

Ontario's Poverty Reduction Strategy: A Case Study in Horizontal Initiatives

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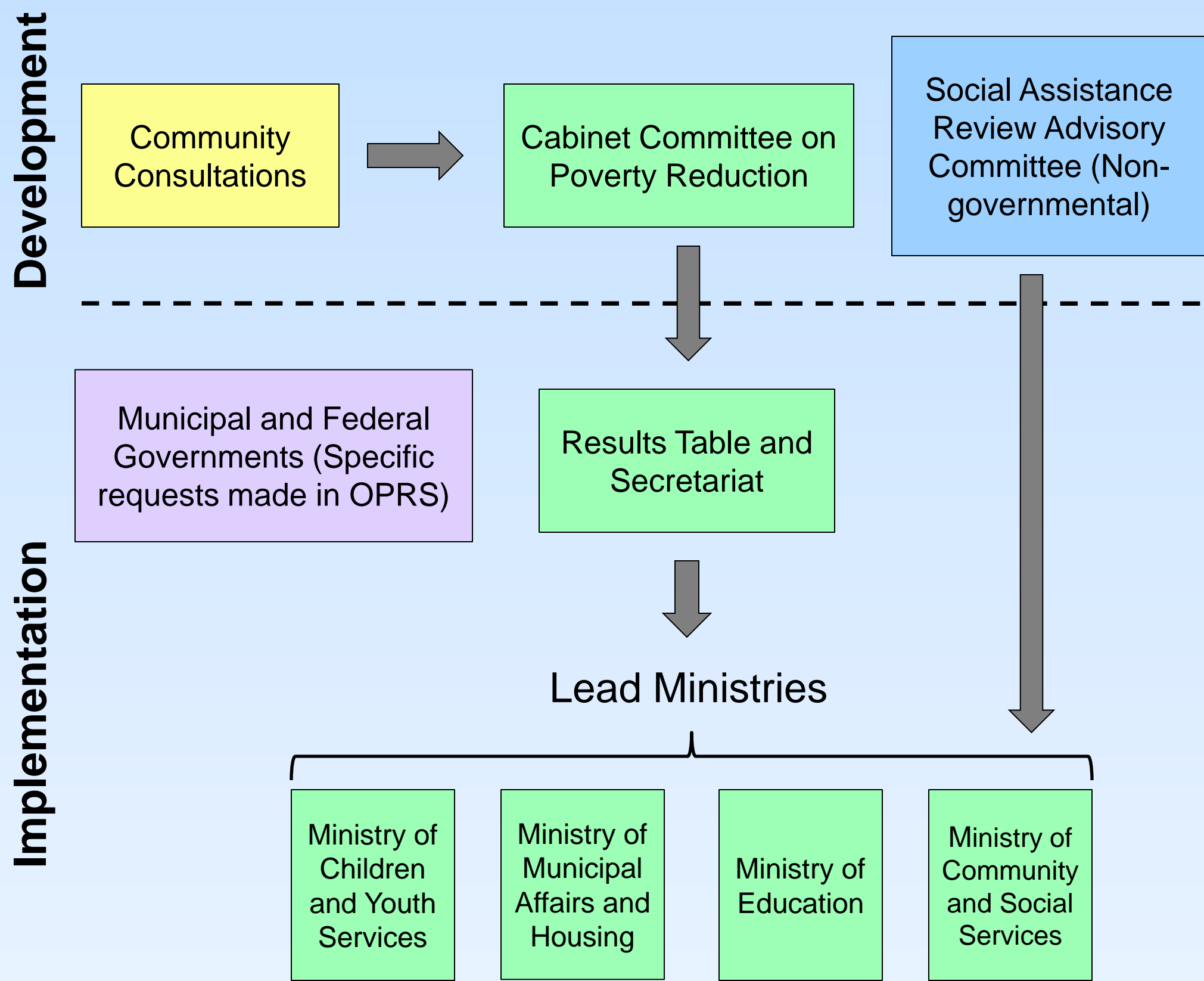
Abstract

