

The Political Practices of Disjointed and Directed Incrementalism:
Federal Child Benefits and Childcare in Canada

Grant Holly
Doctoral Candidate
Département de science politique
Université de Montréal
grant.andrew.holly@umontreal.ca

Paper Presented to the UK Social Policy Association
Annual Conference
University of Edinburgh, Edinburgh, June 29-July 1, 2009

First Draft
Not to be cited

2009 marks the fiftieth anniversary of the publication of Lindblom's 'The Science of "Muddling Through"' (1959). It was in this now oft-cited article that he argued for the first time that the incrementalist perspective best explains and describes public policymaking. According to Lindblom, policymakers, faced with cognitive and political constraints, make choices by "muddling through" and move in small increments from one situation to the next; in other words, the decisions they make are based on limited analyses of incremental alternatives and therefore do not bring sweeping changes to policies. A half a century after its introduction, the incrementalist perspective continues to inform our understandings of processes of decision-making and patterns of policy change.

More recently, Rice and Prince (2000) proposed adapting the incrementalist perspective by distinguishing between two types of incrementalism. Lindblom had emphasized disjointed incrementalism, when decisions are unplanned, informed by incomplete information and contested analyses, and result in marginal adaptations to policies that can, expressly or not, accumulate to produce significant change. Rice and Prince added directed incrementalism, when decisions are purposeful, guided by clear goals, visions or principles, and generate seemingly minor changes that are oriented towards the achievement of goals in the long-term. Thus, directed incrementalism is different because it refers to processes of decision-making and patterns of policy changes that are goal-oriented.

This paper argues that distinguishing directed incrementalism from the disjointed variety represents a promising development for the future of the incrementalist perspective. First, it responds to the criticism made by Forester (1984) and others that incrementalism necessarily lacks any goal-orientation. Directed incrementalism allows for incremental policy changes to be also understood as sometimes purposeful, planned and ordered. Second, it responds to the criticism made by Dror (1964) and others that incrementalism is always pro-inertia. Directed incrementalism allows for incremental policy changes to be also understood as sometimes innovative, as policymakers use incremental changes to move towards stated goals. As such, we can better understand the political practices of incrementalism.

To demonstrate this, I look at the series of changes to federal child benefits and childcare policies in Canada over the last 65 years. As opposed to seeing them as part of a general trend towards "relentless incrementalism" (Battle 2001), I identify two periods of directed incrementalism (from the mid-1940s to early-1970s and from the late-1990s to 2005) and an intermittent period of disjointed incrementalism. The periods of directed incrementalism were characterized by continuity in the state's goals and the policies used to achieve them, although they differed in each period, while the period of disjointed incrementalism was marked by several policy changes, with seemingly inconsistent goals, and unfulfilled promises. In this vein, I also see the early signs of a new period of disjointed incrementalism since the Conservative Party's election in 2006.

The paper consists of two parts. In the first part, I overview the incrementalist perspective on public policymaking introduced by Lindblom and the adaptation that Rice

and Prince propose making to it by distinguishing between disjointed and directed incrementalism. In the second part, I survey the four aforementioned periods of directed and disjointed incrementalism in federal child benefits and childcare policies over the last 65 years. I assess the coherence and consistency of the state's goals and the policies used to achieve them. In the conclusion, I highlight the lessons learned about the political practices of directed and disjointed incrementalism and the changes to child benefits and childcare policies.

Part One: Adapting the Incrementalist Perspective

Part One of the paper outlines the incrementalist perspective on public policymaking. I first summarize the disjointed incrementalism advocated by Lindblom and the criticisms that were made of it. I then overview the distinction that Rice and Prince proposed making between disjointed and directed incrementalism, as well as its contributions to the incrementalist perspective.

Enter Lindblom's disjointed incrementalism

The credit for introducing the incrementalist perspective on public policymaking is attributed to Lindblom (1959). He initially suggested it as an alternative to the rationalist perspective on public policymaking that had emerged in the late-1930s. Citing the doubts that political scientists, like Simon (1955), had raised about the impracticality of rationalism, Lindblom claimed that government decision-making processes are generally more practical and political than scientific or technical. As he saw it, policymakers base their decisions more on political acceptability and feasibility than desirability or lofty goals, and, consequently, the policy changes that they bring are generally minor or incremental.

Over the years, Lindblom (1963; 1979) refined his model of decision-making. Although admitting that different styles of decision-making are theoretically possible, he flatly rejected all alternatives to incrementalism on practical grounds. Lindblom maintained that disjointed incrementalism is the norm in government decision-making, as policymakers largely rely on a "mutually supporting set of simplifying and focusing stratagems": a limited analysis of similar policy alternatives; an intertwining of goals with the problem's empirical aspects; a preoccupation with remedying ills; a sequence of trial and errors; a restricted analysis of some of the alternatives' consequences; and a fragmentation of responsibility for policymaking (Lindblom 1979: 517).

