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Analyzing the Poverty Reduction Effectiveness of the Canadian Provinces: Do Political Parties Matter?

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The implementation of the Canada Health and Social Transfer in 1996 marked a new era for the Canadian welfare state, as greater discretion in the area of social welfare policy and programming was granted to the provinces. In this study, the authors analyzed nationally representative data to determine if the governing provincial parties, characterized by distinct ideological and party platform positions, differed in regards to their poverty reduction effectiveness during 1996-2005. The authors' analysis yielded no differences between the governing provincial parties in terms of their poverty reduction effectiveness. The study's implications for future research, including research on subnational variation in social welfare policy, are discussed.

Key words: devolution, poverty reduction effectiveness, political parties, provinces, subnational

Canada is a nation whose political system is predicated upon federalism, as its Constitution provides the formal authorization for the existence of a centralized federal government and 10 provincial governments. While the authority for

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social welfare is shared between these two levels of government, primary jurisdiction lies with the provinces (Armitage, 2003).

In 1996, the marked influence of neo-liberalism within Canada was apparent as the Canada Health and Social Transfer (CHST) replaced the Canada Assistance Plan (CAP), thereby ushering in a major change in how the costs of various social programs were covered. Under CAP, the federal government and the provinces utilized an open-ended matching grant system by sharing on a 50–50 basis the costs to fund social programs, all of which were administered by the provinces. With the CHST, however, CAP was replaced by a block grant system in which the provinces were allocated a fixed amount of funding for delivering their social programs. This translated into a 15% decrease in federal transfers for health, postsecondary education, and social welfare programs (Gaszo & Krahn, 2008; Prentice, 1999; Weaver, 2000; Weaver, Habibov, & Fan, 2010).

Moreover, the devolutionary shift prompted by the CHST resulted in greater authority for the provinces within the realm of social welfare. Consequently, the provinces introduced a series of measures aimed at reducing the long-term costs of welfare programs. For example, in order to reduce welfare case-loads, provinces tightened their eligibility criteria surrounding the receipt of social assistance. There was a noticeable increase in case reviews and investigations into alleged welfare fraud, and life insurance policies and an increase in the value of a home while the owner received social assistance were factored in when computing the amount of benefits to which an applicant was entitled (Habibov & Fan, 2007; Hick, 2007; McMullin & Tomchick, 2004; Sceviour & Finnie, 2004).

Not surprisingly, this substantial change in the structure and nature of welfare programming prompted policy researchers to embark on scholarly investigations to determine how devolution and the concomitant increased emphasis on cost-cutting driven by neo-liberalism impacted the safety nets of Canadian provinces (Boychuk, 2006). For instance, Lightman, Herd, and Mitchell (2008), as well as Lemieux and Milligan (2007), focused on particular welfare reform strategies within specific provinces, while other researchers (Boychuk, 2006;

Habibov & Fan, 2010; Finnie, Irvine, & Sceviour, 2004a, 2004b; Roy, 2004) conducted interprovincial comparisons of welfare programs over time. While the above studies provide noteworthy contributions to the literature, they fail to address important areas that concern the policy community, including the ostensive reason for the existence of the programs, that is, their capacity to reduce poverty. Furthermore, they did not compare the influence governing political parties may have on the poverty reduction effectiveness of the specific provinces.

Even though the impact of governing political parties on the efficacy of states' social safety nets has been explored within an American context (Budge & Hofferbert, 1990; Dye, 1984; Lee, 2009), this area has been virtually ignored by Canadian policy scholars. Highlighting the gap in the current literature, Imbeau et al. (2000) report there is little "knowledge based on reliable quantitative measures of party influence in the Canadian provinces" (p. 789), including knowledge pertaining to the social welfare arena. Clearly, there is a need for interprovincial comparative research which could contribute "to the development of theories specific to subnational public policy" (p. 804).

It is this need that provided the rationale for this study. The research question this study addresses is as follows: Under the global neoliberal trend, did the poverty-reduction effectiveness of the Canadian provinces differ according to the political party that was in power within each province? In particular, the capacity of three major provincial social welfare programs to reduce poverty is assessed for each province across time. These programs are Social Assistance, Provincial Tax Credits, and Workers' Compensation. For all of these programs, each province established its own rules, including eligibility criteria and regulations for accessing and discontinuing the receipt of benefits (Habibov & Fan, 2007, 2008; Hick, 2007).

