Policy Research Initiative
Projet de recherche sur les politiques

A Life-Course Approach to Social Policy Analysis

A Proposed Framework

Discussion Paper

August 2004

PRI Project

Population Aging and Life-Course Flexibility

Canada

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This draft paper is based on work performed in the context of three interdepartmental policy research projects being carried out by the Policy Research Initiative (PRI): New Approaches to Poverty and Exclusion, Population Aging and Life-Course Flexibility, and Social Capital as a Policy Tool. The proposals outlined in this paper flow from the work of the PRI staff and of the many departments actively contributing to these projects.

The present draft was, for the most part, prepared by Peter Hicks who, at the time, was a senior project director at the PRI. It is an expansion of the "Olivia" story first developed and presented by PRI research officer, Stéphanie Gaudet, at the March PRI-SSHRC Policy Research Roundtable on Population Aging and Life-Course Flexibility.

This is work in progress and we hope to improve on it, with the collaboration of all our departmental partners, as the PRI projects evolve. We welcome comments and suggestions.

Jean-Pierre Voyer
Executive Director
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1. Introduction

No explicit theory or framework consistently describes the goals of social policy or how social policies actually work. By a framework, we mean a consistent way of describing individuals in their relationship to society and its institutions, including how policies affect those relationships, and individual and social outcomes.

The life-course approach provides a proper foundation to build upon. It focuses on the trajectories of individuals through life and on how key life events and transitions affect these trajectories. The framework proposed in this paper describes:

- the participation (and non-participation) of individuals in the institutions of society over their lives; and
- the interchanges of resources between the individual and those institutions. The institutions of society include market, family, community organizations, and government programs. Resources include stocks and flows of money, time, services, information, and skills.

At a minimum, the proposed framework is intended to help provide a way of conceptualizing the relationships between individuals and society that is consistent with emerging thinking about social policy. However, it could potentially lead to measurement and be used as a practical policy tool. Once measurement considerations are attached to the framework, it could signal the real beginning of an evidence-driven social policy.

The proposed framework is described in Section 2. It is built on the story of one person's life, Olivia. Olivia is a fictional person, but her experiences are typical of many Canadians. Section 3 discusses how the framework can be used to describe policies. The framework provides a way of linking the inputs and processes of policy to the outputs and ultimate outcomes of policy. It also helps describe the mandates of the key actors in the social policy system. Section 4 discusses some implications of the framework for policy analysis. The framework can influence the choice of broad strategic approaches regarding the pace and incrementality of policy change. It can be used to examine likely future policy pressures and opportunities, and can also help us think about policy architecture – the evolution of who should be doing what and the relationships among the many players involved in social issues. It can also influence policy design and delivery, and the construction of measures of effectiveness. Section 5 turns briefly to some practical issues of implementation.

2. The Descriptive Framework

Our reading of current policy literature suggests there is emerging agreement on the need to focus on individuals as the unit of analysis in social policy. There is much recent emphasis on longitudinal data that track people over time and on analysis at the micro level, that is, at the level of individuals as opposed to predetermined groups of people. There is also a clear wish to examine the roles of people in relation to a range of different social institutions to supplement the present heavy emphasis on market relations and existing information on income and economic activities with information describing the use of other types of resources and participation in non-market activities, such as caregiving. There has been considerable interest in supplementing flow data with data on the stocks of assets including wealth, housing, and human and social capital.

These emerging themes and needs are tightly interconnected and can provide a consistent framework for describing the relationship between individuals and institutions. The remainder of this section sets out the main features of such a descriptive framework.

2.1 Two-way flows of resources

Figure 1 illustrates the two-way flows of resources between an individual and the main institutions of society, one of the key elements of the descriptive framework.

A hypothetical individual, Olivia, is used to emphasize a crucial point: meaningful analysis must be rooted in information about individual Canadians, not predetermined groups of Canadians.

In terms of social institutions, Figure 1 is a variant of the categorization of society's main institutions typically found in the policy literature, namely family, community, market, and state. The variant is that we have broken the state into government per se and arm's length bodies of the state, such as schools and hospitals.

Who is Olivia?

Olivia is a baby boomer, born in Canada in 1955. She grew up in a loving, supporting family. Her father worked for a large department store and her mother stayed at home, looking after the family. She had a happy life as a child. Her life story unfolds in figures 3 to 6. Today, Olivia would be 49 years old, but as she is an example created to illustrate the framework, we are able to show how her complete life unfolds, with her early adult years marked by turmoil and her later years more secure and pleasant.

Building a general framework from Olivia's life course

Most people share similar experiences over life: the loving care of family at a young age, attending schools and holding jobs – even though there is much difference in the duration of schooling and type of job. Many face similar challenges in making transitions from school to work, from being a member of the parental family to having a family of one's own, and in moving from work to retirement. People hold many of the same values and have similar expectations. For example, when people become sick, they expect to receive similar kinds of care. Equal treatment before the law is also expected. That commonality is the basis of our national identity, our experience of common citizenship.

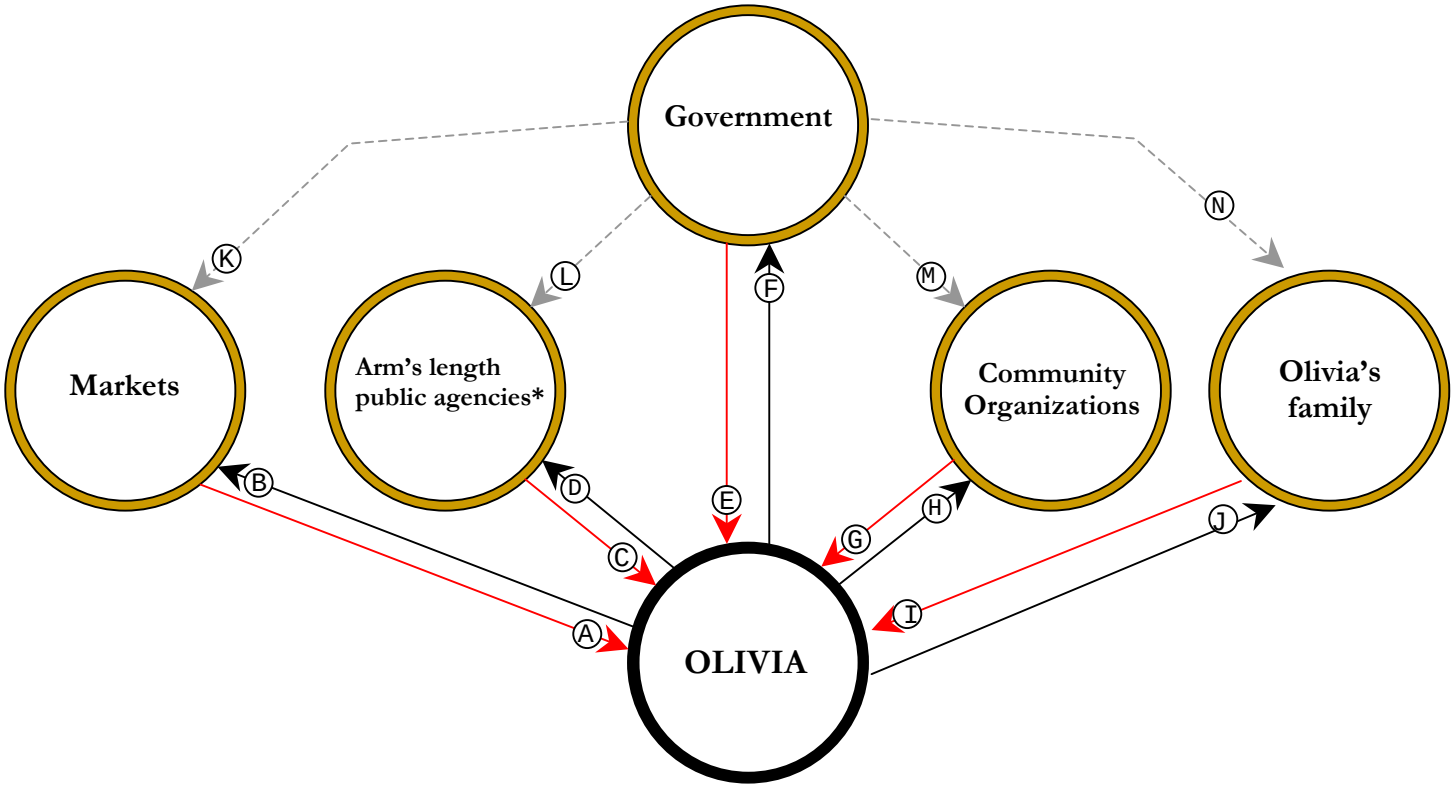
There are of course important differences among people. Everyone does not experience exactly the same transitions in life, or in the same sequence or at the same ages. The various transitions in family life do not always occur at the same time as do the transitions in the worlds of work or learning, or caregiving and care receiving.

Olivia, therefore, is not meant to be a composite or average person. Traditional statistical techniques require us to think in terms of averages and groups. We look at data by gender – or age group, or ethnicity or income status – and base policy analysis on averages within these groups. This may give a false view of society. Everything in our analysis points to a world that is highly heterogeneous within the standard groups used for analysis, even though many underlying patterns are similar. That heterogeneity increases by an order of magnitude when we look not only at people at a point in time, but also at their complex passage through social institutions over the course of their lives.

Olivia is therefore a reminder that our analysis should, wherever possible, be based on information about the life courses of all 30 million Canadians (or, as discussed later, of "synthetic" Canadians to avoid intruding on privacy). Practical ways of doing this are becoming increasingly feasible using newer databases and analytic techniques.

The proposed framework developed here is sufficiently general to describe everyone, not only Olivia. It can describe the lives of recent immigrants, of people with disabilities, those who live alone, the homeless, and people who have stable jobs and families over life. It might be useful, as the framework develops, to build stories of the lives of people in these categories, who share quite different experiences from Olivia and compare their life experiences using the framework. For purposes of this paper, Olivia is a good example. Her life illustrates many of the issues facing social policy today.

Figure 1 - The flow of resources between Olivia and the main institutions of society
(The agents or pillars of the welfare state)



Examples of the linkages shown on the chart

Mutual obligations: the resources she receives and provides

A. The market provided Olivia with goods and services.
B. Olivia provided labour.
C. Public institutions provided Olivia with hospital care, institutional care, and education.
D. Olivia volunteered for school trips and paid a portion of the institutional care she received at the end of her life.
E. Governments provided Olivia with employment insurance, social assistance, active labour market programming, pensions, and child tax credits.
F. Olivia paid taxes.
G. Community organizations provided counselling and child care when Olivia was a single mother without work.
H. Olivia raised funds for the cancer society for many years.
I. Her parents took care of her as a child and provided lodging when she returned home as a single mother. Income was pooled in her adult household and, being paid less than her husband, received a notional transfer from him during their life together.
J. She took care of her own children and her mother, when her mother became frail. As part of income pooling in families, she transferred money earlier in life to her then partner who was a student.