The pattern of policy change resulting from this decision-making style is incrementalism. Lindblom claimed that decision-makers develop policies through a process of 'successive limited comparisons', comparing only a few familiar alternatives for appropriateness and stopping when they have found one that is acceptable. This alternative is typically not that different from those already in place, since beginning anew requires a redistribution of limited resources, an option that is potentially costly and politically risky, and bureaucratic operating procedures perpetuate existing arrangements and inhibit

innovation. Thus, decisions are “continually building out from the current situation, step-by-step by small degrees” (Lindblom 1959: 81).

The critics

Lindblom’s incremental model of decision-making was believed to be better than rationalism at describing actual practices during the 1960s, however both models came under heavy criticism beginning in the mid-1970s. The new mainstream position was that neither represented all instances of decision-making; that different opportunities featured distinct decision-making styles; and that the range of decisions-making styles varied between the rational and incremental models (Smith and May 1980). This led to the development of alternative models of decision-making, such as the mixed-scanning model (Etzioni 1967), which draws on incrementalism, as well as the garbage can model (March and Olsen 1972) and the subsystem model (Forester 1984).

While some critics of incrementalism questioned whether all policy changes are best understood as incremental, given that some changes appear more substantial than minor (Jones et al 1997), most focused on the ‘faulty’ implications resulting from the ‘decision-strategies’ in Lindblom’s model (Weiss and Woodhouse 1992). Howlett and Ramesh (1995: 144) highlight six such criticisms: it lacks goal-orientation given that goals need not be set; it is inherently conservative because of its suspicion of large scale change; it is undemocratic as it depends on the bargaining of senior policymakers; it promotes short sighted decisions to the extent that it discourages systematic analysis; it has narrow analytic usefulness by requiring consistency in problems; and it can only take place in relatively stable environments.

Over the years, Lindblom and his adherents have responded to most of these criticisms. For example, Lindblom (1979: 517) claimed that incrementalism is neither inherently conservative nor promotes shortsighted decisions, as the size and direction of incremental changes emerge from deliberate bargaining processes. He said that it is also not undemocratic because the policymakers making decisions are elected politicians and the bureaucrats accountable to them (Lindblom 1968). Elsewhere, his adherents have acknowledged that the appropriateness of incrementalism depends on contextual factors, such as whether the policy is new and the number of decision-makers involved (Bendor 1995). Only the absence of goals seems to have gone without further discussion.

Enter Rice and Prince’s directed incrementalism

The proposal to adapt the incrementalist perspective by distinguishing between disjointed and directed incrementalism was first made by Rice and Prince in *Changing Politics of Canadian Social Policy* (2000).¹ It was in this monograph that they (2000: 266) defined directed incrementalism as “a sequence of actions by government implemented one by one over time, but guided and connected by a general conception of, and policy agenda

¹ Others alluding concepts have been suggested, such as the “goal-directed muddling through” proposed by Hancock (1990).

for, the social role of the state.” More recently, Prince (2002: 177) added that directed incrementalism could be understood as “the setting of broad goals and working toward them step by step over the medium to long term.” They underscore that directed incrementalism is distinguishable from the disjointed variety in two respects.

The first difference is the role played by goals in decision-making. According to Lindblom’s model, disjointed incrementalism takes place when decision-making is unplanned and informed by incomplete information and contested analyses. He claimed that disjointed incrementalism was the norm because policymakers face cognitive and practical limits in establishing and ranking all goals, so they focus only on those that are marginal or incremental. Alternatively, Rice and Prince claimed that directed incrementalism occurs when decision-making is purposeful and guided by clear goals, articulated visions and guiding principles. They suggested that it relies on an open statement of the government’s goals, for instance in throne speeches, intergovernmental agreements or policy frameworks.

The second difference is the resulting pattern of policy changes. Lindblom envisioned disjointed incrementalism as generating only minor changes in the form of marginal adaptations or degree variations to policies. He said that they could accumulate over time, either expressly or not, to produce more significant policy change than could more infrequent major changes to policy. Instead, Rice and Prince suggested that directed incrementalism results in incremental changes that purposefully focus on a goal, vision or principle. They may appear as merely incremental short-term policy changes at first glance, however they are better understood as policies intended to work towards the achievement of stated goals in the long-term.

The contributions

The introduction of directed incrementalism (and its two distinguishing features) contributes to theorizing about the incrementalist perspective. First, it responds to the criticism that incrementalism necessarily lacks any goal-orientation. This criticism relates to the ‘decision strategies’ associated with disjointed incrementalism: policymakers intertwine goals and empirical aspects of the problem and they prioritize remedying ills over the achievement of positive goals in decision-making. Forester (1984: 23) concluded that they “would have us cross and recross intersections without knowing where we are going.” Instead, directed incrementalism allows for incremental policy changes to also be understood as explicitly purposeful and informed by goals, visions and principles.

