

SOCIAL SECURITY IN QUÉBEC

HISTORY AND RELATED ISSUES

under the direction of
DENIS LATULIPPE



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PREFACE

This work is intended for those who have witnessed the past 50 years as well as those who will be involved in shaping the next 50 in one way or another.

The idea of writing this book at this particular time grew out of a need to pass on the torch. In fact, 2016 marks 50 years since the Régime de rentes du Québec and the Caisse de dépôt et placement du Québec first began their activities. While this milestone served as the catalyst, the primary motivation was the fact that, although they remain active, some of those who helped implement, evaluate, and develop the different social security systems have stepped back to some extent. What is more, they were in support of the idea.

I wish to extend my very sincere thanks to everyone involved in this undertaking. I would like to begin with the authors. Despite coming from very different professional backgrounds, they came on board and put their efforts towards a shared quest for quality centred on complementary and cohesive content and consistency in the wording and the format. I would also like to commend their great openness to the editing process, which not only increased the number of versions but also enhanced the final product. I wish to highlight in particular the collaboration of two high-profile individuals, Pauline Marois and Claude Castonguay, who agreed to share their wealth of experience, as well as that of Pierre Maisonneuve, who had the difficult task of putting the first chapter together.

It is important to pay tribute to the invaluable contributions of the various collaborators, who provided insightful comments about the different chapters, helped with editing, and contributed information. Although many of them are identified at the beginning of specific chapters, I would also like to mention the people who worked alongside me, namely my research assistants Éliane Marcoux-Demers and François Beaudry, as well as Cathy Gagnon, who provided secretarial services. I would also like to thank long-standing collaborators Gylles Binet and Pierre Plamondon, who were there to guide me through each phase of this project.

Lastly, we cannot fail to mention the indispensable contributions of our financial partners, the **Chaire d'actuariat at Université Laval** and the **Canadian Institute of Actuaries**. The actuarial profession is particularly well established in Québec and the rest of Canada, and it is fortunate that leading actuarial bodies continue to support initiatives such as this one.

Denis Latulippe
December 2016

INTRODUCTION

Québec's history is one of strong solidarity, traditionally rooted in family and community, with the support of the Catholic church. As a result, Québec was somewhat slow to adopt the significant post-war changes that came with the implementation of extensive social programs by the welfare state.

This delay—the result of political conservatism, economic liberalism, and the stronghold of religious authorities over charitable organizations—gave way to the Quiet Revolution in the early 1960s. Québec began adopting strong social development policies as well as economic and cultural ones. This was achieved through the establishment of the Québec state.

Residing at the intersection of the provinces' constitutional responsibilities and the federal government's spending authority, in many instances social security came about through federal initiatives based on the values of solidarity and social justice shared by all Canadians. Ottawa thus became involved in different ways, either by taking the initiative to encourage provinces to implement programs, by contributing to their funding, or through a constitutional amendment transferring responsibility to the federal level, or an agreement with a majority of provinces to entrust them with the management of a program¹. That said, the majority of programs were put in place by provinces that took the lead on them. Despite the distinctiveness of the various provincial programs, and Québec's in particular, there are some major similarities among them.

This work discusses the development of social security in Québec and also makes a number of observations and identifies the most significant issues for the future. It looks at all of the mechanisms that affect the people of Québec, and not simply those put in place by the Québec government. The situation in the rest of Canada is also referenced, as are comparisons with other countries.

There is reason to be pleased that younger generations want to do things on the basis of their assessment of the situation as well as their values and beliefs. It is also good to remember and understand why and how things took shape the way they did and how this contributed to the development of our society and its different facets. The foundations on which they lie must be recognized rather than ignored. Finally, we must learn from history and turn to it to identify the issues we will face in the future. In short, "to know where we are going, we must know where we come from".

Following a review of the vision and the political realities central to the emergence and development of the social security system, the book goes on to describe the demographic, economic, and social environment in which these plans developed. The third part of the work reviews the establishment of the different branches of social security and raises a number of observations and issues that may go along with this. The final part of the work discusses observations and issues of a more systemic nature, i.e. those pertaining to the system as a whole and those of special significance.

¹ The constitutional amendment pertains to benefits paid to unemployed workers (chapter 10), while the agreement in question relates to administration of the Canada Pension Plan (chapter 7).

PART I
VISION AND POLITICAL REALITIES

Chapter 1

A NOT SO QUIET REVOLUTION!

Claude Castonguay, Pauline Marois, and Pierre Maisonneuve¹

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nb: All quotations in this document have been translated from the original French.

IN THE BEGINNING...

September 1959

Maurice “Le Noblet” Duplessis, the undisputed leader of Québec, lies dying in the heart of Ungava several hundred kilometers from his capital, “...far away, in this land of Cain, with its iron-rich soil. This northern kingdom of fabulous riches...he is the one who built it with the sweat of Quebeckers and American money”².

And with him, the old regime is dying.

Held back by the conservatism and inertia of the “chef”, Québec lags significantly behind at a time of major post-war change shaping the New World. Reform sweeps the British and French colonial empires: India’s independence, France’s withdrawal from Indochina where they are replaced by the Americans who get bogged down with their Vietnam War, the war in Algeria that ends two year later.

The heroes of yesterday are disappearing. Churchill has already left the political stage. Soon, only Charles de Gaulle will remain. The American president and former commander of the Allied forces during the war, Dwight Eisenhower, is replaced by John F. Kennedy, the young president with a tragic destiny.

Europe is divided by a powerful Iron Curtain in the form of the Berlin Wall dividing Germany in two. The USSR surprises the free world by winning the first round in the conquest of space, its cosmonaut Yuri Gagarin being the first man to orbit earth for a fleeting moment of time.

At this point, the Catholic church is still dominant in Québec, but not for long. The Church of Rome is also experiencing its own revolution with the Vatican II council.

On the eve of its adolescence, the first cohort of baby boomers born after 1945 knocks on the door of a Québec education system unable to adequately respond to its needs. Parents, who were themselves too often deprived of access to education, dream of a better life for their children. It should be remembered that, at the end of Duplessis’ reign, more than 50 percent of French Canadians over the age of 25 had barely a sixth-grade education, not even the level of first diploma awarded by the government at grade 7³. And there is still no ministry of education in the Union Nationale government.

The vast majority of the population does not have the means to pay for education, much less for healthcare. Québec hospitals, operated and managed by religious communities, are poor and under equipped. Too often, when faced with setbacks, illness, or accidents, people have to rely on charity.

Duplessis can die in peace—his poor Québec has little or no debt.

“Désormais” [From now on]

The task of replacing Maurice Duplessis fell to Paul Sauvé.

Paul Sauvé! While a member of the opposition after the defeat of the Union Nationale in 1940, he joined the Canadian Forces. On July 7, 1944, the Fusiliers Mont-Royal, of which Sauvé was the second in command, took part in the Battle of Normandy. In August 1944, he was promoted to lieutenant colonel and commander of his battalion, continuing to fight in Belgium and then in Holland. While he is away, his wife runs his election campaign in his absence. Paul Sauvé was re elected in the Québec general election of August 8, 1944 while he was still fighting in Europe⁴.

He was undoubtedly the most popular and most independent of Duplessis’ ministers.

Did he really say “désormais” [from now on], the word attributed to him as a sign of a wind of change? Today, there are doubters, but others who worked at his side say it is so. Regardless, his first acts showed that, from now on, things would be different.

As soon as he took office, the new premier announced improvements for government workers, better labour laws, and greater protection for unionized workers. Relations between the Québec premier and the Canadian prime minister, John Diefenbaker, a Conservative elected in 1958 with 50 of Québec’s 75 MPs, were easier.

Maurice Duplessis had refused federal grants to universities, seeing them as an intrusion into provincial jurisdiction. Diefenbaker and Sauvé worked hard to resolve this problem quickly, but did not have enough time to succeed.

In his biography, written by Pierre Duchesne, Jacques Parizeau states that "...the real catalyst of the Quiet Revolution was not Jean Lesage or Georges Émile Lapalme, but actually Paul Sauvé...if Sauvé had lived, he would have won the 1960 election"⁵. Even Jean Lesage was worried about Paul Sauvé as an adversary in the coming election.

But destiny favoured Jean Lesage.

On January 2, 1960, after 112 days in office, Paul Sauvé died prematurely of a heart attack. He was only 52. The battle for power would be easier for Jean Lesage, a former federal Liberal minister, who became leader of the Québec Liberal party in 1958.

Toward a modern state

Jean Lesage was the antithesis of Duplessis.

Coming from Ottawa, he had the experience of the economic and social policies introduced during and after World War II by the federal Liberals.

He might have said: "Give me a dozen competent young men and a few intelligent, confident politicians and I will bring about a real revolution, and one that is not so quiet". History would have proven him right.

There were only a few of them. They were barely 30 years old. In many cases, they had attended the major schools abroad, encouraged by visionary mentors.

Most were not lawyers, instead coming from other fields. They were economists, political scientists, sociologists, and actuaries. They were graduates of such schools as École des sciences sociales, founded by the Dominican monk, Georges-Henri Lévesque, at Université Laval or École des hautes études commerciales (HEC) at Université de Montréal. A number of them had pursued advanced studies in Europe and the United States.

The Members of the National Assembly

Jean Lesage: 48 years old, a lawyer, a Liberal MP and minister in Ottawa from 1945 to 1958. He is the minister of Resources and Economic Development and then minister of Northern Canada and National Resources in the St. Laurent government. He is elected leader of the Québec Liberal Party in 1958 and premier of Québec from 1960 to 1966.

René Lévesque: 48 years old, a journalist, war correspondent with the Americans during World War II, a senior reporter and war correspondent during the Korean War with the CBC, star of Canadian television in the 50s, elected as a Liberal MNA in Québec in 1960, minister responsible for the nationalization of electricity, leader of the sovereigntist movement, founder of the Parti Québécois, and premier of Québec from 1976 to 1985.

Paul Gérin Lajoie: 40 years old, a lawyer, elected as a Liberal MNA in 1960, first minister of education for Québec in the Jean Lesage government. He is considered the driving force behind the major reform of the education system based on the work of the Royal Commission of Inquiry on Education in the Province of Québec (Parent Commission) created by the Lesage government. He is also the author of the doctrine that bears his name and who, at the time of tensions between Ottawa and Québec, affirmed Québec's sovereignty internationally in its areas of jurisdiction.

Éric Kierans: 62 years old, an economist and businessman, president of the Montréal Stock Exchange and the Canadian Stock Exchange, in 1960. During the three years he heads Montréal's financial sector, he allows the use of French and gives Jews the right to work the floor⁶. In 1963, he chooses politics and is elected in a by election. He becomes minister of revenue [Revenu] and then of health [Santé] in the Jean Lesage government between 1963 and 1966. He joins the federal Liberals and serves as a federal minister in the cabinet of Pierre Elliott Trudeau between 1968 and 1971.

The senior bureaucrats

Michel Bélanger: 31 years old, an economist, graduate of the Faculty of Social Sciences at Université Laval. In the 1960s, he works in the federal public service and then serves as an advisor and deputy minister in several

Québec government ministries. In particular, he serves as the economic advisor to René Lévesque, the then minister of natural resources [Richesses naturelles] (1961–1966), on the nationalization of electricity in Québec.

Roch Bolduc: 32 years old, a graduate in law from Université Laval. Graduate studies in public administration at The University of Chicago in 1952–1953. Roch Bolduc holds several positions in the Québec public service. He also teaches public administration in various Québec universities, including Université de Montréal, Université Laval, and Concordia University. He is responsible for building the modern Québec public service.

Claude Castonguay: 31 years old, studies in science at Université Laval and in actuarial science at the University of Manitoba. On his return, he teaches at Université Laval in addition to his work as an actuary. He is the architect of the Québec Pension Plan [Régime de rentes du Québec] for which he wrote the enabling legislation that led to the creation of the Caisse de dépôt et placement. He is at the centre of the negotiations with Ottawa in which Québec obtains approval from the Pearson government for a separate pension plan from the federal one. In 1966, in the midst of the Quiet Revolution, Jean Lesage gives Claude Castonguay a limited mandate that, at his suggestion, becomes a commission of inquiry under Daniel Johnson with the goal of producing a report on the status of healthcare and social services. Following release of the commission's report, he becomes the minister in charge of the major changes leading to the overhaul of health and social services.

André Marier: 28 years old, an economist from the Faculty of Social Sciences at Université Laval. He devotes his career to Québec's economy. At the centre of the public service, he is one of the main drivers and architects of the Quiet Revolution. As the head of a working group, he identifies the need to merge all of the private power companies with Hydro Québec, which, to some extent, becomes the “trigger for the Quiet Revolution”.

Claude Morin: 31 years old, a master's in economics from the Faculty of Social Sciences at Université Laval. Interested in international issues, he envisions a future career in this field. However, Father Georges-Henri Lévesque, dean of his faculty, takes notice of him: he offers him a position as a professor, a career that is even more in line with his aspirations. Morin studies at Columbia University in New York where he earns a master's degree in social welfare. Shortly after the party's election in June 1960, he becomes the senior speech writer for Premier Jean Lesage. In June 1963, at Lesage's insistence, he leaves the university to establish the new ministry of federal provincial affairs, responsible for Québec's relations with the federal government and the other provinces.

Jacques Parizeau: 30 years old, a graduate and professor at École des HEC in Montréal, where professor François-Albert Angers was his mentor. He then earns a degree from the Institut d'études politiques de Paris and the Faculté de droit de Paris and becomes the first Québec resident to earn a PhD in economics from the London School of Economics and Political Science. He is one of the influential advisors to the Québec government during the 1960s on the creation of the Caisse de dépôt et placement du Québec. He was economic advisor to premiers of the parties that subsequently came to power, including Jean Lesage and Daniel Johnson, before entering politics himself and becoming premier of Québec.

In addition to these young men who dreamt of contributing to Québec's modernization, there are a few veterans:

Arthur Tremblay: 43 years old, a master's in social sciences and a master's in education from Harvard in 1945. That same year, he becomes a member of École de pédagogie et d'orientation de Laval. During the 1950s, he is involved in brainstorming around Québec's Catholic education system. With support from Jean Lesage, he is appointed chief of staff to the minister of Youth [Jeunesse], Paul Gérin-Lajoie, and is responsible for recommendations for the reform of technical and vocational education and then agricultural education. From 1961 to 1964, he is a member of the Royal Commission of Inquiry on Education that re-establishes the ministry of education [Ministère de l'Éducation] abolished in 1875. He is the first deputy minister of education, putting him in charge of implementing the reform.

Roland Parenteau: 39 years old, a graduate of HEC and professor at the school since 1945. In 1960, Jean Lesage called on him to head the Conseil d'orientation économique du Québec that later recommends the creation of the Société générale de financement (SGF) and supports nationalization of electricity. He was the founder of École nationale d'administration publique (ENAP) du Québec.

For 10, 20, 30, and even 40 years, these high-level academics were intensely involved in the evolution of Québec society. They were there at the right time to respond to the call from Jean Lesage and his most influential ministers—René Lévesque, Paul Gérin-Lajoie, and Éric Kierans. Some would become ministers themselves and one would even become the premier of Québec.

Text box 1.1
Realities of yesterday and today

My father is only 45 years old when he has his first heart attack. After a few hours, the doctor in the hospital emergency room sends him home, advising complete rest for at least one month and asking him to come back for further tests. A week later, with great difficulty, he returns to work.

It is 1953. He has no money. His job as a carpenter barely feeds his family of eight children. I am 10 years old. I am old enough to understand he is exhausted after a day of work. Without private insurance, without benefits from the Québec Pension Plan, he has to keep working for another 15 years before dying of a heart attack. He is not even 60.

Another memory!

It's 1967, the year of the Montréal World Exposition. The room in the Sainte-Vierge wing of Montréal's Hôtel-Dieu has at least 15 beds crammed together. This is where patients who cannot afford to pay for their hospital stay are placed. Close to my mother, who has just woken up from major surgery, a woman is dying while the other patients watch with the constant coming and going of the staff.

Leaving my mother's bedside, I detour to the LeRoyer wing to visit a hospitalized friend. I find her in a private room; on the bedside table is porcelain. Here, everything is calm. The patient's rest is protected. My friend benefits from the other medical care: that of the wealthy.

A final memory. Spring 1991.

I am 48. Suffering from unstable angina, I find myself in the emergency room at Montréal's Hôpital du Sacré-Coeur. The cardiologist examines me. He orders a coronary angiography for the next day. They discover that one of the three arteries in my heart is almost completely blocked. A short time later, I find myself in the operating room for an angioplasty. I am then taken to a room where there is one other patient; it never occurs to me to ask him his social status or his ability to pay because we are entitled to the same treatment.

Pierre Maisonneuve, 1998

Source: Maisonneuve, 1998, pp. 5–6.

The underlying political vision

This is a topic of untold wealth. It contains twists and turns, debates and confrontations. But it shows us the considerable commitment of a generation that, despite what sometimes seemed to be opposing visions, never deviated from the fundamental mission to give Québec residents a true social policy.

To help us understand the facts and actions of a seemingly divided political class, we turn to the recollections of one of the great architects of this modern revolution, Claude Castonguay, and to those of a woman with an exceptional political history, who left her career as a social worker to become the first Québécoise to achieve the high office of premier, Pauline Marois.

Claude Castonguay

He was a scientist who found himself in Manitoba studying to become an actuary, a rare species!

He was a consultant, advisor to both Liberal and Conservative governments, the architect of the future Régime de rentes (1963–1964), and chair of the Commission d'enquête sur la santé et le bien-être social du Québec [Government of Québec's commission of inquiry on health and social welfare] (1966–1970). To implement the report from his commission, he became the minister for two ministries, Family and Welfare, and Health [Famille

et Bien-être and Santé]. He became the minister of Social Affairs [Ministère des Affaires sociales] when the former two ministries were merged in 1971.

After leaving politics, he was never far from the debates: board of directors of the Caisse de dépôt et placement du Québec (1973–1978), chair of the expert committee on drug insurance, working group on the financing of Québec's health system (2007–2008), and chair of the implementation committee for the Institut national d'excellence en santé et en services sociaux (INESSS) in 2008.

After his time in active politics, he resumed his career in the private sector: executive and director in the financial services sector (1974–1990) and, after 1990, a health services and business consultant.

He has published numerous papers and books on his experiences and reflections.

Pauline Marois

A social worker and one of the first executive directors of a CLSC in the Outaouais. Member of political offices: finance and status of women (1978–1979).

Several terms as a member of the National Assembly (1981 to 2014), chair of the Commission des affaires sociales [social affairs commission] (1989–1994 when she was in opposition).

Minister: Status of Women [Condition féminine] (1981–1983), Labour and Income Security [Main-d'œuvre et Sécurité du revenu] (1983–1985), Administration and Public Service [Administration et Fonction publique], president of the Treasury Board [Conseil du trésor] (1994–1995), Finance and Revenue [Finances et Revenu] (1995–1996), Education [Éducation] (1996–1998), Family and Child Welfare [Famille et Enfance] (1997–2001), Health and Social Services [Santé et services sociaux] (1998–2001), Economy [Économie], Finance [Finances], and Deputy Premier (2001–2003).

Premier (2012–2014).

TOWARD A MODERN, COHERENT SOCIAL POLICY

Social policy before the Quiet Revolution

Before examining each specific topic to understand more thoroughly the scope of social reform in the sixties, Claude Castonguay wanted to give us an overview of the general context, which can be divided into two categories:

...Social policy on the one hand and economic policy on the other. Within these two areas, there are different components.

Under social policy, you have a health and social services policy, an income security policy, a labour or employment policy, a family policy and a fiscal policy. All of that to ensure balanced development between the social and economic elements.

If I go back to the health and social services policy, it covers everything relating to public health and prevention, the health system, the organization of front line care and second- and third-line care, and hospital insurance and health insurance, two plans that are of interest to us, but which have to be viewed within this whole, because each taken in isolation makes more or less sense. For example, medical care coverage requires a good health system to enable physicians to provide that care. There is also drug insurance that has to be considered in relation to the other components of the health policy, as a means to achieve health objectives.

In terms of the income security policy, when it comes to retirement, the Old Age Pension, the Guaranteed Income Supplement, the Québec Pension Plan, supplemental plans, RRSPs, TFSA... Here again, the Québec Pension Plan does not take on its true significance unless it is considered as part of the whole.

In fact, when we look at the labour policy, there are the workforce services—training, retraining, employment insurance, workplace health and safety—which are enhanced by labour standards.

It is the same thing with the family policy. There are family allowances, childcare services, parental leave, and each measure has greater significance when the others are also in place.

Lastly, the fiscal policy, which obviously impacts all of these components in terms of fiscal equity through the redistribution of income.

Thus, it seems to me that this gives us a framework that should make it possible to better situate or understand the analysis of each of the components.

We should understand from Claude Castonguay's comments that the elements of the chapters of this general framework are interdependent in a **spirit of coherence**. They represent the outcome of long discussions and the adoption of many measures. Thus, for Canada, the first discussions about the creation of a true health insurance plan started at the beginning of the First World War. The first major decision on hospital insurance goes back to the late 1940s and the initiative did not come from Québec.

Indeed, it was not until 1960 that Québec signed on to hospital insurance.

However, as Claude Castonguay reminds us:

Being a cynic, Duplessis, in his time, said that the best insurance against illness was being healthy. However, through their taxes, Québécois were funding part of the hospital insurance available in the other provinces, but they did not benefit from it, and a large portion of the Québec population ends up in poverty when faced with a hospital stay and its costs. Action was taken quickly after the election of Jean Lesage. There was so little preparation that, in the second year, the costs more than doubled and, in the third year, the costs doubled again. Also, it was an isolated measure...very little happened in the health field until the creation of the Commission d'enquête sur la santé et le bien être social in 1966.

Nothing happened overnight, as Claude Castonguay reminds us, because initially the Lesage government had to focus on economic development and, in particular, nationalization of electrical power, education reform, and equally important files such as creation of the Régime de rentes and the Caisse de dépôt et placement. The health file had to wait its turn.

Here again, the initiative came from the federal government with the creation in 1961 of the Royal Commission on Health Services, also known as the Hall Commission, which was given the mandate to "inquire into and report upon the existing facilities and the future need for health services for the people of Canada and the resources to provide such services...[to] ensure that the best possible healthcare is available to all Canadians".

Claude Castonguay tells us that a first step was taken in 1964:

Jean Lesage created a small committee to document health insurance and he asked me to chair it. But, in the meantime, the government introduced a pilot project to prepare the way for health insurance. It was a small protection plan, healthcare coverage for recipients of what was called, at the time, social assistance. When Jean Lesage received the results of our work in 1966, he called an election and the improbable happened, power fell into the hands of Daniel Johnson and the Union Nationale. It was not so much the issue of healthcare as the issue of taxes, which had increased significantly in five years (40 percent), and the speed of the changes that played against Jean Lesage's government.

Jean Lesage was nicknamed "Ti-Jean la taxe" by his opponents.

The senior bureaucrats who had worked with the Liberals to bring about the major changes were likely expecting the worst with Daniel Johnson, who had threatened to re examine everything. It is a surprise to everyone, including Claude Castonguay:

...one of the things that happened and that was surprising, was that Daniel Johnson, who had strongly criticized what had been done, decided to keep it all once he was elected. He made adjustments where needed and slowed the pace but nothing was dismantled by the Union Nationale government...there was continuity.

Moreover, if you took away the issue of Québec's independence, the two parties had the same philosophy and the same values in the policies pursued. There were some differences in approach and the speed at which things were done, but there was no big debate between the two major parties on the key directions of the social policies, to my knowledge.

The Union Nationale government with Daniel Johnson was elected, and a few weeks later, there was a general

strike in the hospitals. There were no labour standards or maintenance of essential services like there is today. It was an unprecedented strike, with virtually no labour relations or a legal context.

Daniel Johnson's approach to try to resolve it was to place all of the hospitals under trusteeship...which did restore some degree of calm: the workers returned to work and negotiations followed, but nothing was settled.

Daniel Johnson, somewhat surprised at being elected, had many other fish to fry: among others, the upcoming 1967 exposition. He asked me what I thought about this issue. "Why don't you do what was done in education, with a commission of inquiry first?" That had given the Lesage government a little time and the ability to engage in education reform based on facts, an awareness among the population, priorities, and policies. His response was that it was a "good idea" and he asked me to develop a mandate, which I did.

We discussed it, the mandate was modified, and finally, in fall 1966, the commission of inquiry was created. In addition to health, he had added the entire question of what was known at the time as welfare and income security. In short, a very broad mandate, and that is how the discussion actually began in Québec on these issues. The commission truly played an educational role with the public so that a real discussion took place. This precaution made it possible for health reform to unfold in an orderly manner with a comprehensive plan based on the major recommendations from our report.

Quite a task. The hospitals did not even belong to the government; all that had to be negotiated. Surprisingly, the transition from a hospital system run by religious orders to a more modern administration was relatively easy, without too many clashes between the old and new managers. Claude Castonguay had a front row seat:

It was done very discretely. The Duplessis government, before hospital insurance, paid the religious orders subsidies to enable them to function. While this funding was not well established or sufficient, it did amount to quite substantial transfers.

When hospital insurance came in, the religious orders owned the hospitals but, at the same time, some of what had been acquired had been acquired using public funds. The government entered into discussions with the orders to separate what was religious property from that which was public property.

The government entered into negotiations with the orders to transfer ownership of the hospitals to not-for-profit corporations.

At the end of a long and difficult process, the hospitals became public corporations and the religious orders were compensated. However, this was not a case of nationalization.

To my knowledge, there was never any conflict between the orders and the government. There were a few cases that took more time. There were negotiations that dragged on into the 1970s, when I was with the ministry, the Grey Nuns, in particular. But it was a very orderly process.

And, at the same time that ownership was transferred, we saw the orders gradually move out. The religious nurses who were managing the hospitals were gradually replaced by lay staff. So there was a twofold transition that took place at the same time and it was done in a very orderly fashion and gradually.

In addition to the structures and the change in ownership, there was the issue of the major disparities in services provided to the population that had to be resolved. It was a far cry from equal opportunity.

In this regard, there were two important realities. First, all of the provinces were in somewhat the same situation, well-off communities having many more hospitals than poorer communities. For hospital and health insurance to be meaningful and accessible to everyone, resources had to be developed in communities where they were lacking. At the time, the federal government created a health assistance fund where, somewhat like the infrastructure programs of today, projects approved by both levels of government were funded 50–50 by the federal and provincial governments. That was how many hospitals were built and others were modernized in working-class neighbourhoods or in less advantaged small towns and villages. Second, until then, the hospitals operated in isolation. For everything to make sense, a real health system had to be developed. Thus, in 1970, following the commission of inquiry, the Health and Social Services Act established the foundation for the organization of our health system into three main tiers: primary, secondary, and tertiary care.

Still today, front-line or primary care is the area that is often blamed for deficiencies in the system. Was it not the intention for the local community service centres, the CLSCs, to be made the cornerstone of the front line of the health and social services system?

The front line was not just the CLSCs, but also encompassed the existing doctors' offices and health units that also played a role at that level in everything related to prevention, illness, vaccination, etc. Overall, all three components played a valuable role because mortality rates improved significantly where before there had been quite a difference between the wealthy neighbourhoods in cities and other communities, or even between Québec and other provinces. It took a few years, but there was significant improvement and, since then, the health of Québec's population has compared adequately with that of citizens in other provinces and even that of people in the United States.

Another dimension: social welfare

Initially, the commission had a broad mandate encompassing social welfare and income security issues. From memory, it was at this time or toward the end of the 1950s that we began talking about the major determinants of health: care, lifestyles, the environment, and biology. In building a system, the question was whether we were really going to combine social services with health services, or whether the priority was to develop the health system with our three lines of care.

In 1970, when health insurance was introduced, we merged the ministry of health with the ministry of Family and Welfare to create the ministry of Social Affairs [Ministère des Affaires sociales]. At the time, it was a surprising move but, today, people in other provinces and in other countries where there is still a division between the two, consider it to have been a very valuable merger, and a number of people have come from elsewhere to see how this experiment has worked. Today, there is a tendency to combine or integrate health and social services.

The impact on professionals

Claude Castonguay has a good memory and answers to many questions. He explains how the integration of the various professions into social development happened.