In December 2008, the government of Ontario announced a major initiative, the Ontario Poverty Reduction Strategy (OPRS). The strategy aims to break the cycle of intergenerational poverty in Ontario. My paper evaluated the design of the OPRS against best practices developed in the public administration literature on horizontal initiatives. The overarching strategy of the OPRS successfully integrates these best practices. An adequate framework and vision for the initiative was developed, political leadership was strong and concrete performance targets reflecting initiative-wide goals were set. However, best practices were not integrated in the area of social assistance. Generalizing from the OPRS, it seems as though horizontal initiatives face greater challenges at a finer level of policy development, especially where sustained interdepartmental coordination is required.

The OPRS: A Horizontal Initiative

Horizontal initiatives involve some combination of multiple departments, levels of government, and sectors (private, public, voluntary). Moreover, these organizations do not have hierarchical control over each other. The ambitiousness of the OPRS makes it a perfect candidate for a case study on horizontal initiatives. The strategy included public consultation, involved the participation of many ministries, and called on all levels of government. Figure 1 illustrates the participants in the initiative.

Figure 1: Participants in the Poverty Reduction Strategy



Elements of the Poverty Reduction Strategy

The OPRS makes policy commitments in five areas: education, health, housing, community development, and social assistance. Table 1 lists significant commitments by policy area.

Table 1: Selected Policies Included in OPRS

Policy Area	Policy
Education (Early Learning)	Triple the number of Parenting and Family Literacy Centres to 300
Education	Double funding for Youth Opportunities Strategy to \$22M annually
Education	\$19M in additional funding for programs supporting Crown Wards
Education and Health	\$10M annually for After School Program
Community Development	\$5M annually for Community Opportunities Fund
Community Development	\$7M annually for Community Hub Program
Housing	Stabilize Provincial Rent Bank Program funding at \$5M annually
Social Assistance	Undertake a wide-ranging review of social assistance with a focus on aligning social assistance measures to work better together
Social Assistance	Establish Social Policy Institute
Social Assistance	Adopt a "person-centred" approach to reform
All policy areas	Expedite increase of Ontario Child Benefit

Analysis

My analysis develops a rubric based on best practices drawn from the Canadian public administration literature on horizontal initiatives, and applies it to the design of the OPRS. The following three tables illustrate the results of my analysis. They reflect three broad categories essential to a successful horizontal initiative: 1) vision and framework, 2) leadership, and 3) accountability.

Legend for Tables 2-4:		
 Best practice adopted	 Best practice somewhat adopted	 Best practice not adopted

Table 2: Vision and Framework

Best Practices	Action Taken in the OPRS
Key partners included	See Figure 1. Twelve ministries, including Health, Municipal Affairs and Housing and Children and Youth Services, represented on Cabinet Committee; community consultations including key advocacy group 25in5
A clear vision	Breaking the cycle of intergenerational poverty in Ontario
Sufficiently broad-based framework	Key areas were included: health, education, community development and income security
Precise, visible and concrete results contemplated, clearly defined timeframe	Pledge to reduce the number of children living in poverty by 25% over five years.
Measures ensuring continual monitoring and ongoing consultation	The Poverty Reduction Act, 2009 mandates a progress report each year, further consultations twice every five years and a new or updated poverty reduction strategy each time the previous one expires
Continuity of project ensured beyond initial term	

In order to bring together diverse organizations, a clear vision and framework for the horizontal must be developed. The framework and vision of the OPRS clearly integrate best practices drawn from the literature.