Second, it helps respond to the criticism that incrementalism is always conservative. As Lindblom saw it, the most frequent criticism of incrementalism is that it means policy change by small steps and degree variations. Dror (1964) popularized this argument when he said incremental policy changes are a barrier to the improvement of policy, are pro-inertia and anti-innovation, and encourage policymakers to make ‘no efforts’ to bring about substantial change. While Lindblom responded by saying that this is untrue of disjointed incrementalism, as a sequence of incremental changes can generate more

significant change than drastic – hence less frequent – reforms, directed incrementalism also allows for the possibility of an accumulation of successive changes focused on future possibilities.

Despite these contributions to the incrementalist perspective, few political scientists have distinguished between the two types of incrementalism in their research. Rice and Prince (2000) described the general development of a system of social policies in Canada from the mid-1940s to the early-1970s as a process of directed incrementalism. More recently, Prince (2002) speculated that changes in the late 1990s and early 2000s could be characterized as directed incrementalism. Other political scientists have cited these descriptions and used them to support their arguments (Noël 2006; Whitaker 2006) and some have even proposed directed incrementalism as a political practice (Bradford 2004). Yet this paper is the first to track specific policies and changes to them over a long period of time.

Part Two: The Case of the Field of Children and Families

Part Two of the paper looks at the series of changes to federal child benefits and childcare policies in Canada over the last 65 years. I identify two periods of directed incrementalism (the mid-1940s to early-1970s and late-1990s to 2005) and an intermittent period of disjointed incrementalism. I also highlight the early signs of a return of disjointed incrementalism since the Conservative Party's election in 2006.

The Mid-1940s to Early-1970s

The mid-1940s to early-1970s can be understood as a period of directed incrementalism. A new idea emerged in the 1930s that unemployment was a common threat to social wellbeing and a national problem. This idea was widely accepted in the 1940s as part of postwar social planning. The Advisory Committee on Reconstruction's Marsh Report (1943) called for the creation of a "comprehensive and integrated social security system" to alleviate poverty and secure a defensible social minimum. A year later, the government committed to providing a "national minimum of social security and welfare" in the Throne Speech. For 30 years, the goal behind social policy was to provide social protection to individuals when their earnings were insufficient or interrupted.

Child benefits

Child benefits became a key part of the government's efforts to provide social protection in the aftermath of the Marsh Report. Marsh claimed that "children should have an unequivocal place in social security" and advocated for the creation of a child allowance. Given that the male breadwinner's earnings were generally insufficient to cover the costs of raising his large families, cash payments could provide "reasonable leeway for parents" to meet the minimum requirements of their children. As he saw it, child allowances were the "key to consistency" and could, along with social insurances, lay the

foundation for a national minimum. The Marsh Report quickly revived the previously “dead issue” of child allowances (Guest 1997: 122).

Prime Minister King was determined to make child allowances a priority for his Liberal government in the 1944 parliamentary session and, after some initial dissent from a handful of cabinet ministers, introduced the Family Allowances Act (1944) (Blake 2006). King described family allowances as “help to those who are unable to help themselves” and argued that their two goals were to assure children of their basic needs and maintain the purchasing power of families. They would be tax-free cash payments, the value varying according to age, and be delivered to mothers with children age 15 and younger. While the Conservatives provided some half-hearted opposition to the Act, it was unanimously passed and the allowances came into effect in 1945.

Over the next 30 years, “several notable” changes were made to the Family Allowances Program (Rice and Prince 2000: 77). In 1947, family allowances were extended to Indian and Inuit children. In 1949, there were three changes: the residence requirement for a child not born in Canada was lowered from three years to one; reductions in allowances for the fifth and succeeding children were abolished; and the allowances were extended to children in Newfoundland. The payments, which averaged \$5.94 – lower than Marsh had recommended, were increased twice. In 1957, benefits were increased for children age five and under and for those aged ten to twelve, by one dollar a month. In 1971, a standard monthly allowance of \$12 was set for 1973 and then enriched to \$20 for 1974.

Childcare

Given the assumption that women would return to their homes and take care of their children after the war, childcare did not originally figure as part of postwar social planning. To this end, it was relatively uncontroversial that the King government cancelled the Dominion-Provincial Wartime Agreement (1942) in 1946. The Agreement, which had made available federal support - on a cost-shared 50-50 basis - to fund day care nurseries for mothers working in war-related industries, was considered exceptional. Instead of supporting working mothers, the King government opted for family allowances, which were paid to mothers and helped sustain the male breadwinner-female caregiver model.

This only changed twenty years later, when the Liberal government of Pearson enacted the Canada Assistance Plan (1966), as part of its “War on Poverty” (Osborne 1985). Through the CAP, the federal government agreed to cover – again on a cost-shared 50-50 basis – the costs of social services, with no upper limit on the federal contribution, provided they were delivered on a “needs-test basis”. The inclusion of childcare on the list of remedial services meant that the federal government would co-subsidize the costs of childcare spaces for eligible low-income families. This reflected the assumption that childcare was a “welfare service”, one that most families would provide for themselves, either by self-service (mother at home) or through purchase on the market.