This study builds on our previous larger study, in which we detected noticeable differences in how the poverty reduction effectiveness of the provincial social welfare programs changed during 1996-2005 (Weaver, Habibov, & Fan, 2010). Consequently, this study, which also focuses on 1996-2005, seeks to determine if governing political parties accounted for this interprovincial difference in poverty reduction effectiveness.

Literature Review

There have been a variety of studies, some of which are couched within an international context, that consider the effects of political parties on various dimensions of policy development and implementation, including welfare programs. Brady (2003) conducted a panel analysis of 16 economically advanced Western democracies from 1967 to 1997 in order to see if political institutions largely informed by leftist ideology actually reduced poverty. The extent to which political institutions were informed by leftist ideology was measured by indicators such as proportion of parliamentary seats occupied by members of leftist parties and the proportion of the labor force that was unionized. The author concludes that the "most important conclusion to emerge from this study is that left political institutions greatly reduce poverty ... despite controlling for economic and demographic factors" (p. 14). He found that leftist political institutions in Western Europe and Australia evinced a stronger association with poverty reduction than did the Democratic Party in the United States, which is more associated with providing social welfare measures to the low-income population than its counterpart, the Republican Party.

Blaise, Blake, and Dion (1993) examined 15 liberal democracies with developed economies from 1960 to 1987 with the main dependent variable being domestic spending (excluding defense spending) as a proportion of Gross Domestic Product (GDP). The authors found that majority governments controlled by left-wing political parties tended to spend more on social welfare measures than those controlled by right-wing parties. The authors pointed out, however, that the extent to which differences in social welfare spending can be attributed to the political orientation of the government is "a small one. That difference, moreover, is confined to majority governments and takes time to set in" (p. 57).

In a related study, Rice (1986) examined the determinants of growth in the size of the governments of 12 European nations from 1950 to 1980. Growth was measured as the ratio of government expenditures to GDP. The findings of the study suggest that "leftist strength in government may lead to government growth" (p. 248), but Rice adds that although "the data suggest

that political gains by conservatives may retard the rate of government ... it is doubtful such leadership changes can halt the growth" (p. 251).

In another cross-national study, Burstein and Linton (2002) conducted an analysis of 53 articles on determinants of policy changes from the three most prestigious sociology journals and three most prestigious political science journals from 1990 to 2000. Their findings indicate that although the platforms of political parties were associated with policy changes, political parties were no more influential upon public policy than were other political organizations such as interest groups and social movement organizations. Moreover, they found that the likelihood of a political organization directly affecting policy is only around 50%.

In studies pertaining to the transformative welfare reform efforts in America following the promulgation of the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) in 1996, both Lieberman and Shaw (2000) and Lee (2009) found that Republican governorships were associated with states adopting strict welfare policies that led to a reduction in benefits. Lieberman and Shaw (2000) note this relationship was particularly robust when the President was a Democrat, prompting them to opine that this "may reflect nothing more than the growing preponderance of Republican governors, especially in large states, during the 1990s, but it may reflect the increasing willingness of Republicans to challenge traditional social policies to which Democrats remained committed for longer" (p. 230).

There is a conspicuous absence of such studies within the Canadian context. Pétry (1995) and Erickson & Laycock (2002) detected the influence of the New Democrat Party (NDP) in terms of welfare state expansion at the federal level in its capacity as an opposition government (the NDP has never been in power at the federal level), a phenomenon described as "contagion from the left" (Pétry, 1995, p. 84). These findings, however, cannot be generalized to provincial politics.

Gazso and Krahm (2008) report that Alberta was the first of the Canadian provinces to severely tighten eligibility requirements and reduce its level of welfare benefits during the 1990s. One noteworthy aspect of the authors' analysis was that

Alberta was headed by the Progressive Conservative Party during this time, as its cutbacks to Social Assistance were in accord with the party's reputation as endorsing right-wing policy stances.