The Commission d'enquête sur la santé et le bien-être social found that there was a great deal of confusion about the role of professional orders. There were orders that operated more like unions than as organizations to protect the public. For example, what was the difference between the role of the Collège des médecins and the doctors' federations? As we were able to determine at the time of the reform of health and social services, there was a need for clarification not only in the health field but also in all of the professional groups. Who was supposed to defend the members of the professions and who was supposed to defend the public?

There were all sorts of groups asking to be recognized as professional orders. Premier Johnson gave us a list of those who thought it would be a good idea because it might give them status to create monopolies and act as a union, given the confusion around the roles.

The commission awarded a contract to study the entire matter⁷. That work led to the idea of clarifying the roles of professional orders, that is, that they exist solely to protect the public. Unions, on the other hand, have the role of defending the interests of their members.

The professional orders with monopolies or fields of exclusive jurisdiction have to be restricted solely to professions where it is necessary in order to protect the public; for example, physicians, pharmacists, and dentists.

That is how the Professional Code came to exist in the social affairs field. However, it also covered all professions. When there was no need to protect the public, there was no reason to needlessly restrict some fields of practice. Instead, we chose to protect the titles.

Rather than reworking the legislation act by act, we proposed adopting a professional code with a general framework. Under this banner, each profession could have its own act with specific provisions.

Vestiges of the past: fee for service for physicians

One issue, if not a problem, remained, and that was the payment of physicians who definitely were the ones who gained the most from the negotiations with the government. The last vestige of the old regime, from before the Quiet Revolution, was the payment of physicians on a fee for service basis. In 1970, specialist physicians did not hesitate to strike against the adoption of health insurance, a strike that coincided with the October Crisis. We asked Claude Castonguay about the evolution of the issue of the payment of physicians, something that is still an issue today.

Originally, medicine was much simpler than it is today. Doctors' fees were lower compared to other health expenses such as hospitalization.

Overall, spending on medical care represented a much smaller proportion of the health bill than it does today. Most everywhere, whether in Europe or North America, doctors were paid on a fee-for-service basis. This dates back to the time when their profession was practised privately or on a mixed private and public basis. Each time they performed a service, they billed their patients the cost of that service. That approach was retained initially in health insurance plans both in Europe with their health insurance funds and in Canada's public plans.

Over time, functions such as education grew in importance and payment on a fee-for-service basis was not adjusted accordingly. Also over time, it became necessary to work in teams, an approach not particularly suited to fee-for-service compensation. There was the appearance of chronic illnesses, especially with the aging of the population, where monitoring of patients becomes important but a specific service is not necessarily needed.

Fee-for-service compensation also puts a great deal of pressure on medical services and not at all on prevention. It seemed more and more necessary to adjust the way that doctors were paid to reflect such considerations as multidisciplinary practice.

This change was widespread in Europe, but in Canada, because of the Canada Health Act, which funded healthcare based on the care medically required, the fee-for-service approach still existed. Some provinces, like Ontario and Alberta, had begun moving away from fee for service and increasingly toward a mixed approach to compensation.

Québec was not following suit. The medical federations were fighting any change, and the ministry of health, with physicians at the head, did not want to introduce this type of change. In my opinion, such change is a prerequisite to improving the health system.

However, some physicians were paid on a salary basis. When the CLSCs were established, the plan was for physicians to be on salary, but physicians wanted nothing to do with these organizations. Was there initially a desire to pay physicians salaries?

...Not all physicians. The CLSCs, which were created with the government's encouragement, integrated what were formerly known as health units. There were already physicians in the health units that were on salary, so this type of payment was retained in the CLSCs. It was not simply a question of the level of compensation, since the physicians refused to work in the CLSCs in order not to lose their independence. They were afraid that if they went on salary in the CLSCs, they would become government employees and lose their status as self employed workers. That was the main factor.

Claude Castonguay just commented that, today, there is a prerequisite to real reform. What is it?

If we look at our healthcare system today, the first thing that needs to change, in my opinion, is the way that physicians are paid. In fact, you can see the reaction that occurs when discussing doctors' pay. It is not just a question of the amount, but more specifically a question of the inappropriateness of that method of compensation. If we want to improve how the system works, we would have to change the way in which physicians are paid.

A question of money?

No. Actually, there is too much money.

Too much money or too much based on this method of compensation?

The day that the government, under Minister Philippe Couillard, agreed to seek parity with the rest of the country, and mainly Ontario, was nonsense. We are below the national average in wealth and revenue. So to try for parity with them makes no sense. Indeed, the economists strongly denounced it⁸.

It is the federations that negotiate the rates among themselves so that the government has no way to change the behaviour of physicians by adjusting the rates. Another important issue: there was a time when we knew how much our hospital stay had cost. This was the case when hospital insurance was first introduced. When you left the hospital, you had a bill. Today, there is no longer a bill so the patient has no idea of the cost of the services received in the hospital or the physician's share of that cost. But as a taxpayer, the patient knows what he is paying. Currently, there is no pressure from patients as clients on the professionals because the patient is not paying directly; it is a third party that pays using our taxes.

As for the issue of rates, when we created the medical care coverage plan, obviously the two federations wanted to be able to set the level of compensation for the various services and to keep that role for themselves. That is indeed what was done in Ontario. They wanted to negotiate a total number and then divide it among themselves. But we said no and held firm.

For many years, the negotiations were not just about the total amount but mainly about the allocation of that total. That is why, at the beginning, there was better compensation for visits and front line care. In the teaching hospitals, like CHUL [Centre hospitalier de l'Université Laval] in Québec City and CHUS [Centre hospitalier universitaire de Sherbrooke] in Sherbrooke, a fund was set up at each institution and all compensation received for the care provided by physicians, for instruction, and for research was pooled and divided among the physicians based on their general contribution and not solely on the services provided. That was the strength of the CHUL and CHUS so that professors and providers of care were compensated in a relatively logical way.

But at some point, the pressure from certain groups resulted in the system in these two hospitals breaking down. The fee for service doctors began receiving everything they generated. Those who were teaching saw their pay decline, and research funds began coming from other sources.

In terms of the negotiations, the time came when the government gave in and began negotiating only the total amount when it should have kept its power to negotiate the allocation.

In Europe for example, the fee-for-service portion is much smaller; a large part of the compensation paid to physicians is in the form of wages, vacation pay, and lump-sum amounts. It avoids the types of distortions that we see here.

In our system, for example, radiologists who do not take enormous risks, all things considered, are the highest paid. When you think about it, they read x rays; that is not the case for a neurosurgeon. At the other extreme, psychiatrists, who carry out less physical, less glamorous work and who care for patients who are often rejected, are the lowest paid.

Obviously, the way that physicians are paid needs to change.

What can be done so that people are aware of the real costs of the healthcare they receive?

When I joined the ministry, there was still a form that was submitted when the person left the hospital. And we introduced the idea, right at the start, that when physicians billed their fees, the patient would receive a copy of the fees that were charged. But that fell by the wayside and today no one is aware of the real cost of the care they receive. It is a shortcoming in my view.

It would surely be possible with the means we have today for people to receive a statement of the costs they have incurred when they receive their tax statement. Maybe that will be possible once all medical records have been computerized?

Yes. There would be a way to better inform people. A few years ago, Alberta introduced something quite ingenious. Since user fees are not allowed under the Canada Health Act, each time a patient saw a doctor, a

taxable expense was assigned to the patient on a T4 health form sent at the end of the year. That way, the patient was indirectly taxed on the payment made, a form of user fee, and would know the cost of the care he received. When Ontario wanted to adopt this approach, some groups objected. The courts ruled that such measures were contrary to the Canada Health Act.

Income security

In the early 60s, we were also interested in income security, especially for seniors. At the time, you acted as a consulting actuary for the work that would become known as the Dupont Report.

In 1963, Premier Jean Lesage gave me the mandate to develop a pension plan for all Québec workers. For me, it was an opportunity to become involved in the social insurance field and more specifically, in the issue of income security.

Income security for the elderly is an interesting element because it involves two levels of government, and the measures related to income security only assume their full value when looked at as a whole. The base level is the Old Age Pension, which provides all seniors with an income, but one that does not cover all needs. For people with no other income, there is the Guaranteed Income Supplement. Thanks to these two measures, seniors are virtually provided with a guaranteed income.

Above this first level of protection, you have the Québec Pension Plan, which covers workers for up to 25 percent of their income subject to a maximum. Here again, this plan is not enough, but when it was conceived, we knew that there were supplemental plans created by companies.

To make sure that these plans meet certain standards and are properly funded, there is the Supplemental Pension Plans Act. Therefore, this is a third level of protection that, if needed, can be supplemented by personal savings, through registered retirement savings plans (RRSPs).

The Supplemental Pension Plans Act, covering SPPs⁹, was adopted at the same time the Québec Pension Plan was created, and certain tax benefits, like RRSPs, had been introduced a few years earlier. At that time, the government relied on a mixed, multi level system to provide adequate protection. Some 50 years later, does the system warrant a more comprehensive re examination?

Yes. By the 1970s, there were something like 6,000 employer plans in Québec, but today less than one third remain. Defined benefit plans were relatively generous. Therefore, responsibility for funding the plans fell mainly on the shoulders of employers.

Today, defined benefit plans remain only in few major companies and the public sector. Even a bank like the Royal Bank no longer has a defined benefit plan for its new employees. They are defined contribution plans.

Not only are the plans no longer as substantial as they used to be but there are considerably fewer of them, with the result that many workers and employees—something like 2 million of 4.5 million workers—are heading toward retirement with wholly inadequate incomes.

In addition, given the focus on consumption, many of them are in debt and scarcely getting by in a context of very low interest rates.

There is a major problem in this regard and something will need to be done if we want to avoid having too many people receiving the Guaranteed Income Supplement at the government's expense.

Speaking of a guaranteed income, what about a global guaranteed minimum income for all citizens, a single level paid for by the taxes of those who make more money?

The guaranteed minimum income is a very nice concept, but no one has dared put it fully into practice for the active labour force. For seniors, yes, but for the active labour force, no. Everything that we are doing, to some extent, is leading in that direction, but never fully.

And employment insurance?

Employment insurance—I see it in another category. Employment insurance is insurance against a loss of income when someone becomes unemployed. In my opinion, it is much more closely linked to job services, so

that when a person becomes unemployed, they receive benefits but they also receive retraining, additional training to be able to return to work. That is how I see employment insurance, as being part of labour policies, like workplace health and safety.

Thus, from an income replacement policy to a broader policy related to labour and employability.

It should be remembered that unemployment insurance was introduced before all of the other plans in 1942.

The distribution of powers

Claude Castonguay experienced the failure of the Victoria Charter. He remembers it too well. It is important to remember what the Victoria Charter was supposed to be and why it was not adopted.

We have to go back in time a bit to understand what happened. In the 1960s, with the growing feeling of independence in Québec under the Pearson government, which gave the provinces considerable latitude, the premier of Ontario launched a consultation, study, and analysis to possibly change the allocation of powers between the federal government and the provinces.

Québec was a major stakeholder in that exercise given that, under the Pearson government, there were quite heated battles between the federal and Québec government and accommodations made, for example, for the Québec Pension Plan. There were also agreements on shared costs: Québec's withdrawal from certain shared cost programs for tax points.

So the commission set up by Robarts set to work and when the Liberals under Trudeau were elected in 1968, Trudeau was not pleased with the trend toward the devolution of powers to the provinces and especially to Québec. He took over the exercise and it became a federal initiative. Negotiations were led by the prime minister's office in Ottawa in great secrecy.

In early 1971, the draft Victoria Charter was released. Under this charter, the transfer of powers was off the table. Instead, the provinces were given the right of veto. The charter also included a charter of rights, in its first iteration, in this comprehensive Victoria Charter.

As for the distribution of powers, it was the status quo: no change in powers and no distinction between Québec and the other provinces.

In Québec, even though the Parti Québécois was the third opposition party by numbers in the National Assembly after the Union Nationale and the Ralliement des créditistes, it was the PQ that acted as the main opposition. In the face of the growing independence movement, we in Mr. Bourassa's government felt that we could not accept Québec being treated like the other provinces, and in the area of social policy, in particular, no distinction had been made.

For this reason, before the Victoria conference, we worked to convince almost everyone of the validity of our position. The provinces, at one point, shared our position, but Ottawa was working behind the scenes and when we arrived in Victoria, the provinces abandoned the idea of giving different powers to Québec.

That was why, following the Victoria conference, we said no and Québec said no with the unanimous support of the National Assembly and that of the population, according to surveys.

Is it correct to talk about a before Victoria and an after Victoria? We spoke early on about innovation with health insurance in various ways, the creation of the Caisse de dépôt, etc. Did Victoria mark a shift in the federal government's position toward this momentum in social and economic policy?

Under the Pearson government, there was openness. It was really Trudeau's arrival at the head of the federal government that was the determining factor and the trigger for the change of course.

Québec's unique character

The push to create a true social policy for Québec first came from elsewhere—from the federal government and from certain provinces. This was the case for old age pensions, family allowances, the guaranteed income

supplement, hospital insurance, and health insurance. It was also true when it came to establishing a universal pension plan, the Canada Pension Plan.

In 1963, the newly elected government of Lester B. Pearson announced its intention to establish a pension plan for all Canadian workers. It was in reaction to this federal initiative that the government of Jean Lesage decided to launch its own pension plan, the QPP. To a large extent, the impetus came from the federal government.

Can it also be said that, in the case of hospital insurance and health insurance, the impetus came from the federal government?

Yes, except that the federal government had a quite different concept for health insurance. The federal statute allowed physicians from provinces like Ontario and Alberta to bill over and above the coverage of the public plan. In Québec, meanwhile, we decided to say no to this; coverage had to be completely under the public plan and physicians did not have the right to overbill. That is what led to the strike of specialists in 1970. In addition, right from the start, we introduced a specific contribution from workers and employers in order to build a health insurance fund, something that did not exist in the other provinces. Personally, I felt that, since this was a long term plan, it needed to be funded to a large extent in advance.

Likely for social and political reasons, Québec was somewhat late in introducing certain policies, which enabled it to include certain unique features in its own policies. One example is the refusal to allow overbilling, and there were others.

We innovated in health, as you said, but also in the pension field. The federal government wanted to establish a “pay-as-you-go” plan where benefits were funded through the contributions made in the same year, that is, as they were paid.

The version I recommended, and which the Lesage government adopted, involved capitalizing the funding of the Québec Pension Plan.

Pearson and Lesage agreed to negotiate, in the greatest secrecy, an agreement to end this impasse. I was asked, along with Claude Morin, to negotiate the agreement that allowed for the creation of the Québec Pension Plan. It is important to mention that it was the QPP funds that made it possible to establish the Caisse de dépôt et placement du Québec.

Unlike Québec, the federal government decided to invest the Canada Pension Plan reserves in provincial bonds. In 1990, the federal government decided to create the Canada Pension Plan Investment Office, given the significant advantages it presented.

And was not one of the missions of the Caisse de dépôt also to be a source of funding for Québec businesses in the face of Anglophone-based capital?

The investment mission of the Caisse de dépôt was to try to earn strong returns for contributors to the Québec Pension Plan without taking excessive risk but, at the same time, to invest to encourage the economic development of Québec. Thus, the Caisse had to maintain a balance between social development and economic development. It should be mentioned that there was a strong current of thought in favour of development of the economy by Québécois.

There was also the desire by Jacques Parizeau to encourage Francophone entrepreneurship and to give it access to investment capital.

Many people contributed to this movement. There was an economic planning council with ministers such as René Lévesque and Eric Kierans and, obviously, history gives a great deal of credit to Jacques Parizeau, but there was a very strong current of thought in favour of development of the economy by Québécois.

Somewhat like the Québec Pension Plan, the initial plan was to create a reserve for the amounts that must be paid for health insurance.

Yes, we even accumulated, under the health insurance plan, because it was long-term funding, a quite substantial reserve. Ultimately, when Jacques Parizeau became minister of finance, capitalization was eliminated and the reserve was paid into the consolidated revenue fund.

Claude Castonguay reminds us of the coherence that we talked about in the beginning—the three stages for pension plans among others, including the Old Age Pension, the Régime de rentes, and private pensions. There were also three stages in the health field. First, hospitals were constructed and we paid for hospital insurance. Then, since patients did not pay the hospitals, but paid the doctor, health insurance was introduced. Lastly, a key component of the health system was introduced, an element that becomes increasingly important with scientific advancements, and that is drug insurance.

Drug insurance has experienced considerable turmoil since it was introduced.

Claude Castonguay, who was never far removed from the major policies, chaired the drug insurance plan committee.

In 1995, my committee recommended the adoption of a drug insurance plan. At the same time, we recommended that a mechanism be put in place to track the prescription practices of physicians. It seemed like it should be relatively easy to compare the prescription practices of physicians. For example, among general practitioners with relatively similar populations, if one physician stood out from the average and prescribed a lot of one type of drug, then it should be possible to take a look at what was going on.

No government has dared to go down this road and I see that, in Ontario for example, they are saying that things cannot continue as they are at present and it will be necessary to see what is happening with prescription practices. For example, there is clearly abuse in terms of the medication of children with attention difficulties. That is the first step, but it will not solve all of the problems.

At the request of Philippe Couillard, who was the minister of health at the time, I chaired the committee to establish the Institut national de l'excellence en santé et en services sociaux (INESSS). This institute was created so that the advice given by INESSS on very expensive new drugs would not be questioned by the government and its advice and the minister's response would be public so that the government would not be pressured to cover very expensive drugs that had undergone very little testing.

From the very beginning, Minister Bolduc rejected INESSS' recommendations, thereby undermining its credibility. As for the issue of negotiating bulk purchases with the pharmaceutical companies, these companies are very powerful and can open and close their laboratories at will.

There are also things that we accept without ever questioning them. For example, everyone in long-term care facilities (CHSLD) is on medication and consequently, an enormous amount of medication is consumed in these facilities, but no one ever asks about it.

The issue of medication and drugs is a very complex one with several dimensions and it warrants comprehensive study by a credible organization.

Claude Castonguay was never a government official in the sense of the mandarins of the senior public service. He has always served as a consultant, an expert. But he was involved in the most important files from hospital insurance to health insurance to drug insurance, as well as the Québec Pension Plan and the creation of the Caisse de dépôt et placement du Québec. He was in charge of the negotiations that allowed Québec's unique nature to be accepted in order to establish the Québec Pension Plan.

He allowed himself one foray into politics, a single term, as minister of health and social services [Santé et des Services sociaux] and then as minister of health and social affairs [Santé et des Affaires sociales] in Robert Bourassa's first government. He served for a short three and a half year term.

The Quiet Revolution took place more than 50 years ago but Claude Castonguay has never lost interest in public affairs.

TOWARD GREATER EQUITY OF OPPORTUNITY

The major social policies at the beginning of the Quiet Revolution were initiatives that originated with the federal government (family allowances, old age pensions, and unemployment insurance) and with certain provinces like Saskatchewan in the case of hospital insurance and health insurance. Québec was a latecomer to the movement.

But who could have predicted the major social upheavals of the following decades?

Everything changed: the economy, the world of work, the family, demographics, and solidarity. These transformations required governments to rethink their social policies.

While the desire for greater equity of opportunity remained the fundamental value behind the Quiet Revolution, and that value has not yet been questioned, regardless of the government in power, there was a need to adjust quickly, to renounce policies that no longer addressed the consequences of an increasingly divided society where the gap between the rich and the poor was steadily widening.

For example: women were now the heads of single-parent families, too many children were living below the poverty line, and workers no longer had access to good permanent jobs with the promise of defined benefit pension plans. The spectre of precarious employment, self employment, weaker unions, and the delocalization of jobs hung over the workforce.

Moreover, the fight to eliminate the deficit and the debt by the federal government affected the flexibility available to the provinces. In this context, the central government significantly reduced its initial promise to fund 50 percent of healthcare costs and yet the Canada Health Act remained very restrictive, not allowing substantial change like the introduction of user fees. Fewer and fewer people were eligible for employment insurance, which meant that more unemployed workers were turning to the assistance of last resort.

The political, social, and economic reality of the last few decades forced Québec to take the initiative to make changes in social policy that emphasized its position as a distinct society in which the guiding principle remained the desire for greater equity of opportunity.

All of the major policies that emerged from the political action of the time testify to this.

A first hand account gives us insight into this situation.

The place of women

The major policies of the first half of the Quiet Revolution belonged to men, at least in the 60s and 70s. But in Québec, in the field of major social policy, in the last quarter of the century, the initiative also belonged to women.

Women's lobby groups engaged political leaders with some success. With more women in positions of political power, although not yet enough of them, they brought their vision and their sensitivity.

Pauline Marois, from social worker to premier of Québec. Already concerned about the status of the most disadvantaged, involved from the beginning in the Outaouais community through the Association coopérative d'économie familiale (ACEF), cooperative television, and social housing, she was already active in the Parti Québécois. She worked in the office of Jacques Parizeau and then Lise Payette, the first minister of the status of women [Condition féminine].

Elected MNA in 1981, she was a minister nine times: Status of Women [Condition féminine], Labour and Income Security [Main-d'œuvre et Sécurité du revenu] under Lévesque; Treasury Board [Conseil du trésor], Administration and Public Service [Administration et Fonction publique], the Family [Famille] and Finance [Finances] under Parizeau; Education [Éducation], Health and Social Services [Santé et Services sociaux] under Bouchard; Science, Research and Technology [Science, Recherche et Technologie] and deputy premier under Landry; and premier of Québec from 2012 to 2014. One of her major policy achievements was the family policy, which included the establishment of a network of childcare centres costing \$5 per day.

Lise Bacon: female politician. Second woman elected to the Québec National Assembly as a Liberal MNA in 1973 and a minister in the governments of Robert Bourassa in the 70s and 80s, she becomes the first woman to hold the position of deputy premier. Although the federal government is indirectly involved in the funding of public childcare facilities through a local initiative program for job creation, Lise Bacon, the then minister of health and social affairs [Santé et des Affaires sociales], presents the first plan for the intervention by the Québec government, proposing start-up grants for new not-for-profit daycare facilities and assistance for low-income families. While deemed inadequate by social groups who were seeking much more, the Bacon plan marks the first recognition of direct responsibility by government for childcare services¹⁰.

Lise Payette, female politician, feminist, writer, Québec television and radio host, columnist, elected MNA for the Parti Québécois in 1976. Minister of consumer affairs, cooperatives and financial institutions [Consommateurs, Coopératives et Institutions financières] in René Lévesque's first cabinet. She brings in the important Automobile Insurance Act that will save accident victims years of waiting by introducing the no-fault concept. She also served as the minister of the status of women.

Here is what Minister Lise Payette had to say when tabling her bill on the Automobile Insurance Act in 1977:

We have made a choice, one that I believe is fundamental and the first in North America, that is, to separate, for the first time, claims for personal injury from claims for material damages.

We realized that bodily injury protection should be the government's responsibility, as it is the case with workplace accidents or, for example, the health insurance reform that took place a few years ago. Currently, in Québec, 28 percent of victims have never received compensation. This is a figure that gives us pause for thought, and along with the experts available to us, we looked at the best way to correct this situation and to ensure that victims are compensated immediately for all losses incurred as a result of an automobile accident.

We have become aware, Mr. Speaker, of a number of injustices that have been brought to our attention regarding personal injury claims.

We believe it is our duty, as the government, to ensure that all victims can live decently, and be quickly and fully compensated following an automobile accident.

We have chosen, Mr. Speaker, to adopt a no-fault compensation plan. We have chosen to adopt this plan for bodily injury claims because the current system, the one currently in place, is responsible for the injustices I have shared with you, responsible for the fact that 28 percent of victims, as I just mentioned, have never received compensation.

We do not believe that this "no-fault" choice for bodily harm is, in any way we can imagine, an encouragement of bad driving habits.

However, we understand that if laws are needed to control this sector, those laws must be the Civil Code and the Criminal Code, and we have to stop trying to assign blame using insurance laws.

On the material side, we have chosen to leave private enterprise with the freedom to act in the area of material protection of vehicles, but we are proposing new rules for insurers.

Françoise David, a graduate in social work, advocate and cultural director for the leftist group "En lutte", coordinator of the Regroupement famille-enfance-jeunesse, a group of Québec women's centres, and president of the Fédération des femmes du Québec. In 2002, she founds the "D'abord solidaires" movement that ultimately became the Québec solidaire political party for which she is the MNA and co parliamentary spokesperson.

Louise Harel: an MNA for the Parti Québécois in the riding of Hochelaga-Maisonneuve for 27 years. She is a minister in the governments of René Lévesque, Jacques Parizeau, Lucien Bouchard, and Bernard Landry. She is the first woman MNA to become speaker of the Québec National Assembly. As the minister of State for Employment and Solidarity [Emploi et de la Solidarité], she pilots the pay equity bill that is adopted unanimously by the National Assembly in 1995. This is a key piece of legislation in Québec's social policy. It is Louise Harel who negotiates with the federal government the repatriation of labour programs, and the creation of Emploi Québec and local employment centres.

Nancy Neamtan: From 1972 to 1998, she works on founding and directing community organizations in Montréal, notably, the Programme économique de Pointe-Saint-Charles (PEP), the Institut de formation en développement économique communautaire, and the Regroupement économique et social du Sud-Ouest (RESO), a community economic development corporation working toward economic and social revitalization of the districts in south-west Montréal. She was the driving force behind the Chantier de l'économie sociale [social economy workshop], a concept that achieved consensus at the Summit on the Economy and Employment in October 1996. She is still the chantier's strategy consultant.

Community action and CLSCs

One of the people behind the history of social development in Québec is Pauline Marois, a social worker, community leader, holder of an MBA from HEC, MNA, minister, and the first woman to hold the office of Québec premier.

Like Claude Castonguay, who put his stamp on the evolution of all major social policies in his capacity as an expert, consultant, and minister of health and social services, Ms. Marois was at the center of social action and policy for almost half a century.

She followed a very unique path. Her life has been a long march to the ultimate power, but it began with a commitment made at the beginning of her career to serve the most disadvantaged.

A graduate of the School of Social Work at Université Laval in the community organization and leadership field, with a focus on collective measures, Pauline Marois completed an internship that involved rebuilding the Association coopérative d'économie familiale de l'Outaouais (the ACEF) in 1970. She later worked there as a facilitator and budget advisor.

During the 60s, political leaders were talking about building a just society.

Coming from a modest background and being in contact with the most disadvantaged, for me, one thing was obvious: a just society could not be built without equal opportunity.

All of the studies show this to be true: very often, economic poverty and cultural poverty feed each other. Being in contact with social assistance recipients, with the poor, who were intelligent and brilliant but unable to put their talents to use because they had no education, I felt deeply the injustice that they were living.

From that moment, I understood that my entire life was going to be influenced by an inescapable commitment: to fight against poverty by giving every person real equity of opportunity, to fight to give everyone the chance to escape the cycle of poverty.

It was at this point in her career that she challenged Claude Castonguay and his health insurance and social services report at a conference he was giving in Hull. She was involved in demonstrations in the Outaouais against the report he had just released. The main argument of the citizens' groups was that the report did not go far enough to combat poverty.

There are anecdotes that give us a feel for the times and which, sometimes, reveal the values that will guide our lives. When Claude Castonguay came to the Outaouais to explain his project to reform the health and social services system, we went to his meeting and, almost literally, kidnapped him.

He agreed to listen to us, but that did not stop us from gathering together leaders, persons engaged socially, and members of the Île de Hull group that evening to show our disagreement. I asked Mr. Castonguay a question and I still see myself saying to him: "You did not go far enough". It seems to me that I said that hundreds of times.

That moment could have marked a turning point in my life. It was truly then that the idea of getting involved in political action began to germinate. I said to myself: if I want to fight to change things, there is one undeniable place to do that. It is where the power is and where the decisions are made.

Of course, I didn't feel ready to make the leap. I found politics too complicated and I have always hated launching into an adventure without having made the necessary effort to be well prepared.

Without knowing where it would take me, I chose other paths to act and develop my skills.

She could not have imagined that one day she would agree to be part of that political life, to go so far as to become the first woman premier of Québec: a long journey that included a new institution that grew out of the Castonguay reform of health and social services, the Centres locaux de services communautaires (CLSC) or local community services centres. These centres were mandated to provide front line health services and common social services, of a preventive and curative nature, as well as rehabilitation or reintegration services, to the population in the areas they served.

The government decided to make the Outaouais a pilot region for the organization of the first CLSCs across the region. There were seven CLSCs in the Outaouais and 12 initially for all of Québec.

Pauline Marois became the executive director of the CLSC for the Île de Hull, Pointe-Gatineau-Touraine, covering three municipalities.