The Liberal government of Trudeau continued to provide public support to childcare through the CAP, despite new opposition beginning in the late 1960s. Buttressed by second-wave feminists, the Royal Commission on the Status of Women (1970) proposed redefining childcare as a prerequisite for gender equality and recommended the creation of a national childcare act and a new federal-provincial cost-sharing arrangement. But the Trudeau government rejected both abandoning the “family support” definition of childcare and the framework provided by the CAP (Mahon 2000). It instead made some modest improvements to the CAP in 1972 and 1974, as well as introduced a very limited Child Care Expense Deduction (Harder 2004).

The Mid-1970s to Mid-1990s

The mid-1970s to mid-1990s can be best described as a period of disjointed incrementalism. New discussions about the next steps for Canadian social policy began in the late 1960s and early 1970s. Unlike in the postwar period, no consensus emerged about the governments’ goals. This hesitancy was reinforced by new economic difficulties and the criticisms of both the right and the left about the effectiveness of social policies. The policy proposals of the early 1970s reflected the contests between and debates over expanding or cutting back on social policies and making them more ‘universal’ or ‘selective’. A pattern of successive policies, inconsistent goals, and unfulfilled promises was soon established and lasted for the next 20 years.

Child benefits

Child benefits became the subject of debates once again in the early 1970s, in light of a series of studies showing the negligible effects of social policies on increasing poverty rates. In the 1970s, the Trudeau government proposed three major sets of policy changes to respond to the reappearance of poverty. It first suggested restructuring the universal Family Allowance Program into a more selective Family Income Security Plan in the White Paper (1970). The FISP was promoted as the best way to funnel welfare dollars to those in greatest need because it would take away money from the not so poor and move it to the poorest. However, this first proposal died on the order paper before the 1972 election, after having been delayed by federal-provincial negotiations (Blake 2007).

The Trudeau government announced its second set of proposals in the Orange Paper (1973), shortly after its re-election as a minority government. These proposals were a “complete reversal of the position argued in the 1970 White Paper” (Guest 1997: 172). First, they jettisoned the attack on universality by boosting the family allowances to \$20 a month and indexing them to inflation. Second, they attempted to be more accommodating to the provinces by giving them the power to vary benefit levels. Third, they added an element of ‘progressivity’ by making the family allowances taxable. These changes came into effect in 1974, although the indexing provision was temporarily suspended two years later.

Prompted in part by fiscal austerity, the Trudeau government proposed a third series of changes in the late 1970s. It introduced a \$50 Child Tax Credit for families earning less

than \$26,000 in 1977. A year later, this was replaced by a \$200 Refundable Child Tax Credit for families earning less than \$18,000, though its value was reduced by 50 percent of family income in excess of \$18,000. The government also announced a 23 percent cut in the family allowance benefits and sizeable reductions to the tax exemptions for children and dependants, the original child benefit introduced in 1918. These changes marked a move away from universality and set a precedent for using the tax structure to redistribute income to the poor (Myles and Pierson 1997).

The Conservative government under Mulroney, elected in 1984, also ushered in some major changes to child benefits. Notably, these changes went in the opposite direction than had been proposed in a consultation paper it had issued a year after its election, which had endorsed universality and pledged that any savings made from realignment should be used to help those in need. The Mulroney government's first budget in 1985, which partially de-indexed family allowance benefits, increased the Refundable Child Tax Credit by \$70 per child and lowered the income threshold above which it phased out, showed that its intention was to further reduce universal family allowances in favor of more selective, income-tested benefits.

However, all these changes were not effectively designed. For example, the children's tax exemption, which was reduced in 1987, was converted into a Non-Refundable Child Tax Credit a year later; however, the problem was that the organization of this tax credit as non-refundable meant that it did nothing for those who paid no taxes. The decision to subject family allowances to an income-test or "claw back", effectively making family allowances temporary for high-income families, was also not matched by anything new for the poor (Gray 1990). But, a final move in 1993, replacing the family allowances and both the Refundable and Non-Refundable Child Tax Credits briefly with a Child Tax Benefit and Working-Income Supplement, did move in this direction.

Childcare

Childcare policies remained largely unchanged during this period despite numerous proposals otherwise. At least three missed opportunities can be identified. A first one came quickly after the Trudeau government's modest changes to the CAP. In the Orange Paper (1973), the government proposed replacing the CAP with comprehensive legislation for social services, expanding the range of services and opening the door to universality; childcare was one of the services intended to become universal in scope. This led to the signing of a federal-provincial agreement and the introduction of a Social Services Act. But things quickly changed, as concerns about jurisdictional and administrative issues led to the Act's replacement with a proposal for block funding, although this too was withdrawn in August 1977.

A second opportunity presented itself with the election of the Mulroney government, which had promised during the 1984 campaign to introduce a national childcare policy. The government waited until almost the end of its mandate before introducing the National Strategy on Child Care in December 1987. While the Liberal-appointed Task Force on Child Care had recommended in 1986 that the federal government take on a

new leadership role in supplying “stable, available and affordable childcare,” the Strategy more closely adhered to the proposals of the Conservative-appointed Martin Report (1987) to continue relying on tax expenditures, subsidies under the CAP and introduce a new supplemental act to provide grants to licensed facilities.