Table 3: Leadership

Best Practices	Action Taken in the OPRS
A central body playing a proactive role to finalize and coordinate action	Results Table including key ministers established to monitor implementation of the OPRS
Senior management of public service brought into the fold	Results Table receives support from Cabinet Office, but nature of that support unknown
An independent and dedicated secretariat	Promised in OPRS but not yet established
Policy expertise cultivated and maintained; project champions recruited and kept in place	Policy expertise developed on Cabinet Committee somewhat maintained on Results Table and enhanced by inclusion of external experts Chair of Cabinet Committee not on Results Table
Sustained prioritization at political centre	No mention of OPRS in 2010 Budget Speech

Leadership at the centre is crucial because line ministries have "only a limited capacity to overcome departmental differences."¹ Leadership must be sustained because horizontal initiatives are high maintenance projects that require continuous support and resources.² The strategy recognizes the importance of political leadership. However, efforts to include senior management of the public service may not be adequate.

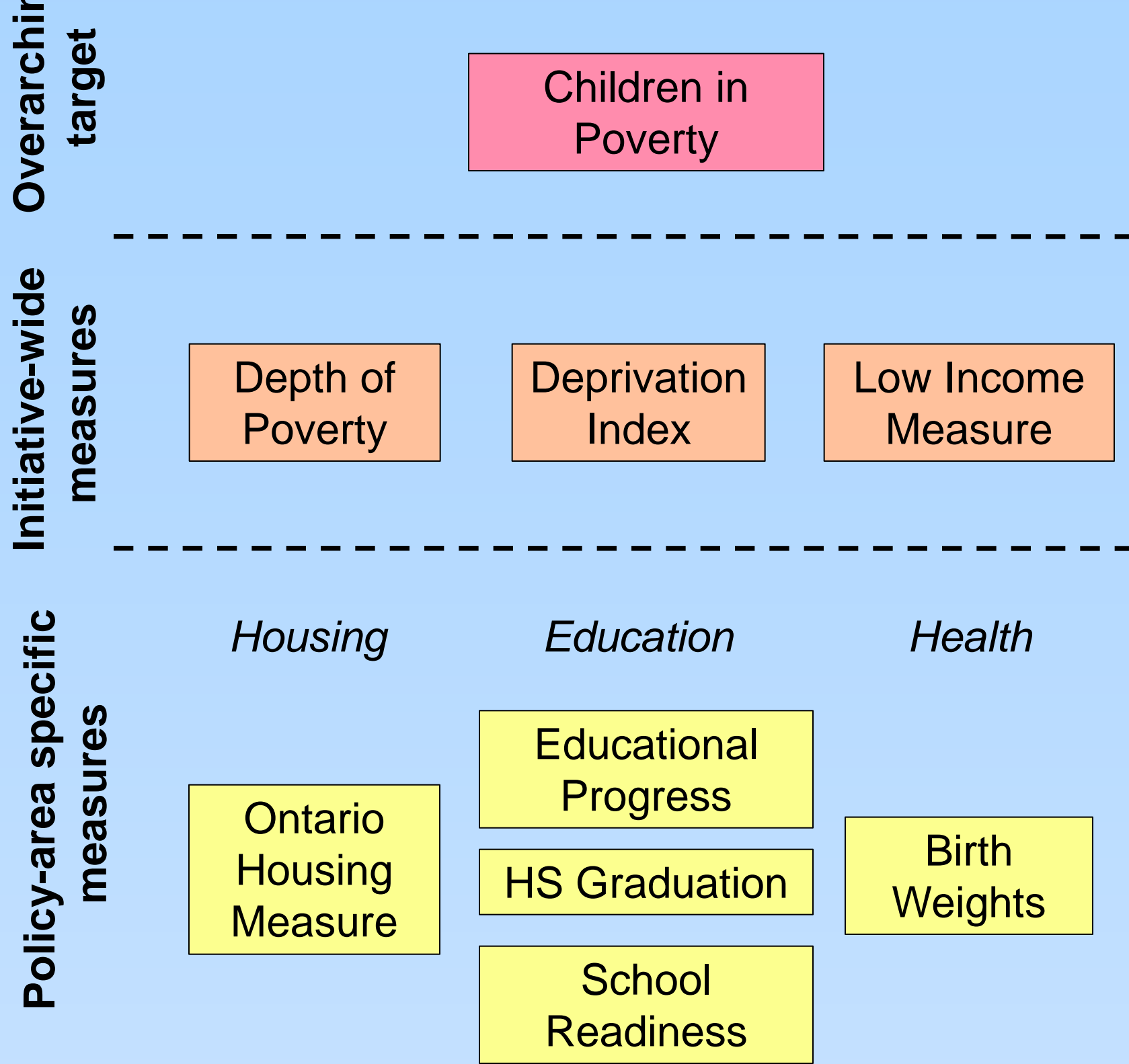
Table 4: Accountability

Best Practices	Action Taken in the OPRS
Performance measures reflecting initiative-wide goals established	See Figure 2; three initiative-wide measures adopted
Performance measures reflecting ministry-specific goals established	See Figure 2; measures adopted for housing, education and health, but not community development or social assistance
Policy goals and priorities of existing programs aligned with the initiative's	Unresolved value conflict between Ontario Works and the OPRS.

Horizontal initiatives face tremendous accountability challenges. Projects like the OPRS create "complex multi-organizational environments" where determining responsibility is a difficult task.³ Having performance measures that reflect the goals of the initiative, while maintaining accountability at a ministry or program level is a difficult challenge, one recognized and addressed by the OPRS. However, the omission of a measure for social assistance reform, when coupled with the lack of concrete policy commitments (see Table 1), merits further consideration.

The concept of accountability can extends beyond reporting and performance. Goals and values also inform the priorities of civil servants, and the values entrenched in the OPRS conflict with those of the major social assistance program in Ontario, Ontario Works. This program was Canada's first experiment with workfare, and its intent was to reduce dependence on assistance, not to lift out of poverty those receiving benefits. A high-level reorientation of the Ontario Works mandate is necessary to align priorities.

Figure 2: Performance Measures