Government finance and regulation

K. Governments regulate minimum wages and working conditions.
L. Governments fund, mandate, and regulate schools, etc.
M. Governments fund community organizations through tax breaks and, often, direct funding.
N. Governments regulate family relations through marriage and family law.

* Arm's length public agencies refers to schools, hospitals, etc. that are at arm's length (to varying degrees) from government, but are mandated and funded by government.

To elaborate on the social institutions shown in Figure 1, the introduction of arm's length bodies of state provides a significantly richer picture than does the familiar "market, family, community, and state" quartet. In particular, it allows us to see more clearly the central role of governments in terms of direct links to individuals, but also in their role as regulators of the other institutions, including schools, hospitals, workplaces, and certain aspects of family life.

The social institutions are shown in simplified form in Figure 1. Finer distinctions are needed in actual analysis. These can easily be handled by the way in which the social institutions (and networks and programs) are coded and classified.

- In particular, for most policy applications, it will be essential to break out "government" into the many separate programs of government (employment insurance, taxation, etc.) and the type of government delivering those programs (federal, provincial, etc.).
- As well, it will be important to have raw data that allow regrouping of institutions for specific applications. For example, in policy discussions about the role of the social economy, it will be important to regroup those market, community, and arm's length public agencies that share similar social goals.

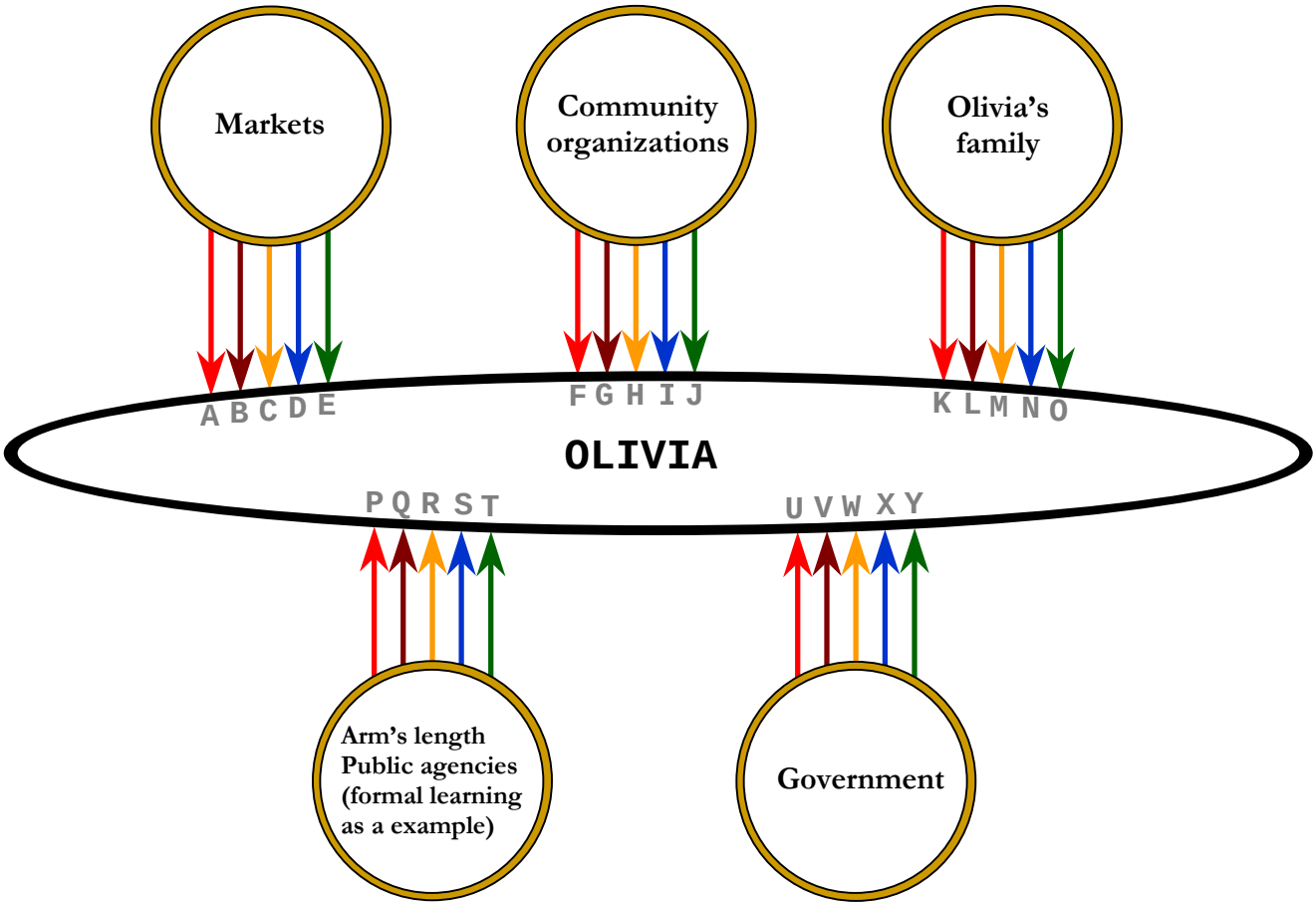
2.2 Taking account of multiple resources

Figure 1 shows only a single flow of resources between individuals and institutions. In reality, there are a number of key resources. A full descriptive framework must cover all of these, as shown by the flows in Figure 2:

- money for current consumption and to build financial assets;
- skills, knowledge, etc., for immediate use and to build human capital;
- social capital (networks) that provide the contacts and relations to access other resources or for support;
- goods, housing, services, and caregiving for current consumption (and, in some cases, to build up stocks such as housing); and
- information to support individual decision making.

For simplicity, Figure 2 shows only the resources that flow toward Olivia. However, it is equally important that the framework recognize that Olivia contributes a similar range of resources to the various institutions of society. A later diagram illustrates this. Also Figure 2 does not show the flows of multiple resources among the various institutions. Some of these, such as information flows, have not been given much attention in the policy literature and should be part of the overall framework.

Figure 2 - The kinds of resources provided



→	Money for current consumption and to build financial assets
→	Skills, knowledge, etc., for immediate use and to build human capital
→	Social capital – networks of social relations for support and access to resources
→	Goods, services, and caregiving for current consumption and to build up physical capital
→	Information to support individual decision-making

Examples of resources provided to individuals, such as Olivia

MARKET

A Earnings, private pensions
B On-the-job experience, training
C Colleagues, professional contacts, supervisors
D Goods, services, housing, most caregiving
E Media, marketing

COMMUNITY ORGANIZATIONS

F Vouchers, etc (but not common)
G Counselling, training, day care, volunteering skills
H Group sessions, referrals
I Shelters, meals-on-wheels, recreation, culture
J Information on prevention, promotion, lobbying

FAMILY

K Pooling of household income
L Early childhood development at home
M Bonding social capital among family, neighbours
N Shared food, accommodation, vacations, etc.
O Shared information inside family

FORMAL LEARNING

P (Not common)
Q Initial schooling and adult learning
R Learning to socialize, school friends, teachers
S Free milk for school lunches (but not common)
T Research, libraries

GOVERNMENT

U Public pensions, EI, social assistance, tax credits
V Active labour market programming
W Counselling, referrals (but not often explicit)
X Subsidized housing
Y Statistics, analysis, social marketing, web sites, etc.

Figure 2 emphasizes the key point that people can receive multiple resources from multiple sources. This is a reminder that money and education are not the only resources available and government is not the only provider.

Information flows, for example, are powerful instruments of policy that are often overlooked even though they play a large role in actual programming. And, in all the areas of social policy research examined, social capital is beginning to be seen as a resource that is of potential importance to policy making.

Having access to multiple resources from multiple sources is a way of managing risk. If one resource is missing, another may compensate – either the same resources from a different institution or a different resource entirely. If many different resources are absent, the results may be catastrophic.

The PRI's work on poverty and exclusion, for example, supports the view that a person begins life with an initial endowment of resources, relationships, and welfare entitlements, or collectively provided goods and services, which are added to or subtracted from over time. As setbacks are encountered, such as poverty or marital break-up or disability, the number and quality of "buffers" possessed temper a person's coping ability.

These buffers consist of physical and financial assets, the human capital embodied in education, skills, and health, and social capital represented by networks within the family and community. Moreover, these assets and resources may be enhanced by state assistance, which may vary within any given country.

Throughout life, the buffers change; for some, they become enhanced, while for others they diminish, offering less and less protection against each episode of misfortune. When resources dwindle to the level where they no longer act as effective buffers, social exclusion sets in.

2.3 Participation in institutions of society

This concept of resources as buffers throughout the life course implies that the framework is built around life-course concepts, the key concept being that people pass through various transitions and stages in life. For example, living alone is one stage (or state, as it is often called) and living as a couple is another. The transition between the two involves marriage or some other form of union. Moving from the state of being employed to the state of being unemployed can result in a difficult transition, such as being laid off work. Or it can be an easy adjustment, for example, if one quickly finds a better job. Key transitions for many include moving from secondary to post-secondary school, or having children, or retiring.

The analysis supporting policy has traditionally looked at states or stages – static snapshots of, for example, how many people were employed or unemployed, or single or married, or in school or out of school. The framework here allows that kind of analysis, but integrates it with a more dynamic analysis of the transitions

and stages of life. It allows for an examination of how what happens at one stage of life can affect subsequent changes. The framework allows policy to focus more clearly on those transitions and the resources that support successful transitions.

Transitions and stages occur in relation to all the institutions illustrated in figures 1 and 2. But these figures were highly static and overly simplistic. Figures 3 to 6 show how these institutional relationships actually play out in the real life of Olivia. They examine Olivia's participation in four of the institutions of society: families and households, arm's length agents of the state (formal learning is used as an example), markets illustrated using labour markets, and the community, with an emphasis on community organizations that provide and fund services.

