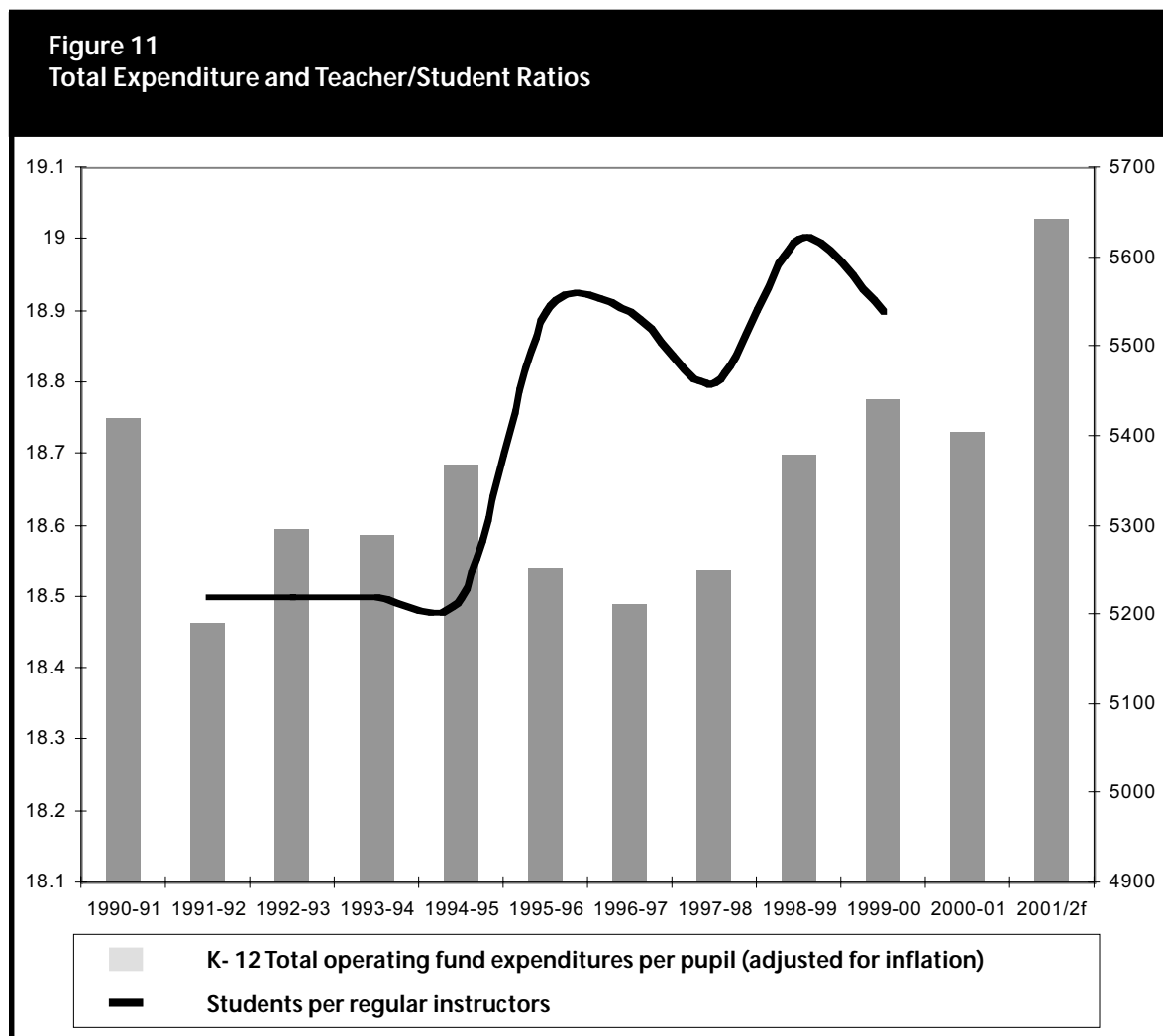
The government has remained committed to the democratic benefits of maintaining relatively small school divisions, with considerable local autonomy

purposes of schools and the nature of a democratic society. For a truly democratic society “quality” and “equality” are not competing, but rather inseparable priorities – as high quality public education cannot be inequitable. Similarly, a broad level of parental and community participation and support is required for education to be truly public.