In a study pertaining to the province of Ontario, Canada's most populous province (Statistics Canada, 2009), Klassen and Buchannan (2006) examined the role of political party influence on the province's welfare policy between 1985 and 2000—a time frame in which three political parties, that is, the Liberals, NDP, and Progressive Conservatives, respectively ruled in Ontario, each for a five-year period. The authors observed factors such as expansive versus restrictive eligibility requirements as well as the rates themselves. The authors concluded that “ideology of parties does matter” (p. 208) but that economic climate is a strong determinant of the comprehensiveness of welfare benefits. For instance, during times of economic growth the Liberals adopted expansionary welfare policies while the Conservatives were more restrictive. During a downturn in the economy, however, the ideologies apparently informing the respective parties played much less of a role, as the NDP initiated restrictive policies regarding welfare benefits and eligibility that were later endorsed by the Progressive Conservative Party.

In summary, the studies outlined above suggest that political parties can influence the dynamics inherent to the policy process, including welfare policy, albeit in a modest manner. This study provides an important contribution to the literature, however, as it is far from conclusive to what extent, if any, political parties influenced the poverty reduction effectiveness of the social welfare programs delivered by Canadian provinces following the promulgation of the CHST. It is the dearth of knowledge in this important area that amplifies the relevance of this study.

Methods

Canadian Political Parties

There were four main political parties that dominated the provincial political landscape during the period investigated in this study. These parties were the Progressive Conservative

Party, the Liberal Party, the NDP and the Parti Québécois (PQ), which is based exclusively in the province of Quebec.

The Progressive Conservative Party is the primary center-right political party in the bulk of the Canadian provinces. This party promotes a relatively low level of state intervention within a market economy and emphasizes the role of individuals, families, and volunteer organizations in providing social welfare services (Archer & Whitehorn, 1990; Ball, Dagger, Christian, & Campbell, 2009; Graham, Swift, & Delaney, 2009; Kneebone & Mckenzie, 2001).

The Liberal Party is a centrist party that is prominent at both the federal and provincial levels. It falls to the left of the Progressive Conservative Party, as its leaders often emphasize a type of welfare liberalism that proposes a conspicuous level of government regulation, so as to promote equality of opportunity as well as a moderately generous social safety net (Archer & Whitehorn, 1990; Ball et al., 2009; Graham et al., 2009).

The origins of the NDP, a left-of-center political party, lie within social democracy, as it is renowned for stressing a collectivist and egalitarian policy stance. Its supporters are generally less resistant than Progressive Conservatives and Liberals to high levels of taxation as long as a comprehensive safety net characterized by universal programs is offered (Archer & Whitehorn, 1990; Klassen & Buchannan, 2006; Kneebone & Mckenzie, 2001).

The PQ is also a left-wing party. Like the NDP, it often receives support from trade unions and promotes policies that strongly emphasize a redistributive role for the state and relatively generous social programs (Graham et al., 2009).

Provincial Social Welfare Programs

Three major social welfare programs administered by the Canadian provinces are Social Assistance, Provincial Tax Credits and Workers' Compensation (Habibov & Fan, 2008). Social Assistance, often referred to as "welfare," is an income source of last resort for those who lack labor market earnings and are not eligible for social insurance schemes that target unemployed, disabled, and elderly persons. Program recipients, all of whom must undergo a rigorous needs test, include single men and women without dependents, but single mothers

constitute the largest proportion of beneficiaries (Jörgen, Loftstrom, & Zhang, 2006).

Provincial Tax Credits are poverty reduction measures that assist individuals and families in their overall cost of living expenses. These benefits are considered tax expenditures as they are delivered through the tax system. Consequently, they are administratively inexpensive, with an application process that is much less intrusive than Social Assistance. Moreover, these measures are much less stigmatizing than welfare (Cost of Social Security, n.d.; Habibov & Fan, 2007; Lightman, 2003).

The other provincial-based program considered in this study, Workers' Compensation, is funded by employers and provides funds to employees who face job loss due to a work-related accident and/or disease. There are gaps in coverage, however, as the self-employed are not covered under this scheme, nor are workers who engage in activities at work that fall outside their usual course of duties, such as the office clerk who assists in moving heavy equipment (Armitage, 2003; Habibov & Fan, 2007; Hick, 2007).