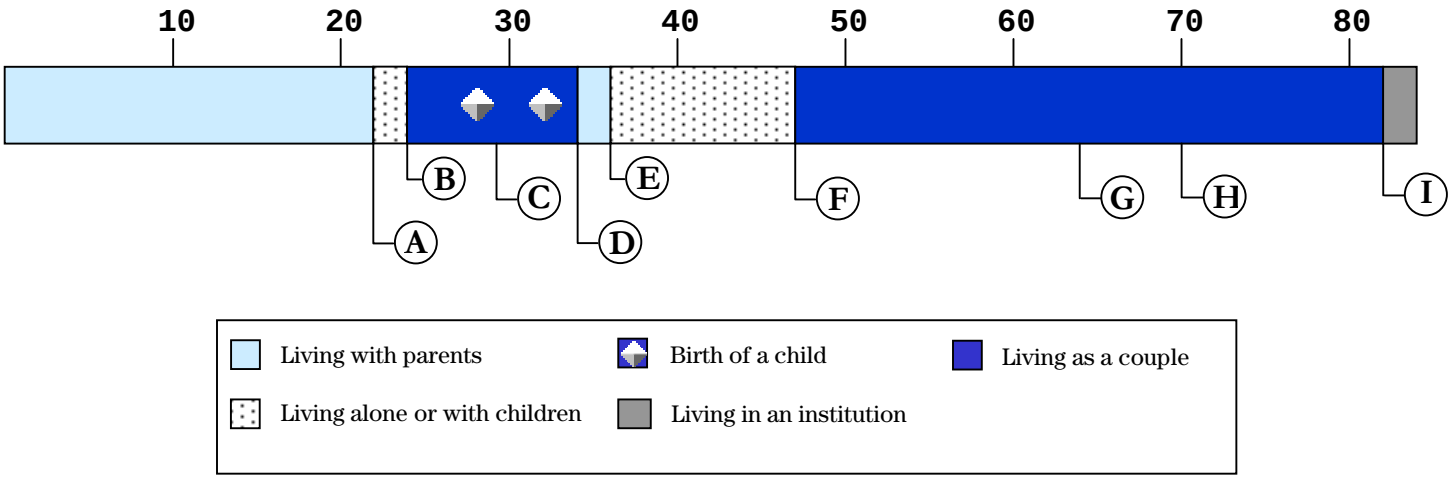
The term "trajectory" describes this passage through selected social institutions. In the framework, these trajectories are analytic tools that are not set in stone. They can and should be modified depending on the policy analysis in question. This is possible because the framework is based on underlying data at the micro, individual level.

- We could have added a diagram showing Olivia's participation in specific government programs (time spent in receipt of employment insurance, etc.). As well, we can capture the financial resources that flow from government by other means, as will be shown later.
- We could have also illustrated the participation in arm's length institutions by separate diagrams for institutions of health and long-term care, or even prisons.
- We could have shown a social economy trajectory (which would consist of participation in a mix of selected community and market institutions) or a cultural trajectory, or an active living trajectory.

And, most important, we can produce similar analysis for groups of people who are important to the policy application at hand, for example, recent immigrant women, or Aboriginal people, or people born in low-income families.

Figure 3 - Olivia's life course

family and household trajectory



A. At age 22, Olivia moved to her own apartment after leaving school.

B. At age 24, she moved into an apartment with her partner. She had two children at ages 28 and 32.

C. At age 29, she and partner move to a larger apartment, nearer to their places of work.

D. At age 34, she splits up with her partner and returns to live with her parents.

E. At age 36, she moves into a low rent apartment by herself with her children.

F. At age 47, she marries and moves into a rented house with her husband and her younger child – who stays with them another five years.

G. At age 64, she and her husband purchase a smaller condominium.

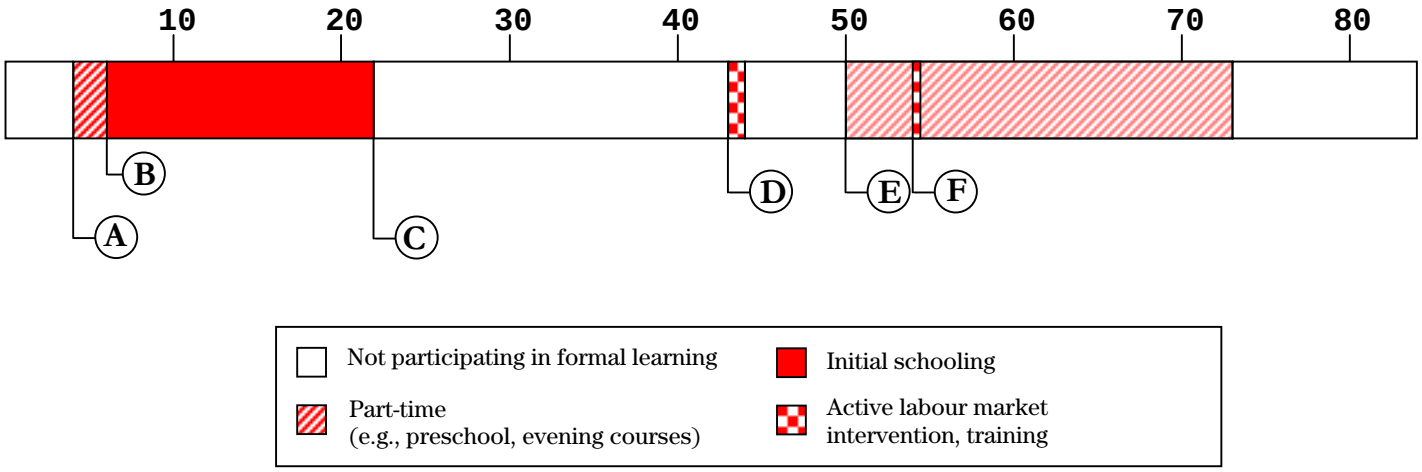
H. At age 70, her husband dies. She stays in the condo by herself.

I. At age 82, Olivia has Alzheimer's disease and lives in an institution for the last two years of her live.

Figure 4 - Olivia's life course

formal learning trajectory

(example of an arm's length institution)



A. At age 4, she starts preschool.

B. At age 6, she starts full-time school.

C. At age 22, she graduates from community college.

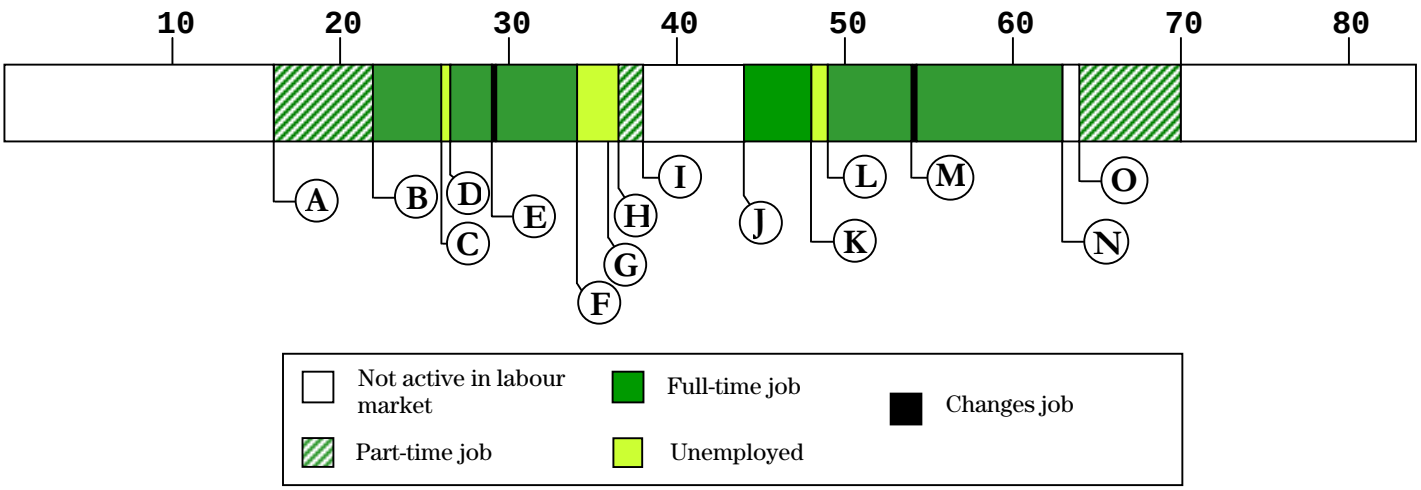
D. At age 43, Olivia signs up for a one-year active labour market program that provides training, counselling, and work experience to assist the re-entry of single mothers into the labour market.

E. At age 50 she begins attending evening classes (Spanish, pottery, etc.) – which continue intermittently over the next 20 years.

F. At age 54, her employer sends her to full-time company-based training for three months.

Figure 5 - Olivia's life course

paid jobs trajectory



A. At age 16, she works part time during the school year and has summer jobs.

B. At age 22, after graduating, she immediately gets a full-time job.

C. At age 26, she is laid off and starts looking for new employment.

D. After six months of unemployment, she finds a new full-time job.

E. At age 29, she changes jobs and works in a new suburb.

F. At age 34, with family split up, Olivia quits her job to look after her children. She's not active in the labour market.

G. At age 36, she starts looking for suitable work.

H. After six months of searching she finds low-paying part-time work.

I. At age 38, her part-time jobs disappear. She gives up looking for work.

J. At age 44, Olivia finds full-time work as a result of an active labour market program.

K. At age 48, she is again laid off and starts a period of job searching.

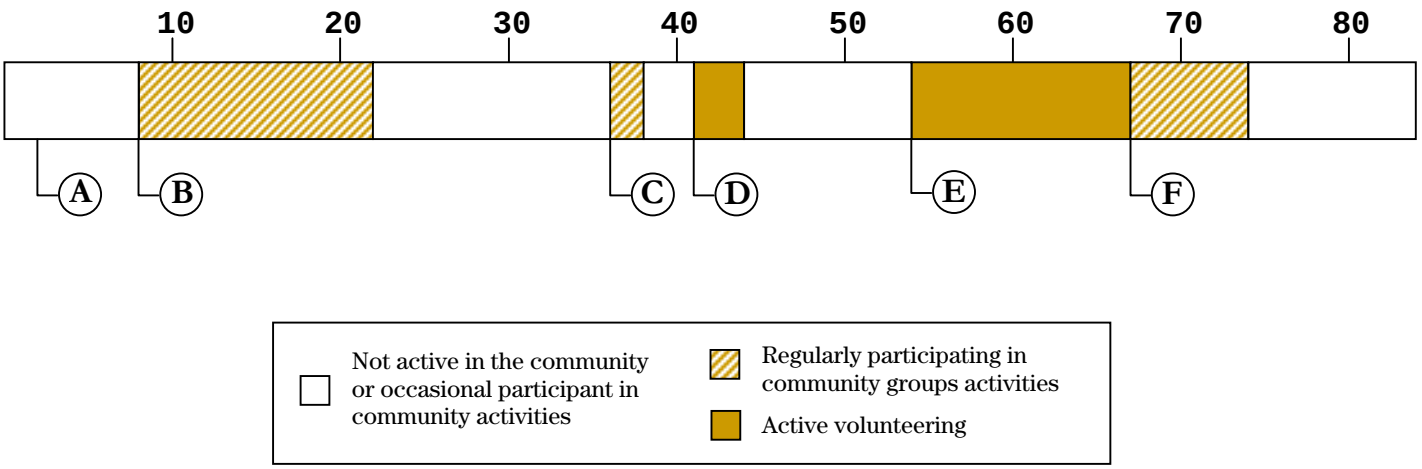
L. It took a year to find a new job, but it was a better than the preceding job.

M. At age 54, she changed jobs, but is with the same employer.

N. At age 63, she officially "retires" from paid work.

O. At 64, after a year of "retirement," she takes on a part-time, paid commitment as an organizer for a health-related service organization.