One simple indicator of educational quality is pupil/teacher ratios – the more students a teacher has, the less attention they can give to individual learners. Reflecting the funding changes noted in Figure 11 below, the pat-

tern of the overall K-12 pupil/teacher ratio over the 1990s has been stable after the noticeable increase from 1994 to 1995.

Two recent government policy documents set out six priority areas for public education: improving outcomes especially for less successful learners; strengthening links among schools, involving families and communities; strengthening school planning and reporting; improving professional learning opportunities for educators; strengthening pathways among secondary schools; linking post-secondary education and work; and linking



Average Tuition Fees, Manitoba Universities, Undergraduate Arts				
1990/91	2000/01	2002/03	% change 90-01	%change 01-03
\$1,415	\$3,243	\$3,248	129.5 %	0.2 %
All figures in current dollars				

policy and practice to research.⁹

Probably the most marked change in recent years has been with student assessment. In the early 1990s, education policy embraced the idea that only compulsory standardized testing could measure children's school progress. Testing could also meet the parental right to know how one's children are doing at school. Yet, the competitive pressures brought to bear on students, teachers, administrators, and even school boards by overzealous testing, is hardly conducive to achieving social and individual benefit from the school system. Government efforts to restore a balance by reframing provincial assessment strategies in the Early Years and not publishing school by school assessment results deserve credit.

Less reliance on standards tests and school "league tables" does not sacrifice academic improvement and public accountability. The first of a series of annual reports on student outcomes reviews Manitoba student performance on: international assessments; national assessments; Manitoba assessments; high school courses; grade promotion and retention; and high school completion. Overall, the report's "data indicates that Canadian students do well by international standards, and that Manitoba students perform at about Canadian average levels."¹⁰

In the last two decades, the role and usefulness of locally elected school boards has been an issue across Canada. Most provinces have not only substantially reduced the number of school boards but also reduced their powers, most notably their ability to raise local taxes for education.¹¹ In Manitoba, the *Public Schools Modernization Act* (2002) reduced the number of school divisions from 54 to 37. Whether these changes will have a significant impact on the cost or quality of education is an open question. Much more important is the fact that the

government, in the face of developments in other provinces and consistent opposition to school boards' roles by the media, has remained committed to the democratic benefits of maintaining relatively small school divisions, with considerable local autonomy.

Education (and training) as a lifelong activity was high on the agenda of the school reform movement in the 1990s. With the "new" microchip-based economy, it was essential that everyone renew their knowledge throughout their working lives. Thus, in the early 1990s, Adult Learning Centres (ALCs) were established in Manitoba. Funding for ALCs was on a per capita basis and, in the spirit of encouraging entrepreneurship, was an open invitation to anyone who could secure school board backing to beat the bushes for students. Little attention was paid to monitoring ALCs thus creating a system open to abuse – as was revealed in the Provincial Auditor's investigation of the Morris-MacDonald School Division in 2001. In 2002, new legislation was introduced that considerably tightened the rules and procedures for ALCs. The steps taken to create a sound ALC network is a significant contribution to the quality of the province's education system.

Assessment

In recent years, Manitoba has steadily climbed the rankings of *Missing Pieces*, a national survey of post-secondary education in Canada, most recently tying for second place overall. This improvement relative to the rest of the country makes the improvements made to post-secondary education in Manitoba appear quite impressive.

Social Services

IN MANITOBA SOCIAL SERVICES ARE DELIVERED OR FUNDED BY A NUMBER OF PROVINCIAL government departments, including Family Services and Housing, Health, Education, Training and Youth, Intergovernmental Affairs, Culture Heritage and Tourism and Justice.