My training and the close links built with persons profoundly engaged in their community naturally led me to focus on mobilizing people to change society. I believed so much in the ability of citizens to mobilize themselves if we gave them the means that I hired a social facilitator who worked in the field with the Île de Hull citizens group to defend their rights and promote social housing.

The Outaouais was a very dynamic region and a very difficult one as well. At that time, the centre of Hull was being torn down to build federal offices and an entire community was being torn apart with no regard for the needs of the people, their sense of belonging, and their history.

The management position I held at the CLSC allowed me to fight for the ideals of justice, and we performed an important social function.

One of our mandates involved organizing a true front line in health services. There, it must be said, success was not immediate.

Although the Castonguay reform made the CLSC the front line, the entry point to a new health and social services system, it quickly became obvious that a key element of that front line was missing: the doctors. From the outset, a majority of them refused to become part of the CLSCs.

When the CLSCs were created, the public health teams that had been working until then in the health units were integrated and were committed and worked collaboratively with the community health departments. But, honestly, we were only able to recruit a small number of physicians to work in the CLSCs. There was an obstacle.

The outcome was clear. The social and home-care component progressed normally but the organization of clinical health services was a failure. At the time, to my knowledge, one of the only places where a real front line team operated was at a central south Montréal clinic in Pointe-Saint-Charles... Because a group of salaried doctors were already there before the reform.

The success of a major public policy obviously assumes rigorous analysis and a clear vision of the goals being pursued. When fighting against powerful corporate forces, there needs to be an unwavering political will all the way to the top levels of government in order to succeed, especially to the top levels of government. At the time, that political will was insufficient to overcome the obstruction from the Collège des médecins and to enable the CLSCs to fulfil their mission. The president of the Collège, Dr. Augustin Roy, compared Mr. Castonguay's project to Soviet medicine.

Thirty years later, the problem had still not been solved and instead of the CLSCs, it was private clinics that were serving virtually the entire region. It was in this context that we proposed the creation of family medicine groups (FMG). Indeed, the FMGs were destined to become the real point of entry to the health system, the key to a front line, to make private clinics what the CLSCs were supposed to be.

After my experience in the Outaouais, I felt the need to develop my management skills by taking an MBA; the reform undertaken in the youth protection file then gave me the opportunity to become involved in a cause that was close to my heart.

The DPJ children

At the beginning of the first term of the Parti Québécois government in 1976, the minister of State for Social Development [Développement social], Pierre Marois, sponsored the passage of the Youth Protection Act. The idea was to remove children's services from the criminal court system. This was still the era of reform schools and this change represented a major challenge because it involved bringing together the different cultures of justice, the police, and social services. It was then that the youth services branch [Direction de la protection de la jeunesse] (DPJ) was created.

In anticipation of the passage of the new Youth Protection Act, it was essential to determine the status of the 30,000 children in social services care. This task was referred to as Operation 30,000. Who were these children? Where were they? What was their social and legal situation? How many were in secure units, shelters, foster homes, or under guardianship? Within the team working to implement the new law, Pauline Marois was responsible for overseeing this operation. At the time, she was in charge of the children and youth services department of the Centre des services sociaux du Montréal métropolitain.

Implementing a new law that changes approaches, behaviours, and professional habits is always a huge challenge. The first step always follows the same logic: document, acquire knowledge, and ensure everyone's collaboration. It is afterwards that the real work on the ground can start. Each social worker had to evaluate their task and answer some basic questions: how many children were under their supervision, what was the nature of each child's problems?

Some professionals were responsible for 60 or 70 children. The social problems, legal systems, legal status, and level of risk of each child had to be determined.

At first, the social workers balked at the task, but ultimately, it got done. We had a grid; it was very scientific and very professional work. We had to separate the children under the protection of the Youth Protection Act from those who only needed youth or family support services. All of this documentation work had to be done. It was a major undertaking.

It was in this context that we carried out what was known as Operation 30,000. But we achieved our objectives by the deadline.

The other components of the work involved training people so that they could implement the new law: prepare protocols, learning guides, explain and re explain the letter and spirit of the law. With the energy of youth, we met the challenge and carried out an enormous amount of work across all of Québec.

Since this major reform, our system functions better than anywhere else; there is less involvement by courts, and crime rates are lower. In light of these results, the efforts by the last Conservative government in Ottawa to criminalize young offenders is completely deplorable; an ideological battle, a reactionary battle that merely fueled prejudices rather than overcame them.

Toward political power

After the transition period, Pauline Marois helped the new directors of the youth protection branch (DPJ) become familiar with the new law and their new role.

She then moved closer to her political career, first as the press attaché for the Minister of Finance, Jacques Parizeau.

Inevitably, my work in the region and my involvement in implementing the Youth Protection Act led me to political action. At first, I worked with my former professor from HEC, Jacques Parizeau, as a press attaché. I then became the chief of staff for Lise Payette, who had just been appointed minister of State for the Status of Women. It was while working with her that I came to understand the importance and the weight of political action. It was there also that I saw the extent to which all of the problems associated with action by the government and the fight for equality were closely linked to each other and that to succeed at changing things, there needed to be a global vision, and action needed to be taken simultaneously on multiple fronts.

Pauline Marois became the chief of staff to Lise Payette, the minister of the Status of Women. It was then that the Parti Québécois government decided to finally amend the Civil Code of Québec. It had been 25 years since Québec had begun revising the Civil Code, a statute unique to this province. The priority of the government and of Lise Payette, the person responsible for the women's file, was family law, the only part of the Civil Code that was adopted in 1980. The rest would have to wait a few more years.

Marc-André Bédard, the minister of justice, was the one who spearheaded all of this reform. Before this reform, common-law couples had no rights.

The new Civil Code with its family law was an important document because it recognized new rights by creating civil union in addition to marriage. It thereby acknowledged the transformation of the so called traditional family and confirmed the rights of same sex couples. It was unquestionably the beginning of a true family policy.

In 1981, Lise Payette left her role after participating in the referendum campaign and the “Yvette” episode. She did not stand for election. She returned to television, primarily as an author. Like Claude Castonguay, she served only one term. The way was clear for Pauline Marois’ political career to begin.

Pauline Marois was seven months pregnant and hesitant, but she allowed herself to be convinced by her husband and René Lévesque to step into active politics. She ran in the riding of La Peltrie in the Québec City area. She was elected with a comfortable majority.

She immediately became part of the cabinet, first as the minister responsible for the status of women and she is then promoted to vice-president of the treasury board and minister of labour and income security [Main-d’œuvre et de la Sécurité du revenu] during the restructuring in November 1983.

This was not a restful position. Indeed, the social assistance file was highly controversial. The change in responsibilities required Pauline Marois to handle perhaps her first social crisis, the issue of youth on social assistance who were receiving low benefits, one-third of what older recipients received. Mobilization, demonstrations, hunger strikes... to resolve the problem and help youth, to offer them an opportunity for social reintegration, three programs were proposed that would enable them to no longer be penalized: a workplace internship, community work, and a return to school. Each of these programs required a great deal of energy. How were they to be funded?

When you try to take a global approach to reform, one of the difficulties is that it is necessary to go outside established bureaucratic or government frameworks. In the case of the social reintegration of youth, we had to negotiate an agreement with Ottawa to finance our plan that allowed us to allocate funds designated exclusively for basic needs to other purposes. I was never good at the politics of making things worse, and my convictions as a sovereigntist never prevented me from negotiating in good faith with the federal government to improve the situation of Québec and of Québécois. You don’t play with the higher interests of Québec, with the future of the most unfortunate in society.

With the collaboration of Monique Bégin and Flora MacDonald, an agreement was reached with the federal government that enabled us to move forward and to link a basic benefit to training and paid internship programs.

A solution was found to a problem thanks to the efforts of three women, two in Ottawa and one in Québec.

On the eve of the general election that took place on December 2, 1985, the time was not right to introduce a bill, so a white paper was prepared to show the government’s social concerns. Two ministers, Guy Chevrette (Health and Social Services) and Pauline Marois (Status of Women, Labour and Income Security) brought forward the white paper entitled “Agir maintenant pour le Québec de demain” [acting now for the future] for broad consultation. It proposed major pension changes.

When Québec created its Régime de rentes, the contribution rate was set at 3.6% to make its introduction easier. The difficulties associated with that rate, which was inadequate to ensure the QPP’s long-term sustainability, were amplified by unfavourable demographic change. The situation was untenable.

In addition to these structural problems, there was the fact that supplemental plans were not developing as anticipated and were ill-suited to the changes in the labour market. I am thinking in particular of the growing mobility of workers and to the career interruptions for women.

At the end of our mandate, in an uncertain political context, we wanted to get the agreement of the key stakeholders and we planned an extensive consultation. There were many points to be considered: improving the QPP, the transferability of pension plans from the private sector to a common public fund to ensure the rights of people leaving their jobs during their career.

We thought that the idea of transferability was an interesting one. However, the idea of allowing women to contribute to the QPP while remaining at home seemed contradictory to the very nature of the plan. It should be remembered that, a few years earlier, a provision had been added to the QPP to avoid penalizing parents, especially women, who temporarily left their jobs to look after young children.

The Liberal government that took power the following year opted instead to consolidate the funding of the “current” QPP and to adapt the act governing supplemental pension plans to the new labour market realities. However, that did not stop the debate on the balance between public and private pension plans and, 30 years later, those same discussions are taking place between the federal government and the provinces.

In the December 2, 1985 general election, the Parti Québécois lost power, bringing Robert Bourassa and the Liberals back in. Pauline Marois returned with Jacques Parizeau in 1989 but in opposition. Power had to wait until 1994.

In politics, it is important to be patient and not to give up. There was a period of more than 10 years—and three premiers (Jean Lesage, Daniel Johnson, and Robert Bourassa) and two different political parties—between the start of the Quiet Revolution and the implementation of health insurance.

The adoption of a true, uniquely Québec, family policy took even longer.

A decade of turbulence and achievement

1995: The century and the millennium are drawing to a close. As though people are done with promises and talk, there is a push to act.

Two major political events clearly demonstrate Québec’s distinctiveness in the Canadian family and even in North America: the mobilization of social groups and women’s groups in particular, and the ability of the political class to unite around a single objective all of the groups in society that often oppose each other in day to day life: employers, unions, social groups, political parties. Québec knows how to bring things to a head. In May, Québec women marched along Québec’s roads to the National Assembly for “Du pain et des roses” [bread and roses], a unique social demonstration organized by the Fédération des femmes du Québec, with Françoise David as its president:

“We were coming out of a recession, unemployment was rampant, and there was growing poverty. I wanted the people of Québec to better understand the women’s movement. I had had enough of small skirmishes that didn’t get us very far. With numbers, we had the opportunity to gain more. I wanted to ensure that, from now on, we would be undeniable players on the political stage”¹¹.

“Du pain et des roses” to make changes, to build a solidarity network; “Du pain et des roses” against poverty.

While Jacques Parizeau prepared his referendum, Pauline Marois was appointed President of the Treasury Board, Associate Minister for Administration and the Public Service Administration [et à la Fonction publique], and Associate Minister for the Family [Famille]. One of the important family files at this time was childcare. But it was as the Minister of Education in 1995, appointed by Lucien Bouchard who became premier after Jacques Parizeau’s resignation, that she really attacked this file.

Text box 1.2 Du pain et des roses

[June 5, 1995] Over the course of 10 days, several hundred women walked about 200 kilometres to denounce poverty. This demonstration of solidarity culminated on June 5 with a major gathering outside the Québec National Assembly.

Under the banner “Du pain et des roses” [bread and roses], more than 15,000 women from all regions of Québec took part in this demonstration that culminated in a meeting between the Premier of Québec, Jacques Parizeau, and the leaders of the different women’s groups, including Françoise David, President of the Fédération des femmes du Québec and organizer of the march. The Minister of Employment, Louise Harel, used the occasion to announce that Québec’s minimum wage would increase from \$6.00 to \$6.45.

This announcement addressed in part one of the demands of the marchers who were looking for a much more generous increase. Three other demands had already received the government’s support: equal pay for women and men, legislation facilitating the collection of child support payments, and a freeze on tuition fees.

Source: *La Presse*, June 4, 1995, p. A1, June 5, 1995, p. A1.

It was during the Summit on Education that the first major changes occurred¹². Ms. Marois was appointed Minister of Education but retained the family file. Many of the elements introduced as education reform contained elements of social policy, such as full-day kindergarten and school-based childcare, measures that impacted the ability of women to work.

We forget today the extent to which school-based childcare was a major measure, a fundamental advance in the implementation of Québec's family policy. In 1995, after a very lengthy debate, we ordered school boards across Québec to offer childcare services. It was a key piece in the implementation of a vision that reconciled work and the family and, it must be clearly said, a vision that reconciled the roles of mother and participant in the workforce.

Another important change that did not come about without debate was the creation of a real Ministry of Family, led by a minister and not by an associate minister. Pauline Marois was the first incumbent of this position.

I was already responsible for the family file. With the creation of a Ministry of Family and Child Welfare [ministère de la Famille et de l'Enfance], I introduced legislation so that, in all government files, our objectives were taken into consideration: valuing the family and the child and encouraging their full potential.

The act defined the minister's role: facilitate the participation of persons to groups interested in family issues, develop and propose to the government policies favourable to the development of the family and children, advise the government on all matters related to the family. Another woman, Nicole Léger, supported me in my job beginning in 1998. She was appointed associate minister of the ministry of Family and Child Welfare and held this position until 2001.

These policy changes opened the door to a true family policy that people had been waiting for since René Lévesque had instructed Minister Denis Lazure to identify the issues faced by families in Québec in 1981. Of course, there was already a family policy, but it was a partial policy covering such things as subsidies for low-income families for childcare services.

Moreover in 1993, the Liberal government published its key directions on the status of women, "Un avenir à partager". The document laid out the key directions of the Government of Québec's policy on the status of women for the next decade. More specifically, it addressed economic independence, respect for the physical and psychological integrity of women, the elimination of violence against women, and the recognition and valuing of their collective contribution. For each of these themes, the document described the current situation and then defined the priorities for intervention¹³.

But "Un avenir à partager" fell by the wayside when the party in power changed.

The 1996 Summit on the Economy and Employment

1996: Canada is coming out of a recession. The Bouchard government launches a major fight to achieve a zero deficit in four years. Imagine reducing spending by almost \$4 billion while seeing federal transfer payments reduced by more than \$2 billion. That means \$1 billion less in education and \$2 billion less in health. Thirty thousand government employees agree to retire. That represents 10 percent fewer physicians, nurses, special education teachers, speech and language pathologists, and workers in health and social services¹⁴.

Québec was still—at least until today—a tightly knit society. This enabled Lucien Bouchard's government to propose to all societal groups that a summit on the economy and employment be held. All sectors of Québec society—government, unions, private business, and the third sector or social economy—attended.

Despite austerity:

At the major summit that he convened as soon as he became premier, Lucien Bouchard was well aware that he was asking a great deal of Québécois and that, in exchange, they needed to feel that their government had a progressive social vision. Indeed, despite austerity, the government remained very sensitive to social justice and demonstrated a desire for equal opportunity.

It was in this context that he asked the secretariat of the priorities committee to take a new look at the

support to families. The initial hypothesis was to take all of the allowances given to families and use these resources to provide services.

To ensure greater equity, we agreed on the need for an integrated allowance, a progressive allowance. In our mind, the poorer the individual, the lower the family income, the higher the integrated allowance needed to be. Inversely, the higher a family's income, the lower the allowance would be, and it should disappear completely beyond a certain threshold.

Obviously, since the goal was for there to be no losers, major adjustments had to be made. In the initial versions, many families with several children and an average income were big losers. A great many adjustments had to be made.

Along with this allowance, Québec committed to increasing the number of childcare spaces and offering all families low-cost childcare. For budgetary reasons and ease of implementation, we began with four year olds before extending the service gradually to infants.

Lastly, to complete the policy, we proposed an agreement with the federal government to allow Québec families to receive more generous parental leave.

The composition of family units and the structure of the job market changed considerably over time. Jobs became less stable and a birth ran the risk of becoming synonymous with a major economic setback. With the proposed parental leave, the choice to have a child was once again a less wrenching life choice for parents and for women in particular.

All of these measures gave Québec a comprehensive family policy, one based on a global, very social democratic vision, a vision that covered all stages of family life:

- Integrated allowance based on income;
- Improved parental leave;
- Very low cost, quality childcare services; and
- School based childcare.

These measures were in addition to others adopted a few years earlier, including the reduction in the number of years of contribution to the QPP to avoid penalizing parents who temporarily leave the workforce.

When this policy was presented at the summit, it was received enthusiastically. Despite starting down a path to difficult budget renewal, Québec was not losing sight of its major goals for social justice that had driven it since the reforms of the Quiet Revolution.

At the end of the summit, Premier Lucien Bouchard announced a program that would change a great many things and that involved key social policies.

For me, it was imperative to thoroughly review the many disparate family support programs in order to create a true family policy.

The objectives were clear:

- More easily reconcile family and work for all parents of young children;
- Offer, at an accessible rate, better childcare services to help many children become better prepared for school;
- Encourage low income earners and recipients of social assistance, with one or more children, to go back to work;
- Foster the growth of the social economy in a very important sector of activity; and
- Reduce the underground economy in a sector where it was very active¹⁵.

Anecdotally, it may be useful to point out that the enthusiasm of the summit participants did not dampen the resistance encountered from the highest levels of government bureaucracy.

In fact, without the determination and constant support of the premier, efforts to water down the policy

would likely have significantly narrowed its scope. Even today, it has to be said, the network of childcare centres is the target of economically and socially unjustifiable attacks.

For the government, it was therefore important to combine the budget austerity associated with a zero deficit with measures aimed at revitalizing Québec and its economy. This was true of the family policy and other measures associated with it and which were born of an often-expressed desire to ensure greater equity of opportunity.

Policy choices are different. It is not simply a matter of transferring money to families but rather of enabling a better work/family balance for women workers wanting to have children, and of providing quality childcare services to young children to encourage their development and ease their entry into school.

In all areas in which the government intervenes, it's possible to act based on ideology. It is possible to give an individual money and tell him to use it based on his talents and values. It is correct to think that each person is capable of deciding for themselves, but rigorously conducted studies show that collective action generally has a much greater impact, whether with respect to combatting poverty, increasing equal opportunity, or facilitating social integration.

In addition to the high profile measures like the childcare centres and parental leave, the introduction of full-day kindergarten for five year olds, and for four year olds in underprivileged areas, along with the introduction of mandatory school-based childcare, made the lives of parents much easier.

In addition to these measures, the financial assistance for children in underprivileged areas was increased through the integrated allowance. By separating financial support to families from social assistance to promote, in a concrete way, integration into the workforce, notably for the heads of single-parent families, we gave them a real chance to improve their situation.

For a great many children, these measures improved their opportunity for real equality.

It was also at this time that the government introduced the automatic collection of support payments to limit disproportionate differences in the situations of ex-spouses following a separation at a time when the number of separations was growing.

While these measures were more beneficial to women, it was because of the ground that needed to be made up; a major rebalancing was needed. However, this policy also reflected a new desire to enable young fathers to be more involved with their children right from birth.

In keeping with the vision to provide greater equity of opportunity, certain measures, like phased retirement for older workers, targeted other groups in order to facilitate the access of the younger generations to the workforce. Other measures focused on income security and social assistance to promote employability and rehabilitation.

The centres de la petite enfance (CPE) [childcare centres] and family policy are part of Pauline Marois' legacy.

It took years to develop a true family policy in Québec. It required time and energy, but our determination paid off. Families were able to get off welfare. For women who were the heads of single-parent families and who became poorer when they entered the workforce, the situation was turned around. For everyone, the work/family balance became less difficult. For children, who gained access to quality services at the youngest ages, the way was paved to a more successful academic future.

Today, studies confirm that this policy was the driving force behind the renewal of Québec's economy. Let me quote Pierre Fortin: "In 2015, Québec paid out about \$1.6 billion more in subsidies than it would have contributed to the childcare system that existed before 1997. But the 70,000 mothers who were encouraged by the current system to enter the workforce and their employers paid some \$2.5 billion in taxes. Thus, there was a \$900 million net gain for governments."

Societies cannot flourish without consensus on certain points that allow people to live together. In Québec, access for all to quality healthcare and educational services is part of that consensus. Today, I believe that we can firmly state that our family policy is also an essential component of the contract that unites society, families, and government.

Encouraging the growth of the social economy

One of the key elements of the 1996 Summit on the Economy and Employment was the welcome extended to the social economy sector by traditional employers and the unions. The social economy is what is called the third sector.

Pauline Marois' first real contact with the social economy dates back to 1985. At the time, she was receiving the same treatment she had given Claude Castonguay when she told him during a demonstration in Gatineau in the early seventies: "You did not go far enough".

Now, as the Minister of Labour and Income Security [Main d'œuvre et de la Sécurité du revenu], she was facing a group in southwest Montréal led by Nancy Neamtan. The group was trying to see how a district could mobilize its resources to support the development of its economy and, at the same time, enhance the social level, the well being of its citizens, to give them access to jobs and improve their living conditions.

In 1985, Ms. Marois was their guest.

The room was full to overflowing. I was greeted by a large banner and demands. The tone was aggressive. I understood somewhat how Claude Castonguay must have felt when we had met with him in the Outaouais 15 years earlier.

"You are not doing anything for us, we don't have the money to do what we want..."

The next day, Nancy Neamtan called us: "We have things to explain..." She then met with us to talk about different models of social intervention that might help Québec innovate.

At the Ministry of Income Security, the concept of social economy was not received with enthusiasm, to say the least. In fact, the word "hostility" would be more accurate.

Given my training in social work and my familiarity with community organization, I clearly saw that this approach had considerable potential and I understood that we needed to invest in this model.

After a few on-site visits, and with the collaboration of the Office de planification et de développement du Québec [Québec Planning and Development Office], we used ministry funds to finance a few pilot projects, including ones in Pointe-Saint-Charles and Hochelaga-Maisonneuve.

When we listen to people, when, regardless of their legitimate recriminations, they offer intelligent solutions, we have to give creative intelligence a chance, and we have to allow the dynamism of the people in the field to be expressed. Not everything that is proposed is necessarily perfect and there are always limited means. There are constraints and we can't just spend the funds given to us by the public haphazardly. But we have to give innovators a chance.

The best example is Nancy Neamtan and this group that we supported and guided just before the 1985 election. After the initial helping hand, they were able to go it alone and we are all winners because of the clever approach they introduced into our society.

I took over as minister of Finance when Lucien Bouchard left and I used the budget I had to table shortly after my appointment to introduce a budgetary measure that allowed the social economy to grow through risk capital, patient capital.

Nancy Neamtan chaired the Chantier de l'économie sociale [poles of the social economy] that guided the proposals, highlighting the importance of the social economy at the summit. And it was Pauline Marois who insisted that the centres de la petite enfance (CPE) become part of the social economy.

Social development: a political vision

In 1995, 118 heads of state and government attended the World Summit for Social Development in Copenhagen. Participants adopted a declaration and a programme of action that put people at the centre of development.

The war on poverty, the achievement of full employment, and the establishment of a stable, secure, and just society are the supreme goal. Commitments were made to achieve this goal.

Text box 1.3
Definition of social economy

The 1996 Summit on the Economy and Employment [Sommet sur l'économie et l'emploi] was the opportunity to better define the desired reality for the social economy:

“Economy” refers to the concrete production of goods or services, with the enterprise as the organizational structure, which contributes to a net increase in the collective wealth.

“Social” refers to the social profitability and not just the economic profitability of these activities. This profitability is valued based on its contribution to democratic development, support of an active citizenry, and the promotion of values and empowerment initiatives, both individually and collectively. Social profitability therefore contributes to improving the quality of life and well-being of the population, notably, by offering more services. As with the public and traditional private sectors, this social profitability may also be evaluated by the number of jobs created.

In 1999, the Secretary-General of the United Nations (UN) asked each state to submit to him a progress report on implementation of some of those commitments. The Canadian government provided “Canada’s Response” and invited each of the provincial governments to provide a supplemental report that would be appended to the Canadian response tabled at the extraordinary meeting of the United Nations General Assembly in June 2000¹⁶.

Beginning in 1995, Québec pursued the objectives of the Copenhagen summit. In 2000, it was in a position to respond to the United Nations’ request by including in Canada’s response a separate report on the evolution of Québec’s social development policy. The results were evidence of that progress.

I submitted a report on Québec’s efforts to place the needs of people at the centre of government policies. In my mind, it was obvious that economic development and social development could not be separated. Each feeds the other. We showed the extent to which the social programs that Québec had put in place demonstrated that, unlike our neighbours to the south and west, who blamed those in need, we had chosen to help people escape from that need.

Three months later, I tabled a global strategy to cabinet, a social development policy with a broader vision that would go far beyond social security measures.

Our political vision drove our definition of social development. Our definition was very clear:

Social development refers to the establishment and strengthening, within communities, regions, and society, of the conditions required, on the one hand, to enable each individual to fully develop their potential, to be able to actively participate in social life, and to receive their fair share of the collective wealth, and, on the other hand, to enable society to progress socially, culturally and economically in a context where economic development is directed toward sustainable development that supports social justice.

The proposed directions were broad:

- Education and qualification of as many people as possible;
- Access to, and retention of, employment;
- An active and responsible citizenry;
- Sharing of the wealth and elimination of inequalities;
- Enhancement of individuals’ health and well being; and
- Respect of human rights and protection of individuals.

We wanted to eliminate poverty but also enable society to advance and citizens to grow personally.

Combatting poverty

There were three ministers working toward the same goal—the war on poverty: Lynda Goupil, the minister responsible for the status of women and seniors, Nicole Léger, the associate minister for the elimination of poverty and exclusion, and Jocelyne Caron, the secretary of state for the status of women. Pauline Marois, the minister of finance, rounded out the foursome and supported her three colleagues. Their mission:

The policy on the war on poverty was adopted in 2003 at the end of our mandate. At the time, I was the minister of finance. The policy was tabled as part of a very large document that had required a great deal of work. We wanted to make sure that it would not only be announced, but especially, implemented.

All politicians who have been in power will tell you: the challenge of governments is to implement their vision through concrete action.

Following the release of this policy, expectations were high. As the minister of finance, I was very careful to ensure that we would have the resources to implement the measures announced.

Text box 1.4

Objectives of the National Strategy on the War on Poverty

1. Promote the respect and protection of the dignity of people living in poverty, and combat prejudices against them;
2. Improve the economic and social situation of people and families living in poverty or marginalized by society;
3. Reduce inequalities that can adversely affect social cohesion;
4. Foster the participation of persons and families living in poverty in their communities and in the development of society; and
5. Develop and strengthen the sense of solidarity throughout Québec society to work together to fight poverty and social exclusion.

Good intentions but, in 2003, the Parti Québécois found itself in opposition where it remained for the next nine years. During that time, Pauline Marois did not forget her desire for a grand social policy.

In 2012, she became leader of the Parti Québécois and won the election with a minority government.

Eighteen months in power with the feeling of working extra hard and taking a gamble that might trigger a new election, a gamble that failed. The Liberals returned to power. She was no longer an MNA.

What did she take away from those 18 months?

Eighteen months is a short time, a very short time in the life of a society. Despite that, we made decisions and took significant action and measures in the social field.

The day after the election, in the crisis context we were experiencing, it was important to restore social peace, to cancel the rash increases in university tuition fees, and to renew the dialogue with all of the social stakeholders. The future is not built by beating down society's youth.

We started the work to implement the cancellation of the health tax imposed by the previous government, a socially unjustifiable tax. In this regard, I would have liked to do more, to go faster but it was impossible given that we were working with a minority government.

We worked really hard: accelerated the construction of social housing, an action plan to combat spousal violence, a government strategy on employment, expansion of access to legal aid, and a framework law on the social economy.

In addition to these actions, we worked to increase benefits to individuals on social assistance, because there was an inequity in the coverage of needs.

We were committed to increasing the support to community organizations and to individuals so that they could avoid a long process that keeps individuals trapped in the welfare system.

Our plan was to quickly create greater accessibility to health services in the FMGs, create a single access point to an appointment system for front-line care, develop a portal of reliable and comprehensive health references, and ensure better follow-up of persons with chronic illnesses.

We also prepared the establishment of a real independent insurance to meet the challenge posed by the aging of the population. It was and remains critical for financial reasons and in order to address the expectations of the people. For the vast majority of people whose physical condition is deteriorating, the first choice is to remain at home rather than having to resort to long-term care centres (CHSLD).