Figure 6 - Olivia's life course community trajectory



A. At age 2, Olivia is dropped off at her grandmother's, who cares for her while her mother is at work.

B. At age 8, and lasting throughout her school years, she becomes active in the Guides and various other youth clubs and associations.

C. At age 36, with the move to her own apartment, Olivia joins a community support group of single mothers.

D. At age 41, she takes on major voluntary commitment providing informal day care for the children of other single mothers in the community.

E. At age 54, she becomes a volunteer for a health-related service organization – mainly raising funds.

F. At 67, she gives up the full-time volunteering but maintains strong links to the health organization for another five years.

2.4 Linking the flow of resources and the life-course trajectories

Figure 7 shows the selected life trajectories together at the bottom of the chart. The top part shows what Olivia spent and what she received in four specific years. The role of government is shown separately to indicate policy flows, such as student aid, taxation, and employment insurance. A separate savings block shows how Olivia builds up and depletes her financial assets.

To help understand Figure 7, compare Olivia at ages 40 and 60. In terms of financial flows, she goes through a rough period at age 40 – a single mother without work. Her expenditures on goods and services for her own consumption are low and she spends as much on providing for her children as she does for herself. She has no market income and relies on government transfers and, to a lesser extent, on financial gifts from her parents.

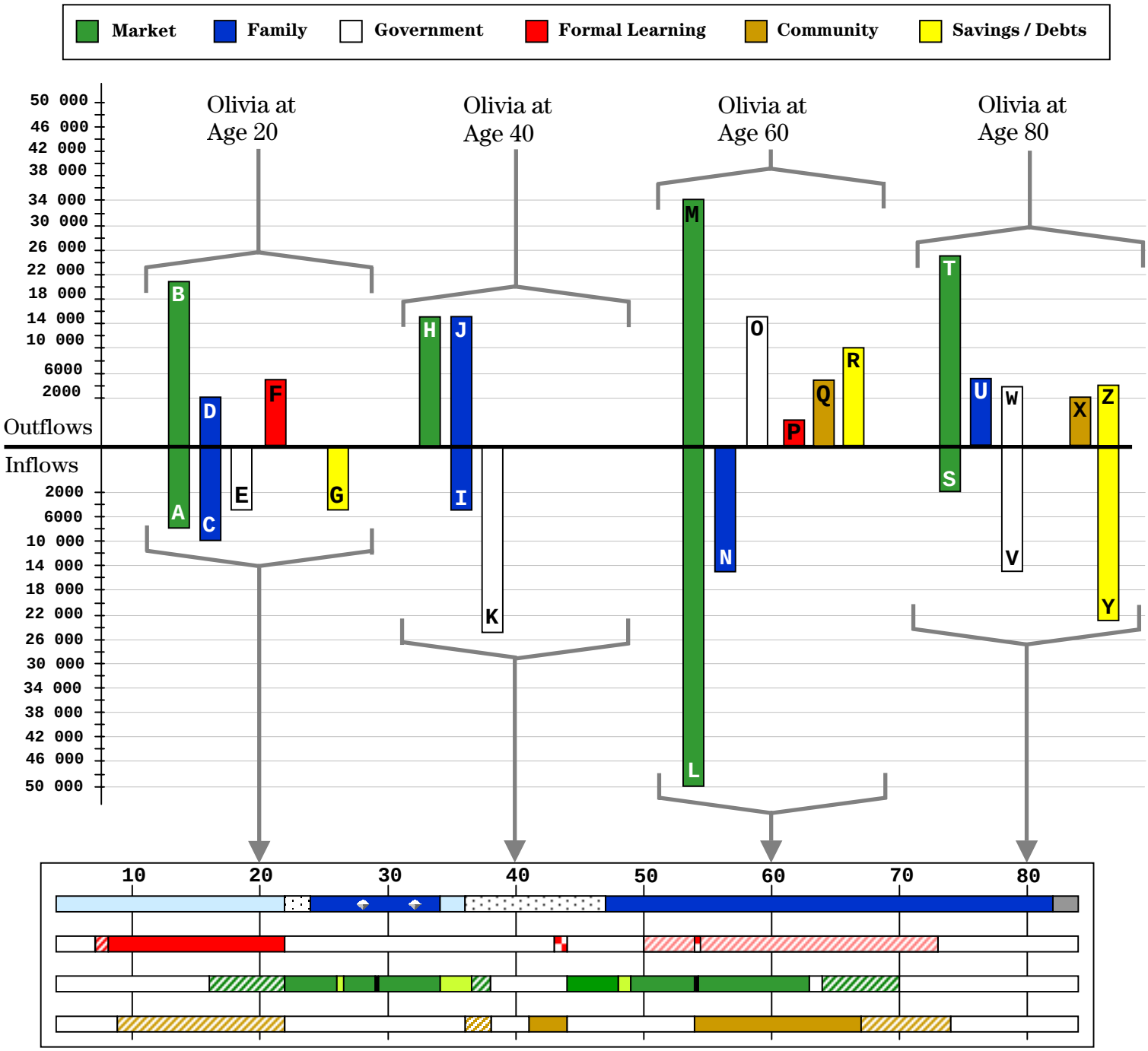
At age 60 things are much better. She has a job with good earnings and her consumption is high. She has married and, reflecting the gender inequality that is still common in Olivia's cohort, her husband earns more than she does. She is therefore the net recipient of income from him as a result of income pooling in the family. She pays taxes instead of receiving financial transfers, makes donations to the community sector, and contributes to pension savings.

A key message from Figure 7 is the need to take a fine-grained approach to time. Averaging the income flows by large time blocks, such as when Olivia was in the typical school years of under age 25, or in the "working age" years of 25 to 64, or her older "retirement age" years, presents a very distorted picture of her life. By looking at specific life trajectories, it is clear that analysis by "stage of life" or age group is almost meaningless. The critical steps in each trajectory do not correspond.

A second message is the importance of accounting for multiple sources of support. Even when limited to financial flows, as in this example, the interacting role of jobs, markets, and families can be seen in her overall income and expenditures.

It would be possible to construct similar examples showing other flows related to skills, social contacts, services, or information. The literature examined has very little to say about the interactions among these flows and on the extent of substitutability, undoubtedly reflecting a lack of data. This would seem to be an important area for future research and development using the framework outlined here.

Figure 7 - Financial flows: Olivia's income, expenditures, and savings at four specific times



A	Earnings from summer job and part-time work
B	Her personal expenditures and her share of household expenditures
C	Her share of pooled family income
D	She pays her parents for room and board in summer
E	Student aid, tax credits
F	Tuition and educational expenses
G	Student loan
H	Personal expenditures
I	Gift from her parents

J	Household expenditures that support her children
K	Social assistance, tax credits
L	Her own earnings
M	Her personal expenditure and share of household expenditures
N	Her share of husband's (higher) pooled earnings
O	Taxes: income, GST, payroll taxes
P	Evening class fees
Q	Charitable donation
R	Private pension savings

S	Interest received
T	Her expenditures on food, shelter, etc.
U	Gift to grandchildren
V	Income from public pensions, tax credits
W	Taxes
X	Donation to charity
Y	Private pension, annuity from late husband
Z	Olivia continues to save

2.5 Accounting for the role of assets

To this point we have been discussing mainly flows of resources, but some resources are not only consumed, they can be saved for later use. The framework should include both stocks and flows. Interest in the role of stocks (human capital, social capital, housing, financial wealth) is high in many current policy discussions, but consistent data are weak. Little can be said about the extent to which these resources work together in supporting people as they navigate throughout life.

Figure 8 illustrates what is needed. The familiar four life-course trajectories appear at the bottom of the figure. Above that are a series of graphs showing different types of assets held. The top two resources shown are financial resources (bank accounts, investments, pension savings, etc.) and physical assets (mainly housing and cars). These are measured in dollars.

The other measures shown are social capital (contacts and relationships) and human capital (taken in this illustration to refer to skills, knowledge, aptitudes, and abilities). Think of an index that compares Olivia at different points in her life to a national life-time average of all Canadians.

A key message that emerges is that, at least for Olivia, most of her assets grew over the course of life and were highest after the age of 50. Social capital is the exception where she had strong networks when she was young and, again after the age of 50.

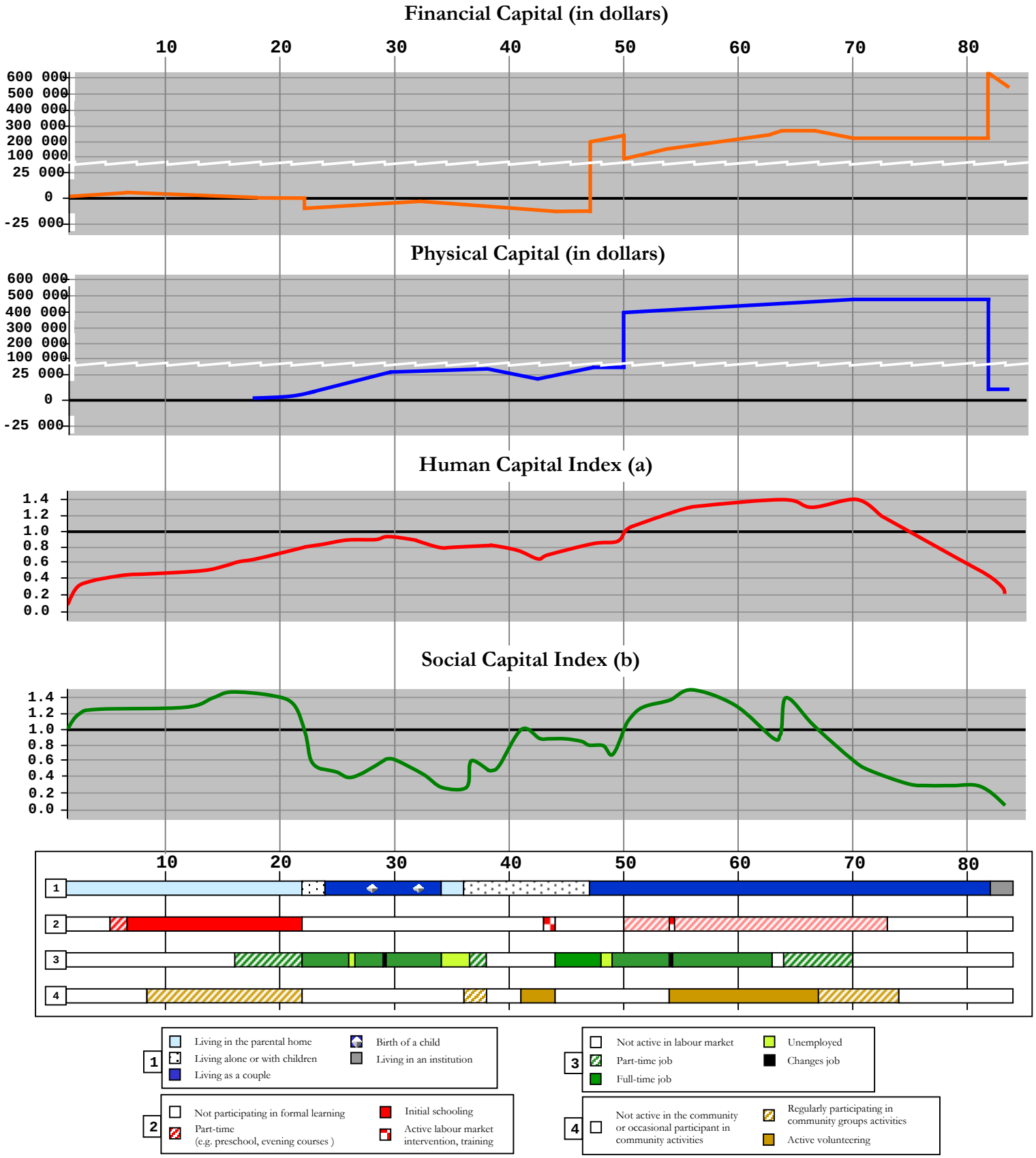
The analysis does not include any data on Olivia's financial and physical assets until age 20. (Her parents had assets but, for simplicity of presentation, her share of those assets is not shown.)