They are of various types:

- Supportive (such as social and financial supports for persons with disabilities, financial support for those with no or low income and assets, subsidized housing for those who cannot afford to purchase it in the rental market)
- Rehabilitative (such as vocational rehabilitation services for persons with disabilities, training services to help social assistance recipients enter the labour market)
- Protective (including services for battered women and their children, child protection services, elder abuse services)
- Corrective (such as probation services)
- Developmental (including community development, community economic development, parent education)

System-Wide Issues

To begin with, some overall issues related to the organization of social services in Manitoba will be discussed. First of all, eligibility for most social services in Manitoba is based on “residual” criteria — which means that support is available on an exceptional basis only when the market, families, and communities cannot or will not provide adequately. This effectively eliminates the possibility of the promotion of well being or the prevention of social problems. It also does not recognize that large portions of the population experience risks because they are socially or economically marginalized, and it leads to victim blaming and pejorative labelling. Replacement of

residualism with eligibility based on citizenship and developmental stage would change the function of the social service institution from saving victims and treating pathology to supporting human and social development and protecting the social and economic rights of citizens.

Second, social services in Manitoba are organized by categories, rather than holistically. Most funding is allocated to problem-based services, such as those for treating families, in which child maltreatment occurs, supporting persons with disabilities and providing out of home care for children of working or student parents who require financial assistance. Few general counselling and support services are available. This categorical approach leaves large gaps, treats clients in a piecemeal manner and highlights weakness and pathology.

Third, there are some very admirable attempts to coordinate services to some populations at the level of service delivery. These include the co-location of public health services and community social services in Winnipeg and government-wide coordination of services for children (especially preschool children) through the Healthy Child Initiative. However, the planning, evaluation and coordination of Manitoba’s public social services system is not guided by broad policy frameworks, either enshrined in legislation or in official documents, such as Quebec’s recent legislation related to the elimination of poverty or its policy framework related to the support of families with children. This absence limits opportunities for the orientation of policy across government departments in coordinated efforts to apply scarce resources in a rational manner to enhance social wellbeing and limit social problems.

Fourth, social services in Manitoba are delivered by a

Eligibility for most social services in Manitoba is available only when the market, families, and communities cannot or will not provide

combination of the public sector and the voluntary sector. Most are delivered by the latter, with the provincial government being the largest funder. Voluntary sector organizations are agencies with governance structures independent of government (elected boards of directors), which utilize volunteers (at least on their boards of directors) and which seek to maximize public good rather than profit. The voluntary sector fills an important gap created by the failure of markets and the welfare state to meet some needs defined as important by communities. It also provides opportunities for participation in governance by many citizens who otherwise would not have such opportunities. Over the last number of years it has been increasingly recognized that the sustainability of the voluntary sector is under threat, largely because of decreasing supplies of volunteers and the cumulative effects of a combination of years of government cost containment and downloading of service responsibilities to voluntary sector organizations. In addition, governments and other funders have focused on short-term project funding which leads to instability and inadequate support of core organizational capacities.

This has led to an initiative in Manitoba called the Manitoba Voluntary Sector Initiative, which has been undertaken by voluntary sector intermediary organizations from a range of service areas. It has focused upon organizing the sector throughout the province, conducting research on the health and status of the sector, and forming strategic partnerships with government, business and organized labour. Largely in response, the Government of Manitoba has appointed a Minister Responsible for the Voluntary Sector, but has not yet attached any fiscal capacity to this position. The Manitoba Voluntary Sector Initiative has recently signed joint declarations with the provincial and City of Winnipeg governments, with a range of business organizations and with the Manitoba Federation of Labour. These declarations mandate a process of mutual planning for support of the voluntary sector. Successful implementation of these declarations will be of central importance to the future of social services in Manitoba.

Early Childhood Care and Development

Manitoba's child day care program was one of the first provincial comprehensive programs in Canada to develop, during the Schreyer administration. However, it was seriously neglected by the Filmon government and has begun to be rebuilt under the Doer government. Government plays three roles in the early childhood care and development system. First, it acts as a regulator in enforcing legislation and regulations related to the quality of care, physical facilities and provider qualifications. In Manitoba, standards in day care facilities remain high and regularly monitored. In particular, health and safety standards are carefully regulated and maintained. There is evidence, however, that non-profit facilities provide better care than for-profit facilities. Between 1989 and 1999, for-profit day centres constituted 10 per cent of all facilities, but were responsible for 64 per cent of the regulatory breaches and 100 per cent of all licensing suspensions or refusals.