Social assistance is a crucial defense against poverty. A lack of coordination in policy development and service delivery has caused significant problems. Conflicting social assistance programs create a disincentive to find employment, as marginal tax rates on additional earnings can exceed 100%.⁴ Further, clients encounter prohibitive transportation and opportunity costs when accessing services at different sites.⁵ Social assistance reform requires a horizontal approach at a micro-level of policy development and implementation. The OPRS recognized these coordination issues, but did not commit to any significant policies. Instead, a review of social assistance programs based on a "person-centred approach" was promised. Compounding this shortcoming, no performance measures for reform were adopted. Unsurprisingly, progress has been slow on even these modest commitments. A Social Assistance Review Advisory Committee has issued recommendations on the scope of the review, but the review itself has not been initiated. No action has been taken on the Social Policy Institute.

The cause of these shortcomings is revealed by the lens of horizontality. Where elements of the OPRS could be pursued within traditional silos, concrete policy interventions were designed and implemented. However, where policy development at a more detailed level required bridging across silos, only calls for further study were issued. It seems horizontal initiatives are limited by the underlying silo structure; they may only realize their full potential when horizontal governance is more broadly entrenched.

Recommendations

- When the Secretariat of the Results Table is established, it should report directly to the Secretary of Cabinet. Strong terms of reference should help ensure adequate monitoring.
- A concrete policy commitment on the creation of social assistance service hubs or a similar one-window service delivery instrument should be made.
- A performance indicator for the coordination of social assistance service delivery should be developed and included in the OPRS. It could measure turnaround times across the range of programs and services, or it could measure client satisfaction by using surveys.
- A performance indicator for the coordination of social assistance programs and benefits should be developed and included in the OPRS. This indicator should measure the marginal effective tax rate on additional earnings for a variety of beneficiaries.
- The Ministry of Community and Social Services should redefine the goals of Ontario Works from keeping people off of the program to providing an adequate level of income to meet basic needs.
- Line ministries should create special units with the express purpose of supporting horizontal initiatives.

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Acknowledgements: I would like to acknowledge the financial support of the Social Sciences and Humanities Research and the assistance of faculty and colleagues at Ryerson's Public Policy and Administration program. Special thanks to Dr. Janet Lum.