But we did not have enough time.

However, you know, despite the election reversal that hurt me, I remain optimistic. Québécois have a long tradition of solidarity and a deep desire for justice and fairness. If those who hold power or who will hold power break the fundamental elements of the social pact that unites us, society's stakeholders will react. A small society in North America, in a world of change, we are committed to being innovative and to being successful, and our success is the result of the solidarity that motivates us.

Pauline Marois went on to say, "You will see that I was right about these ideas".

She was right.

IN CONCLUSION

Nothing is final in the world of politics. A new government can result in changes to government programs. The return to power of a Liberal government in 2014 led to a significant change in the funding of daycare services. Going forward, people will have to pay based on their income. This approach represents a return to the fundamental principle behind the first Québec plan for daycare services, the Bacon plan, where parents were required to pay based on family income.

Nevertheless, the past 50 years demonstrate a real, sustained political desire for social development, with a focus on equal opportunity and social justice. The chapters that follow describe the demographic, economic, and social changes that occurred, along with the determining factors in the development of the various social security programs, in an effort to identify the key achievements of the past and the main issues moving forward.

NOTES

- ¹ Comments gathered by Pierre Maisonneuve from Mr. Castonguay and Ms. Marois.
- ² Godin. 1980. p. 112.
- ³ Duchesne. 2002. p. 217.
- ⁴ Paul Sauvé, Wikipedia.
- ⁵ Duchesne. 2002. p. 211.
- ⁶ The Associated Press. 2004.
- ⁷ The mandate was given to lawyer Claude-Armand Sheppard.
- ⁸ Ref: Chapter 5, text box 5.2.
- ⁹ At that time, we were talking more about “régimes supplémentaires de retraite”. As indicated in chapter 7, it was in 1990 that the choice was made to use the expression “régimes complémentaires de retraite”.
- ¹⁰ http://ormones.ca/Histoire_des_CPE, 11-20-2011, Christine_mba (consulted on September 14, 2016).
- ¹¹ Maisonneuve and Latulippe. 2003. p. 76.
- ¹² Government of Québec. 1996.
- ¹³ Québec. 1993.
- ¹⁴ Boivin. 2009.
- ¹⁵ Government of Québec. 2016.
- ¹⁶ Government of Québec. 2000.

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PART II
SOCIAL SECURITY IN
A CHANGING ENVIRONMENT

Chapter 2

DEMOGRAPHICS¹

Jacques Légaré

*Demographics explains about two-thirds of everything...
for understanding the past and forecasting the future.*

David Foot²

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INTRODUCTION: POLICIES ON POPULATION AND SOCIAL SECURITY

The end of the Second World War marked an important stage in twentieth century history around the world. The post-war period did not have much in common with the first half of the century. For western countries, there were two major shifts: decolonization and the establishment of a modern state with social security programs. Québec was not involved in the first shift, but it was an active participant in the second through its Quiet Revolution. Demographics played a major part in this shift, which can more accurately be described as revolutionary rather than quiet. Although the notion of “policies on population” rarely comes up, it underlies all of the social security programs put in place.

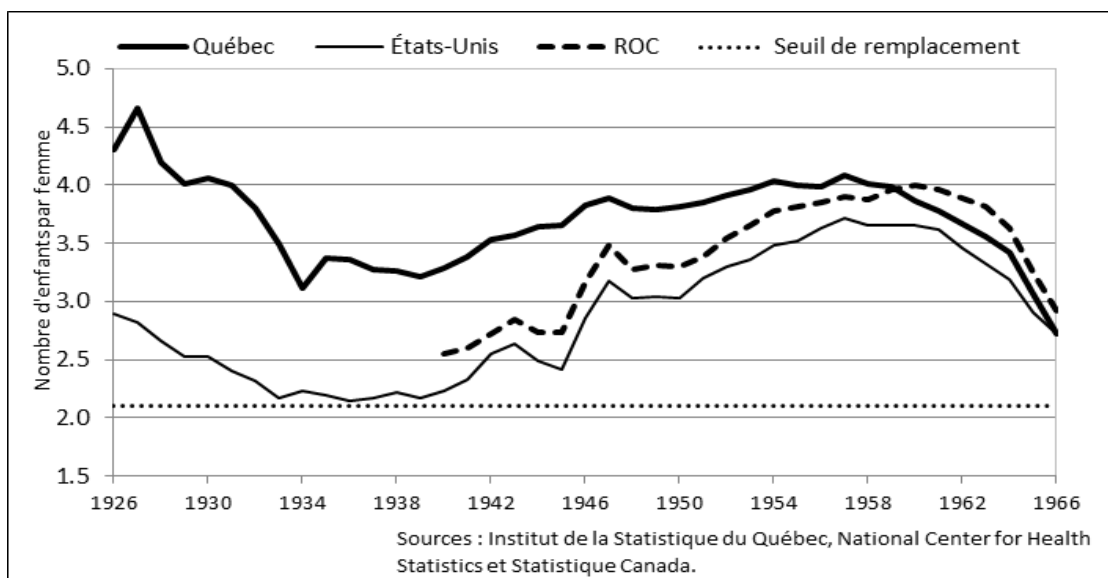
The following is an overview of this demographic evolution in Québec, with a discussion of the issues that will arise in the future. We begin by describing population growth and one of its main characteristics: an ever-increasing number of elderly people. We then discuss the changes in the underlying demographic phenomena: marital relationships and family life, mortality and morbidity, and lastly, the dynamic of international immigration.

FROM STRONG GROWTH DURING THE BABY BOOM TO LOW GROWTH SINCE THEN

Population growth is based on two components: natural increase (births minus deaths) and migratory increase (in-migration minus out-migration).

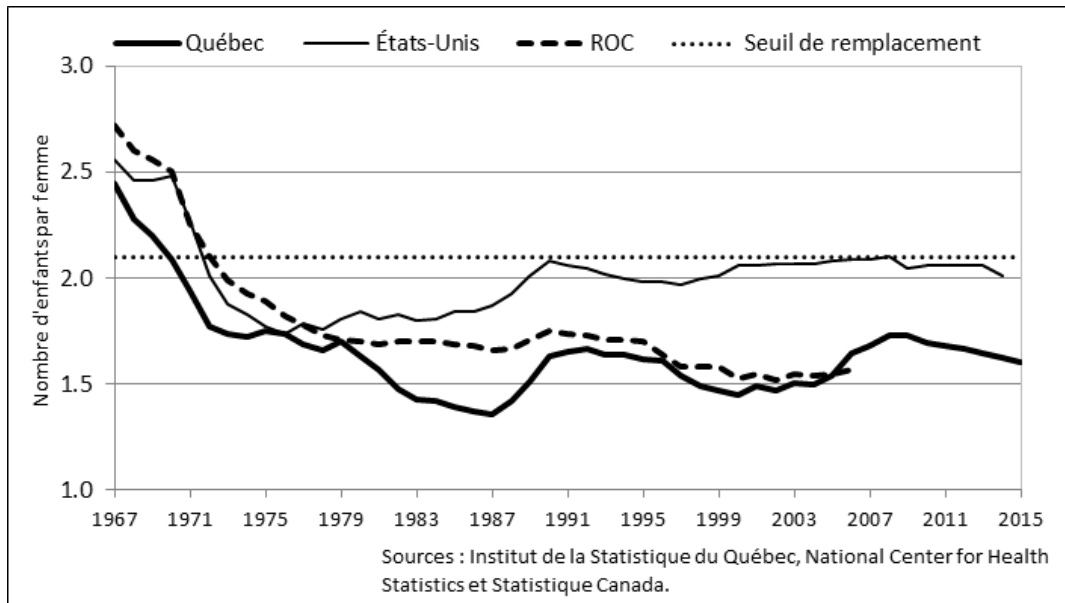
The main driver of natural increase in Québec in the twentieth century was beyond a doubt the baby boom, which demographers situate from 1946 to 1966. The middle of the century was a period of strong demographic growth (2.4 percent annual rate of increase): from a population of 3,629,000 in 1946 to 5,780,845 in 1966. This pace subsequently diminished (0.7 percent annual rate of increase); by 2011 it was only about 8 million, owing to the dramatic baby bust that followed the baby boom (figure 2.1). It has been shown that the true baby boom, which extended well beyond the recovery of the birth rate in the post-war period, applied to the Anglo-Saxon world outside the UK, with Québec leading the way. The number of births was indeed exceedingly high at that time, but without a strong increase in fertility within marriages³. Since the baby bust was highly significant as well, it led to the phenomenon of the “pig in the python”⁴, i.e., a distortion in the number of births before and after the baby boom, from just under 80,000 to close to 150,000 in 1959, with a subsequent return to approximately 80,000. This situation could only complicate the management of the social programs put in place by the government.

Figure 2.1a
Baby boom in North America, 1926–1966



(Available in French only.)

Figure 2.1b
Post-war baby boom in North America, 1967–2015



(Available in French only.)

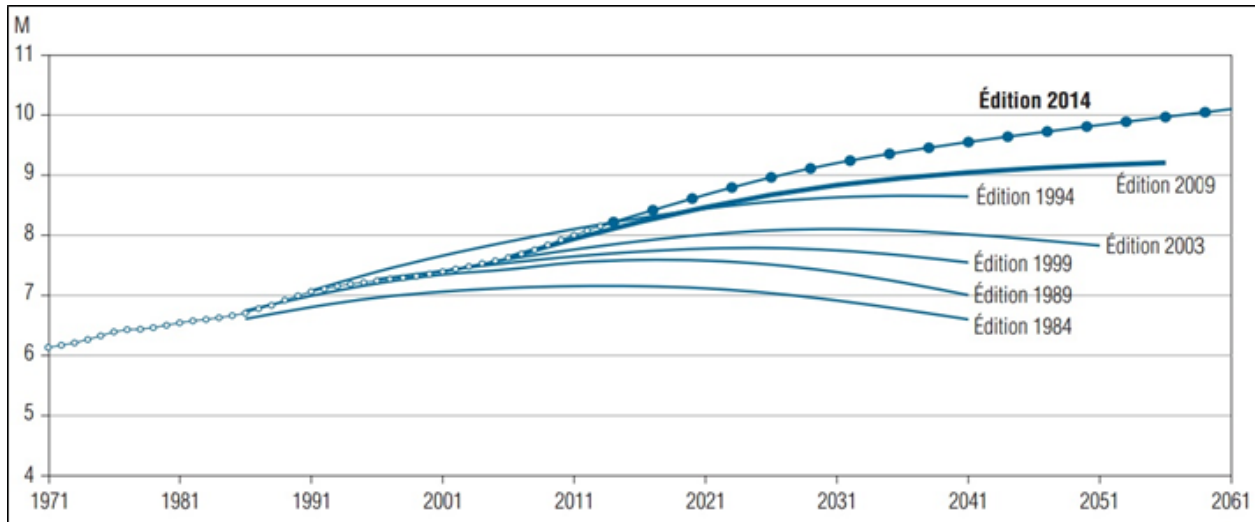
The role of migratory increase is less spectacular, particularly since in many cases it is a matter of immigration only. We recall the four dimensions of migratory increase: at an international level, immigration and emigration, and, within Canada, movement from other provinces and territories and movement towards other parts of Canada (often referred to by the abbreviation ROC, or “rest of Canada”). International emigration has always been negligible both in Québec and in Canada as a whole. The same could not be said of movement between Québec and the ROC, which has always shown a negative balance. What is more, from 1966 to 2000 (except for a few years during the 1990s), the number of people leaving Québec was higher than the number of immigrants coming in from other countries (figure A2.1). However, this situation began to reverse itself in the 2000s. Lastly, as we will see in part 5, retention rates for international immigrants are low in Québec.

The percentage of immigrants in Québec is lower than its demographic weight in Canada, which currently sits at 23 percent. This figure is decreasing steadily, with Ontario in particular. The same type of discrepancy in growth can also be seen between the greater Montréal area and the rest of Québec. Accordingly, some analysts have talked about two Québécois. This is partly due to the attraction that Montréal holds for people from Québec’s regional areas, as with international immigration. As a result, the growing phenomenon of visible minorities in the rest of Canada is having very little impact on Québec and is being felt almost exclusively in Montréal (figure A2.2).

In a great many countries, and in industrialized nations in particular, the persistency of inadequate generational replacement lets us glimpse a potential decline in their populations. Such a decline is already under way in countries such as Germany, Italy, and Japan. What is the situation in Québec? As mentioned earlier, the population is increasing, but will this hold true in the future? Given the trends in demographic behaviours that have been observed, all of the Institut de la statistique du Québec’s projections at the end of the last century pointed to a decline or at least a plateauing of Québec’s population (figure 2.2). This no longer holds true for the most recent projections, except for the low growth scenario. To avoid a decline in its population, Québec society has amended its policies regarding the admission of children and immigrants.

This more optimistic vision must not obscure the fact that, starting in 2034 (figure A2.3), there will be more deaths than births in Québec, absent any drastic changes in fertility behaviours (which are not anticipated at this point). Not only will migratory increase need to be positive, but it will have to be sufficient to offset the negative natural increase. This will entail a dynamic immigration policy and mechanisms for increasing retention in Québec that are more effective than those of the past, for both recent immigrants and native-born Québécois.

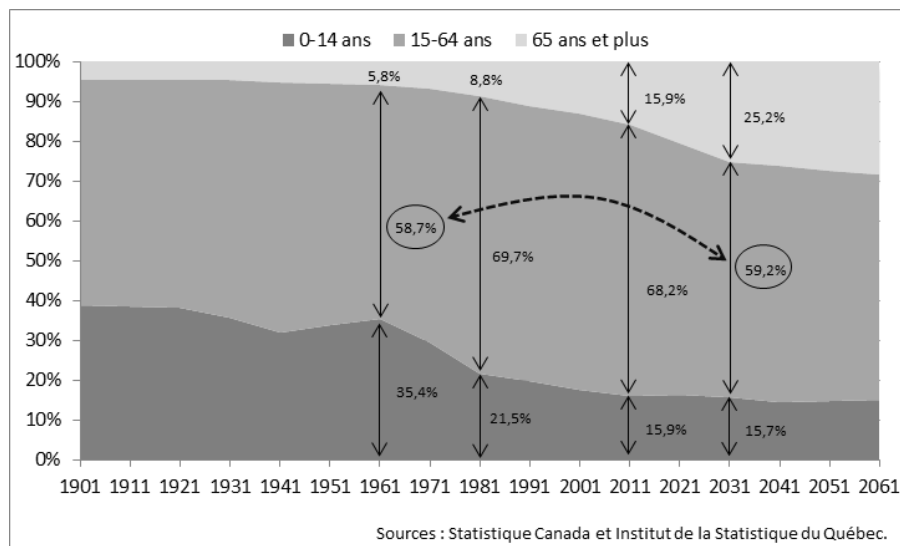
Figure 2.2
Projected evolution of the Québec population (in millions)
based on various projection iterations, 1971–2061



AGING: UNAVOIDABLE, BUT SLOWER FOR A WHILE

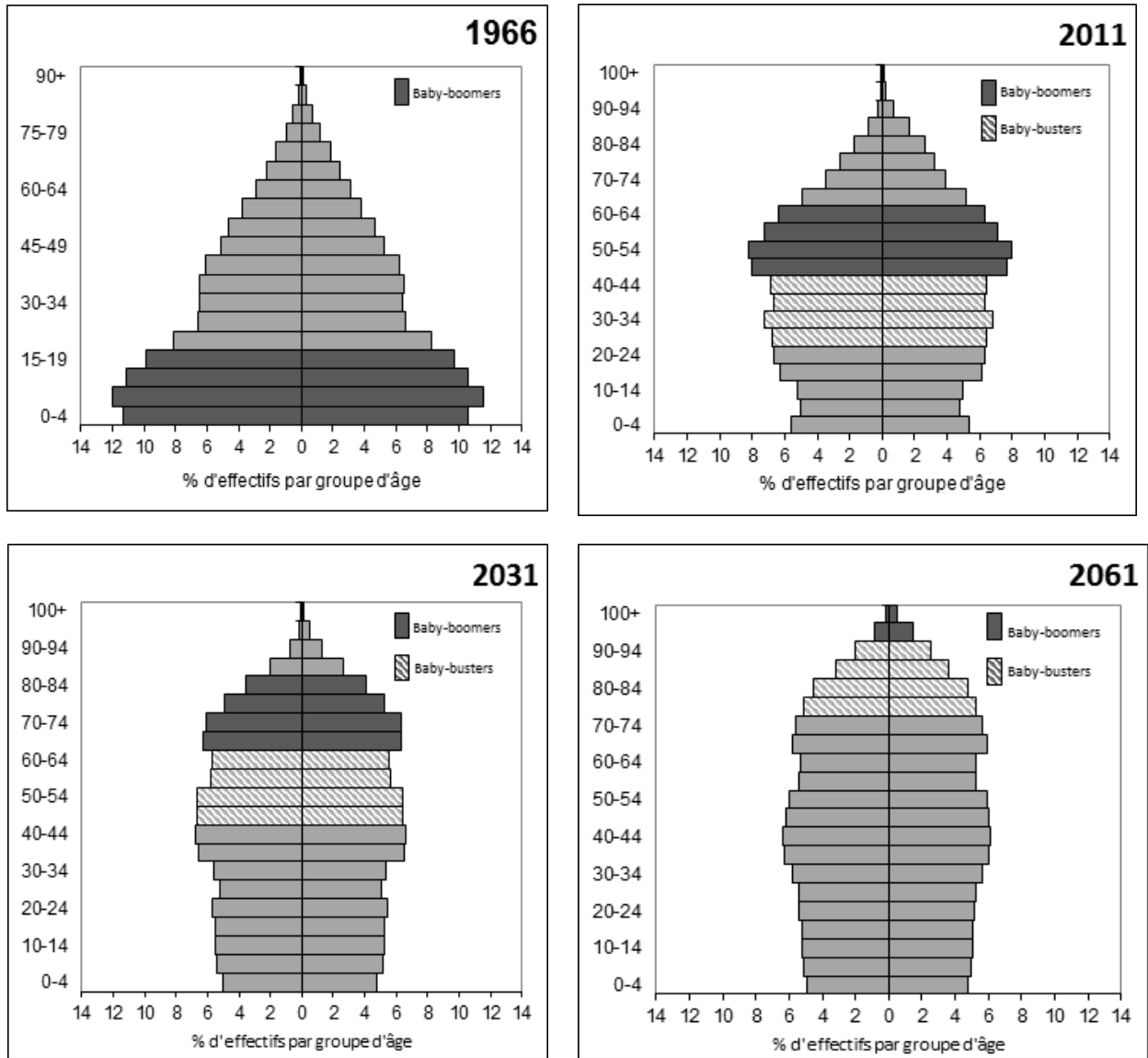
A number of indicators, of varying degrees of sophistication, are used to measure the aging of a population. Although widely used, the percentage of seniors has its limitations, given the arbitrary nature of the threshold used. The median age of a population is a better indicator in some ways. A population whose median age changes from a number in the twenties to one in the fifties is a population that has aged tremendously. This is the case with Québec’s population: as of 2050, nearly 50 percent of the population will be over the age of 50, whereas in the middle of the last century nearly 50 percent of the population was under the age of 25. What was once a young society is becoming an old one. As a result, social security programs will need to take a 180-degree turn. The shape of the curve for the percentage of the population aged 65 and over follows the same trend (figure A-4), which is mitigated somewhat by the baby boom. The demographic weight of the 65-and-over population rises from 5 percent to 25 percent, with a corresponding decrease for the younger part of the population: the weight for the 15-to-64 age group remains stable overall, at just about 60 percent (figure 2.3). The age pyramid, the representation of the population by age and sex, takes on a sarcophagus shape and ultimately a cylindrical one (figure 2.4), with nearly five generations existing alongside one another. A profound transformation needs to be contemplated for roles within the family.

Figure 2.3
Relative share of the three major age groups, Québec, 1901–2061



Sources : Statistique Canada et Institut de la Statistique du Québec.
 (Available in French only.)

Figure 2.4
Age pyramids, Québec, 1966, 2011, 2031, and 2061



Sources: Statistique Canada et Institut de la statistique du Québec.
(Available in French only)

As of 2011, when baby boomers began turning 65, the trend for the proportion aged 65 and over has accelerated in Québec and has done so more rapidly than elsewhere.

What is more, aging within aging is observed. The segment of the population aged 65 and over is growing more rapidly than the population as a whole, with the 75-and-over age group growing more rapidly than the 65-and-over group, and the 85-and-over group growing more rapidly than the 75-and-over group (figure A2.5). There has also been a reversal of the trend relating to the high proportion of seniors who are women (figure A2.6). This is because increases in life expectancy since the beginning of the twenty-first century have been more substantial for men than for women (figures A2.11 and A2.12). The number of people aged 100 or over is currently very small, but it could be between 20,000 and close to 60,000 in 2061.

The older they get, the more seniors must contend with activity limitations. To remain independent, and to live in their own homes and postpone being placed in an institution, they need to have access to care and services at home. Home support for seniors will be a major challenge in the years to come⁵.

FROM MARRIAGE TO COMMON-LAW RELATIONSHIPS, FROM ILLEGITIMATE CHILDREN TO BIRTHS OUTSIDE MARRIAGE⁶

Even in countries recognized as being very open to immigration, reproduction remains a central element of population trends. Before the Quiet Revolution, reproduction in Québec took place within a traditional framework that had changed very little in relation to other western societies:

- All boys and girls, except those entering religious orders, would marry at a fairly young age and stay married until the first spouse died and would ultimately remarry; not many engaged in premarital sex.
- The first child would arrive after nine months of marriage (sometimes shortly before that) and, in the absence of access to contraception, would be followed by many brothers and sisters, even more so because those who died at a very young age would be replaced. The church was clear in its instruction not to limit the size of the family, hence Québec's reputation as a society that favoured large families.

This traditional framework was disrupted in the twentieth century, with regard to both nuptiality and fertility, although at a later point in time for the former.

Nuptiality

In the post-war period, civil marriage (as distinguished from religious marriage) was possible, albeit not popular. The common-law relationship therefore became the model chosen by young people, and by some who were not so young. For those who did choose to marry, divorce (which had become legal and accessible in 1968) was becoming increasingly popular. Nowadays, fewer and fewer people are choosing to marry. If the behavioural trends of 2014 continue, 27 percent of men and 30 percent of women will marry for the first time before age 50⁷; the corresponding figure in 1971 was 90 percent. Among those who choose to marry, formal unions (very often preceded by a common-law relationship) are being entered into at older and older ages⁸: seven years later than in 1971. And for the fewer and fewer people who choose to marry, divorce is becoming increasingly frequent, applying to 50 percent of marriages at the turn of the century⁹.

Our social security systems are based on the premise of the traditional family (stable relationships and division of male-female responsibilities). Nowadays, one out of four children does not live with both parents (and surviving spouse benefits are not necessarily being received by the person who has responsibility for the children)¹⁰. The collapse of this traditional model in favour of mixed models goes hand in hand with a stronger presence of women in the labour force.

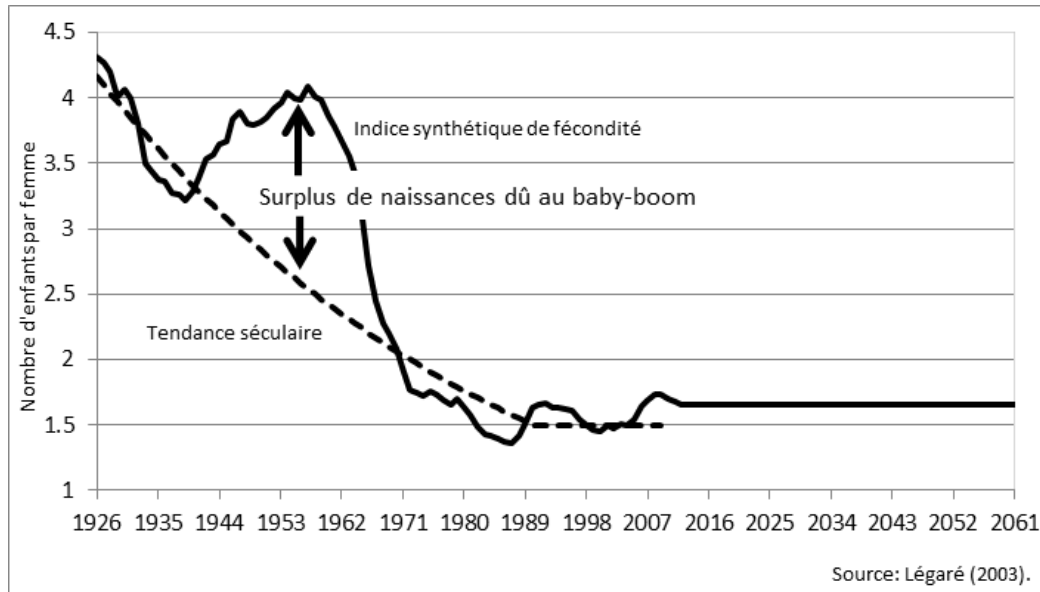
Fertility

The strong decline in fertility in Québec, which has been extensively documented¹¹, can largely be explained by an unwillingness to abide by the precepts of the Catholic Church, combined with access to modern contraception. The cohorts born at the turn of the twentieth century had an average of 4.5 children per woman, while those born in the middle of the century had about 1.5 (figure 2.5). The baby boom must then be seen as an historical event and not a resumption of adherence to the church's precepts (note that the climb in this indicator began in 1940). However, from a behavioural perspective, the figure of 4.5 is clearly inflated by the fact that over 35 percent of women from these cohorts had six or more children, whereas this is no longer the case today. Birth control in Québec is a societal phenomenon that was not born with the Quiet Revolution.

The revolutionary phenomenon that can in fact be attributed to the Quiet Revolution is the rising number of births—irrespective of birth order—outside marriage (table A2.1). At one time births outside marriage involved an unknown father and were referred to as illegitimate. The proportion of such births remained constant over time and was very small (figure A2.7). The revolutionary phenomenon referred to above is the fact that young people—and those who are not quite as young—are living common law and are no longer marrying (figure A2.8). Québécois are ahead in this regard among western societies.

In the field of reproduction, in vitro fertilization is currently making headlines as a way of addressing infertility problems. However, this is only a minor part of the overall phenomenon of reproduction in Québec. For Québécois as a whole, the challenge in terms of obtaining the desired number of children is contraception, and they are also unique in this regard (box 2.1).

Figure 2.5
Fertility in Québec, 1926–2061



The debate around access to abortion—which is not a method of contraception—went on for quite some time. Once abortion was legalized, the number of pregnancies terminated grew to a very high level that had not been foreseen: 40 abortions for every 100 live births. Levels such as this tend to be observed only in countries with virtually no access to birth control, which is not the case in Québec. Abortion can in fact be a way of dealing with contraceptive failure, but it seems that a large part of these high levels can be attributed to young people who are not using birth control. Fortunately, the trend has been decreasing in recent years.

What is the future of the couple and the family?

The extended family has given way to the nuclear family and increasingly to the blended family—a genealogist’s nightmare—for both same-sex and opposite-sex relationships.

The arrival of the boomer generations has also coincided with a high level of relationship instability, for both married couples and those living common law, and an absence of generational replacement¹².

Text box 2.1

Contraception in Québec: From large families to...birth control

It is important to begin by noting that there are two types of contraception:

- Birth control involving birth spacing, whereby people have a child at a chosen point in time; the methods are many and varied but there can sometimes be a high likelihood of failure. Québec is not unique in this regard, but it took longer to move on to more effective modern methods (including the pill and the IUD).
- Permanent birth control: when the desired family size has been reached, this method, i.e., sterilization, is used to avoid having to deal with the likelihood of failure. Québec is a leader in this regard. Historically, it has been women who have had the “big operation”, undergoing tubal ligation to achieve this aim even though the male partner could have had a vasectomy. In the mid-1980s, a total reversal of these trends was witnessed in Québec, with more vasectomies than tubal ligations being observed for all ages (figure A2.9).

Some people (in France in particular) might joke that Québec men have been emasculated. This is because male-female relationships and dialogues are more egalitarian in Québec than in the country of Simone de Beauvoir and Jean-Paul Sartre!