- There was deterioration in her human and social capital later in life, reflecting the death of her husband and retirement from both work and voluntary organizations. However, at least in Olivia's case, there was no deterioration in financial assets. She lived modestly on public pensions, and drew down little of her private pension's wealth. She received no significant inheritance when her husband died, apart from his pensions and his share of the house.
- Sudden shifts in her resource position came when she married at age 47 and her husband's pension and other savings became a shared resource, and from a large shift from financial to physical assets when they purchased a house at age 50, and a comparable shift the other way when she sold her house before entering a nursing home late in life.
- Social capital was high when Olivia was young, with strong family bonds and many contacts in school and community. When Olivia graduated, that capital declined as she had few contacts at work or in her new neighbourhood. There were large fluctuations during the period in her late 20s and early 30s when she was out of work, moved,

and separated, living with her parents and then alone with her young children. She lost social capital associated with work and neighbourhood contacts, but later gained new social capital through her increasingly active role in the community during the later part of this difficult period.

As before, because the framework is based on consistent data at the individual level, there is much flexibility in adapting the analysis to particular applications. How do at-risk groups differ in the balance of assets they hold over the course of life? Do baby boomers have similar patterns to older cohorts?

Figure 8 – Building up and depleting assets over the course of Olivia's life



(a) Human capital in this table refers to the stock of people's skills, knowledge, aptitudes, and abilities, with the index showing the relation to the average skills of all Canadians, averaged over life. Values of less than 1.0 show skills that below this average, while values of 1.0 or higher indicates that Olivia's skills at that point in her life are equal or greater than the average.

(b) Social capital in the table refers to the stock of Olivia's contacts at any point in time, weighted by the significance of the network of which those contacts are a part. The same approach as in human capital is used to calculate the index .

2.6 Putting it all together

As the framework develops, it will be important to also develop measures that summarize Olivia's perceptions of her life, her worries and expectations as she goes through life. Many of her main concerns will not be about herself, but rather about the lives of others – how her parents are faring in their old age and, particularly, how her children are doing and what kind of life they face. The framework has the potential to make this kind of intergenerational linkage.

Figure 9 puts the discussion to date in one chart. It provides the detailed background needed to support an analysis of how well Olivia is doing – her sense of well-being and security. It is a chart for policy analysts only, and a complicated one at that. It highlights the importance of transitions. To this point, transitions and stages within each of the life-course trajectories have been taken separately. However, many challenges for policy arise when difficult transitions take place in several trajectories at about the same time in the lives of individuals, for example when a marriage breaks down, the loss of a job and the birth of a child happen in a relatively short period of time. Most policies address problems that occur in a single trajectory – education policy, health policy, employment policy – yet the need is typically greatest when problems have multiple sources.

Figure 9 illustrates one type of analysis that becomes possible. It examines how several factors can act in combination over the life course in a way that might require policy action.

- The centre of the figure shows the familiar example of Olivia's participation in four life-course trajectories.
- Above those trajectories are her patterns of asset-holding over her life – financial, physical, human, and social capital resources. These are taken directly from Figure 8.
- The chart also shows main transitions in Olivia's life, including transitions that occur in different trajectories at about the same time. Increasingly, policy literature is concentrating on the importance of policy in providing people with the resources to make these transitions successfully. The small Ts show main transitions within each trajectory. The large Ts are transitions that occur on more that one trajectory at about the same time – often associated with stress in people's lives. Collective supports may be most often needed to support these big T transitions.
- Background shading indicates the extent of heavy stress in Olivia's life – periods when there are time conflicts across the trajectories. Time crunches are alleged to be a major source of stress.
- Figure 9 shows a fictional story to illustrate Olivia's sense of work-life balance (using a time crunch as a proxy measure) and well-being over the life course. Given there are no longitudinal indicators for well-being and time crunch available, it is impossible to profile, monitor, and understand factors affecting the evolution of well-being and

perceptions or ability to manage the time allocation over the different stages. Olivia's sense of well-being and time crunch profiled in Figure 9, although purely fictional in the sense of not being empirically based on longitudinal data, is however consistent with point estimates provided in the General Social Survey (1998)[1] on the response of an average individual's well-being and time-crunch indicators in specific life events.

The figure is overly complex, but a patient reader will be able to see how it illustrates the multiple challenges Olivia faced during her 30s: major transitions, high time stress, and low levels of all forms of assets (although social capital did grow with major fluctuations during this period).

Figure 9 shows that, in her 20s and early 30s, Olivia experiences a significant increase in time crunch as she first enters the labour market as a young adult, followed by the birth of her children at ages 28 and 32. Olivia's well-being shows a much more muted increase during this period, primarily due to the change in her marital status (from single to common-law relationship).

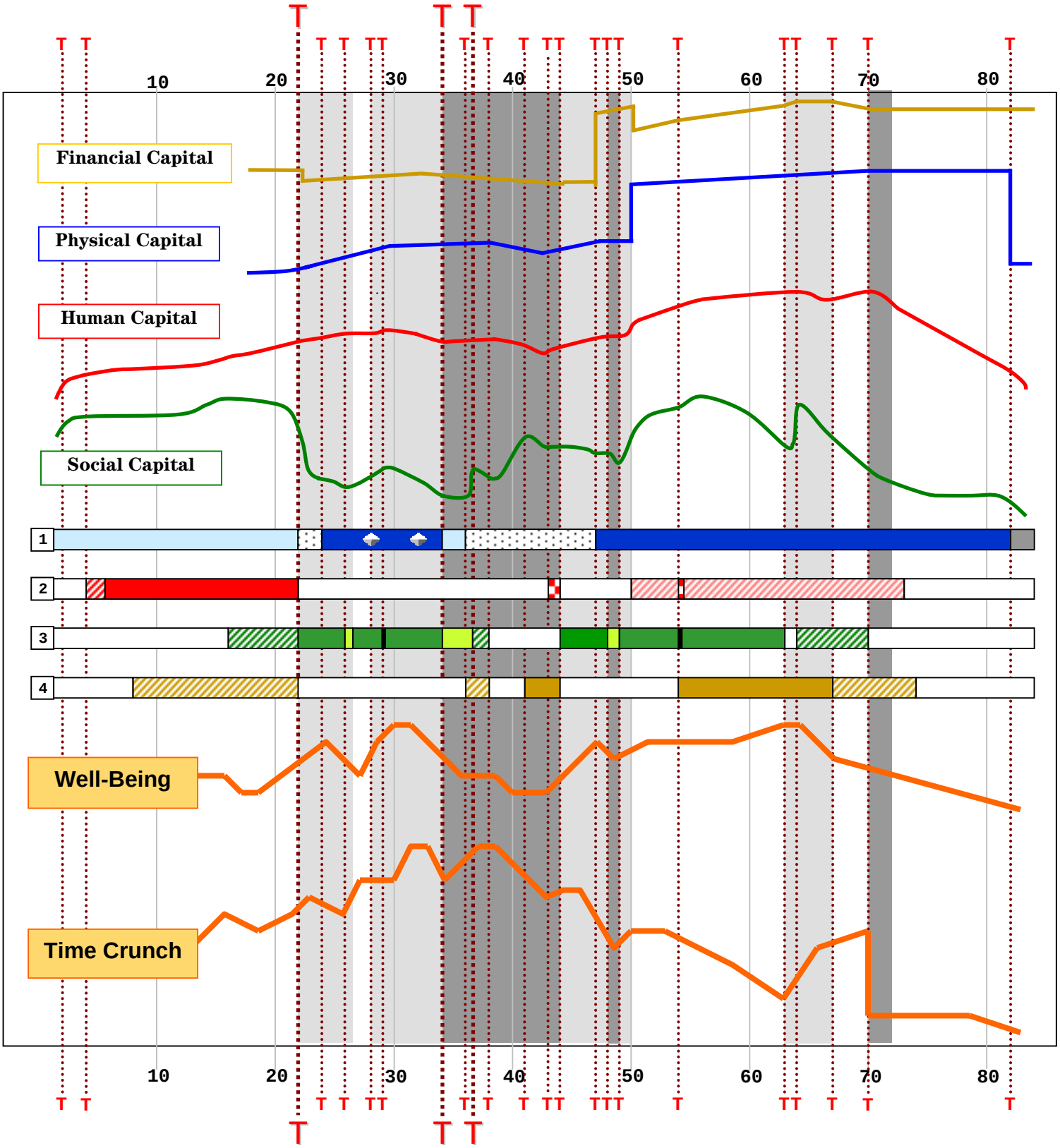
In her mid-30s, Olivia splits up with her partner and leaves the labour market as a full-time employee. Time crunch during this period remains high, because of her child-care responsibilities, except for a short period when she leaves the labour market. However, these two major transitions, a change in marital status (from common-law relationship to separated) and employment to child care/unemployment, have a significant adverse effect on her well-being for the next decade.

As Olivia's children grow older, her sense of time crunch gradually diminishes. This process begins in her early 40s and continues for the next several years. Another episode of unemployment at age 48 results in a sharper drop in her time crunch. Through her 40s, Olivia experiences a gradual improvement in well-being as she first finds stable employment, and then marries. And apart from an episode of unemployment, her well-being continues to improve gradually through her 50s.

At retirement, the time crunch drops significantly for Olivia, but then due to new caregiving responsibilities for her ailing spouse, the time-crunch factor rises substantially. At 70, the death of her spouse results in a sharp decrease in her time crunch. Olivia's sense of well-being plateaus in her early retirement, but her spousal caregiving responsibilities erode this well-being, which declines further when she becomes a widow.

[1] General Social Survey Cycle 12 (1998) was used for this analysis. "Time crunch" is a count of the number of instances where survey respondent's cited time pressure to a maximum of 10. "Well-being" is proxied here by a variable measuring life satisfaction on a scale from 1 to 4 (from very dissatisfied to very satisfied). Multivariate analysis was used to gauge the magnitude of various discrete life-course states on both time crunch and well-being. This was done to suggest limits and relative magnitudes of the life-course transitions in Olivia's hypothetical life course.