Second, government acts as a core funder through operating grants to some centres and provision of some support for provider training. Although salaries of day care workers have recently increased, this remains a serious problem. Their average wage now is approximately \$20,000. This has resulted in staff shortages and erosion of training standards. About half of workers in day care centres now have Early Childhood Educator (ECE) certification, while in 1991 almost all day care workers had ECE certification.

Third, government acts as a guarantor of access by providing income-tested subsidies for part of the parental fee.

The latest available statistics indicate that there are currently 24,627 licensed child care spaces in Manitoba in nursery schools, infant, preschool, and school age centre and family child care homes. This has increased from approximately 23,000 licensed childcare spaces in Manitoba in 2001 and 16,000 in 1991. Still, the number of spaces falls far short of the number of children under the age of 12; only one in eight have access to licensed care. While some children are cared for in their own homes, the rest must make do with private, unregulated arrange-

ments where no safety or quality standards of any kind are in place.

Total planned child care expenditures for the 2002-2003 fiscal year were \$69,965,000. This represents an increase of 32% (\$16,000,000) since April 2000. After broad consultation, the provincial government issued a five-year plan beginning in 2002-2003. It focuses on enhancing the supply of qualified staff; increasing the supply of licensed childcare spaces and decreasing the cost for low to moderate income Manitobans.

The central function of the early childhood development and care system is to enhance the capacity of parents (especially mothers) to enter the labour force. Eligibility for subsidized spaces is primarily limited to parents in the labour force, in training or seeking employment. For this function alone the supply of spaces meets

dren in families on social assistance, elimination of the unsubsidized \$2.40 surcharge fee per child per day for working poor families, and targeting of new spaces to low income neighbourhoods might be considered. Third, early child development and care services have been shown to enhance child development and to influence life long health. Therefore, universal provision (with the assistance of the federal government) of high quality services should be placed on the planning horizon.

Child and Family Services

The Child and Family Services system is a residual network of public and voluntary sector agencies, which intervene to investigate allegations of child maltreatment, to provide a range of supports to families to improve their care of children and to place children in alternate

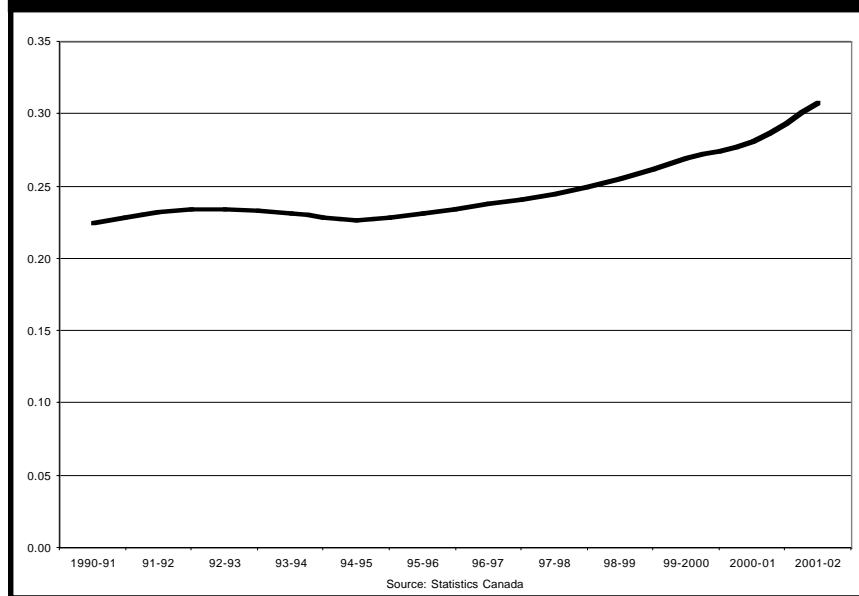
settings (foster homes, group homes and temporary shelter) when necessary to protect them. The total cost of the program to the provincial government is planned to be approximately \$165,000,000 in 2002-2003.