Data source

The source of data in this study was the Survey of Labour and Income Dynamics (SLID), which has been a primary source of data for Statistics Canada—the nation's leading statistical authority since 1996 (Chen, 2008; Habibov & Fan, 2008). The data collected by SLID are representative of the population in each Canadian province, including age and gender groups, as well as family sizes. SLID data are collected on an annual basis with a response rate of 80-85% and cross-sectional weights are adjusted by Statistics Canada for non-responses. In this study we used SLID micro-data files dating from 1996, the first year SLID was conducted, until 2005, which is the most recent year that SLID micro-data are publicly available.

Analytical Strategy

There were two key steps we completed prior to our testing to see if the political party in power appeared to influence the poverty reduction effectiveness of the provinces' social welfare programs. The first step was to estimate the poverty reduction effectiveness of specific social welfare programs in the

individual provinces by computing the extent to which these programs lowered each province's poverty rate and poverty gap ratio. The second step was to determine the political party in power in each province for every year from 1996 to 2005.

In terms of the first step, before computing the poverty rate and gap we established a poverty line of 60 percent of the family median equivalized disposable income. There were two reasons for choosing this as the poverty line. First, it was used in other studies that focused on measuring the poverty reduction effectiveness of income security programs in Canada (Habibov & Fan, 2007, 2008). Second, this same poverty line is used by countries within the European Union (Eurostat, 2000).

As noted above, the poverty line we employed was based on family income. As a means of adjusting for family size, we utilized a square root equivalence scale that was computed by dividing the total family income by the square root of the number of people in a family (Habibov & Fan, 2008).

Subsequently, we repeatedly applied the poverty line to all ten Canadian provinces for the years of 1996 to 2005, after which we computed the poverty rate for all ten provinces during the same time frame. These computations were based on the adjusted, after-tax total disposable income following the receipt of all cash transfers.

In addition to calculating the poverty rate, we calculated the poverty gap ratio, which indicates how far, on average, the poor fall below the poverty line. Not unlike our computation of the poverty rate, we calculated the poverty gap ratio in all ten Canadian provinces from 1996 to 2005. This calculation was based on the adjusted, after-tax total disposable income following the provinces' receipt of all cash transfer payments.

We then re-estimated the poverty rate and the poverty gap with the assumption that the provinces were not delivering any provincial social welfare programs. Thus, we estimated the counterfactual by subtracting the monetary amount of the provincial social welfare programs outlined above, that is Social Assistance, Provincial Tax Credits, and Workers' Compensation, from the adjusted total disposable income. This procedure allowed us to determine what the provincial poverty rates and gaps would be if these programs did not exist. Consequently, we determined the poverty rates and

poverty gap ratios before and after receipt of the benefits emanating from the provincial social welfare programs described above. It should be noted that these rates and gap ratios were obtained for all ten Canadian provinces for each year from 1996 to 2005.

Next, we estimated the poverty reduction effectiveness of the provincial social welfare programs by employing the following formula (Habibov & Fan, 2007):

$$PRE = \frac{(PI_{before} - PI_{after})}{PI_{before}} \times 100$$

where *PRE* is poverty reduction effectiveness of provincial social welfare programs; and PI_{before} are the poverty indices (poverty rate or poverty gap ratio) before receipt of provincial social welfare benefits; and PI_{after} are the poverty indices (poverty rate or poverty gap ratio) after receipt of provincial social welfare benefits. As a result of employing the above formula, we determined the extent to which the provincial social welfare programs of Social Assistance, Provincial Tax Credits, and Workers Compensation reduced the poverty rate and poverty gap for each Canadian province during the time period from 1996 to 2005.

In order to execute the second step discussed above, we conducted internet searches to find out which political party was in power in each province for the years 1996 to 2005. In the case of two different parties in power within the same year, the party which was in power for the longest duration during that year was identified. In the case of Quebec, the PQ was merged with the NDP since both parties, as discussed above, embrace a left-leaning policy platform.