Figure 9 – Transitions, pressure points, resources, and well-being over the course of Olivia's life



3. Using The Framework to Describe Policies

The framework describes those aspects of society of greatest interest to social policy. It can also be used to describe the policies themselves – their ultimate goals, policy outcomes and outputs, and the mandates of organizations involved in the delivery of social policy.

3.1 Describing ultimate goals of policy

At the highest level of generality, the goal of social policy can be stated in terms of supporting individual well-being. It is possible to measure individual well-being through surveys of attitudes and opinions where people report on their satisfaction with life. However, it is difficult to translate these very general perceptions of well-being into policy action. It is useful to decompose perceived well-being into components that policy can do something about.

Our reading of the literature suggests that determinants of overall well-being can be organized under the following categories.

- The health of individuals. The health dimension is an important gap in the framework presented here. However, we anticipate that health topics will fit particularly well in the framework.
- The inclusion of individuals in the institutions of society, defined broadly to include access to goods and services, labour markets, community institutions, government policies, and a wide variety of networks.
- The quality of the society people are included in – its material prosperity, level of equality, diversity, sustainability, etc.

Social inclusion

Recent literature suggests the individual social well-being goal is typically now being framed around the core concept of *social inclusion* – a situation that exists when everyone can participate as valued, respected, and contributing members of society.

There are many variants in terminology. The inclusion variant is most useful when thinking about preventive policies – minimizing the risk of people becoming excluded. S*ocial exclusion*, the flip side of exactly the same definition, is more useful in thinking about policies intended to help people already excluded.

Sometimes, the policy literature has extended the term *poverty* to cover almost the same concept as social exclusion. Poverty, for example, is increasingly seen in terms of access to the wide range of resources needed to maintain an adequate level of material well-being over life and to allow full participation in social institutions. In her work for the PRI project on the normative underpinnings of

policy, Eliadis refers to the "nexus of poverty and exclusion" – concepts very close in meaning, but with poverty putting the emphasis on the lack of resources, and exclusion putting the emphasis on more normative aspects related to segregation and discrimination.

At other times, terminology puts even more stress on the importance of active inclusion in the various dimensions of society. For example, the phrase *active society* had some currency in the 1980s. It implied that an active life in society was better than a more passive life.

In other variants, more emphasis is placed on opportunities to *develop human potential*, while in still others the emphasis is on inclusion as flowing from human rights, dignity, and citizenship. The citizenship terminology is used most often to emphasize the role of mutual responsibilities. The concept of *shared citizenship* is a recent theme that marries the individual and collective goals of society. *Social citizenship* is a similar concept, and particularly useful in taking a broad picture of social development that places weight on the normative basis of social policy and the importance of the two-way flows of resources between individuals and the institutions and networks of society.

A key theme of social policy is to insure against *risks* people face over the course of their lives: health risks, losing a job, or maintaining living standards in old age. Increasingly, policy is also concerned with increasing the *choices* people have as they go through life's main transitions. Policies help protect against the insecurities that inevitably arise when people face unknowable future risks, and they help people exercise greater control over their life choices, including those that occur unexpectedly.

However, risks, choices, inclusion, belonging, social citizenship, dignity, and other concepts are different ways of looking at the same thing – the mutual flows that exist between the individual and the institutions of society throughout life. To understand what is really going on, it is necessary to examine these flows in detail. For example, the concept of exclusion needs to be broken into its component parts, that is, a subdivision of those things from which people are excluded. At this more specific level, we can see a meaningful link between ultimate goals and actual policy instruments and mandates, fighting:

- market-based exclusion from an adequate level of goods and services (e.g., income support policies);
- market-based exclusion in the labour market (e.g., labour market regulation, active labour market programming);
- family-based exclusion from normal family relationships, increasingly two-earner families with income and wealth pooling within the family (e.g., laws related to marriage obligations, child tax credits, child care);
- exclusion from adequate and affordable housing;

- exclusion from access to the arm's length sector (e.g., no fees for medical insurance, student aid);
- exclusion from the community (e.g., support of the voluntary, cultural sectors, immigrant settlement, adequately provisioned and safe neighbourhoods);
- exclusion from government (e.g., encouraging voter participation, citizenship feedback, etc.); and
- exclusion on multiple fronts (human rights legislation, anti-discrimination promotions).

The list uses the negative formulation of fighting exclusion among those who are already excluded. In addition, a parallel set of goals exists for promoting inclusion (so future exclusion is minimized).

Inclusion with all its variants and subdivisions comes down to a simple matter of participation and non-participation in society, and the resources that allow or prevent such participation. The framework, including its information on reasons for non-participation and satisfaction with participation, is therefore tailor-made to describe the central policy goal of inclusion.

The quality of society

If the individual goal is participation (or minimizing involuntary non-participation), the collective goal relates to the kind of society and institutions we want to have in place. Our reading of the literature suggests several overlapping but still quite distinct societal goals.

- *A prosperous society*: A high level of material well-being. This is typically measured by gross domestic product (GDP) per capita.
- *An equal society*: Especially equality of opportunity and access to the means of fully developing one's capacities. More traditional concepts, such as the income gap between the rich and the poor, are still very much relevant, but are increasingly seen within this larger life-course frame.
- *A diverse but cohesive society*: A society where people with diverse individual characteristics (language, race, immigration status, gender, people with a variety of physical and mental strengths and limitations, etc.) can play a full role in a rich variety of social institutions and networks, including cultural institutions.
- *A sustainable society*: The well-being of future generations has been a central policy concern in recent years, particularly in light of the coming retirement of an aging population. Often, this has been captured in fiscal terms – reducing the debts that must be paid by future generations. Increasingly, it is also seen in terms of the stock of human

and social capital, and the stock of social infrastructure being passed on to new generations. Another emerging theme centres on a sustainable social policy architecture that facilitates a constructive evolution of the roles of governments, families, and the many other social institutions and networks that play an intertwined role in supporting social well-being.

As was the case of individual goals, nearly all the collective goals can be empirically described using the proposed framework, and progress toward meeting those goals can be measured to the extent that the framework is itself supported by comprehensive data.

- Measures of material well-being can be directly obtained from information on the flows of goods and services.
- Measures of equality can be derived mechanically for virtually all the flows and stocks shown: income equality, consumption equality, wealth equality, skills equality, etc. Because the data are available over a lifetime, it is also possible to examine equality of opportunity and some aspects of equality in living up to potential (i.e., to the extent that information about parents, early childhood, education, family circumstances, and other captured characteristics provide good proxies for human potential).
- Measures of diversity can be obtained directly from an analysis of participation and non-participation, provided a rich variety of individual characteristics is captured by the framework.
- Measures of sustainability result from analysis of direct flows to and from individuals of different generations, and from calculations of winners and losers by cohort of various financial and other flows.

3.2 Describing mandate statements

Virtually all the statements of mandate relating to social policy – either of particular policies or of the collections of policies that comprise an organizational mandate – could be readily described using the language of the framework. At root, they all have to do with the participation and non-participation of individuals in social institutions and networks, the flows of support from individuals and those institutions and networks, the range of resources people have at their disposal throughout life to support that participation and the characteristics of the individual beneficiary of the program.

- Organizations with an income security mandate tend to use concepts, such as poverty or material well-being, in describing what they do. In framework terms, that is translated as fighting exclusion from access to goods and services. Often, the mandate is limited by type of resources provided (social assistance or tax credits) or by the type of individual considered (e.g., Aboriginal people or seniors).

- Similarly, organizations promoting a "sense of belonging" could also express their mandate in the language of participation in social institutions and combatting involuntary non-participation.
- In some cases, the mandate can be cast in terms of regulating or supporting other organizations to, for example, prevent a particular form of exclusion from arising in the first place.
- In other cases, a single policy can address a range of objectives. Successful employment policies, for example, reduce exclusion from the labour market and provide people with the earnings to reduce exclusion from access to adequate goods and services, and, indeed, many other forms of exclusion.

3.3 Describing policy inputs, processes, outputs, and outcomes

In addition to supporting organizational policy mandates, we need a framework that describes the actual content of the policy and what it is accomplishing.

- *Policy inputs*: Figure 1 illustrated that inputs and outputs are not only in the form of money flows. Inputs include the time and skills of those who administer the policy and information from the participating individual. Non-governmental institutions can receive inputs (or constraints) in the form of regulations or financial support from government. Figure 1 is, however, overly simplistic in that it does not show other flows among the various institutions, such as information on the views of the community on best ways to deliver services. That information would be part of a full framework.
- *Processes*: The framework would call for institutions, including programs, to be classified and coded in multiple ways. Classification of what policies and programs actually do is presently weak. In some cases, such as for income security transfers, the process is reasonably obvious. In other cases, such as with many employment and social services, there is little consistent information on what is actually going on within the program. That is an essential gap to fill for consistent sharing of good practice and assessments of what is working.
- *Outputs and efficiency*: Figures 1 and 2 show outputs, the actual kind of support that flows to individuals, and the regulations and supports provided to other partners. Efficiency is simply the relationship between inputs and outputs.
- *Outcomes and effectiveness*: Outcomes are the ultimate effects of the policy in meeting the policy goals described in the earlier sections. Effectiveness is the relationship between inputs and outcomes, taking account of the interaction with other flows. In assessing policy outcomes, it is essential to recognize that policy outputs are substitutable. If income is provided from one source, it may not be needed from another source. Provision of physical resources, such as

social housing, may result in less spending on financial transfers such as social assistance. An employment policy that offers job search training might reduce the need for other policy outputs such as direct transfer of funds through employment insurance or social assistance.

As noted, policy inputs, processes, and outputs flow directly from the framework, although considerable effort would be needed to collect the needed information in relation to policy processes and, as noted earlier, for some types of outputs, such as information outputs.

The situation is not as simple for policy outcomes. Ultimate goals and immediate policy outputs can be measured directly from the framework. However, the linkage between outputs and ultimate goals is highly complex. The diagrams used to illustrate the framework show that this complexity is rooted in a huge number of interacting flows (policy outputs being only one such flow) involving many social institutions.

The framework, once developed with actual data, would increase our capacity to examine these interactions and, hence, assess policy effectiveness. However, we are a long way from being able to make simple, unqualified statements about policy effectiveness in most areas of social policy. This is explored in the next section.

4. Implications for Policy Analysis

Suppose that, after several iterative rounds of consultation and improvement, a consensus emerged around the usefulness of a framework along the lines proposed. Let us also suppose that, with much effort and time, we were to develop the needed data and analytic tools to allow quantitative descriptions of significant portions of the framework.