The Strategy, estimated to cost \$2.3 billion over seven years, consisted of “four disparate components designed to appeal to different audiences”: tax assistance in the form of increases to the CTC and CCED; the Child Care Initiatives Fund to finance research and development projects; monies targeted at Indians on reserves to fill childcare needs; and the Child Care Act to allocate \$4 billion over seven years to revised federal-provincial cost-sharing arrangements for the creation and operation of child care facilities (Phillips 1989). While the first three components were passed in 1988, the Act, which was only introduced in July 1988, died on the order paper when the election was called. Not long after its reelection, the Mulroney government abandoned its promise to reintroduce the Act.

A third opportunity came with the election of the Liberal government under Chrétien in 1993. During the campaign, it had promised \$720 million for a federal-provincial cost-shared program, expanding childcare spaces by 150,000. To this end, the 1994 budget allocated the two first two years of childcare funding, \$120 million for 1995-96 and \$240 million for 1996-97. In 1995, the federal government proposed to the provinces a shared cost offer of \$630 million over 1996-2001, a \$72 million First Nations and Inuit childcare initiative and a \$18 million research program called Child Care Visions. The final report of the government’s Social Security Review claimed there was widespread support for a childcare program with a “more dedicated funding approach.”

However, developments occurred during the Chrétien government’s mid-term working against the fulfillment of its promise of a childcare program: there was a fiscal shift, as the government cut transfers and replaced the cost-shared CAP with the block-funded Canada Health and Social Transfer; there was the decentralist shift, as the federal government’s sensitivity to impinging on provincial jurisdiction grew along with the popularity of sovereignty in Quebec; and there was constitutional shift, as the government promised in the 1996 Throne Speech not to use its spending power to create new shared cost programs without provincial consent (Bach and Phillips 1997). The Chrétien government abandoned its promise in 1996, resulting in a third missed opportunity.

The Late-1990s to 2005

The late-1990s to 2005 can be regarded as a period of directed incrementalism. New ideas started emerging in the early-1990s that social spending should be less about social protection, like during the postwar period, and more about activation (Jenson and Saint-Martin 2003). They suggested that policies that encourage child development and ensure labor market participation are good “social investments”. The government adopted these ideas as its fiscal situation improved and committed in the 1997 Throne Speech to “following a balanced approach of social investment and prudent financial management”.

While the initial policy changes were seen as part of a new politics of reparation, the accumulation of them over time signaled that they were in fact part of a new social policy approach.

Child benefits

Child benefits were put back on the policy agenda as part of the Social Security Review (1994). It proposed action to address child poverty and, in a supplementary paper, discussed options for changing child benefits. The provinces proposed the consolidation of income support for children into a single national program that would be jointly managed as their preferred option in March 1996. They decided to work with the federal government on an integrated child benefit at meetings in August 1996 and a consensus was reached around a National Child Benefit System at meetings in January 1997. The NCB System was immediately celebrated as “the first potentially positive social policy initiative against child poverty in many years” (Battle 1997).

The Chrétien government announced the NCB System in the February budget. It would include two components. First, the Child Tax Benefit would be reconfigured into two layers, a general benefit for poor and most non-poor families (the Canada Child Tax Benefit) and a supplementary benefit targeted at low-income families (the National Child Benefit Supplement). Second, the provinces would reinvest any savings they made by clawing back on social assistance rates into other programs for low-income families with children, such as childcare.² Thus, its three stated objectives were to help prevent and reduce child poverty, promote labor force attachment, and reduce the overlap in programs through the harmonization of their goals and simplified administration.

The implementation of the NCB System was laid out in the budget. It increased total spending on child benefits by \$850 million per year. In 1997, the Working-Income Supplement would be increased and become a child rather than family benefit. In 1998, the WIS would be absorbed into the larger and simplified NCB System in 1998. While these increases were significant on their own, the government slowly augmented the value of the NCB System. In 2000, the indexation of the NCB System was restored and the general CCTB benefit was increased for 2000 and 2001. The levels of the NCB Supplement also went up in 2003, 2005 and 2006. By 2007, child benefits were paying more than quadruple what family allowances delivered in 1946 (Battle 2008).

In addition to increases in its value, the NCB system came to be used as a platform to deliver other child benefits. First came the Child Disability Benefit (2003), a \$1600 tax-free benefit for families who care for a child under age 18 with a severe and prolonged impairment in mental or physical functions. It piggybacks on the CCTB and is designed for low- and modest-income families. Second came the Canada Learning Bond (2004), a grant (a \$500 startup grant plus \$100 extra per year up to age 15) to kick-start savings for children’s education after secondary school. It is directed at low-income families, who

² In fact, as of 2002, almost one-third of NCB reinvestments are directed toward childcare, although the provinces and territories differ in how they invest in childcare.

are recipients of the NCB Supplement. All in all, these changes made the system of child benefits increasingly more integrated and progressive.