Another obstacle is a shift in lifestyles towards living apart. We have already seen that in the future several generations will be living at the same time—but not necessarily in the same dwelling. In traditional societies, several generations were able to live together under the same roof. Then the nuclear family came along. Multigenerational housing is not very common in modern societies. And now there is a new type of cohabitation for couples who do not live together, referred to as:

- VCCS (“vivant chacun chez soi”) by French-speaking Québécois;
- LAT (“living apart together”) by English speakers; and
- CNC (“couple non cohabitant”) by the French.

While this model was initially adopted by young people, it is becoming more and more common among older people. It can often be found among blended families as well.

FROM A TREMENDOUS DROP IN CHILD MORTALITY TO STRONG INCREASES IN SURVIVAL AMONG THE VERY OLD

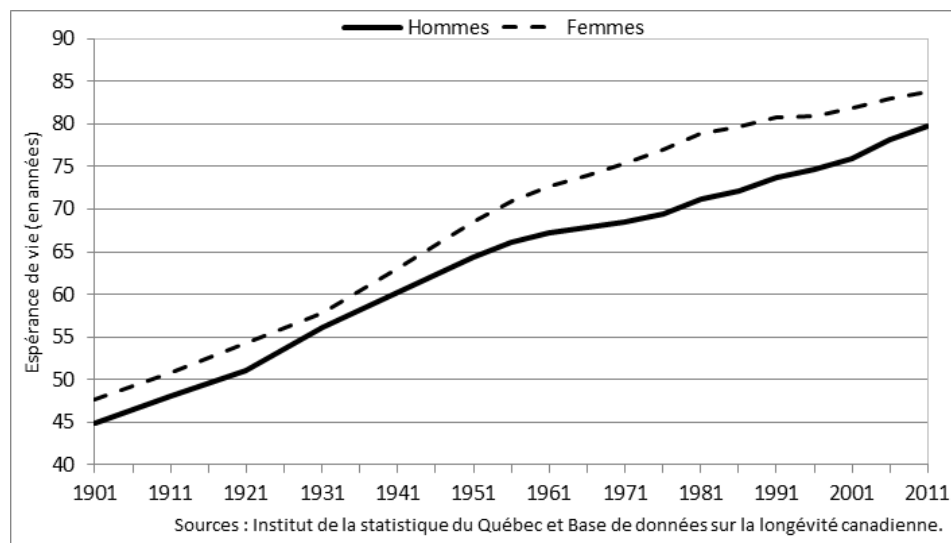
Mortality levels in Québec placed it at the bottom of the ladder among Canadian provinces for many years, but this is no longer the case. Québec now comes out on top, in relation to the United States in particular. This progress came about thanks to a significant reduction in infant mortality and despite the many lives lost prematurely to smoking. In 2014, life expectancy at birth was 84.1 for women and 80.2 for men (figure A2.6). The gap between the sexes has moved from just under eight years 50 years ago to just under four years currently. This gap has decreased for all ages since the beginning of this century.

It is among seniors that the recent progress has been the most spectacular and significant in terms of pushing back death to much older ages. This can be seen if we look at the changes in life expectancy at age 65, but at age 85 especially. There was progress throughout the twentieth century, but it was nothing like that observed since the beginning of the twenty-first century, for men in particular (figures A2.11 and A2.12). Even in 2014 there were 600 deaths of women in the over-100 age group and 110 deaths of men in that age group in Québec.

It has been well documented that life expectancy, both at older ages and at birth, has increased at a phenomenal rate over the past 25 years. However, the same cannot be said for healthy life expectancy, either in Québec or in the rest of Canada. Elsewhere, in the US as well as in Europe, the observed trends are inconclusive (box 2.2).

No significant trends have been reported in Québec or the rest of Canada; at most, a number of one-time studies have shown a degree of stability that is nonetheless difficult to evaluate because of the lack of consistent data

Figure 2.6
Life expectancy at birth based on the sex, Québec, 1901–2011



(Available in French only.)

over time. For Québec, the most recent data from the 2001 and 2006 federal censuses indicate a disability-free life expectancy at birth of 67 years and of approximately 10 years at age 65, with slight gender-based variations in favour of women. As with health-adjusted life expectancy, men have been making more progress than women since the beginning of the twenty-first century¹³. For Canada as a whole, a study comparing the situation in 1994 and in 2007¹⁴ found a degree of expansion of morbidity for women. For men, there was no clear trend suggesting either expansion or compression of morbidity.

What do the recent breakthroughs in the effort to stave off death hold for the future? For the Institut de la statistique du Québec, if life expectancy trends continue, one in 20 women will survive to the age of 100. What is more, demographic experts predict that 50 percent of the children who are born nowadays will live to be 100¹⁵.

Text box 2.2

In Québec, people are living longer and longer. Will these additional years of life be healthy ones?

This question cannot be answered for Québec, given the lack of reliable time series for either Québec or Canada as a whole. We will therefore discuss the recent situation in the United States, as described in “Trends Over Four Decades in Disability-Free Life Expectancy in the United States”¹:

Objectives: To look at the changes in life expectancy, life expectancy with disability, and disability-free life expectancy among men and women of all ages in the US from 1970 to 2010².

Findings: Over the past 40 years there has been a continual increase in both disability-free life expectancy and disability-adjusted life expectancy. For men, the increase in disability-free life expectancy at birth is equal to that of disability-adjusted life expectancy at birth (4.5 years). For women, the increase in disability-adjusted life expectancy at birth (3.6 years) is higher than the increase in disability-free life expectancy at birth (2.7 years). At age 65, the increase in disability-free life expectancy is greater than the increase in disability-adjusted life expectancy.

Conclusions: There are no indications of compression of morbidity from a life course perspective, but some compressions were observed at age 65.

What can Québec learn from this?

We would like to begin by expressing our admiration for our neighbours’ attentiveness in capturing this information effectively through time series and for taking an in-depth look at these trends in the phenomenon of disability, which is highly significant in an aging society. The levels observed in the US obviously cannot be extrapolated directly to the situation in Québec, given that the healthcare systems in the two jurisdictions have evolved very differently over such a long period of time.

Another important feature of this study is that the authors have taken the population living in institutions into account. While failing to do so does not have much of an impact with regard to healthy life expectancy at birth, the same cannot be said of indicators at age 65 and in particular at age 85. In Québec and the rest of Canada, seniors living in institutions are not usually covered by surveys, which tend to be conducted only with people living in private households.

While the authors have observed some fairly encouraging trends for seniors in terms of compression of morbidity since the 1980s, they cannot say the same for younger people, in particular those who are part of the labour force. In fact, a sensitivity analysis around an improvement in workers’ health did not lend any support to an increase in effective retirement age. The lack of information on such matters in Québec and the rest of Canada prevents informed decision-making regarding long-term policies.

¹ Crimmins et al. 2016.

² Methodology: Sullivan’s method is used to estimate disability-adjusted and disability-free life expectancy in 1970, 1980, 1990, 2000, and 2010. Mortality rates are from US Vital Statistics, while the data on the prevalence of disability in communities come from the National Health Interview Survey. With regard to the institutionalized population, prevalence is calculated using data from the US census.

If this is indeed the case, it would mean that the number of centenarians and the number of deaths among them would be over 50 percent for these cohorts. There is less optimism in Québec, where this figure is predicted to be 25 percent¹⁶. We hardly dare predict the effects on seniors' participation in the workforce and on pension plans. Are we in fact heading towards certain types of "immortality"? Some people seem to think this is possible (see text box 2.3).

Text box 2.3

The evolution of life expectancy from the perspective of...immortality!

For as long as we have had reliable statistics on mortality, i.e., for over 250 years, life expectancy has been rising an average of three months per year.

When we tried to predict future mortality in the past, demographers and actuaries would always talk about decelerating growth, and reality always contradicted them. In the early part of the twenty-first century, the following question now arises: can we continue gaining three months per year indefinitely¹?

With regard to future life expectancy, four scenarios are possible:

- Life expectancy can only decline because of the problems we face as a civilization, such as environmental challenges and obesity: this is the pessimists' scenario.
- Life expectancy will remain at current levels, technological progress reaching toward a plateau.
- Life expectancy will continue progressing at current rates, and the children being born today can hope to live an average of 100 years²: this is the optimists' scenario.
- Finally, for others, increases in life expectancy will accelerate and even, for some, lead to immortality in the near future, given the simultaneous explosion in technological progress.

This shift from science fiction to reality would be made possible by the staggering breakthroughs that have been taking place since the beginning of the twenty-first century in four fields, referred to collectively as NBIC:

- **Nanotechnology (N):** A series of technologies that can be used to manipulate, study or operate extremely small structures and systems³. [Translation] "Nanotechnology is generally considered to be the starting point in a second industrial revolution and likely a revolution for humanity as a whole. It involves understanding, controlling, or manipulating matter at the level of dimensions ranging from 1 to 100 nanometres, where chemical and physical properties differ significantly from those of materials at a larger scale or in a more massive form. This technology enables humans to control matter at the level of the infinitely small and converges with biotechnology, communication science, synthetic biology, information technology, and cognitive science, achieving levels at which science fiction is not impossible."⁴
- **Biotechnology (B):** The application of science and technology to living organisms, as well as parts, products, and models thereof, to alter living or non-living materials for the production of knowledge, goods, and services." (OECD 2005). [Translation] "Technological advancements in DNA analysis have progressively led to the idea of no longer having to work on genes taken one by one, but of taking a global approach to studying the structure of an entire genome and its expression: in other words, the transition from genetics to genomics. This new field includes the study of genome structure (determination of DNA sequences), its expression (establishment of directories of expressed genes, i.e., the transcriptome, and of proteins, i.e., the proteome), its variability (study of polymorphisms), and its evolution (comparative genomics, evolutionary genomics)."⁵
- **Information technology (I):** Information technology is an indispensable tool which, thanks to its capacity for storing massive amounts of data, its analytical capacity, and its self-learning algorithms⁶, will greatly benefit genetics by making DNA sequencing accessible⁷. It is because of the power of information technology and the exponential computing speed it offers that nanotechnology and biotechnology have taken flight and will continue to do so⁸. [Translation] "Big data challenge today's information technology with an evermore effective resolute algorithmic architecture; through its standardized universal language, information technology is continually making the world more uniform by establishing a new

type of common sense, and it aims to make thinking more economical by automating reason through its algorithms. This excessive amount of data is stored in huge data warehouses or data marts or in numerous databases, or comprises the chunks of information found on the Internet.”⁹

- **Cognitive science (C):** Cognitive science focuses on understanding the mechanisms that govern our knowledge, such as perception, learning, language, reasoning, and memorization¹⁰. In providing a sophisticated understanding of the engineering behind human thinking, cognitive science will expand the limits of artificial intelligence¹¹. [Translation] “The revolutions brought about by information technology and cognitive science will walk hand in hand and will likely yield the most spectacular results. With the exponential increase in computing speeds and the emergence of artificial intelligence, they will be helpful in, among other things, developing automatons whose intelligence could surpass that of humans.”¹²

The potential attainment of immortality for a new and enhanced version of humanity lies, in the view of its proponents, in the interaction of NBIC: [Translation] “[G]enetics will benefit from the explosion in computing power and nanotechnology essential for reading and altering a DNA molecule. Nanotechnology will benefit from the progress in information technology and cognitive science, which will in turn be built with the help of the other three components... Cognitive science will use genetics, biotechnology and nanotechnology to understand and then “enhance” the brain and to build increasingly sophisticated forms of artificial intelligence that will ultimately be directly connected to the biological human brain.”¹³

[Translation] “With the shift to the nanometric scale, we will be able to use NBIC to create combinations of atoms, neurons, genes and computer bits. Physics, biology, and information technology will come together, opening up infinite and staggering possibilities.”¹⁴

[Translation] “Altering humanity to enhance it: serious scientists are working on this with the blessing of billionaires who are funding their research, such as Google founders Larry Page and Sergey Brin.”¹⁵ Because not much is known about this pursuit beyond Silicon Valley in the French-speaking world, they asked Laurent Alexandre to spread the information by giving a talk on NBIC. It took place in 2012 and is available on YouTube¹⁶.

The scientists’ comments are well supported and are fairly convincing. But is this enough to predict immortality any time soon?

[Translation] “The quest for this “enhanced human” is being led by Raymond Kurzweil, the champion of transhumanism. The idea of a posthuman being is seductive for the Internet generation. For Kurzweil, in order to live longer the enhanced human will first repair itself and then increase its capacities.”¹⁷

Scientists and philosophers in France have continued to debate the pros and cons of this idea. It was brought up again in the spring of 2016 with a publication by renowned French intellectual and man of politics Luc Ferry, entitled “La révolution transhumaniste : Comment la technomédecine et l’uberisation du monde vont bouleverser nos vies”. For Luc Ferry, the war against nature has a degree of legitimacy. To follow the recent discussion, see “L’homme augmenté, vraiment?” which takes the form of a debate between urologist and entrepreneur Laurent Alexandre and epistemologist and philosopher Miguel Benasayag¹⁸.

Is science going too far?

Luc Ferry tells us that transhumanism is in progress. No, this is not science fiction.

But where does that leave humanity? Luc Ferry talks about a world of freedom. François-Xavier Bellamy’s response is that heaven on earth is the path to hell right here and now. This philosophical debate is a hard-hitting one¹⁹.

¹ Vallin et Meslé, 2010.

² Vaupel, 1997.

³ OCDE, 2009.

⁴ Del Castillo et collab., 2010.

⁵ Bidanel et collab., 2008.

- ⁶ Deprins, 2013.
- ⁷ Alexandre, 2010.
- ⁸ Ibid.
- ⁹ Deprins, 2013.
- ¹⁰ Steiner, 2008.
- ¹¹ Dupuy, 2004.
- ¹² Alexandre, 2010.
- ¹³ Ibid.
- ¹⁴ Ibid.
- ¹⁵ *Le Figaro*, 2016.
- ¹⁶ http://www.youtube.com/watch?feature=player_embedded&v=KGD-7M7iYzs
- ¹⁷ *Le Figaro*, 2016.
- ¹⁸ *L'Express*, 2016, p. 86-89.
- ¹⁹ *Le Figaro*, 2016, p. 33-41.

That said, some leading figures from the world of medicine are predicting instead that there will be a decline in mortality unless the obesity epidemic is stopped. An analogy with smoking, another scourge of modern life, is sometimes drawn. The phenomenon of obesity should obviously not be taken lightly, but it needs to be understood for what it is. Comprehensive studies have shown that these two epidemics are not of the same nature, as they do not have the same risk factors¹⁷. In other words, “Tobacco kills, obesity disables”. The harmful effects of smoking have not countered the major progress in life expectancy around the world in the past century, and the same may hold true for the obesity epidemic.

Obese individuals may die at a somewhat younger age, but the most salient point is that they will experience many disabilities. Their life expectancy will not be lower than that of their parents’ generation, but their healthy or disability-free life expectancy will in fact be greatly diminished. The risk is that life expectancy will continue to rise significantly in the future but with an increase in morbidity, meaning that healthy or disability-free life expectancy could plummet. Unfortunately, Québec is not equipped to monitor indicators such as healthy or disability-free life expectancy. We hope to see some major initiatives in this area.

THE BENEFITS OF INTERNATIONAL IMMIGRATION

As shown earlier, migratory increase has four components, but only international immigration is governed by policies and controlled by administrative measures. For various reasons, irrespective of the quotas that were set, the number of immigrants in the past century generally ranged between 20,000 and 30,000 per year. The numbers have been on the rise since the beginning of this century—to between 40,000 and 50,000—and now more than 10 percent of Québec’s population was born outside Canada. We recall nonetheless that a substantial portion of those immigrants, namely refugees (10 percent in 2014) and family-class immigrants (23 percent in 2014), are not chosen on the basis of a selection grid.

Having to rely on migration to build its future, Québec has a number of challenges to face. We will now look at two important features of this international immigration to Québec.

First, on the positive side, for over 50 years now Québec has managed to avoid the problems of ghettoization by significantly diversifying the countries that its immigrants come from. Taking the years 1982, 1995, and 2014 (table A2.2) as examples, it can be seen that the 10 countries that provide the largest number of immigrants account for scarcely 50 percent of a year’s flows and that only one of them reached 10 percent in each year. Only three countries—France, Haiti, and Morocco—were represented for all three years selected; in recent years, China and Algeria have emerged.

Decidedly less positive is the fact that Québec’s retention rates are much lower than in the rest of Canada, in particular for the oldest cohorts (table A2.3). Out-migration from Québec ranges between 20,000 and 30,000, whereas in the past it was around 50,000 to 60,000. It can be hoped that the “good” example set by Québec residents is having a positive effect.

It is nevertheless important to mention that these low rates are surely no stranger to the difficulty of immigrants in Montréal integrating (entering) the workforce when compared to Toronto. Data in table 2.1 show a gap three times higher in Montréal than in Toronto between the unemployment rate of recent immigrants and that of those born in the province.

Table 2.1
Unemployment rate by origin¹

	NATIVE-BORN	RECENT IMMIGRANTS	GAP
Montréal	7.5%	18.4%	10.9%
Toronto	7.2%	10.9%	3.7%

Source: Statistics Canada, Labour Force Survey, CANSIM table 282-0102.

¹ Fortin. 2016.

Most analysts agree that, in the absence of generational replacement by Québec couples, the province's future depends on immigration. However, there are differing viewpoints on the quantum involved. The difference in the numbers of baby boom and baby bust cohorts at birth is very large: over 700,000 individuals. The baby boom echo associated with the increase in the total number of births that can be attributed to this larger number of parents has been relatively insignificant, and it is clearly insufficient to restore a balance at the birth cohort level, hence the analogy of the pig in the python. To address the situation when the boomers start to retire from the labour force, some analysts are calling for an immediate increase in immigration quotas, in particular by increasing to 60,000 the number of immigrants per year. The reasons that are given often relate to what is anticipated to be a significant decrease in the working population. While the situation can sometimes seem dramatic when viewed from a cross-sectional perspective, the longitudinal perspective that emerges when we compare the coming years for baby bust versus baby boom cohorts is entirely different. Assuming the current level of 50,000 immigrants per year continues, a recent study accompanied by projections shows that Québec's policy of openness to international immigration is ensuring that the disproportion between the number of boomers and busters is gradually diminishing over the course of the life cycle. Although there is a substantial difference between their numbers in their younger years, a smaller and smaller gap is being observed for the adult years, to the point that the gap at retirement age virtually disappears (less than 50,000)¹⁸. This is due to the fact that the busters' mortality will be lower than that of the boomers and, even more significantly, the fact that a very large number of the 50,000 immigrants who will be arriving each year in the future will have been born between 1966 and 1986.

As stated earlier, immigrant populations have risen significantly and steadily since 2000. Many analyses show that linguistic and societal integration (particularly for women) as well as integration into the labour force are not really taking place. The reasons for the former are economic, while the latter has to do with the rigid nature of the market. As long as we fail to come up with a way to bring the wages and unemployment levels of immigrants in line with those of non immigrants, we will have cause to wonder whether we are being hasty in immediately raising the threshold to 60,000 immigrants: a 20 percent increase. Better integration could no doubt bring up the poor retention rates referred to earlier (table A2.3).

CONCLUSION: OBSERVATIONS AND ISSUES

Québec's demographics were strongly affected by the advent of the Quiet Revolution in the 1960s. Until then, the demographic behaviours of the Québec population tended to be traditional and conservative. On the various demographic indicators, Québec had always been at the bottom end of the scale in such areas as infant mortality, mortality and general morbidity, reproduction, and intake of immigrants. As a result, population growth was moderate. Then came the Quiet Revolution, which from a demographic standpoint was much more revolutionary than quiet.

Today, the demographic behaviours of Québécois are very often on the leading edge at the international level. Such behaviours, and low reproduction in particular, lead to population declines unless large numbers of

immigrants are brought in. Québec has managed to avoid this pitfall, although it is predicted that in the not-too-distant future—by 2034, to be precise—there will be more deaths than births, and there will be policies to ensure that net migration is positive. In short, our situation is nothing like that of Japan or much of the European Union, but it is more like that of the ROC than the US. It can thus be seen that some behaviours are having positive effects and others negative ones under the North American Free Trade Agreement (NAFTA).

It is unfortunate to see, however, that the Québec government is ignoring the fact that Québec society is in a period of rapid aging. The Vérificateur général du Québec gave a clear warning about this a few years ago but nothing has come of this warning. Nonetheless, it is still relevant. The role of social security is to manage certain risks that citizens incur. Chief among them is the risk of dependence, which still needs to be covered given its fundamental significance in an aging society.

Nevertheless, in Québec:

- Our public healthcare system places us in a better position than the US in relation to mortality and morbidity;
- Our family policies are highly developed, although they are not encouraging couples to reproduce at the replacement level, as in the US; and
- Our policies on migration are positive in that they prevent ghettoization. However, in the absence of strong incentives around integration, too many immigrants are leaving Québec, a situation that is regrettable and costly. Retaining native-born Québécois would also be a good thing.

Appendices (Available in French only.)

Figure A2.1
International immigration and interprovincial emigration, Québec, 1966–2014

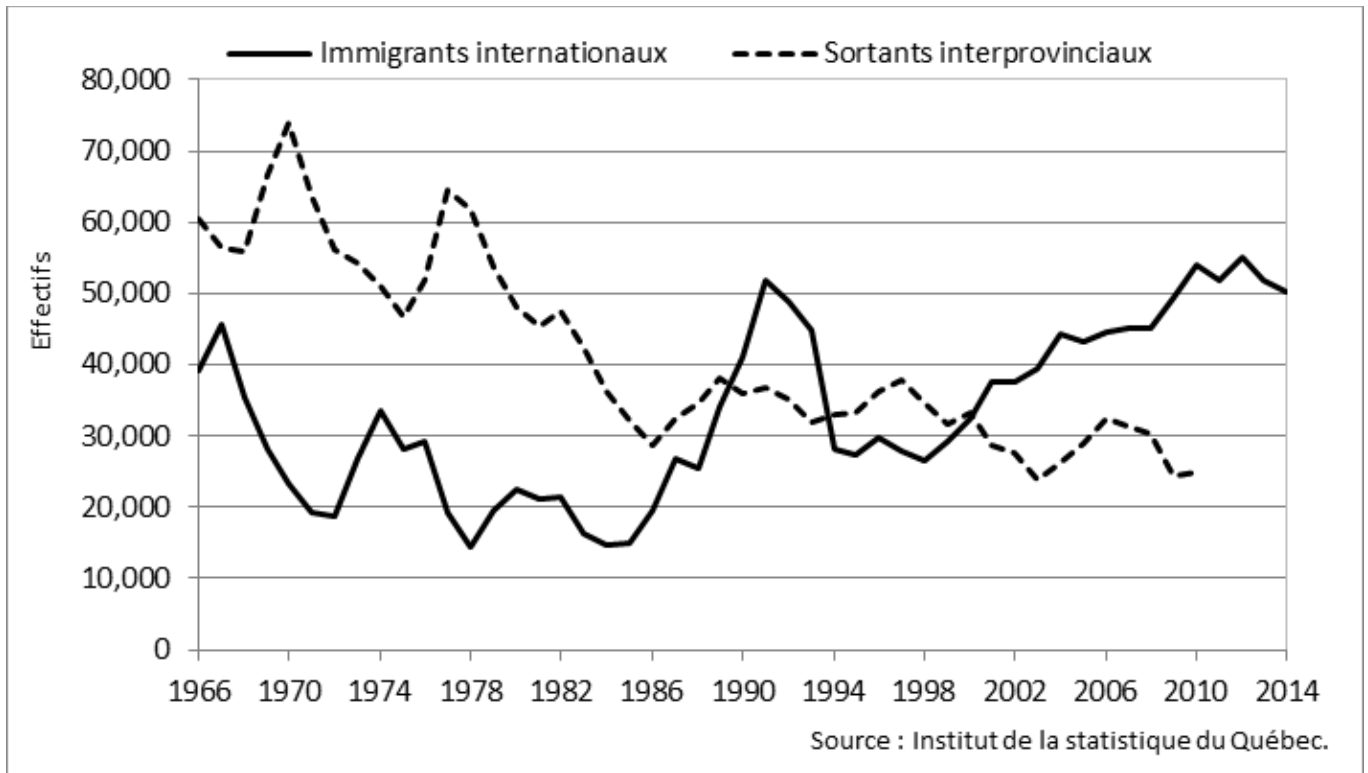


Figure A2.2
Proportion of visible minorities in the total population, for Québec, for Québec excluding Montréal, and for Canada excluding Québec, 2001–2017

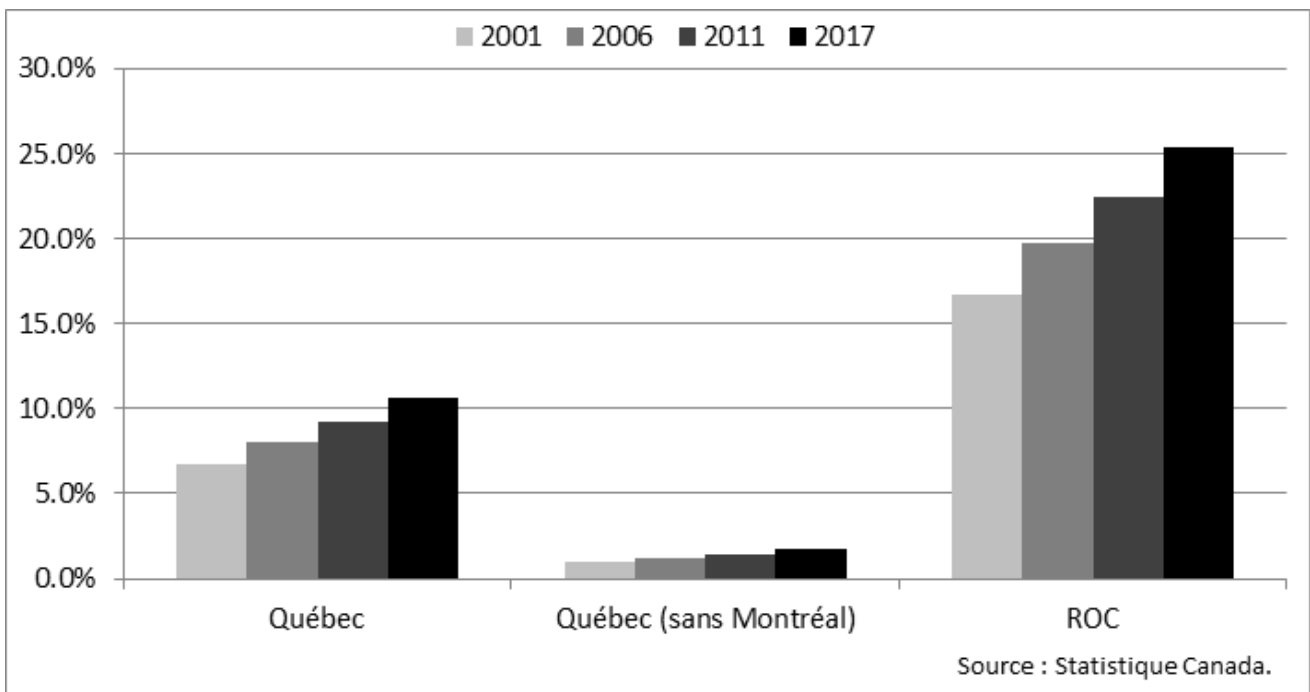


Figure A2.3
Natural growth, migratory and total, Québec, 1966–2056

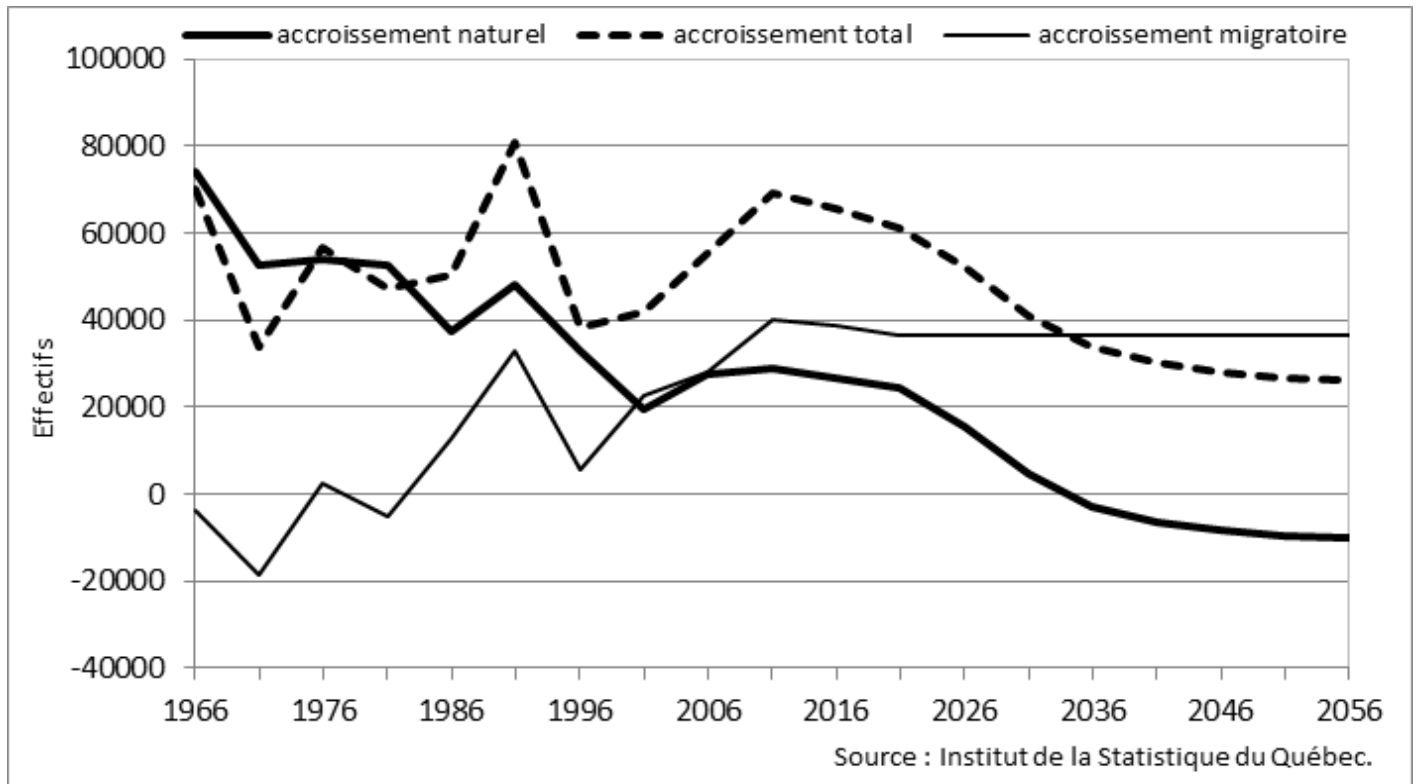


Figure A2.4
Median age and proportion of seniors aged 65 years and over in the total population, Québec, 1966–2061