Given that leap of faith, what difference would such a framework make to the process and substance of social policy making? What are the implications for:

- the analysis of strategic approaches to policy making – grand designs versus incremental change;
- measuring effectiveness;
- analyzing changing needs, pressures, and opportunities;
- policy design and delivery;
- using common terminology; and
- analyzing policy architecture – who does what in the social policy world – and the means of establishing harmonious relations among the players.

4.1 Implications for strategic approaches to policy making

Some policy advisors advocate big bang changes. Others advocate maintaining the status quo until there is overwhelming need for change. Big bang changes took place in the 1960s and '70s when the present structure of social policies was introduced, while most changes in recent decades have been incremental. (The differences can be exaggerated of course. The big bang changes actually took many years to introduce, and the more recent incremental changes have had quite a large accumulated effect.)

The issue is of interest today since some argue that the welfare state structure put in place in the 1960s and '70s has run its course, that new measures such as guaranteed basic incomes or a radical realignment of social assistance and employment insurance, need to be put in place. Years of incremental change, some argue, have resulted in a system that is impenetrably opaque. Other policy analysts, perhaps thinking of the complex equilibrium of flows illustrated by the figures above, are concerned that major changes could easily have unintended harmful consequences.

A quantified framework would not result in automatic decision making, but it would reduce the apparent tension between these two strategies for change. Because the framework would greatly increase transparency about actual flows in the system, it would reduce, at least somewhat, the opaqueness of the existing incremental approach. And that same information about flows should considerably reduce uncertainty about the unintended negative effects of big bang changes. One could create reform scenarios – both with big and small changes – where effects could be much better analyzed.

Since the tools would be there to allow a better assessment of a much wider range of policy options, in practice, policy agendas would most likely contain a much wider range of strategic options for explicit consideration.

4.2 Implications for analyzing effectiveness and knowing what works

The end of performance measurement as we know it today?

The framework is bad news for those who yearn for a simple, rationale analysis of policy effectiveness. Some of the policy discussion on performance measurement and social indicators seems to be built on the assumption of a neat hierarchy of inputs, outputs, perhaps several levels of intermediate outcomes leading up to a single overall policy goal. This hierarchy could be used to calculate measures of efficiency and effectiveness, and to set targets which could be subsequently monitored through social indicators.

The truth is we are very far from having the measurement tools that would allow such simple approaches to work. The essential reality that the framework illustrates is one of huge complexity.

The dawn of a new era of sophisticated, empirically driven policy making?

This is not to suggest that measuring policy effectiveness is impossible. Some program evaluations and experiments using randomly selected control groups can do a good job of measuring outcomes, although they are rare and it takes years to get results.

On the other hand, some high-level social indicators can do a good job of pointing out current changes in society that are relevant to policy, but it is practically impossible to link changes in those indicators to any particular program.

Far better measures of effectiveness would be possible if we had a measured framework. We could then draw on (and greatly strengthen) the best of existing social indicators and approaches to experimentation and evaluation. Indeed, a mature framework would mark a new era in empirically driven social policy.

- The system would be supported by a database that reflects the true complexity of the social policy world.
- The system would take account of what is actually happening in programs, promising a revolution in our capacity to share experiences of what is working and what is not working, particularly for policies that support people in making life's transitions.
- There would be numerous indicators on which to draw, as opposed to the handful today. The selection of indicators would be a matter of choice, with different but comparable indicators chosen depending on the application in question. The analogy is with data flowing from the System of National Accounts and the Labour Force Survey. One can pick indicators such as GDP per capita for the unemployment rate for some purposes, or employment/population ratios and inflation indicators for other purposes. And these measures can be changed as required without any loss of continuity, unlike most of today's predetermined indicators.
- The same system of measure can be used to produce measures of expected outcome both at the micro level (the expected outcomes for a single individual associated with participating in a single program) and at the macro level (effectiveness across the system as a whole).

There is no perfect solution to the problem of linking specific policy outputs to higher-level outcomes and goals. But the framework offers the possibility of radical improvements over what is now possible.

4.3 Implications for analyzing future policy needs, pressures, and opportunities

The framework can help in analyzing pressures that are already on the policy agenda as well as unforeseen needs and opportunities.

A list of medium-term pressures and opportunities for social policy was developed in conjunction with the PRI projects. The best evidence today points to the importance of the following drivers of social policy over the coming five to ten years:

- population aging and life-course flexibility pressures;
- skills and human capital pressures and opportunities;
- the persistent problem of persistent poverty;
- spatial issues; and
- precarious work and precarious families.

Population aging and life-course flexibility pressures

Unless changes occur, the retirement of the baby-boom generation will substantially increase society's spending on older people after about 2011. Diverting expenditures from other age groups to meet these spending needs seems almost inevitable. There will be relatively fewer hours worked in the economy resulting in potentially large economic and fiscal consequences.

However, our analysis shows the challenge can be transformed into a win-win opportunity by taking a life-course perspective. There is a huge pool of under-utilized time in retirement that could, if better allocated across the course of life, result in major social and economic gains. The negative economic consequence of population aging could be minimized or overcome, and important gains in caregiving and lifelong learning seem realizable. The potential outcome is being rigorously examined in the PRI project, Population Aging and Life-Course Flexibility, using Statistic Canada's LifePath micro-simulation model, a prototype of a model that will make possible the kind of analysis proposed by the framework. The analysis of results from the model also points to new problems of exclusion that may arise if the norm shifts increasingly to flexible working arrangements and a later, and more gradual, transition to retirement. People with low skills may find it very difficult to make use of that greater flexibility. They may not be able to work longer in practice and will lose relative to those who can. The new framework will allow assessment of positive and negative impacts, taking lifetime histories into account.

Skills and human capital pressures and opportunities

The present policy emphasis on skills and learning, including early childhood development and mid-career training, is almost certain to continue into the medium term. Quite apart from the role of skills in supporting innovation and competitiveness, lifelong learning is the obvious solution to the problem

described above of potential negative impacts among those who do not have the skills to work longer in life. Skills and learning are classic social investment policies where we operate on faith that there is a strong link between investments in learning now to get individual and collective payoffs in the future. Faith is needed since we have very limited means of assessing what kinds of investments get what kind of future returns.

The proposed framework is designed to shed light on this sort of social investment problem. It will allow us to examine the kinds of participation in skill-producing activities associated with skill-using activities later in life. The framework also allows human capital to be examined in conjunction with other assets, such as social capital.

The persistent problem of persistent poverty

The PRI project, New Approaches to Poverty and Exclusion, built heavily on dynamic data on low incomes that have recently become possible through new longitudinal data sources. The basic finding is that most spells of poverty are relatively short, but there are important pockets of long duration poverty in five groups in society: Aboriginal peoples, people with disabilities, single mothers, unattached middle-aged people, and recent immigrants. However, existing analytic tools are clumsy and of limited use in understanding why a minority of people in most at-risk groups are actually poor, while most are not.

Once again, the framework, with its focus on participation over the course of life, and on transitions and multiple resources, seems to be almost an ideal tool for analysis of persistent low income. For example, many observers believe a key reason for the lack of success in addressing persistent poverty lies in an inability to take account of multiple resource deficiencies and strengths, and of the interactions among people's resources over the course of their lives.

Spatial issues

Geography and mobility have received increasing attention on the policy agenda. That attention is likely to continue into the medium term. These include issues of mobility to and from poor neighbourhoods, the mobility patterns of Native people to and from reserves, the geographic patterns of the concentration of recent immigrants, access to post-secondary education among low-income people in areas not served by colleges, the decentralization of services, the role of communities and municipalities in the policy process, and the deterioration of community infrastructure, to name a few examples.

It is not that these issues are new. Rather, there is a growing sense that somehow we are not taking them adequately into account in policy making. During our research, we saw many statements to the effect that, since policy is taking place in particular spaces, it is important to understand the consequences of geography

and community. However, there are few statements about exactly what it is that the spatial dimension can add.

The problem is that existing analytic tools do not allow us to probe how space matters in the complex web of resource flows set out in the framework. The proposed framework, which allows for geographic analysis, will certainly help in understanding policy implications. The framework, with its rich data on participation and resources, is likely to show that space does matter – probably a lot more than the existing evidence would suggest. It is hard to imagine that social well-being is the same for people who spend many hours a day commuting as it is for those who live near their work and near community facilities. It is hard to imagine that living in high crime neighbourhoods does not matter.

Precarious work and precarious families

The linkage between bad jobs and bad family income is less direct than is often portrayed. Most people with low-paying jobs are not poor since they live in families with other earners. The working poor (measured using family income as the definition of poverty) are only a small fraction of the total employed. Raising minimum wages (unless by a very large amount) would have very little effect on reducing the number of working poor.

What does matter is the interaction of work, family, and individual characteristics. There is much more poverty among single-earner families than two-earner families. Changes in family living arrangements make a huge difference, as the Olivia figures show. Work-related disabilities do matter. The framework allows what is going on to be sorted out. For example, the PRI work with the LifePaths micro-simulation modelling tells us that workplace transitions have been reasonably stable in Canada, while the number of family transitions has shifted radically.

- For the cohorts of women born in 1920 and 1940, about 83 percent experienced the transition from being single to being married by the age of 31, with very few other transitions taking place. For the cohort born in 1970 there was far more heterogeneity and instability: 46 percent experienced a transition from being single to living common-law, 41 percent moved from being single to being married, 12 percent went from being common-law to being single, 10 percent of marriages resulted in separation, etc.
- On the other hand, there was relative stability on the job side. By the age of 31, men in the cohort born in 1920 had experienced about 18 job transitions (becoming unemployed or employed, changing jobs, etc.). These included transitions associated with seasonal work, summer jobs, etc. The comparable figure for the cohort born in 1970 was only a small increase to 22 transitions.
- Figures for men and women show about the same picture of job stability and marital instability.

Identifying new challenges and opportunities for social policy

The examples above showed how the framework could be useful in analysis of policy pressures that have already been identified. Its main power, however, is likely to be in identifying new pressures and opportunities.

Figure 7 is an example of the kind of analysis that is possible. Simpler versions of charts such as this could be devised that could become powerful analytic tools – particularly when based on projected future data for different population groups of interest to policy. They could help us explore where policy interventions may be most needed, and where existing policies may become less needed. These tools could be even more powerful if they included a health dimension (health or chronic conditions that limit activity in various life trajectories).

4.4 Implications for policy design and delivery

The framework, when implemented, would allow us to learn from the experience of other policies that are working or not working, and test policy options against measures of their expected effectiveness. For policies that involved providing tailor-made supports to individuals, such as many employment or social services, it would allow decisions on which services to provide to be made on the basis of calculations of what has worked best in similar circumstances in the past.

In essence, performance measurement, policy design, and actual delivery systems could be supported by the same empirically driven database. And, with each succeeding year, the base of information on what was working would grow. A virtuous learning cycle could be put in place.

The radical improvements that are suggested would certainly not be automatic. They would require a much higher level of information sharing among levels of government and non-governmental service providers than has marked social policy in the past. For example, it would require detailed standard coding of what actually happens in existing programs, when the present reality is one where even rudimentary data on programs is difficult to obtain on a consistent basis. However, these are problems to which solutions can be found. The establishment of an independent agency to collect health information may provide a model.