Childcare

Childcare came to the fore once again, this time in the context of the National Children's Agenda (2000). At the same meetings in January 1997 where the consensus emerged around the NCB System, the federal and provincial governments agreed to work towards the creation of a "far-reaching, long-term action plan for coordinating and advancing actions in a wide range of children's issues." To this end, a series of consultations were launched in May 1999, with the release of a discussion paper, ending with the publication of a final report in June 2000. The report put "exploring opportunities for future collaboration on early childhood development" at the top of its list of "next steps". Three rounds of agreements soon followed.

First, the Chrétien government announced the Agreement on Early Childhood Development in September 2000. It committed the federal government to allocating \$2.2 billion over five years to support provincial and territorial programs in four priority areas: healthy pregnancy, birth and infancy; parenting and family supports; early childhood development, learning and care; and community supports. While the Agreement required that the provinces and territories monitor and publicly report on their performance according to eleven indicators, it did not put any requirements on the division of the monies between the four priority areas. In the end, less than 10 percent of these funds were used for childcare (Collier and Mahon 2008).

Second, the Chrétien government unveiled the Multilateral Framework Agreement on Early Learning and Child Care in March 2003. It was "an effort (of the federal government) to direct monies more explicitly to child care programs" (Friendly and White 2008). Under the Agreement, the federal government committed to providing \$900 million over five years to support provincial and territorial programs explicitly about early learning and childcare. The list of programs that could be supported under the Agreement was quite broad, although its emphasis was on regulated ELCC programs outside the school. Like its predecessor, the Agreement required the provinces and territories to report on its performance.

Third, the Liberal government under Martin reached bilateral agreements with all ten provinces in 2005. In the June 2004 election, the Liberals had promised to allocate \$5 billion over five years to support the building of a national early learning and child care system. It immediately launched an extended negotiation process after its election as a minority government. Although unsuccessful in its attempts to sign a multilateral agreement, it managed to reach agreements-in-principle with nine provinces and a funding agreement with Quebec between April and November of 2005. These agreements were similar to the previous agreements in terms of the principles and requirements to report. While not all that had been hoped for, the agreements were regarded as laying a good foundation for more policy developments.

2006 onwards?

There are early signs of a return of disjointed incrementalism since the election of the Conservative government under Harper in January 2006. The Conservatives offered a very different approach to child benefits and childcare than the Liberals in the campaign. While the Liberals had promised to expand existing child benefits and boost funding to childcare through existing arrangements, the Conservatives proposed replacing the 2005 bilateral agreements with an allowance to facilitate parental choice in childcare and tax credits to encourage businesses to create childcare spaces. The election of the minority Conservative government signaled an abandonment of the social investment approach. Although it is early, the policy goals thus far have been fairly inconsistent.

Child benefits

Child benefits have undergone some important changes under the Harper government. The first was the introduction of the Universal Child Care Benefit in the May 2006 budget. The Conservatives had promised in the campaign to replace the bilateral agreements with the Choice in Childcare Allowance, a \$1,200 cash payment to parents on behalf of every child age five or under. The goal behind the Allowance was to facilitate parental 'choice' of childcare arrangements, including the choice of informal care. The Allowance was renamed in the budget and came into effect in July 2006. It has been heavily critiqued for breaking with the simplified administration of the NCB System and for its distributional consequences (Battle 2006).

The differences between the UCCB and the NCB System are notable. First, it bestows sizeable benefits upon high-income families because of its design as a universal cash allowance rather than an as income-tested benefit. Second, the UCCB especially hurts low-income families because it is taxable. They have to pay more income taxes and the benefits they receive from geared-to-income programs are reduced. Single families are also disadvantaged because it is taxed in the hands of the low-income earner. Third, it adds another layer to the welfare wall by not being integrated in the NCB System. This re-opens the child benefit gaps between families on welfare and the working poor. Thus, the UCCB appears to be about parental recognition.

The second important change to child benefits under the Harper government was the creation of the Non-Refundable Child Benefit in March 2007 budget. Effective January 2007, this new \$2,000 tax credit is paid to parents on behalf of each child age 18 or under. The goal is to help reduce their tax burden. However, like the UCCB, the impacts of the tax credit on reducing or alleviating poverty are less impressive (Battle 2008). Low-income families who do not pay taxes do not receive the benefit because of its organization as a non-refundable tax credit. Its maximum real value, in federal income tax savings, is also \$2,000 times the lowest income tax rate of 15 percent (in 2007), or \$300, and all non-poor families receive it. As such, this tax credit privileges the goal of parental recognition.