The effectiveness of poverty rate reduction and the political party in power in each province between 1996 and 2005 is reported in Table 1. The effectiveness of poverty gap ratio reduction and the political party in power in each province between 1996 and 2005 is reported in Table 2.

Following the completion of the procedures described above, two one-way analysis of variance (ANOVA) tests were conducted to test for differences between the provincially-based political parties in regards to the poverty reduction

effectiveness of the social welfare programs they delivered during the years they governed. One ANOVA was conducted to test for differences in regards to reducing the poverty rate and another ANOVA was conducted to test for differences in regards to reducing the poverty gap ratio. Both were measured in percentage points.

Table 1. Effectiveness of Poverty Rate Reduction and Political Parties in Power by Province 1996-2005

Province	Year (%)									
	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Newfoundland and Labrador	6.58	9.20	7.98	11.01	8.57	8.66	7.56	5.38	7.02	7.48
Prince Edward Island	11.69	9.17	7.50	3.93	3.19	4.61	7.06	4.42	5.13	3.06
Nova Scotia	7.72	8.60	8.21	6.56	6.55	3.73	4.26	4.53	4.01	4.53
New Brunswick	7.19	6.62	9.83	5.22	7.35	5.76	6.57	4.05	4.73	3.51
Quebec	6.64	11.27	11.50	11.89	8.94	8.88	11.21	9.49	9.39	9.07
Ontario	18.64	22.48	19.24	16.02	14.77	12.79	9.80	9.18	9.61	2.92
Manitoba	10.69	12.27	13.39	8.36	7.49	9.20	7.65	9.33	10.12	7.21
Saskatchewan	5.33	7.72	6.62	6.33	4.25	4.73	5.15	4.95	3.87	5.15
Alberta	11.55	10.68	11.08	11.66	15.14	15.22	15.57	14.59	14.84	16.63
British Columbia	6.11	7.96	7.40	6.90	7.37	5.17	5.72	7.86	4.98	5.49

Note: Shaded areas denote years when Progressive Conservative governments were in power in the province. Italicized figures denote years when Liberal governments were in power in the province. The rest of the figures denote years when the NDP (or the PQ in the case of Quebec) governed the province. Source: SLID 1996-2005.

Results

In terms of poverty rate reduction, the results of the ANOVA yielded no differences between the political parties, as $F(2, 97) = 2.67$, $p = .07$. There were also no significant differences detected in another ANOVA when poverty gap ratio reduction was the dependent variable, as $F(2, 97) = 2.69$, $p = .07$. The complete results of both one-way ANOVA tests, including descriptive statistics, are reported in Table 3.

Table 2. Effectiveness of Poverty Gap Ratio Reduction and Political Parties in Power by Province 1996-2005 (%)

Province	Year (%)									
	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Newfoundland and Labrador	35.23	38.77	37.65	36.38	34.97	33.17	28.89	29.17	28.61	31.15
Prince Edward Island	25.88	25.39	27.94	24.53	21.32	23.07	20.62	18.72	17.64	24.24
Nova Scotia	29.06	32.10	27.94	22.29	21.89	19.60	21.08	18.78	17.38	16.29
New Brunswick	34.71	36.05	35.73	27.94	24.28	24.80	24.34	24.77	24.02	23.95
Quebec	40.01	41.06	41.55	37.19	35.30	33.28	32.69	30.43	30.24	27.82
Ontario	45.36	43.16	43.30	35.42	33.72	33.34	30.10	32.61	30.54	27.16
Manitoba	31.44	34.00	13.39	30.78	30.97	22.13	21.01	22.75	21.12	19.76
Saskatchewan	26.90	31.37	30.87	24.79	21.92	22.51	25.37	24.82	20.54	15.27
Alberta	25.49	23.78	21.00	23.16	26.70	24.98	22.37	18.10	17.19	21.96
British Columbia	32.06	31.00	28.89	26.56	22.49	21.71	24.62	21.46	18.93	15.37

Note: Shaded areas denote years when Progressive Conservative governments were in power in the province. Italicized figures denote years when Liberal governments were in power in the province. The rest of figures denote years when the NDP (or the PQ in the case of Quebec) governed the province. Source: SLID 1996-2005.