The urban Winnipeg context presents some special considerations. The number of children coming into care has plateaued at approximately 2,400 over the past three years, with Aboriginal children being greatly over-represented. The rate of children coming into care is higher than most other Canadian cities, and although a plateau has been reached, the needs of children coming into care have become much more complex. The agency has also been faced with a decreasing supply of foster parents, and has resorted to the use of hotels for

emergency shelters. It is also considering reopening large receiving homes. In addition there is increased demand for supportive and protective services for children in their own families, as high poverty rates persist. The number of cases involving child abuse or family violence has increased by 30 per cent over the past three years.

For a number of years expenditures at Winnipeg Child and Family Services have exceeded budgeted expenditures by 9 per cent to 13 per cent annually. The reasons for this are unclear, but likely include unrealistic budgets from government, increasingly complex service demands and unavailability of foster care resources, neces-

Figure 12
Licensed Childcare Spaces per Manitoba Child Age 5-9



only a fraction of the need. The system also provides limited socialization experiences to support families caring for children with disabilities and experiencing difficulty in childcare.

Three issues might be considered in reforming the early childhood development and care system. First, given the obvious benefits to employers, European style tripartite funding (employee-employer-government) might be considered. Second, participation in high quality early child development and care programs has been shown to attenuate the effects of family poverty on children and enhance their school readiness. Therefore, eligibility for chil-

sitating the use of high cost alternatives.

For the past several years a process has been underway to implement recommendations of the Aboriginal Justice Inquiry related to expansion of Aboriginal-controlled child and family services. The Inquiry was concerned with a substantial over-representation of Aboriginal children in non-Aboriginal alternate care settings, which was seen as a precursor to over-representation in adult correctional settings. It is planned that by October 2003 there will be four operating authorities with geographically concurrent jurisdiction: a First Nations of Northern Manitoba Child and Family Services Authority, a First Nations of Southern Manitoba Child and Family Services Authority, a Métis Child and Family Services Authority, and a General Child and Family Services Authority (for all other families).

There are two issues of central concern in this initiative. The first is the degree of control which Aboriginal and First Nations authorities will have in implementing culturally-based approaches, given provincial statutory provisions and regulatory processes. The balance between province-wide standards and Aboriginal and First Nations variation will indeed be a delicate one. The second issue is the adequacy of funding to support the core organizational planning, administrative and evaluative capacities of these new authorities.

Several other issues should be considered in further development of the child and family services system. This includes further strengthening community-based family support services to improve care in families experiencing difficulty, to avoid child placement. One crucial element of this approach is helping families to marshal natural support from neighbours, extended families and other community members. Another issue is to expand the delivery of early intervention and secondary prevention family support services to limit the incidence of child maltreatment and decrease Manitoba's long-standing high rate of children in care. Too much is spent on curing malaria, and too little on draining swamps.