The third and latest change made by the Harper government to child benefits was announced in the recent budget in January 2009. As part of the budget's plan to "help Canadians and stimulate spending", the government announced that it was raising the level at which the Canada Child Tax Benefit and the National Child Benefit Supplement are phased out, providing a benefit of up to \$436 for a family with two children. It claimed that, in the context of contemporary economic difficulties, this change would provide Canadians with tax relief. Unlike the Harper government's other changes, this involves a return to the NCB System associated with the goal of poverty reduction. It makes more modest-income families eligible to these benefits.

Childcare

Childcare policies have also undergone important changes under the Harper government. The first announcement made by the new Harper government after being sworn-in was that it was canceling the 2005 bilateral agreements and terminating the transfer of monies to the provinces and territories effective March 31, 2007. The Harper government instead introduced two policies in the May 2006 budget to replace them. The first is the Universal Child Care Benefit. The UCCB is better understood as a child benefit because its uses are not tied or restricted to childcare (i.e. as is the case for the Child Care Expense Deduction). As such, parents may choose to spend the money as they decide (i.e. as is the case with other child benefits, like the CCTB).

The second policy was the Child Care Spaces Initiative. The Conservatives had promised in the campaign that it would establish a Community Childcare Investment Program to create 125,000 childcare spaces over five years. The Program would provide a \$10,000 tax credit per childcare space created by workplaces, cooperative or community associations. The neo-liberal goal was to provide capital assistance for the creation of 25,000 childcare spaces per year. The Program was renamed in the budget and bureaucrats in the Department Human Resources and Skills Development and a ministerial advisory committee undertook consultations about the design of the Initiative beginning in the summer and fall of 2006 respectively.

Both the bureaucrats and advisory committee reported that the business community lacked interest in the proposition. After delaying the release of the advisory committee's report, the Harper government announced in the March 2007 budget that it would offer the provinces and territories the monies it had earmarked to provide tax credits for employer-created childcare spaces. The \$250 million transfer would first appear as a one-time transition payment in 2007-2008 and, starting in 2008-09, it would be distributed through the renewed Canada Social Transfer; it would also be subject to a 3 percent escalator. While this represented a return to the practice of intergovernmental transfers, the uses of the monies are not tied to childcare.

Conclusion

To conclude, this paper argues that the proposal made by Rice and Prince (2000) that we distinguish between disjointed and directed incrementalism represents a promising development for the future of the now fifty year old incrementalist perspective on public policymaking. Differentiating between directed incrementalism and the disjointed variety responds to criticisms of incrementalism that it necessarily lacks any goal-orientation and is always conservative. That is, because directed incrementalism allows for incremental policy changes to be also understood as sometimes purposeful and focused on the achievement of goals in the long-term. Seeing incremental policy changes as either directed or disjointed gives us a better understanding of political practices.

The paper demonstrated this by looking at changes to federal child benefits and childcare policies in Canada over the last 65 years. As opposed to seeing these changes are part of a general trend towards “relentless incrementalism” in Canadian social policy (Battle 2001), I distinguished between different periods of incrementalism according to the goals and policies used to achieve them. There was an initial period of directed incrementalism from the mid-1940s to early-1970s, followed by an intermittent period of disjointed incrementalism from the mid-1970s to mid-1990s, and a later period of directed incrementalism from the late 1990s to 2005. There are also early signs of a new, fourth period of disjointed incrementalism since the Conservative Party’s election in 2006.

Works cited

Bach, Sandra and Susan D. Phillips. 1997. Constructing a New Social Union: Child Care Beyond Infancy? In *How Ottawa Spends 1997-1998: Seeing Red: A Liberal Report Card*, ed. Gene Swimmer. Ottawa: Carleton University Press.

Battle, Ken. 2008, January. A Bigger and Better Child Benefit: A \$5,000 Canada Child Tax Benefit. Caledon Institute of Social Policy.

Battle, Ken. 2006, April. The Incredible Shrinking \$1,200 Child Care Allowance: How to Fix It. Caledon Institute of Social Policy.

Battle, Ken. 1997, September. The National Child Benefit: Best Thing Since Medicare or New Poor Law? Caledon Institute of Social Policy.

Battle, Ken. 2001. Relentless Incrementalism: Deconstructing and Reconstructing Canadian Income Security Policy. In *The Review of Economic Performance and Social Progress*, ed. Keith Banting, Andrew Sharpe and France St-Hilaire. Montreal and Ottawa: IRPP and Centre for the Study of Living Standards.

Bendor, Jonathan. 1995. A model of muddling through. *American Political Science Review* 89, no. 4: 819-840.

Blake, Raymond. 2006. In the Children's Interest? Change and Continuity in a Century of Canadian Social Welfare Initiatives for Children. In *Social Fabric or Patchwork Quilt? The Development of Social Welfare in Canada*, ed. Raymond B. Blake and Jeffrey A. Keshen. Peterborough: Broadview Press.

Blake, Raymond. 2007, December. Social Policy and Constitutional Reform: The Case of Canada's Family Allowance Program in the 1970s. Paper presented at the Saskatchewan Institute of Public Policy, Public Policy Paper 52.