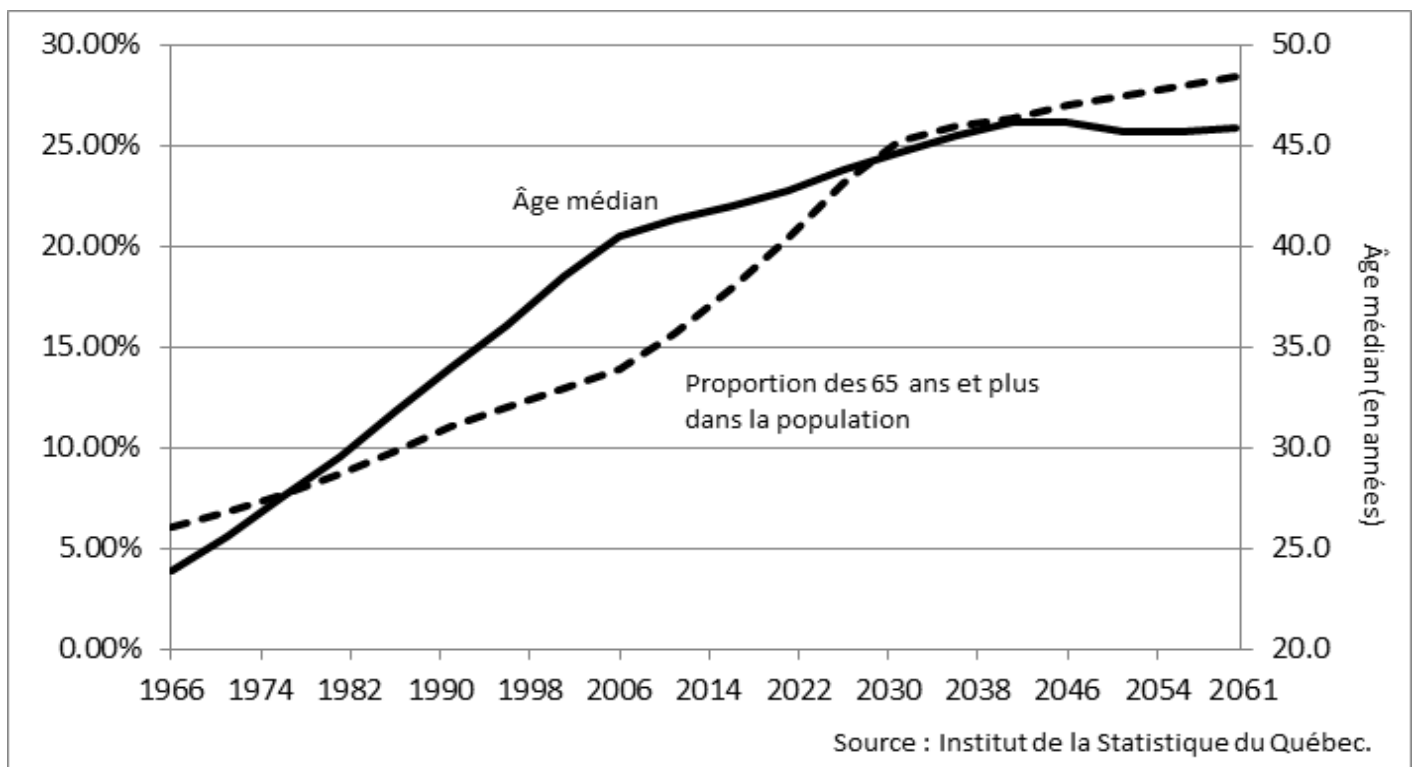


Figure A2.5
Growth in percentage of the population, Québec, by age group, 1966–2015

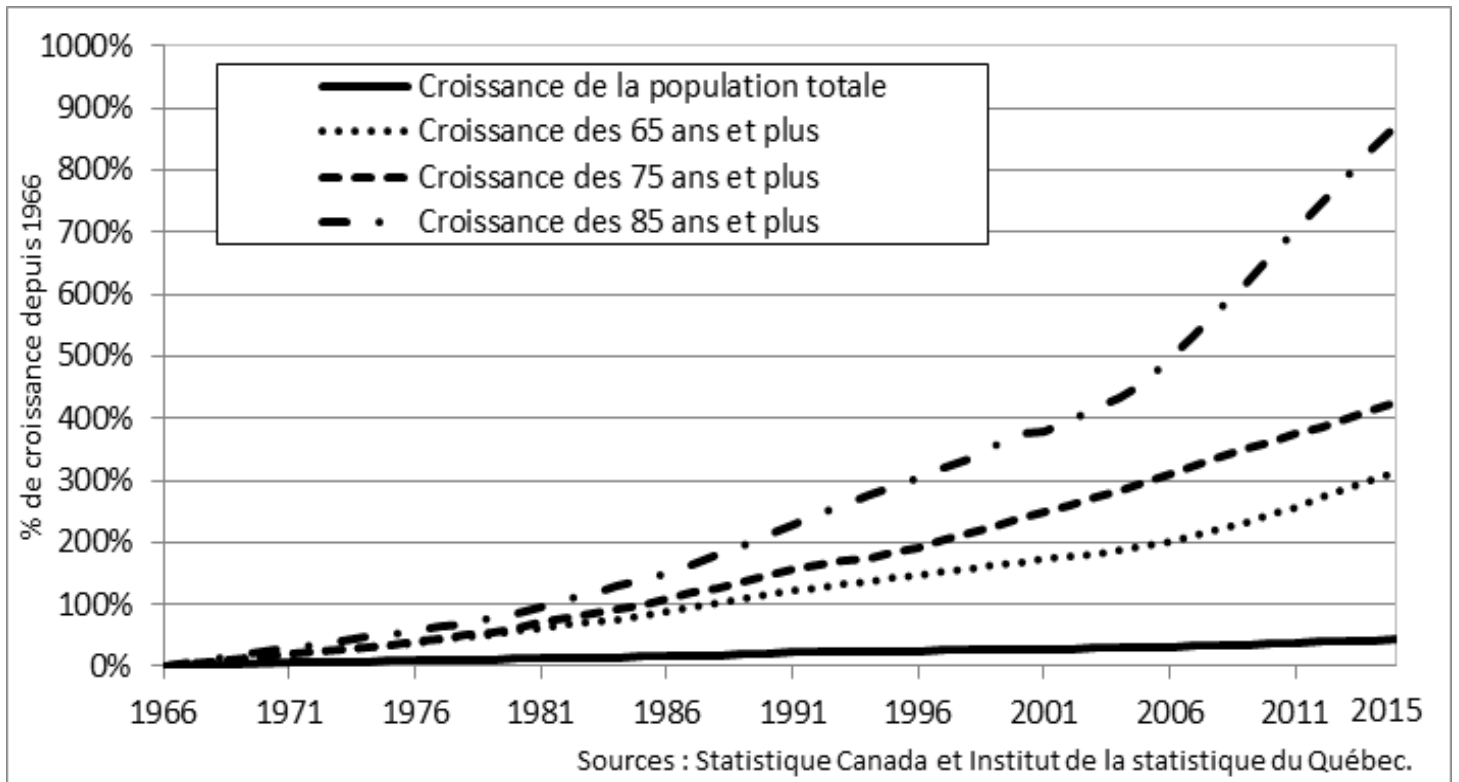


Figure A2.6
Population aged 85 years and over, Québec, by sex, and proportion of women aged 65 years and over and 85 years and over, 1966–2015

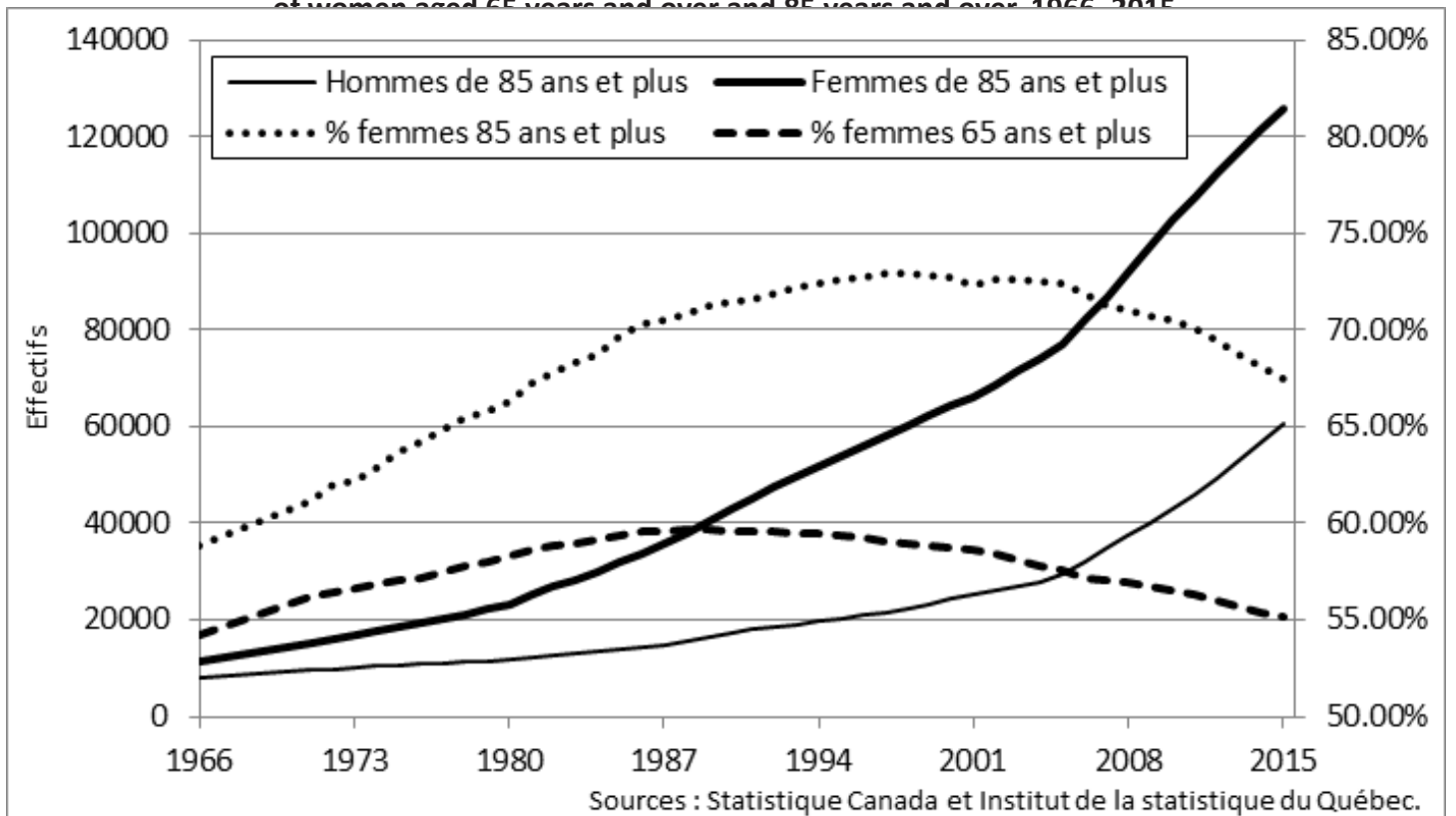


Figure A2.7
Proportion of births out of wedlock and of unknown fathers, Québec, 1952–2014

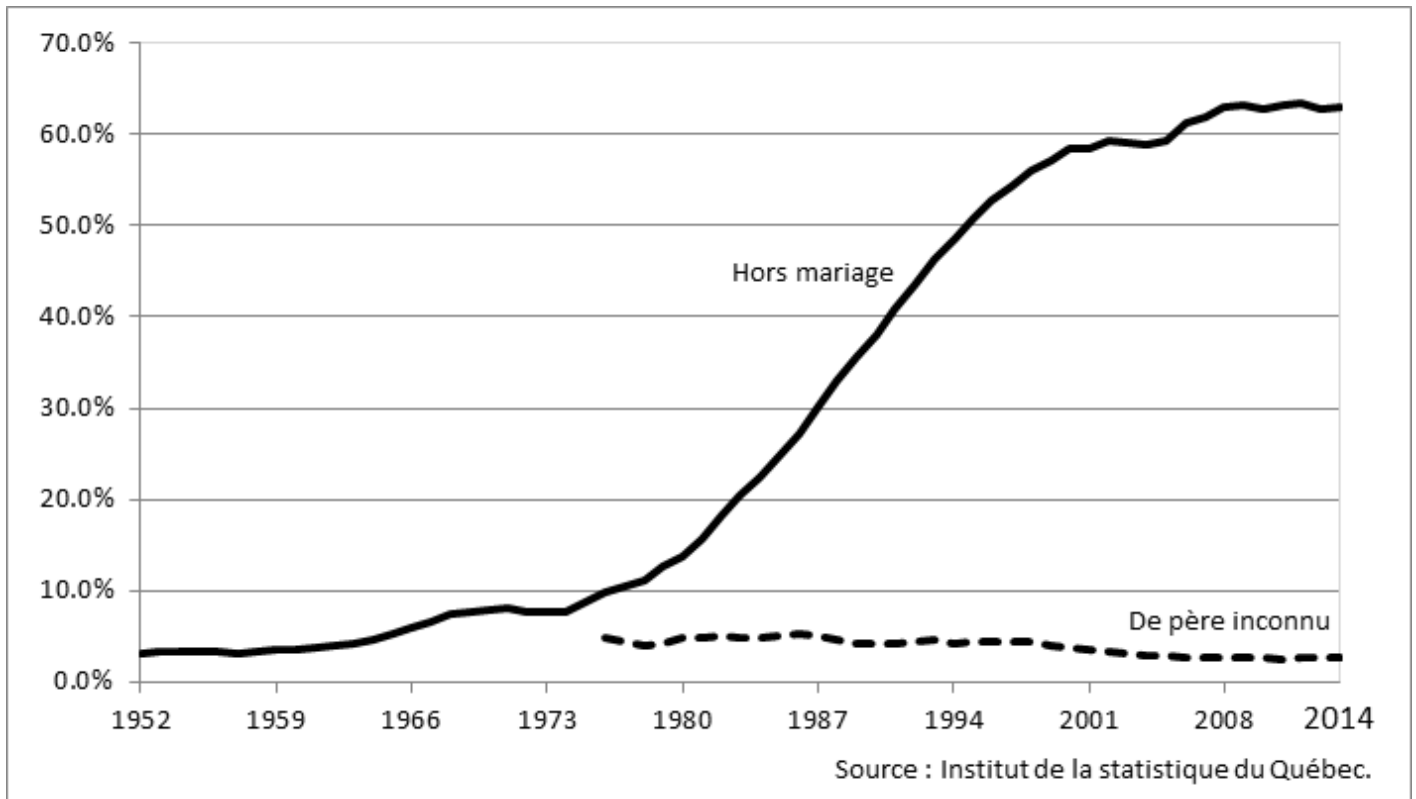


Figure A2.8
Proportion of people living common law based on age and sex, Québec, 1986, and 2011

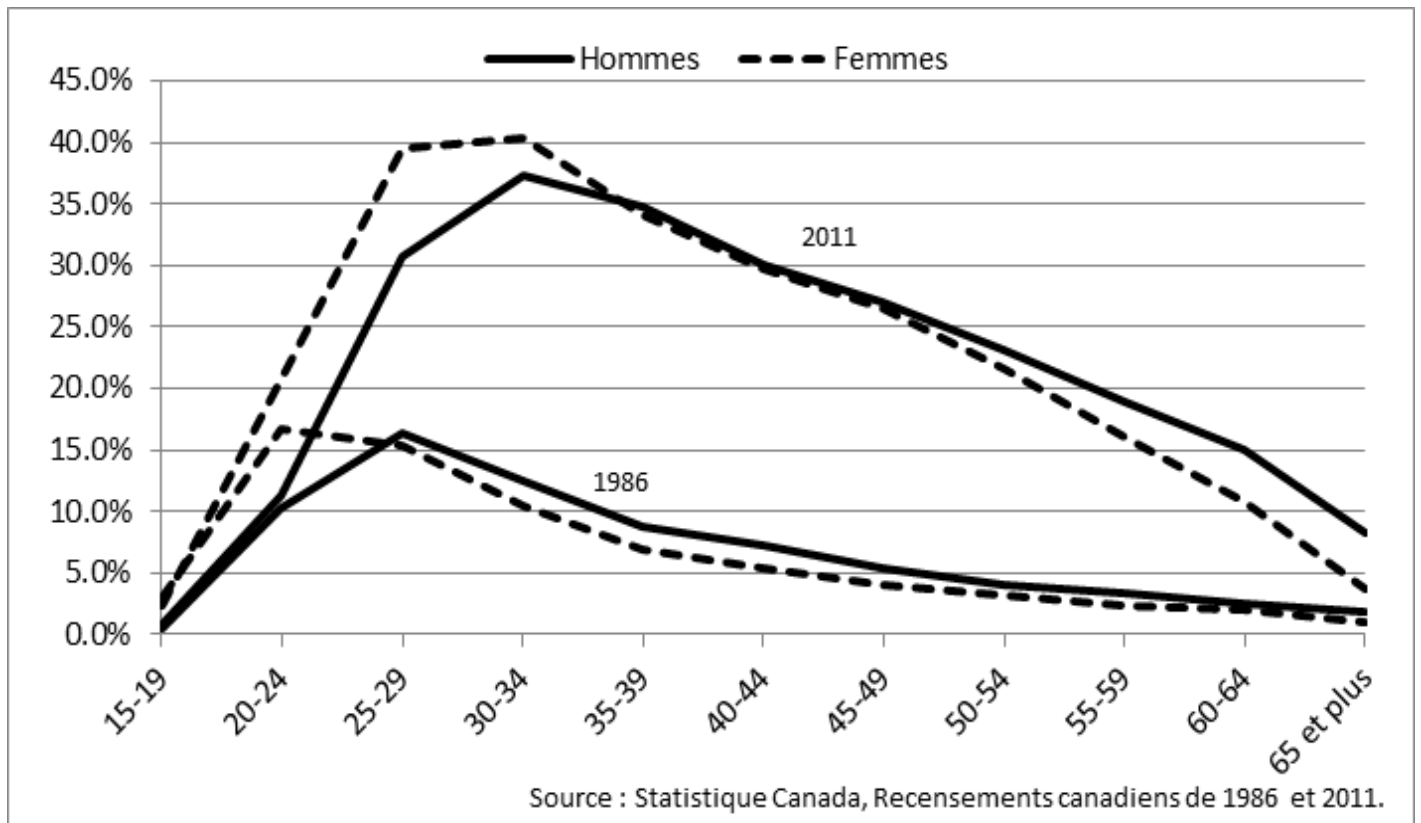


Figure A2.9
Sterilization rate by age group, Québec, 1976–2011

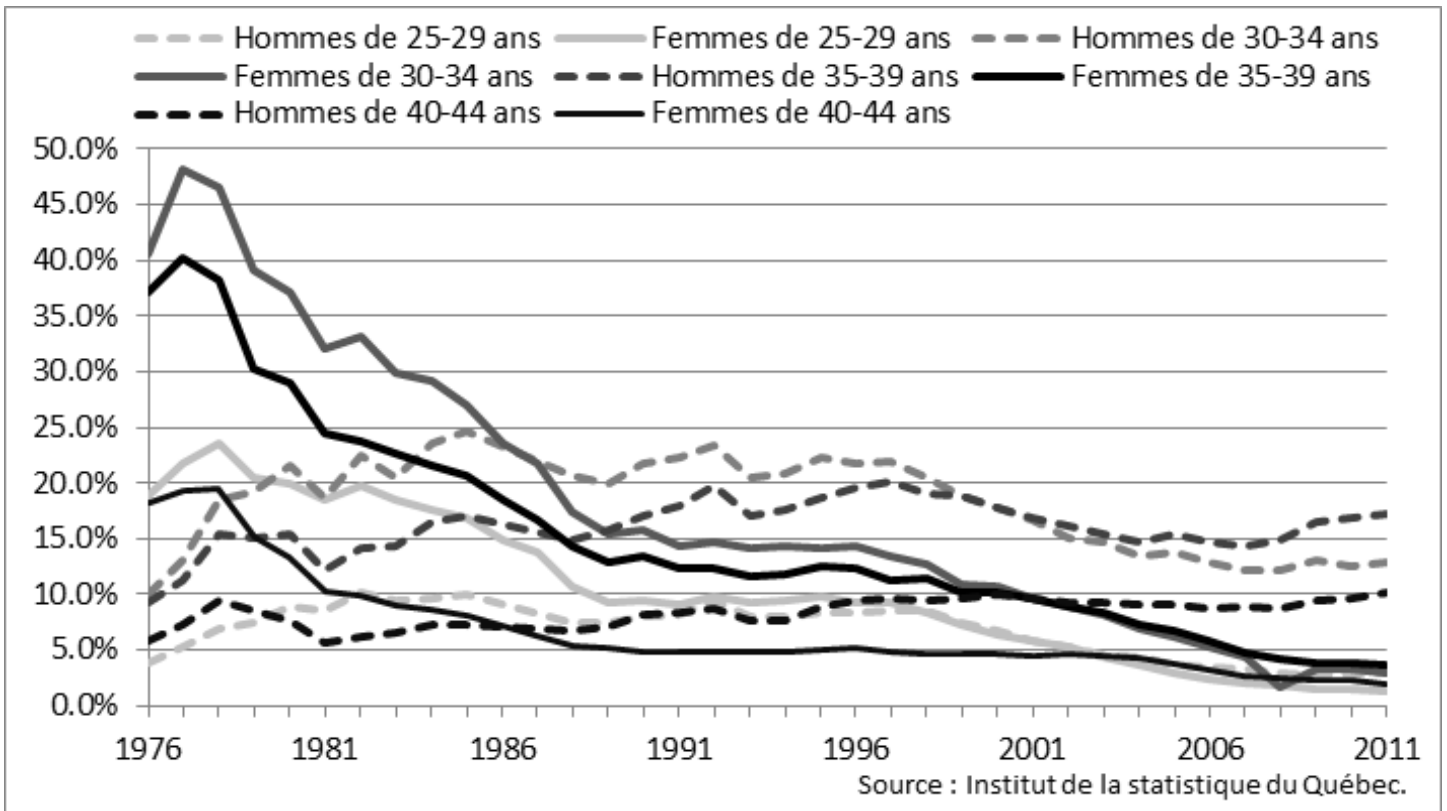


Figure A2.10
Total fertility rate and generational completed fertility rate, Québec, 1970–2014