Table 3. ANOVA Results

Variable	Political party	N	M	SD	NDP/PQ	LIB
Poverty rate reduction effectiveness (%)	NDP/PQ	28	7.54	2.27	—	NS
	LIB	26	7.73	2.02		—
	PRO CON	46	9.39	5.07	NS	NS
Poverty gap ratio reduction effectiveness (%)	NDP/PQ	28	28.01	6.97	—	NS
	LIB	26	29.47	6.10		—
	PRO CON	46	25.73	7.08	NS	NS

Note: NS = non-significant differences between group means.

Discussion

The purpose of this study was to test if the governing provincial political parties in Canada had any influence on the poverty reduction effectiveness of three provincial social welfare programs—Social Assistance, Provincial Tax Credits, and Workers' Compensation—both in terms of reducing poverty rates as well as poverty gap ratios. The results of our analysis suggest that political parties, regardless of their distinct party platforms, did not have an influence during the investigated time period from 1996 to 2005. Consequently, there are two important implications emanating from this study.

First, any potential differences between the governing political parties in regards to the poverty reduction effectiveness of provincial social welfare programs may very well have been overridden by economic restructuring heavily influenced by the tenets of neo-liberalism. As discussed above, the shift from CAP to the CHST was characterized by substantial funding cutbacks. Due to this reduction in federal funding, it is not surprising that the poverty reduction effectiveness of the provinces' social welfare programs reported above decreased between 1996 and 2005, particularly in the area of poverty gap ratio reduction (Weaver, Habibov, & Fan, 2010).

The declining poverty reduction effectiveness of the provincial programs was not completely uniform, but it was a noticeable trend. Consequently, the findings in our analysis, in combination with this overall trend of declining poverty reduction effectiveness of provincial social welfare programs, suggest that the influence of a market-driven, neo-liberal approach was adopted by all of Canada's governing provincial parties. While previous authors have noted the shift of the NDP toward the political right in several provinces following the promulgation of the CHST (Erickson & Laycock, 2002; Klassen & Buchannan, 2006; Mullaly, 2007) this study is unique in that all of Canada's leading provincial parties were compared in their influence on the poverty reduction effectiveness of provincial social welfare programs over a 10-year period.

Another possible reason for the lack of influence of political parties on provincial social welfare programs was the new paradigm that emerged in Canada in the mid-1990s and

markedly influenced the nation's policy landscape. This new paradigm emphasized human capital investments over income transfer payments as a means of reducing poverty. According to this new paradigm, which drew support by key thinkers such as Anthony Giddens and Third Way political leaders like Bill Clinton in the United States and Tony Blair in the United Kingdom, education is a more effective tool for poverty reduction than income transfer payments. It is believed that highly trained and educated workers are more likely to secure stable employment and enjoy steadily increasing incomes than are their lesser trained counterparts (Banting, 2006; Mullaly, 2007; Pawlick & Stroick, 2004).

This new paradigm was endorsed by provincial political leaders across Canada, regardless of where their respective parties were apparently located on the political spectrum. The professed reasons for their endorsement did vary, ranging from the need to end welfare dependency to the promotion of social inclusion for all members of society (Jenson, 2004). Boychuk (2004) reports the introduction of the Canada Child Tax Benefit (CCTB) in 1996 was indicative of this new paradigm discussed above. Administered through the tax system, the CCTB targets working families with children and explicitly aims to increase incentives for labor market participation. Families on Social Assistance who also receive CCTB benefits are subjected to clawbacks in their welfare payments. The money saved as a result of these clawbacks is reinvested by the provinces into services, which constitutes a form of human capital investment.

It should also be noted that our study focused on a specific outcome associated with the governing political parties, that is, the poverty reduction effectiveness of their provincial social welfare programs, whereas the bulk of the previous studies discussed above tested for an association between political parties and social welfare expenditures. It is particularly noteworthy there were no differences between the governing political parties in their influence on the selected programs' capacity to reduce both the poverty level and the poverty gap ratio. The fact that there were no differences in these two indicators provides more evidence for the lack of influence generated by governing political parties in the tested area than if only one

indicator was employed.