Bradford, Neil. 2004. Global Flows and Local Places: The Cities Agenda. In *How Ottawa Spends 2004-2005: Mandate Change and Continuity in the Paul Martin Era*, ed. G. Bruce Doern. Montreal and Kingston: McGill-Queen's University Press.

Braybrooke, David and Charles Lindblom. 1963. *A Strategy of Decision: Policy Evaluation as a Social Process*. New York: Free Press of Glencoe.

Collier, Cheryl and Rianne Mahon. 2008. One Step Forward, Two Steps Back: Child Care Policy from Martin to Harper. In *How Ottawa Spends 2007-2008: The Harper Conservatives – Climate Change*, ed. G. Bruce Doern. Montreal and Kingston: McGill-Queen's University Press.

Dror, Yehezkel. 1964. Muddling Through-“Science” or Inertia? *Public Administration Review* 24, no. 3: 153-157.

Etzioni, Amitai. 1967. Mixed-Scanning: A “Third” Approach to Decision-Making. *Public Administration Review* 27, no. 5: 385-392.

Forester, John. 1984. Bounded Rationality and the Politics of Muddling Through. *Public Administration Review* 44 no. 1: 23-31.

Friendly, Martha and Linda A. White. 2008. From Multilateralism to Bilateralism to Unilateralism in Three Short Years: Child Care in Canadian Federalism. In *Canadian Federalism: Performance, Effectiveness, and Legitimacy, Second Edition*, ed. Herman Bakvis and Grace Skogstad. Toronto: Oxford University Press.

Gray, Gratton. 1990. Social Policy By Stealth. *Policy Options*, March: 17-19.

Guest, Denis. 1997. *The Emergence of Social Security in Canada*. Vancouver: UBC Press.

Harder, Lois. 2004. Child Care, Taxation and Normative Commitments: Excavating the Child Care Expense Deduction Debate. *Studies in Political Economy* 73: 89-109.

Howlett, Michael and M. Ramesh. 1995. *Studying Public Policy: Policy Cycles and Policy Subsystems*. Toronto: Oxford University Press.

Jenson, Jane and Denis Saint-Martin. 2003. New Routes to Social Cohesion? Citizenship and the Social Investment State. *Canadian Journal of Sociology* 28, no. 1: 77-99.

Jones BD, True JL, Baumgartner FR. 1997. Does incrementalism stem from political consensus or from international gridlock? *American Journal of Political Science* 41: 1319-39.

Lindblom, Charles E. 1979. Still Muddling, Not Yet Through. *Public Administration Review* 39, no. 6: 517-526.

Lindblom, Charles E. 1959. The Science of “Muddling Through”. *Public Administration Review* 19 no. 2: 79-88.

Lindblom, Charles E. 1979. *Usable Knowledge: Social Science and Social Problem Solving*. New Haven: Yale University Press.

Mahon, Rianne. 2000. The Never-Ending Story: The Struggle for Universal Child Care Policy in the 1970s. *The Canadian Historical Review* 81, no. 4: 582-615.

March, Michael D., James G. March and Johan P. Olsen. 1972. Administrative Science Quarterly 17, no. 1: 1-25.

Myles, John and Paul Pierson. 1997. Friedman's Revenge: The Reform of 'Liberal' Welfare States in Canada and the United States. Politics Society 25: 443-472.

Noël, Alain. 2006. Équilibres et déséquilibres dans le partage des ressources financières. In Le fédéralisme canadien contemporain: fondements, traditions, institutions, ed. Alain-G. Gagnon. Montreal: Presses de l'Université de Montréal.

Osborne, John E. 1985. The Evolution of the Canada Assistance Plan.
<http://www.canadiansocialresearch.net/capjack.htm>

Phillips, Susan D. 1989. Rock-a-bye, Brian: The National Strategy on Child Care. In How Ottawa Spends 1989-1990: The Buck Stops Where?, ed. Katherine A. Graham. Ottawa: Carleton University Press.

Prince, Michael J. 2002. The Return of Directed Incrementalism: Innovating Social Policy the Canadian Way. In How Ottawa Spends 2002-2003: The Security Aftermath and National Priorities, ed. G. Bruce Doern. Don Mills: Oxford University Press.

Rice, James J. Rice and Michael J. Prince. 2000. Changing Politics of Canadian Social Policy. Toronto: University of Toronto Press Incorporated.

Simon, Herbert A. 1955. A Behavioral Model of Rational Choice. The Quarterly Journal of Economics 69, no. 1: 99-118.

Smith, Gilbert and David May. 1980. The Artificial Debate Between Rationalist and Incrementalist Models of Decision Making. Policy and Politics 8, no.2: 147-161.

Weiss, Andrew and Edward Woodhouse. 1992. Reframing Incrementalism: A constructive response to the critics. Policy Sciences 25, 3: 255-73.

Whitaker, Reg. 2006. The Chrétien Legacy. In The Chrétien Legacy: Politics and Public Policy in Canada, ed. Lois Harder and Steve Patten. Montreal and Kingston: McGill-Queen's University Press.