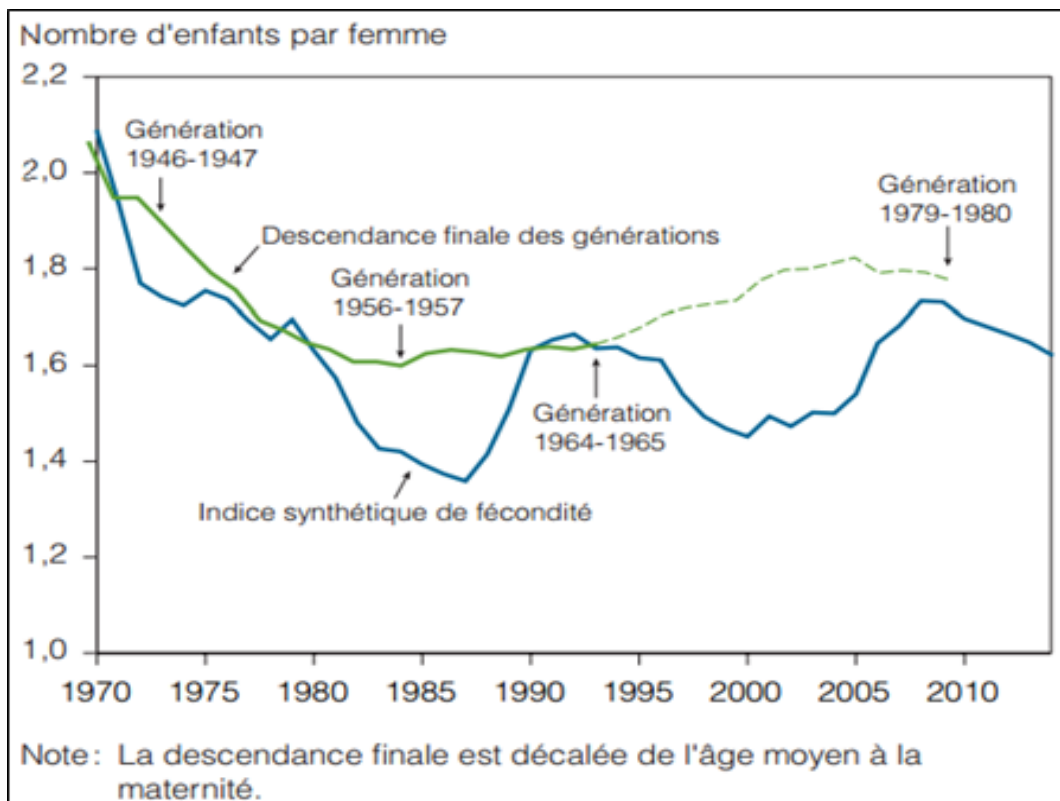


Figure A2.11
Life expectancy evolution at age 65, Québec, 1921–2011

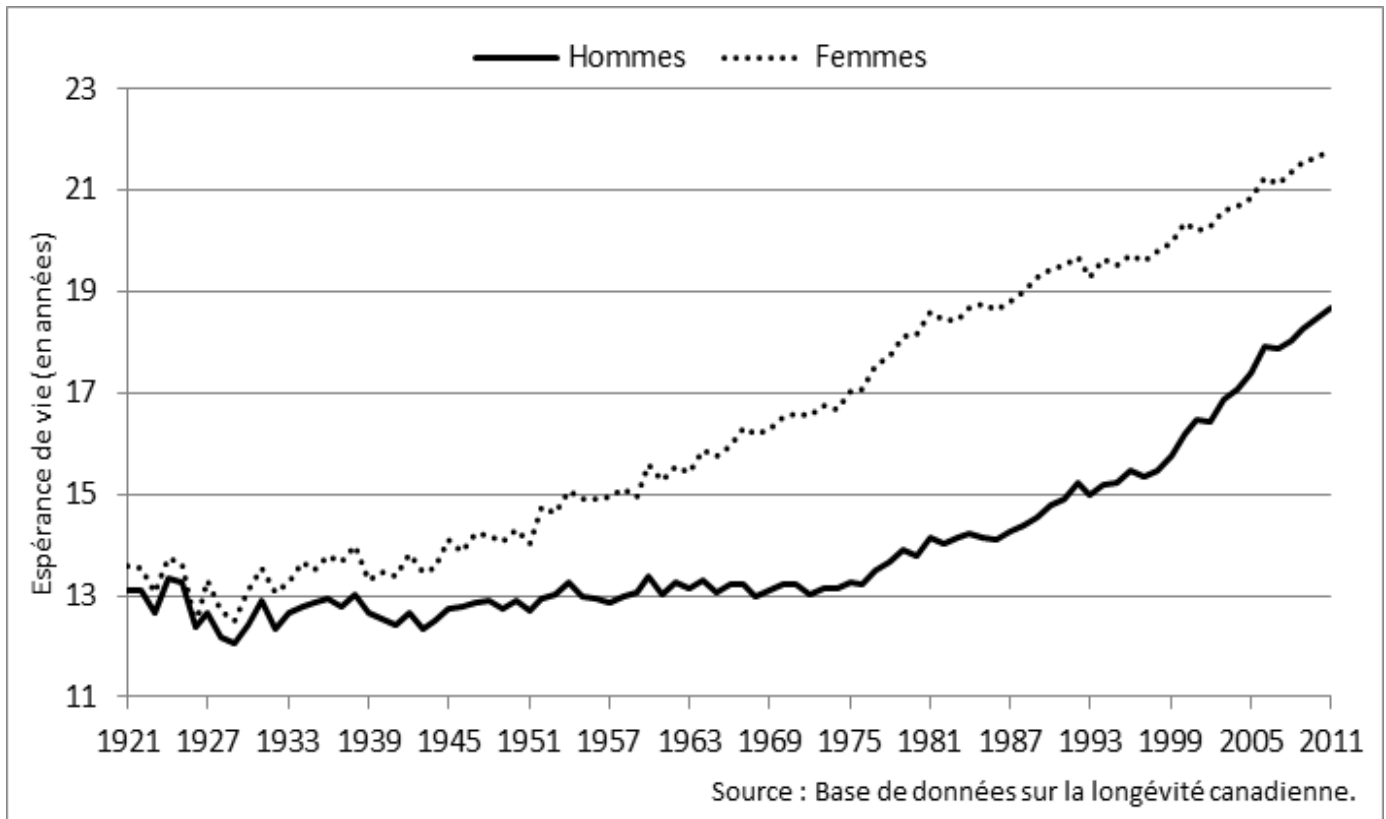


Figure A2.12
Life expectancy evolution at age 85, Québec, 1921–2011

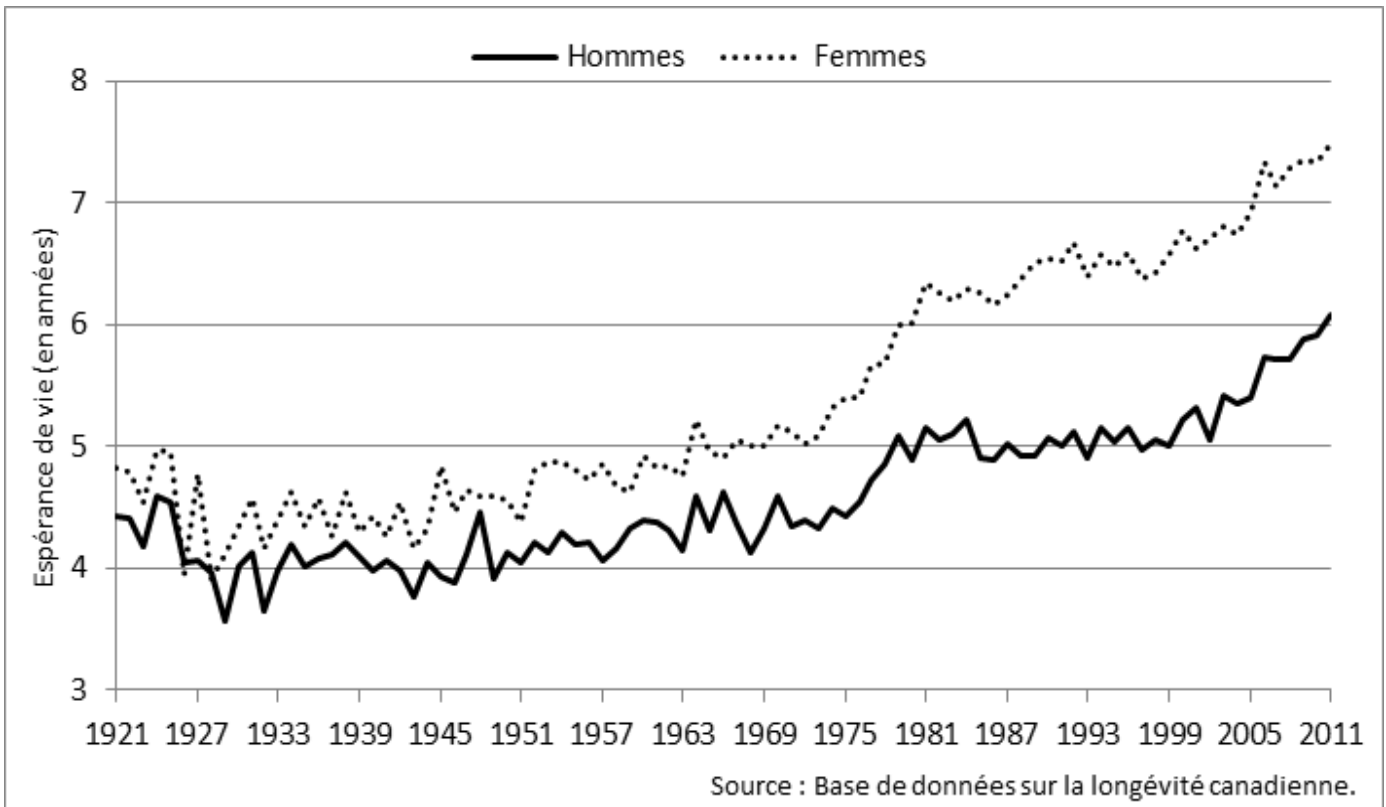


Table A2.1
Distribution of births out of wedlock by birth order, Québec, 1976–2014

Birth order					
YEAR	1	2	3	4 +	Total
	%				
1976	14.8	5.1	4.3	7.2	9.8
1981	23.0	9.5	7.7	9.3	15.6
1986	37.3	19.6	15.3	15.4	27.2
1991	50.3	34.6	27.2	24.1	40.6
1996	62.3	48.9	40.7	35.7	52.8
2001	65.8	55.0	47.4	44.6	58.5
2006	67.5	58.9	51.3	46.1	61.3
2011	69.0	61.7	53.9	49.9	63.1
2014	68.6	61.7	54.4	48.5	62.9

Source: Institut de la statistique du Québec.

Table A2.2
**Ten main birth countries of immigrants (percentage of total immigration),
 Québec, 1982, 1995, and 2014**

1982		1995		2014	
Haiti	15.9%	France	10.0%	Iran	11.6%
France	6.8%	Former Yugoslavia	7.4%	France	7.0%
Vietnam	6.6%	Haiti	6.7%	Algeria	7.0%
Poland	5.2%	China	5.5%	China	6.8%
Kampuchea	4.4%	Romania	3.6%	Haiti	5.7%
United States	3.0%	India	3.5%	Morocco	4.3%
India	3.0%	Lebanon	3.3%	Cameroon	3.4%
United Kingdom	2.8%	Morocco	3.3%	Colombia	3.3%
Portugal	2.8%	Algeria	3.2%	Cote d'Ivoire	3.0%
Morocco	2.7%	Sri Lanka	2.9%	Tunisia	2.6%
Percentage of total immigration	53.3%	Percentage of total immigration	49.4%	Percentage of total immigration	54.7%

Sources: Ministère des Communautés culturelles et de l'Immigration, and Institut de la Statistique du Québec.

Table A2.3
Retention rate for international immigrants based on the immigration period,
Québec and the rest of Canada, 2011

		Identified immigrants		Landed immigrants	Retention rate
		N	%	N	%
Québec	Total	974890	100%
	2006–2011	223400	22.9%	290322	76.9%
	2001–2005	157430	16.1%	202305	77.8%
	1991–2000	195925	20.1%	347131	56.4%
	1981–1990	130675	13.4%	235498	55.5%
	1971–1980	115640	11.9%	231130	50.0%
	Before 1971	151820	15.6%
Canada without Québec	Total	5800870	100%
	2006–2011	939515	16.2%	1226928	76.6%
	2001–2005	834640	14.4%	996795	83.7%
	1991–2000	1343130	23.2%	1868204	71.9%
	1981–1990	819215	14.1%	1097790	74.6%
	1971–1980	755130	13.0%	1209572	62.4%
	Before 1971	1109240	19.1%

Source: Statistics Canada.

NOTES

- ¹ This text is an abridged version of “La situation démographique d’une société vieillissante”, by Jacques Légaré in collaboration with Yann Décarie and Jean-François Picard, a lecture given each year as part of the Université de Montréal course “Initiation au Québec”.
- ² Foot, David K. 1996. *Boom, Bust & Echo: How to Profit from the Coming Demographic Shift*. Toronto: Macfarlane Walter & Ross.
- ³ Gauvreau and Laplante. 2015. Based on Henripin 1989.
- ⁴ Cork, David. 1998. This phenomenon is a metaphor that evokes a situation in which a python has swallowed a pig, the outline of which can be seen throughout the digestion process.
- ⁵ According to a recent study, it is likely that Canadian society will not be able to offer the number of beds required to meet the baby boomers’ health needs, given the numbers involved. As a result, a large number of very serious cases will need to be dealt with through home care and services (Légaré et al. 2014). Québec society may need to look at how France intends to deal with this challenge with its “fifth risk” approach. [Translation] “Fifth risk could be recognized as a new field of social protection that exists alongside the dimensions of illness, family, occupational injuries, and retirements. The aim is to allocate support in cash or in kind to seniors and persons with disabilities, i.e., compensation or support, to use the terminology to be adopted for autonomy” (Girard et al. 2009, p. 145). These questions will be addressed in subsequent chapters, including chapter 5 [not available in English] on health and social services.
- ⁶ Légaré and Alix. 2004.
- ⁷ Institut de la statistique du Québec. 2015. p. 98.
- ⁸ Ibid.
- ⁹ Péron. 2003. p. 127. At least until 2008, the last year for which Statistics Canada has provided statistics (Institut de la statistique du Québec 2015, p. 104).
- ¹⁰ See chapter 7 [not available in English] on retirement for further information.
- ¹¹ Henripin 1989; Lapierre-Adamcyk and Lussier 2003; Légaré and Alix 2004.
- ¹² This phenomenon is not unique to Québec, but we have not yet come up with the right mix of family policies to address this situation, which seems to be continuing (figure A2.10). Even a system of free and universal childcare would not necessarily put an end to it (Légaré 2015).
- ¹³ Eco-Santé. 2013.
- ¹⁴ Mandich and Margolis. 2014.
- ¹⁵ Vaupel. 1997.
- ¹⁶ ISQ. 2015.
- ¹⁷ Reuser. 2010.
- ¹⁸ Légaré et al. 2013.

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PART IV

OBSERVATIONS AND ISSUES

Chapter 14

REFLECTIONS ON OUR COLLECTIVE FUTURE

Denis Latulippe¹

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THE BIRTH OF A MODERN STATE

The past 50 years have been marked by the establishment of a sophisticated social security system. Some measures were in fact in place before the 1960s, including publicly funded systems set up to help workers deal with lost income (workers' compensation, unemployment insurance, and old age pensions). Christian charity and the responsibility of the extended family were also called upon. However, many reforms began in the wake of the Quiet Revolution.

The current of reform and the vision of development that emerged at that time had far-reaching impacts. It was during this time that the foundations of major social, economic, and cultural policies were laid, not to mention the necessary education reforms. A number of social security programs and institutions—in health and social services, retirement, and income security—came about during that period, as did the Caisse de dépôt et placement du Québec.

The implementation of the Québec Pension Plan (QPP) and the Canada Pension Plan (CPP) in 1966 coincided with the introduction of the federal Guaranteed Income Supplement and a comprehensive review of the legislation governing supplementary “private” pension plans. These measures came from a desire to adopt a mixed pension system involving assistance and insurance measures and public and private plans.

The hospital insurance introduced in 1960² was followed 10 years later by the introduction of health insurance through a Canada-wide movement that was to make medicare one of the cornerstones of Canadian identity. While these major advances served to enshrine the universality and accessibility of our healthcare system, they were also based on a “medically necessary” approach, thereby conferring on medical care a prominent role in the development that was to take place in subsequent years.

The enactment of the *Loi sur l'aide sociale* (Social Aid Act) marked a major shift in that it provided for government benefits for working-age people who were fit for work, as long as the minimum conditions were met. Nevertheless, almost all of the subsequent measures that were introduced were intended to help claimants remain employed, given the number of studies reporting how “getting off social assistance” becomes more and more difficult over time, to the point of creating intergenerational dependency.

The Caisse de dépôt et placement du Québec was also established in 1966, alongside the implementation of the QPP. Initially, the Caisse's sole purpose was to manage the funds in the QPP, simply by depositing them, in keeping with its original function of establishing capital reserves to support the development of the Québec state. However, it was not long before it turned to the real estate and stock markets. This enabled it to contribute to Québec's economic development and to become a world-class institutional investor serving a large number of depositors from Québec's public sector.

ADAPTING TO A CHANGING ENVIRONMENT

While the major developments between 1960 and the early 1970s were initially a product of political will, it must also be recalled that this period was characterized by sustained economic growth along with a significant increase in the financial resources available to governments. In fact, history shows us that periods of growth are conducive to the introduction of new programs, one example being the family policy that was brought in just after the year 2000. Conversely, when there is an economic downturn, our governments must contend with rising public insecurity and limited financial resources, which are more conducive to policies aimed at acquiring financial autonomy and strengthening employability. This is also a time when plan provisions are reviewed and services are restructured.

In the early 1980s, the workers' compensation program was reformed to reduce risks in the workplace and to support rehabilitation for those who are injured on the job, and help them return to work³. The 1988–89 social assistance reform was based on a distinction between people who were fit for work and those who were not, and on incentives to work in the form of job training and employment programs. It was also at that time that the Québec government joined with labour market partners to repatriate the federal funds allocated to labour and to create a single window for the management of labour programs. During that period, the federal government worked towards a realignment of employment insurance based on productive expenditures and active measures along with cuts to programs funded from general revenues.

The 1980s also witnessed the introduction of early retirement under the QPP, with a great deal of talk about making way for younger workers, and analysis leading up to the shift away from hospital care in response to the findings of the Rochon commission.

Our social security system has also had to contend with significant demographic and sociological changes. Chief among them are the substantial aging of the population as a result of the rapid decline in fertility in the late 1960s and the sustained increase in life expectancy since that time. Adjusting our social security system to this new reality is not an easy thing, particularly when it comes to the two major pillars of health and retirement. This question becomes even more thorny in view of the limited potential for economic growth in the coming years because of the anticipated stagnation in the number of working-age people.

The changes in family realities also call for changes to our social security programs. There is obviously a need to take another look at benefits for surviving spouses, moving from a situation of financial dependence for women to a situation of interdependency between spouses, but also to provide for income sharing between former spouses and benefits geared to different family situations, single-parent families in particular.

At a more fundamental level, family policy must be based on gender equality and women's participation in the labour force. Differences in working conditions and responsibility sharing still exist, but the measures that have been implemented have had an impact on family realities. They have also had a significant impact on both women's economic activity rates and fertility: the indicators show significant increases in these two phenomena, both in absolute terms and in comparison with other provinces. The greater involvement of fathers with their young ones is also worthy of note⁴.

Another factor that must be recognized is the rise in the number of people living alone, including the growing number of seniors and other people who have no loved ones to rely on in times of need. Poverty in its various forms is strongly correlated with a solitary way of life.

The past 50 years have been characterized by the emergence of the middle class, which has had two major impacts from a social security standpoint:

- The emergence of insurance as a component of our social protection system. In fact, our most significant programs are not designed to combat poverty alone. Rather, they are designed to help maintain living conditions in precarious situations (such as illness, disability, and unemployment) and even to strengthen the employability of the people concerned.
- The progressive nature of the tax system as a way of funding social security that helps reduce inequality.

From a political point of view, the development of social security shows a high level of continuity that goes beyond party lines. In fact, successive governments have tended to focus their efforts on continuing their predecessors' initiatives. Rarely have they been called into question, and there have been few changes of course. This dates back to the 1960s, when Daniel Johnson continued the reforms initiated by Jean Lesage and his "équipe du tonnerre" (contrary to what was said during the election campaign). This consensual political vision shared by Québec's political parties also stemmed from a number of collateral factors:

- The rapid rise during this period of advocacy groups, including unions and the feminist movement, which constituted strong political forces in the adoption and development of some social security plans. Employer associations also took part in numerous discussions, both formal and informal, since many social insurance plans entailed employer and employee contributions.
- The analytical and mobilizing role of commissions of inquiry and task forces in connection with adjustments to various plans. Health is one obvious area, with the Castonguay-Nepveu, Rochon and Clair commissions and the Castonguay committee on drug insurance. Other reports include the Dupont report on the QPP and the Caisse de dépôt, the Gauvin report on automobile insurance, and the white papers issued by government agencies, including the 1996 paper on family policy. This type of policy instrument has been a regular feature and an invaluable way of determining orientations and building consensus.

- Many measures are the result of federal government initiatives: the constitutional amendment on unemployment insurance, the Canada Health Act, the Canada Assistance Plan, family allowances, the federal old age security pension, and the hoped-for equivalency between the QPP and the CPP. At the federal level, Liberal thinking dominated for several decades, with the occasional Progressive Conservative twist. Over the past decade, the gap grew somewhat wider with the Conservatives' shift to the right, the obliteration of the Liberals, and the rise of the New Democratic Party (NDP). It is nonetheless noted that a Liberal government came to power under Justin Trudeau in the fall of 2015.

Nevertheless, there are some minor deviations from this continuum of change, including with regard to family policy, which has entailed different approaches based on direct payment of financial support to parents and direct intervention by the state in connection with childcare services (and the development of non-profit day care centres versus private ones). The establishment of the Société de l'assurance automobile du Québec in 1978 marked another major shift in the approaches taken to that point.

PROGRESS REPORT

In parallel with the economic development and the advancements in Québécois' standard of living that followed, the province's social security policies helped bring about some significant changes in their lives:

- Indicators such as life expectancy and infant mortality rates attest to a tremendous improvement in Québécois' health over the past 50 years, including in comparison with other societies.
- Poverty and inequality within the population in general and among seniors in particular compare favourably with what is found in other jurisdictions.
- Employment rates are up and reliance on social assistance is at its lowest level in the past 30 years (although still fairly high in relation to other provinces).
- There has been an 80 percent reduction in the number of deaths on our roads each year⁵. The number of injuries from workplace accidents has also decreased significantly.
- Women's employment rates and fertility rates have both increased in recent years.

The changes referred to above speak to the impacts of policy changes and the provisions of certain programs, beyond the mere payment of benefits or the delivery of services. They speak to a broader mission tied to society's prerogatives or the reduction of negative impacts associated with events that can happen in a person's life. Employability measures relating to income security and employment insurance, public health initiatives, as well as those involving prevention and rehabilitation after a workplace or automobile accident are good examples of this.

The presence of complementary private mechanisms is an undeniable reality in relation to the two major elements of retirement and health. In terms of retirement, the boundary between public and private has been clearly established, but ongoing discussions are taking place around these issues, and recent events show that many workers are inadequately prepared for retirement. From a health standpoint, the boundary is shifting, including for those who become incapacitated.

The field of health and social services, which is much more complex in many respects, has been the subject of successive reforms aimed at achieving an optimal balance among accessibility, quality of care, and cost. Particular reference is made to the shift away from hospital care, which marked an important stage in the evolution of our healthcare system, and the introduction of the Régime général d'assurance médicaments, given that prescription drugs represent an increasingly significant component of medical intervention. Nevertheless, many healthcare reforms are more a matter of changes in administrative structures and system governance than actual changes in the delivery of services.

The pressure on the health and social services system remains extremely strong in a number of different respects: expectations and population aging, the complexity of interventions, and the large number of stakeholders, technological innovation and new treatment outlooks, not to mention the entire issue of costs and the impact of healthcare expenditures on the public purse. Furthermore, the way the system is structured reflects a dichotomy

between, on the one hand, institutions that report to the department and that are subject to annual governmental budgetary prerogatives and, on the other, practitioners (essentially doctors) whose work is strongly affected by changing needs and costs. Lastly, it must be acknowledged that we are still in the preliminary stage of direct intervention by departments with the aim of bringing solutions to the various problems, and even crises, that come up from time to time, and political agendas.

It is also important to consider the coordination of “specialized” plans (i.e., automobile insurance, occupational health and safety, and compensation for crime victims) with “general” plans. In light of the reasons behind the establishment of these specialized plans, not much space has been left for private plans offering supplementary protection. These government-sponsored plans offer fairly comprehensive protection, which translates into varying levels of protection for workers depending on the circumstances. This is the case with regard to disability, for example, where the existence of these “specialized” plans has offset the adjustment of the protection offered to all workers. People who are ill and who may require treatment over longer periods of time may find themselves with no resources other than social assistance once their 15 weeks of employment insurance benefits have ended. Mechanisms for coordination between specialized and general plans often raise concerns as well⁶.

COSTS AND FUNDING

There is also reason to wonder about the costs incurred by these different programs, given the rising costs in recent years and the relative proportion of the various programs as well as the relative level of Québec’s spending in comparison with other Canadian provinces and major developed countries.

The information presented in chart 14.1 shows trends in spending since the turn of the millennium. It is immediately apparent that total spending has increased more rapidly than gross domestic product (GDP). In fact, Québec’s spending on social security rose from 17.7 percent of GDP in 2002 to 20.5 percent in 2015.

This period was characterized by the introduction of family policy, leading to higher growth in this area in relation to financial support to families, parental insurance, and childcare services⁷. Increases higher than the rate of growth in the GDP were also recorded for healthcare and pensions. Spending on employment and social solidarity as well as “specialized” insurance grew less rapidly than GDP. This can be explained first by lower rates of unemployment and reliance on social assistance. It should also be noted that there were fewer claims recorded in connection with workplace and automobile accidents, as well as a lower incidence of disability for the QPP.

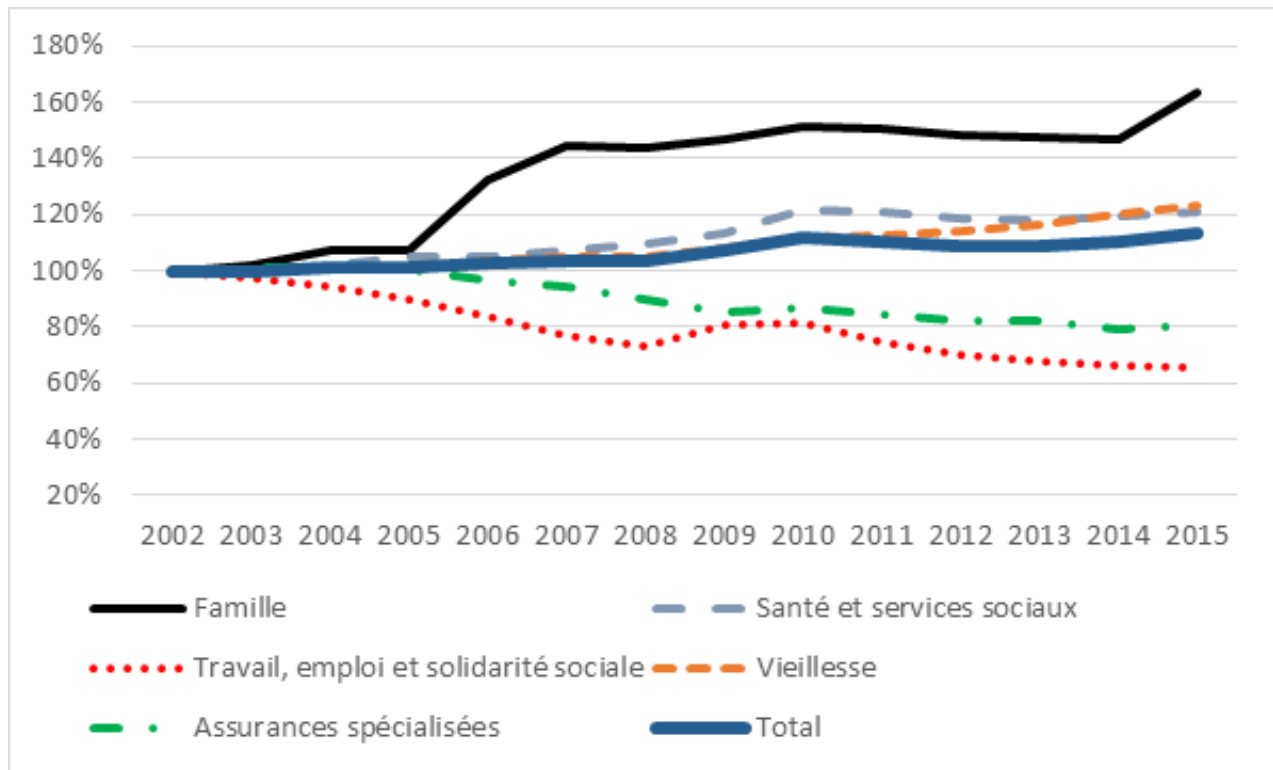
The data from the most recent years show that health and retirement account for a large proportion of total spending. As indicated in chart 14.2, expenditures associated with these two branches of social security represent over three-quarters of the total. Expenditures on programs aimed at families, which have grown significantly in recent years, accounted for 12 percent of the total in 2015.

Mechanisms have been introduced over time to ensure stable program funding. The preponderance of what are referred to as social insurance programs, which are funded separately from governments’ general revenues, and the relative fiduciary autonomy of institutions led to this situation. This is the case for the QPP, workers’ compensation, automobile insurance and, even more recently, employment insurance and the Québec Parental Insurance Plan (QPIP). Conversely, programs funded from the Québec and federal governments’ consolidated revenue funds are subject to the vagaries of annual budgets and policies. This is especially applicable to healthcare, which represents a significant portion of the budget, and families, with related spending increasing more significantly in recent years.

The Organisation for Economic Co-operation and Development (OECD) publishes statistics that can be used to compare developed countries. Some major conclusions can be drawn from them, although their analysis is made more complex by the fact that in a country such as Canada many programs are under provincial responsibility. Therefore, the statistics do not reflect certain features that are unique to a particular province, including Québec⁸.