4.5 Implications for common terminology

Without agreed terminology, it is almost impossible to get agreement on practical policy implications. Policy discussions can spin on endlessly with people talking about different things. And policy is driven by its measured effects. If the measures are poor, the policy will get poor results. If there are no measures, there can be no way of ensuring accountability or responsible delivery.

Our conclusion, however, is that we need to start with the framework and then the measures. The definitions used in formulating the measures will be enough to ensure adequate consistency in social policy terminology. As shown in Section 3, existing differences in terminology often reflect different, and quite legitimate, perspectives on a very complex real world. It would be neither possible nor desirable to force a standard terminology until there was a common understanding of the framework underlying that complex world.

Indeed, a case can be made that, at the stage of policy discourse when we are dealing with broad future directions and large issues, terminology with multiple meanings can actually be helpful in developing new synergies and new coalitions of interest. The "common language" of current policy discourse, which is inevitably rooted in old ways of thinking and measurement, can be an obstacle to creativity.

- For example, important gains in understanding issues of disabilities and rights occurred when policy analysts "abused" ordinary dictionary definitions by claiming that social inclusion was a quite different concept than the flip side of social exclusion. The result was an important advance in shifting the emphasis away from seeing exclusion as a trait that belonged to the excluded person and toward seeing it as a problem with the society that did the excluding.
- Social cohesion, social economy, social capital, and social investment are all examples of fuzzy concepts with multiple meanings that have been used to escape the boundaries imposed by conventional language and measures. They have allowed us to think in a more integrated way about issues on immigration, multiculturalism, cities, citizenship, and national identity.

The problem with dialogues based on fuzzy language, however, is that it is hard to shift discourse to the next step of practical assessments of policy options. An agreed framework would allow real communication to occur at all stages of the policy process – including discussions of general goals and objectives, as was demonstrated in Section 3.

4.6 Implications for policy architecture

A framework cannot decide who should do what in the social policy area. What it can do is allow empirically based discussions of what is actually going on and how the policies and practices of one partner in the system are interacting with those of others. It can be used to show how initiatives by some can reinforce or offset the initiatives of others. Such information should help shape the practical evolution of roles and responsibilities.

In other words, the main architectural role of the framework will be in supporting harmonious relations among government and non-governmental participants in

the system. A useful review by the Canadian Policy Research Network of co-ordinating methods in Canada (the Social Union Framework Agreement), the European Union (open system of co-ordination), and the United Kingdom has shown that such arrangements tend to assume co-ordination can be driven by measures of outcome. The reality is that we now have very little capacity to measure outcomes. By greatly strengthening that capacity, the framework should be a major step in helping make organizational arrangements, such as SUFA, to realize their potential.

Further, the process of consultations on the content of the framework and its measures could, in itself, be a powerful and non-threatening tool in strengthening channels of communication among the many players in the social policy world.

4.7 Implications for public communications and consensus building

This paper has been directed to policy analysts. Many of the figures and examples are complicated. However, the framework does allow powerful storytelling about social policy and its importance in the lives of real individuals. It allows us to move away from generalities and have policy discussions focus on understanding the real problems facing people, such as Olivia (and other typical lives that can be constructed). It can show how policy changes might actually affect those lives and provide a sense of what would really make a difference. This can be a powerful device for building understanding of the challenges facing social policy and for building consensus around needed directions of policy change.

5. Implementation

Our goal has been to describe a framework that can be used over the next several years and could grow steadily in usefulness over the next decade, provided the needed development work is funded and the necessary processes are put in place to gain consensus around content.

At about the 10-year point, the framework could operate more or less as described in Section 2. But significant progress would be possible in the next two or three years. There would be much fine-tuning even after 10 years. Many gains would only be fully felt after a longer time series of new data became available or after longitudinal surveys covered longer periods of the lives of respondents.

Other countries are also pursuing similar directions, but this pace would restore Canada's position as world leader.

5.1 We are much closer than is commonly realized

The broader policy community is not yet fully aware of the large gains of the last decade in creating meta-data and undertaking meta-analysis. These techniques

allow for data collected for quite separate purposes, and using quite different methods, to be used together in combined applications.

For example, the Statistics Canada's LifePaths micro-simulation model draws together data from the census, the Labour Force Survey, longitudinal data from surveys and administrative records, and other sources to create a synthetic database that traces the lives of "synthetic" Canadians throughout their lives. It is driven by complex equations that provide powerful projections into the future.[2] Synthetic means the database contains information about "artificial" individuals who, when combined in analysis, have the same characteristics as the real Canadian population. That is, we can analyze right down to the finest level without any concern about privacy. Earlier, we used the life course of Olivia as an illustration. But the Olivia in the database is not a real person, she is a synthetic construction to support analysis.

Techniques such as the LifePaths micro-simulation have only become possible in recent years as a result of huge increases in computing power that have only recently become available. The computations required for these techniques are astonishingly complex compared to those used in traditional analysis, but the needed computing power now exists. The techniques are certainly not yet as user friendly as they will be after several more years of development, but they are already in place and are being used in the PRI projects.

5.2 Areas where new research and development is required

Meta-analysis requires original data that actually exist. And, there are a number of key areas where research and data development will be required, many of them referred to earlier in the text. The list would include the following.

- Develop more complete measures of skills and human capital. There have been major recent advances in consistent measurement of skills, many of them Canadian-driven initiatives that have been used in international surveys. But the work is far from complete.
- Measuring social capital and information resources is at an even earlier stage of development and will require much developmental work, including at the conceptual level. What are the flows associated with stocks of social capital (time and information)? Does this parallel the flows for human capital (time and skills)? How does this relate to

[2] Improvements in micro-simulation modelling are one half of the story for making projections. There have also been improvements in macro-economic modelling as it relates to social issues. Macro-economic modelling can estimate feedbacks on behaviour that result from changes in markets. Macro-economic modelling can also help in estimating the effects of possible policy changes. The ideal would be to use both kinds of modelling together in the same applications. There is much potential for this and, indeed, the PRI work has taken the first steps in this direction. While there is a long way to go, recent progress suggests the possibilities of quite dramatic improvements in our modelling capacity in the coming years.

health flows? These are tricky questions; but answering them need not hold up development of other parts of the framework.

- Develop consistent ways of measuring reasons for non-participation. We already have many measures. Health and disabilities surveys use different ways of measuring physical and mental barriers to participation in the activities of daily life. We invented the modern concept of unemployment (actively looking for work in a fixed period) to provide a market-based measure of non-participation in employment. Other surveys record a range of specified reasons for non-participation in various activities, such as voting or community service. What is needed is a process that will bring consistency.
- Similarly we need a consistent battery of questions to measure satisfaction with participation in various activities of life. The questions are routinely asked, but there can be little confidence at present that they are all measuring the same thing in a consistent fashion.
- Time use data similarly need to be brought to a consistent basis, including issues around coding multiple uses of time. We now use many methods including a detailed battery of questions around participation in the labour market, more finely grained surveys of the details of what people did on specific day, and various measures of the frequency of participation in various social institutions and activities.
- There are many practical issues around the linkage among families, intergenerational transfers, households, and geographic mobility that need to be worked out.
- A big task will be to find better ways of describing social institutions, including policies and workplaces. The new employment and workplace survey provides a basis for describing what actually happens in workplaces. As noted, we need more consistent ways of describing market and non-market overlaps, such as the social economy. Much work is needed to develop more complete ways of coding what happens in government programs.
- More work needs to be done in developing "what works" effectiveness measures for employment and service interventions. This was an area where Canada once led the world and where it is not too late to restore this position.
- Health-related matters need to be incorporated in the framework.

5.3 What data would need to be collected about individuals and institutions?

The framework requires consistent ways of describing individuals, social institutions, and resources.

It should not be difficult to develop standard ways of describing most institutions and resources, at least at the conceptual level. The biggest problem is likely to be the development of measures that describe people's attachments to various kinds of social networks and non-market institutions, and to find a consistent way of describing flows of information resources and caregiving resources. For example, what are the actual measurable stocks and flows associated with social capital? The work on the measurement of social networks in the context of the PRI project on social capital should help us answer such questions.

The framework relies heavily on consistent ways of describing individuals and, indeed, attributes the descriptions of institutions and resources to the individual. For example, Olivia's individual "file" contains descriptive information about her employers and about the social programs that provided her with benefits. What are the other characteristics of individuals that should be captured in the framework?

First, enduring or evolving characteristics may be of interest to social policy primarily because they may contribute to exclusion (lack of full participation) or because they allow analysis of groups of policy interest (such as by geographic location, age, or gender). When taken in combination, they may work in the direction of preventing people from living a full life in society and from developing their individual potential. These characteristics include:

- date of birth, gender, place of residence when young;
- race and ethnicity, Aboriginal status, immigrant status, language of birth;
- characteristics of parents when the individual was young (e.g., various measures of their socio-economic status);
- values and religious beliefs;
- basic skills, including languages spoken; and
- persistent obstacles to full participation including some forms of physical and mental disability.

More transitory characteristics that can be important contributors to exclusion include:

- sickness status; and
- victimization status.

There is nothing new on the list to this point. These data have often been collected for many years (although not always fully or regularly). Characteristics that flow more directly from the framework include:

- the number and type of institutions/networks in which the individual participates;

- time spent in those institutions/networks including duration and sequencing (e.g., participation in the labour market, which would include hours worked and the overlaps/sequencing of time spent in work with time spent in other institutions of society, such as family, schools, and community);
- reasons for non-participation to get at the voluntary-involuntary dimension;
- satisfaction with participation;
- flows of resources to and from the individual and the institution (Flows of time, money, goods and services are routinely captured, but considerable development work might be needed in other areas, such as flows of information, skills, and learning.);
- spatial dimensions associated with participation (where the institutions located, transportation and commuting information);
- individual assets that result from participation in the main institutions of society – family, education, work – and that typically endure throughout later stages of life including skill levels and educational attainment (which flow in large measure from participation in the institutions of formal learning and the labour market);
- contacts made through social networks; and
- housing and financial wealth.

Most of these items are quite familiar. Much of the data have already been collected in the labour force survey, in surveys of adult literacy, in time-use surveys, and in various health and disability surveys. The real challenge is to bring the data together in a way that allows integrated, longitudinal analysis.

In addition to conceptual development, much practical data collection is needed. For example, we need a longitudinal survey that follows people from the working years to their retirement years. Information on personal wealth needs to be gathered at regular intervals. The General Social Survey does a good job in exploring many new areas, but much more could be done, if the resources were in place. Micro-simulation and other forms of meta-data and analysis need to be strengthened.

This can be seen as a formidable list. And it is. However, we are building on considerable strength. In fact, there has already been much development in many of these areas over the past decade, although usually as separate initiatives. To a large extent, it is a matter of providing a framework that will harness existing efforts.