Second, the time frame considered in this study (1996-2005) allows for another important contribution to the literature. As outlined above, a strong majority of studies regarding party influence on welfare expenditures and outcomes considered the time frame of the 1950s to 1990s. In virtually all of the industrialized nations, the 1950s to 1970s era is considered the so-called "golden age" of the welfare state, as Keynesianism was the dominant approach to developing and implementing social policy (Broad & Antony, 1999; Brodie, 1999; Browne, 1999; Guest, 1997). As noted above, however, the post-World War II Keynesian consensus slowly but surely unraveled, and by the mid-1990s and into the 21st century, the New Economy, characterized by substantial levels of financial and labor market deregulation, was in full force in Canada and throughout the industrialized world (Broad & Antony, 2006). Hence, this study provides valuable insights into the association between political parties and poverty reduction effectiveness in a social and economic policy era, which is a substantially different focus from previous studies.

Despite our finding that variation in governing political parties did not account for differences in the poverty reduction effectiveness of the selected social welfare programs, there were, as noted above in our reference to our previous study, noticeable differences in how the poverty reduction effectiveness of social welfare programs changed amongst the provinces from 1996 to 2005. For instance, in terms of poverty rate reduction, five provinces exhibited a noticeable decline in their effectiveness over this time frame, while three experienced increases in this area. The province which experienced the largest increase in its effectiveness to reduce its poverty rate was Alberta, which was governed by the Progressive Conservatives from 1996 to 2005. As for effectiveness in reducing the poverty gap ratio, all of the provinces exhibited a decrease over the time frame noted above, though the provinces did vary in terms of their rates and magnitude of decrease (Weaver, Habibov, & Fan, 2010).

The fact that variation in governing political parties did not account for differences in the dependent variable considered in this study prompts the question: If not political parties,

then what does explain differences between the provinces in regards to the poverty reduction effectiveness of their social welfare programs? Given that a variety of factors influence the development and implementation of social policy (Tang, 1996), it is highly unlikely this variation can be attributed to one determinant. That being said, there may be several factors that shed light on this issue.

One factor may be differences between the financial capabilities of the provinces to finance social welfare programs due to inequality in their wealth and budget revenues. In their analysis of differences between the states in terms of welfare benefits, Whitaker and Time (2001) determined that states with relatively high per capita incomes had relatively higher welfare benefit rates than states with relatively low per capita incomes. While it would be erroneous to generalize the findings of this American-based study to the Canadian provinces, the findings do warrant consideration, particularly when one considers the structural similarities between the two nations' social welfare systems (Weaver, Habibov, & Fan, 2010).

Another factor could be the administrative professionalism of the government employees of the various provinces. Evidence for this was gathered by Rodgers, Beamer, & Payne (2008), who conducted regression analyses to ascertain factors that explained variance in what they refer to as states' "welfare and income support regimes" (p. 236). This was a composite measure of a state's poverty reduction efforts that included the generosity of welfare benefits as well as the extent to which benefits are made available to those in need. Rodgers et al. (2008) found that the administrative professionalism of specific states, which included the mean compensation per capita of state employees, partially explained the variance between the states' respective welfare and income support regimes.

Furthermore, the current era of devolution within social welfare programming is characterized by greater discretion of program personnel, including agency and case managers, in how welfare programs are carried out (Fording, Soss, & Schram, 2007). Consequently, this greater discretion could potentially contribute to variations between the provinces regarding the poverty reduction effectiveness of their social welfare programs.

Finally, in a European-based study, Hölsch and Kraus (2006) determined that variation in forms of targeting (e.g., the extent to which the social safety net applies for the entire population of a region equally as well as the duration for which benefits are granted) influences how much social assistance programs reduce inequality. Even though this study focused on inequality reduction, the findings gleaned by the authors suggest that targeting could also be considered when seeking to explain why provincial social welfare programs in Canada were found to vary in their poverty reduction effectiveness.

Clearly, there is a need for further research to determine if these suggested factors account for variation between the provinces in the extent to which their social safety nets reduce poverty rates and gap ratios. We propose that the fulfillment of this need will help fill the above-described theoretical void regarding determinants of subnational variation in social policy, including poverty reduction policy (Imbeau et al., 2000).

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