In fact, while the OECD data on Canada show that spending on social security accounted for 17.4 percent of GDP, the Québec data reported earlier indicate a level of 19.5 percent for the same period, 2011–2012. This indicates that spending is somewhat higher in Québec, in particular with regard to family policy and, to some extent, automobile insurance, which falls under the private sphere in many provinces, including Ontario. It is also noted

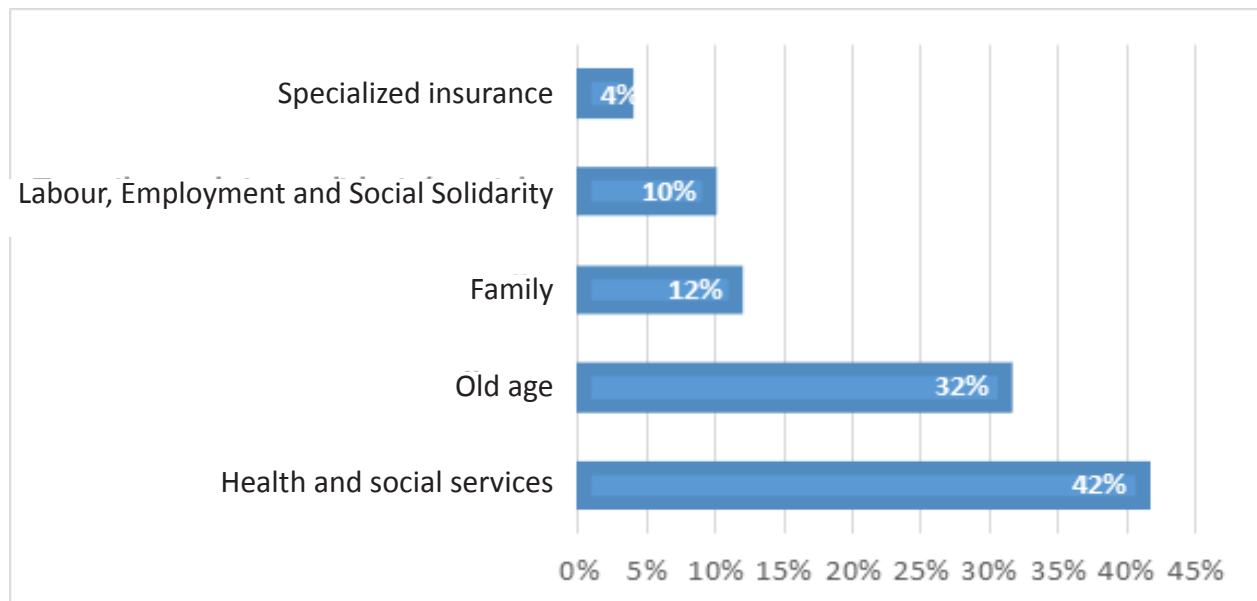
Chart 14.1
Trends in social security spending, Québec, 2002–2015
 (% GDP, 2002=base 100)



Sources: Québec government (2016), 2016–2017 budget, additional information, CSST and SAAQ (2002–2016), Annual reports, QPP (2016), 2015 Annual Report, QPP (2015), 2014 Statistics, CGAP (2006–2015), Annual Report, CANSIM-2760017, CANSIM-2760005, CANSIM-1110016, CRA (<http://www.cra-arc.gc.ca/bnfts/stts/menu-eng.html>)

“Old age” benefits include pension and survivor benefits.

Chart 14.2
Breakdown of social security expenditures, Québec, 2015



Sources: Idem, chart 14.1

that healthcare spending accounts for a somewhat higher percentage in Québec, given that GDP per capita is lower than the Canadian average.

Chart 14.3 presents comparisons for a number of developed countries. The first conclusion to be drawn from this is obviously that, in comparison with other major developed countries, Canada’s social security spending is fairly low, at 17.4 percent of GDP, compared with 31.0 percent for France, 25.5 percent for Germany, and 18.7 percent for the US. Canada is also one of the few countries that posted substantial decreases in its social spending as a percentage of GDP in recent years¹⁰. The greatest disparities among countries pertain to public pension expenditures, where Canada is characterized by a system that accords a relatively significant role to private pension plans.

While Canada’s level of public spending is fairly low, it must nonetheless be noted that the portion of public benefits paid to households at the bottom of the income scale is fairly substantial, in particular for seniors through the federal old age security pension. This explains why Canada posts low poverty rates for seniors and is at risk of having insufficient revenues for retirees from the middle class.

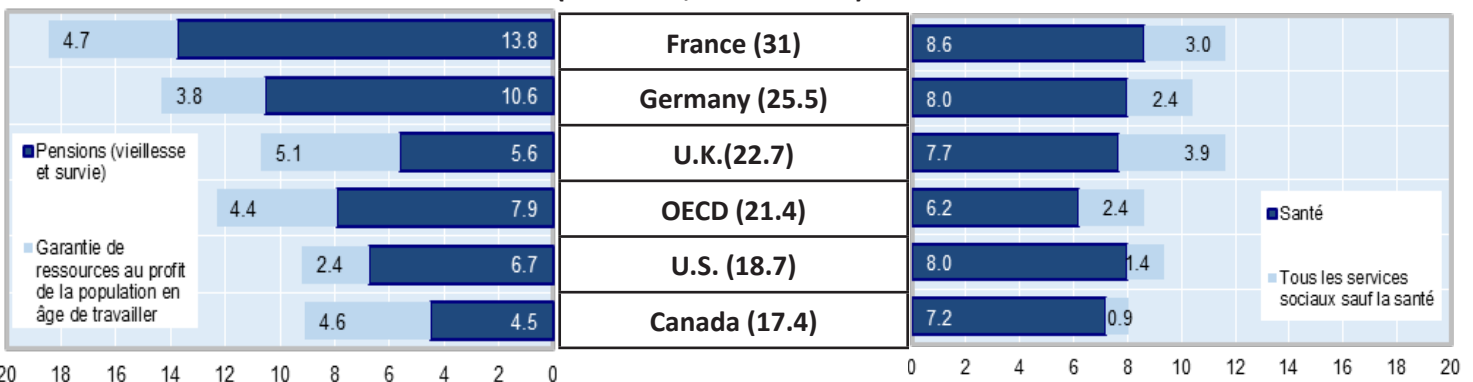
Statistics are also available on social benefits paid in the private sector. Mandatory private insurance, for example, entails an element of obligation and/or redistribution among individuals¹¹ (chart 14.4). It is also possible to establish comparisons on a “net tax” basis, given that benefits may be taxable¹² and that certain tax advantages are in place to provide direct financial support (to families, for example) or to encourage privately-run services (including tax advantages associated with pensions and healthcare).

Once again, when private sector benefits and tax provisions are taken into consideration, Canada is characterized by a relatively low level of spending on social protection, despite rising from 27th to 18th place among the 33 OECD countries. It is noted that, since private social spending (including spending on healthcare) is particularly significant, the US has moved up from 23rd place in terms of gross public social spending to second place in terms of total net social spending.

ENHANCING GOVERNANCE

The introduction of new programs or the enhancement of existing ones holds obvious political appeal, in particular if the economic and budgetary situation allows. However, a more significant challenge arises when the time comes to revisit existing measures, often in a difficult situation or for a precarious client group. Although the past 50 years have been conducive to the development of various programs, the coming decades will be more likely to see the adaptation of existing programs to a changing environment. In such situations, there is a risk of reforms being introduced in response to crisis situations, in the absence of structured approaches to program evaluation and review. The performance of the social security system relies not only on appropriate programs and directed funding but also on effective management.

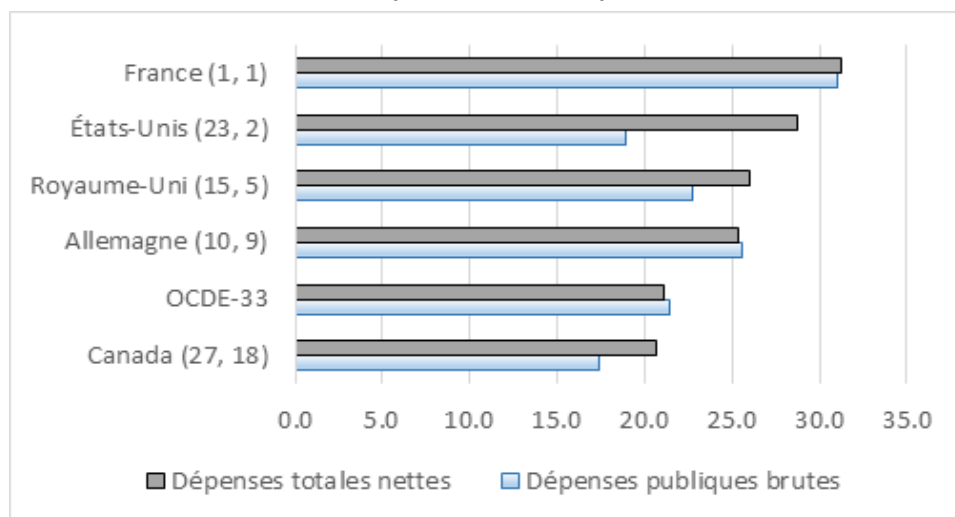
Chart 14.3
Public social spending by main area of action – OECD countries
(% of GDP, 2011–2012¹)



¹ Data for Canada and the US pertain to 2012; other data pertain to 2011.

Source: OECD (2014), Social Expenditure Database (SOEX), (<http://www.oecd.org/social/expenditure.htm>)

Chart 14.4
Gross public social spending and total net social spending – OECD countries¹
(% of GDP, 2011)



Source: OECD (2014), Social Expenditure Database (SOCX), (<http://www.oecd.org/social/expenditure.htm>).

¹Total net spending includes public spending, spending on insurance or pension agreements as well as taxation and the tax advantages associated with social protection.

The advisability of implementing a systematic and clearly established periodic review process flows from the need to adapt programs to a changing environment. It also stems from the need for sound governance centred on a division of political responsibilities between the bureaucracy and elected officials, sound management, and the role the public can be expected to play. Programs can be subject to periodic evaluation and review under the legislature’s responsibility with a public consultation component. Legislative changes would normally come out of such a process. In the meantime, programs are subject to regulatory adjustments under the government’s responsibility and to sound management by institutions and competent individuals whose actions are subject to an accountability process. Such a periodic public consultation process was introduced in connection with the QPP. (See Text box 14.1 for further information.)

Many governments have taken action to strengthen the management of departments and crown corporations, including conducting reviews of the governance of such institutions. Québec’s National Assembly adopted the Act respecting the governance of state-owned enterprises in 2006 to promote management that meets the demanding criteria of transparency, integrity, and responsibility while strengthening public trust in public institutions and ensuring that public sector entities perform as expected. Central to this legislative change is the balance between the responsibilities of political authorities and those that have been delegated to the administrators and directors of these organizations.

The minister responsible for a crown corporation is accountable for proper implementation of the corporation’s incorporating act and is answerable for it. The minister may also be called upon to answer for monies that the government has invested in the corporation. The corporation’s directors and the chair of the board of directors must answer for the corporation’s management. Senior management is accountable for the corporation’s management to the board of directors, which in turn is accountable to the government, as represented by the minister to whom the crown corporation reports. Text box 14.2 presents the governance policy adopted by the Société de l’assurance automobile du Québec (SAAQ).

While this strengthening of governance practices applies to the majority of social security programs, whose management lies with crown corporations, the minister in charge remains more directly accountable in the case of programs administered at the ministerial level. Healthcare is the area in which management practices are furthest removed from governance practices and where the minister remains accountable for all interventions and institutions. It is common for the minister to have to respond when the emergency department at a particular hospital is overly busy. The political debate around health and social services is a regular feature of today’s news, moving from one issue to the next as events continue to unfold.

Text box 14.1
Québec Pension Plan
Public Consultations

Since 1998, the Act respecting the Québec Pension Plan has provided for an actuarial analysis of the plan every three years. In addition, a public consultation through a parliamentary commission must take place a minimum of every six years to take stock of the situation and amend the plan as needed. Two consultations have taken place thus far, in 2004 and 2009 respectively. A third consultation is planned for 2016.

The following issues were identified in the 2009 consultation in response to the stated need for a public plan like the QPP to adjust to the changing societal realities in order to remain fair for all its contributors:

- Stabilizing the plan's funding;
- Preserving similarities in the Canada Pension Plan (CPP);
- Adapting the plan to labour market changes; and
- Adapting the plan to changes in family realities. (QPP, 2008)

In this consultation, 47 briefs from different civil society stakeholders were received and were discussed in the parliamentary commission.

Further to this consultation, a number of amendments were made to the legislation to strengthen long-term funding for the plan through an increase in the contribution rate and the introduction of a mechanism for automatically setting the contribution rate. A change to the adjustment factors that apply to pensions in the case of early or deferred retirement was introduced to foster retention of experienced workers, and orphan's pensions were increased substantially.

Finally, the objective of sound governance invariably raises the question of coordination between the policies of the two levels of government. A number of the previous chapters discussed many different aspects of this situation. From a purely historical point of view, it seems that, while Ottawa initiated various policies, Québec became the prime mover in most branches of social security. Ottawa nevertheless remains the guardian of certain values of our system, in particular in the field of health under the Canada Health Act, despite diminished funding. It also provides a major financial contribution to other programs through equalization and transfer payments as well as through direct payment of pension and unemployment benefits and family allowances to individuals. These measures raise the question of the orderly development of policies governing the labour market, the family, and to some extent pensions. There are also significant interactions with other policies, including tax policy. One can ask whether this is the best way of harmonizing the full range of social security policies. This is obviously an eminently political question.

AND THE QUÉBEC OF TOMORROW?

Population aging is increasingly being recognized as a major challenge facing society, in particular for Québec, where this phenomenon has been particularly rapid and significant. This demographic change is having social repercussions in terms of the need for protection, as well as economic ones relating to our growth potential and our capacity to pay for our social security programs. It is thus important to highlight the following points:

- Health and social services are especially vulnerable in a context of aging, not only because of pressure on services and costs but also because lifestyles (healthy aging) and death (dying with dignity) come into play. Moreover, services evolve in accordance with political and, in particular, budgetary imperatives. Therefore, the entire dimension of dependence and loss of autonomy is currently on the back burner, as seniors' home care and accommodation needs to undergo significant changes.
- While the QPP's funding has been reviewed to ensure relative stability despite the aging of the population, some pension-related issues remain. A significant proportion of workers are not saving enough to be able to maintain their standard of living when they retire. Habits relating to the transition from work to retirement will evolve in favour of later and more progressive retirement. This will have

Text box 14.2
Governance Policy
Société de l'assurance automobile du Québec

The SAAQ, one of the entities referred to in the 2006 Act respecting the governance of state owned enterprises, has a governance policy to facilitate its implementation. One of the aims of the governance policy is to identify the role and responsibilities of the SAAQ's governing entities, i.e., the political authority (minister of transportation), the board of directors, and the chief executive officer.

The mission of the SAAQ is to protect individuals against the risks inherent in the use of the road. This crown corporation incorporates all of the risk management functions of a public insurer, which extend beyond those of a traditional insurer, including those relating to prevention, road safety, and access to the road system. The SAAQ acts as trustee of the automobile insurance fund, ensures that insurance coverage is adequate, and recommends any necessary changes to the government¹.

While the state can be seen as a "shareholder" in the SAAQ, the latter reports to the minister, the member of government who is responsible for transportation. The minister can give instructions regarding the approach and the general objectives the SAAQ must implement. At least every 10 years, the minister must submit a report to the government on implementation of the SAAQ's incorporating act. The report must contain recommendations regarding updates to the SAAQ's mission as well as an assessment of its effectiveness and performance, including benchmarking measures. The minister submits this report to the National Assembly.

As a trustee of the insurance fund, the SAAQ strives to preserve its independence in order to ensure proper administration and preservation of the funds, which are separate from those of the SAAQ and the government. It also seeks to grow and increase these funds and see to their disposition. The three-year review of the fund's financial situation assists in determining the level of insurance contributions.

Lastly, the SAAQ operates according to a strategic plan that is approved by the government and that gives the public an opportunity to learn about the directions the SAAQ intends to take in meeting the challenges that arise for it. The SAAQ is subject to specific terms and conditions relating to accountability to the government and the general public.

Source: Governance policy adopted by the SAAQ's board of directors on December 11, 2014. <https://saaq.gouv.qc.ca/fileadmin/documents/publications/acces-information/politique-gouvernance.pdf>, accessed on May 25, 2016.

¹ A program evaluation function authorizes the SAAQ to assess policies, programs, processes, and services put in place by the SAAQ using rigorous methods. This function supports the SAAQ's decision-making as well as its accountability to the government and the public.

to involve not only workers but also employers in light of the implications in terms of the way work is organized and human resources are managed. Governments will not be able to remove themselves from this discussion, because the presence of older workers will be an important way of fostering relative employment growth, and habits around saving for retirement point to a difficult transition for a good many workers. Population aging is in fact tied not only to a strong increase in the number of seniors but also to stagnation in the number of working-age people.

- Remember that family policy in Québec has been centred on the need for strong measures to promote work-life balance and the presence of women in the labour force. The affordable childcare services coordinated with the QPIP, characterized by an appropriate level of benefits (for the father and the mother), relative flexibility, and a benefit period of up to a year, have taken over from traditional family allowances. Simply put, affordable childcare and parental leave encourage work, while family allowances discourage it. The latter is therefore aimed more at low income families, for whom the arrival of a child represents a serious financial challenge. For their part, federal family support measures remain centred on family allowances. The Trudeau government's first budget reinforced this approach.

The emergence of a post-industrial economy characterized by growing needs for expertise and innovation will be linked to social protection needs. We must hope that programs will change to keep pace with these new realities. In particular, while physical demands and traditional risks with regard to disability are less significant, we must not overlook the rising absenteeism rates associated with psychological illness and skills obsolescence. The growing demands of the labour market should result in a strengthening of the “active measures” component of social security programs associated with strengthening employability. We will also need to ensure that our programs are geared to atypical forms of employment.

The evolution of knowledge and the preponderance of technologies will continue to push back the boundaries of health intervention, with hitherto unknown prospects in relation to personalized medicine in particular. The costs may be even higher if preventive interventions are implemented on a large scale.

Along with the globalization of markets, this economic evolution should lead to greater inequality within our society. There will thus be reason to wonder about the significance of social security as a tool for maintaining and strengthening social cohesion and facilitating effective management of the risk of social and economic exclusion.

The way our society is expected to evolve could also present challenges from the point of view of social cohesion. Social security is an instrument of solidarity and social cohesion, if only because of the universal protections that go with it and the circumstances and needs that are covered. Note nonetheless that our social security system is characterized by a strong insurance component. Accordingly, fighting poverty and reducing inequality are not predominant factors here. Our social security system is designed more to respond appropriately to the different needs of the population as a whole, through both the protection that is offered (and the broad scope of that protection) and the accessibility of services. Therefore, it is more a matter of horizontal as opposed to “vertical equity”¹³. Substantial and progressive taxation then becomes the way to counter the trend towards greater income inequality and the resulting collapse of social cohesion. More recently, and as indicated earlier, programs have evolved in such a way as to foster employability and financial autonomy. In the future, one should not be surprised to see the resurgence of the idea of a guaranteed minimum income.

CONCLUSION

This chapter serves as a type of summary of the main observations and issues relating to our social security system in connection with the information presented in the previous chapters. We will now wrap up by discussing the major challenges for the future that warrant our attention to ensure this important mechanism of our society develops as it should. Three main challenges have been identified.

Health and social services

Health and social services necessarily represent the main challenge with regard to social security. The current context of scientific and technological innovation, alongside population aging, will not only lead to significant developments in terms of treatment possibilities but exacerbate the level of need for those who are losing their autonomy. Moreover, although our public health insurance plan has contributed to highly significant improvements in Québécois’ health, it has also exhibited a number of deficiencies in how services are delivered. The passing of time and the great deal of effort that has been expended have not rectified those deficiencies—at least not completely. All of this is taking place in a context in which healthcare costs are significant and “financial pressure” remains very strong.

- In the coming years, this pressure will likely continue to increase, one of the factors being new treatment possibilities. Despite this, healthcare is still funded on an annual basis, depending on the money available in the budget and the political agenda. This is not without consequence, in particular for other significant government responsibilities, including education. Without placing a cap on annual healthcare spending, it might make sense to establish a multi-year funding mechanism based on more clearly defined policies to facilitate the choices we must make.
- Without making it a collective fixation, the way that doctors (the front-line providers) practise and how they are compensated needs to be brought more in line with the way the system is structured, the contributions of other stakeholders, and our ability to pay. This includes a fee-for-service approach, from the perspective

of the scope of its application and the incentives and constraints associated with it. We will also need to simplify the way the system is run and thereby allow for accommodation to emerging realities. With a fee-for-service arrangement, doctors reap the benefits of productivity gains arising from the use of new technologies. This explains why ophthalmologists and radiologists, for example, have such high incomes.

- Despite all of the effort put in for many years now, it must be observed that the governance of our healthcare system remains underdeveloped. We will need to develop a political culture and intermediate structures to take targeted action to prevent political authorities from micromanaging and to enable sporadic crises to be dealt with as effectively as possible. Such action will also have to help strengthen the government's contribution to the overall performance of our system and the way it evolves. In this respect it will be important to strengthen the mechanisms established for measuring performance and making the resulting information accessible, both within the network and with the various external stakeholders. Finally, Québécois' state of health and their health and social services system should be subject to multi-year public consultations to provide periodic updates and establish approaches and priorities.

Retirement

In the coming years, the aging of the population will result not only in a significant increase in the number of pensioners but also a limited potential for economic growth because of the stagnation in the number of working-age people. While efforts have been made to deal with the higher costs associated with retirement, initiatives will need to be taken to gear our work transition habits towards retirement. On the basis of past rates of participation in supplementary pension plans and personal retirement savings plans, it seems that a significant percentage of middle class workers will not be able to maintain their standard of living when they retire. Market returns and pension incomes will have a joint effect in increasing inequality.

In this context, the possible enhancement of public pension plans discussed for many years now should lead to a targeted increase. Most Canadian provinces have agreed on a slight increase in the CPP. Consultations regarding the QPP will be taking place soon, and this matter will be addressed. Ideally, it would be good to think about not only increasing the replacement rate and the client groups targeted but also about our expectations regarding future changes in the retirement age, given that we are living longer and longer and are more able to remain employed after the age of 60 or even 65. This will call for adjustments not only to pension plans but also to the way work is structured in a context of increased flexibility near the end of people's working lives. This is an especially fortuitous time given that such changes to the QPP are not frequent and need to be in effect beyond a transition and adjustment period.

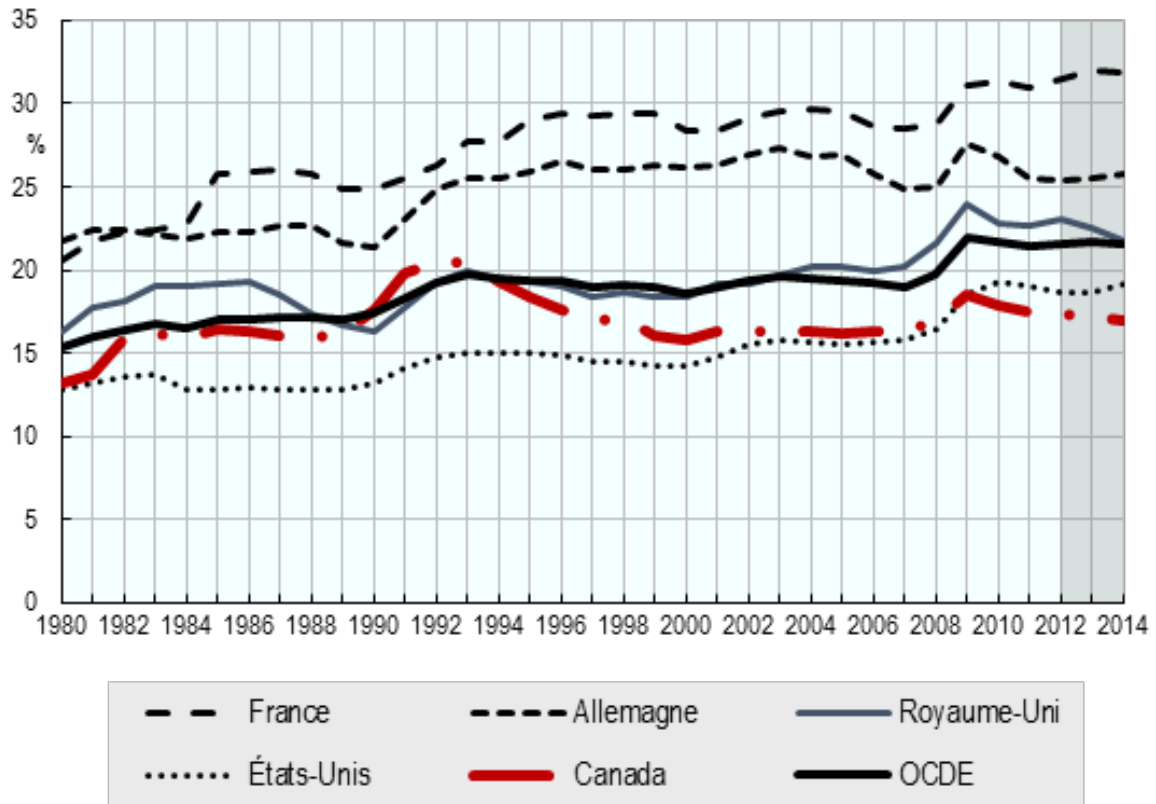
Adapting to a changing world

The product of our industrial society and of the baby boom and other related generations, our social security system will need to adapt to the context of a post-industrial and globalized economy centred on services and innovation. It will also need to adapt to a world in which the sense of belonging and networking take on a very different shape in the context of a multi-ethnic culture in which Québec still has much to learn.

At the same time, the system will need to continue offering rights-based protection against events that cannot easily be foreseen, even tragic ones, where collective action is not only more effective but also a source of social cohesion and inequality reduction. In many countries, social security was introduced in response to destructive conflicts. From our privileged position, we should at the very least have the wisdom to preserve this social safety net which, along with other economic and cultural initiatives, can contribute to our collective well-being.

APPENDIX

Chart A14.5
Public social spending in selected OECD countries
(% of GDP, 1960–2014)



Source: OECD (2014), Social Expenditure Database (SOCX) (<http://www.oecd.org/social/expenditure.htm>)

NOTES

- ¹ The author would like to thank the authors of this book for their contribution in identifying observations and issues for each theme and for their comments on a previous version of this chapter.
- ² The legislation was enacted in 1960 and came into force in January 1961.
- ³ This reform is in line with the automobile insurance reform, one of the components of which was improving road safety through the establishment of measures to that effect.
- ⁴ As noted in chapter 11, far more fathers now opt for paternity leave and parental leave following the birth of a child.
- ⁵ Measured in relation to the situation that existed when the public automobile insurance plan was created.
- ⁶ Coverage under automobile insurance and occupational health and safety plans is not completely homogeneous; a situation that sometimes raises concern.
- ⁷ However, studies have shown that affordable childcare services have created more tax revenues than additional expenses because of their major impact on women's employment rates.
- ⁸ In fact, the statistics are based on provincial data from Ontario.
- ⁹ In total, including public and private expenditures, expenditures on automobile insurance are nevertheless lower in Québec than in Ontario.
- ¹⁰ OECD. 2014. "Social Expenditure Update: Social spending is falling in some countries, but in many others it remains at historically high levels".
- ¹¹ For example, private pension payments may come from mandatory or optional employment-related provisions or from individual pension plans subject to a tax advantage. In terms of healthcare, premiums for private insurance policies are taken into account because they involve a pooling of premiums and mutualization of risks within the insured population. However, spending on health services that are paid for directly by the patient is not considered part of social spending. Source: OECD. 2014.
- ¹² Subject to direct income tax deductions, but the state also collects indirect taxes on the consumer goods that benefits pay for.
- ¹³ Vertical equity is aimed at redistribution in favour of low-income people, while horizontal equity covers the specific needs of individuals or specific groups, such as families, regardless of their income. For further information in this regard, please see chapter 11.

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CONCLUSION

Québec residents can be happy that they live in a society in which economic, social, and cultural development happen side by side. Thanks to the dream of the architects of the Quiet Revolution and all that came out of it, these forms of development helped bring about the emancipation of Québec society and the emergence of a contemporary collective identity. Québec citizens' proclivity for happiness no doubt played a part in this¹.

Nevertheless, as discussed in various chapters, including chapter 14 on global issues and observations, a number of challenges can be seen on the horizon. Our social security system needs to adapt to a changing environment, like ensuring intergenerational cohesion in a context of population aging and changing family structures. It also needs to respond to new or at least changing realities in an effective and consensus-based way. The devastating nature of recent international events associated with the integration of minorities gives cause for concern in relation to the need for cohesion and integration.

The past 50 years have been marked by the development and implementation of the social security system. The years ahead will instead be associated with a need for adaptation, coherent policies, and stronger interactions at the international level. Furthermore, while past developments have been associated with high levels of economic growth, the foreseeable future will see a tightening of the labour market along with a lack of significant growth in the size of the working population that limits the potential for development. The economic growth of the future will not be conducive to strengthening social cohesion, contrary to what was observed during the 30 glorious years. Complementary action is called for, and there is a need to bring our policies up to date.

All of this is occurring in a context of strong cynicism about political action, an arena in which the younger generations do not really see themselves. It is hoped that Québec residents will be able to join together and rally behind our social security programs as they evolve in the coming decades.

¹ N. Mercier (2016), *Le gène du bonheur est-il québécois?* in the June 15, 2016, issue of *L'actualité* magazine.