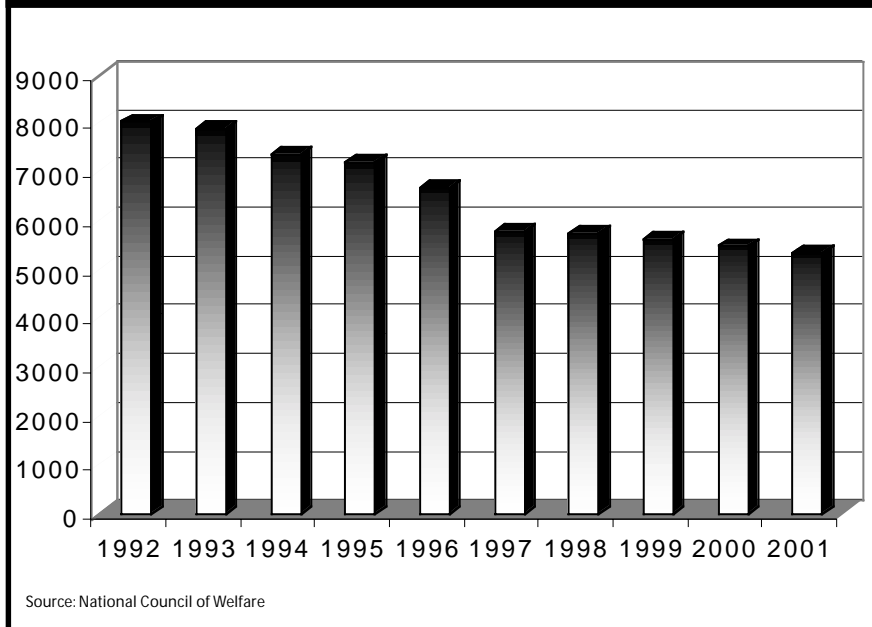
Employment and Income Assistance

The Employment and Income Assistance Program is the

residual last resort component of the provincial government's anti-poverty strategy. Eligibility is based on a needs test of both income and assets, and recipients are closely monitored and often highly stigmatized. Eligibility and administrative rules tend to be complex. The estimate of expenditures for 2002-2003 for the Employment and Income Assistance Program is \$252,471,600, but this is highly sensitive to the unemployment rate. See Figure 13 below. Currently there are approximately 58,000 people in Manitoba who receive direct income support or what is generally called welfare. Many of these are children.

There are four major considerations that should be considered in reforming the program. First, it is crucial that the availability of publicly subsidized and regulated

Figure 13
Manitoba Provincial Social Assistance Benefits
Constant dollars, single employable person



rental housing be greatly increased. Low quality housing purchased in the private rental market consumes an inordinate portion of the budgets of many income assistance recipients, and the private rental market has demonstrated that it will not supply sufficient units of reasonable quality.

Second, the program must be supported by a more assertive industrial and economic development policy aimed at expanding the supply of good jobs (that lift average sized families out of poverty), and eliminating barriers to labour market entry based on gender, Aboriginality, visible minority status, and disability.

Third, benefits, which have not been increased since 1993, must be raised so that they relate to the ability to purchase adequate food, clothing, shelter, transportation, recreation, and health and educational goods and services. Rates vary with family size, age of children, disability status and the level of other income, but, for example, a single employable adult receives \$242 per month in basic benefits, plus up to \$45 per month shelter allowance. A family of four with two parents and two children under six receives a basic benefit of \$596 per month and a maximum of \$75 per month for shelter. (The basic benefit is exclusive of additional benefits for such things as work clothing, as well as child tax or GST credits.) (SOURCE: Manitoba Family Services and Housing Employment and Income Assistance Manual Section 18).

Currently, a single mother with one child getting general assistance receives only about 50% of the before-tax Low Income Cut-Offs (LICO) for 2000 for Winnipeg. Canada has no official poverty line, but this is the level at which the average family spends more than 56% of its income on food, shelter and clothing.

A start has been made on improving benefits for families with children by gradually ending the claw-back of the National Child Benefit and providing increased support for school supplies. The National Child Benefit is being fully restored for families receiving income assistance with children aged seven to eleven and has already been restored for those with children six and under. The 2003-2004 provincial budget announced that the claw-back will be completely ended in 2004. In addition, an increase of \$20 per person per month for all social assistance recipients was announced in the 2003-04 budget, and is scheduled to be implemented in January 2004.

The punitive combined tax-back rates on some increments on earned income should be lowered. They result from the perverse combination of loss of employment and income assistance benefits; loss of other income tested subsidies (e.g. housing, legal aid, and medication) and the incidence of income taxation. They punish employment in a way that would not be tolerated by higher income Manitobans. But, even successfully attaining employment will not move many social assistance recipients out of poverty. This is partially due to a low minimum wage, even though it has been recently improved to \$6.75 an hour.

Assessment

While there have been significant improvements in some

social services in the last three years, there is still a great deal more that needs to be done. Social services are available for Manitobans so that the worst suffering resulting from social dislocation and personal crisis is largely avoided for most people. Most government supported service attention, however, is dealing only with emergency needs, and as such the system is characterized by a lack of overall direction and comprehensive solutions. To reduce long term need and demand for these services, the government must pay attention to preventive measures and policy initiatives that improve economic and social conditions that give rise to personal problems. Adopting a strategy of eligibility based on inclusive entitlement and citizenship would change the function of the social service system from one that treats individual deficits by focusing on immediate solutions, to a system that focuses on supporting long term human and social development.

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