Quebec's Resilient Redistribution Model: Activation Policies in the 2010s

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Abstract:

Quebec has often been described as having a different social and welfare model compared to the rest of Canada, one that is more costly, ambitious, and redistributive. Among Quebec's distinctive traits, there is an elaborate and generous set of active labour market policies (ALMP), with higher expenditures as a percentage of GDP, more encompassing coverage, and more collaborative, multipartite governance arrangements. Since the 2008 recession, however, ALMP have been revised in most OECD countries, with retrenchment, market enforcement, and individual action plans as prevailing trends. In Quebec, the 2010s were also years of budgetary austerity. Using provincial, federal and OECD data and reports, this paper maps the evolution of Quebec's ALMPs in recent years, in light of these trends. We find the Quebec model to be largely resilient, despite declining expenditures, and modest concessions to conditionality in social assistance.

Quebec's Resilient Redistribution Model: Activation Policies in the 2010s

Quebec has often been described as having a different social and welfare model compared to the rest of Canada, one that would be more ambitious, costly, and redistributive. Quebec has encompassing and generous family policies (Jenson 2002; Godbout and St-Cerny 2008), an elaborate and multipartite framework for labour market policies (Wood 2018: 183), a relatively effective poverty reduction strategy (van den Berg et al. 2017), and a uniquely developed social economy sector (Arsenault 2018). The difference between Quebec's and other provincial welfare states, estimates Rodney Haddow, is comparable to that separating the OECD's main welfare regimes (2014: 735).

This difference is a relatively recent phenomenon, dating largely from the late 1990s, when the Quebec government put together its own version of the social investment model (Noël 2013 and 2017). The social investment strategy is an approach that considers social policy as a productive factor that can be used to raise the "stock" of human capital, ease the "flow" of life-course and labour market transitions, and provide "buffers" against old and new social risks (Hemerijck 2017). Concretely, this perspective translates into: a strong focus on family support and services to facilitate work-family conciliation; investments in education, training, and labour market activation programs; and the promotion of flexible and market-oriented employment relations (Morel et al. 2012: 355-56).

In this article, we focus on the second set of policies, and notably on active labour market policies (ALMP). With the development of daycare services, which was very important in Quebec, the turn toward activation policies was undoubtedly the most prominent dimension of the social investment turn. In the OECD, however, the commitment to invest in activation measures has wavered since the mid-1990s, at least in terms of spending (Noël, 2018a). Policy orientations have also evolved, to give place to more market-oriented approaches. In an exhaustive review of reforms in the last two decades, Amílcar Moreira and Ivar Lødemel write of a second wave of reforms in the 2010s, characterized in some countries by a stronger enforcement of market rules and in others by more individualized approaches (2014).

What about Quebec? Were the reforms of the late 1990s in active labour market policies sustained and improved over the years? Or did the general turn toward austerity following the 2008 economic recession contribute to shrink ALMP expenditures and commitments (Noël, 2018b)? Did Quebec reform its programs or did it simply maintain the course set in the 1990s? And what do these evolutions tell us about what has become of Quebec's redistribution model, after about 15 years of a Liberal government that gave priority to balancing the budget?

In this article, we review the reforms implemented during those years and use detailed government spending data to provide answers to these questions. We find that Quebec followed the general OECD trends that translated into lower spending levels and more market-oriented reforms, but did so with moderation, in a context marked by continuity and by an absence of major controversies among social partners, except perhaps regarding the governance of social assistance. The framework built in partnership in the late 1990s appears alive and well, if somewhat modified, and so does Quebec's overall redistribution model.

The first part of the article presents the changing governance of activation policies in OECD countries, to establish the broader context in which Quebec's policies can be assessed. The second part does the same for Canada, outlining the importance of the federal framework for the development of active labour market policies in Quebec. We then turn to the Quebec case, to consider the foundations established in the late 1990s, the reforms of following years, and spending trends. The implications of our findings are discussed in the conclusion.

The Changing Governance of Activation

The welfare state as it emerged in the 1930s and 1940s was primarily concerned by the protection of income, for the old, the young, the unemployed, or the sick. There were employment services and some training programs to facilitate labour market participation, but in most countries these activities remained subsidiary, not at the centre of welfare state construction. Conceptions evolved in the 1990s, with an increasing emphasis on "active" social policies, as a way to reconcile the need to protect income with the efficient working of the labour market, and probably as a response to the prevailing neo-liberal emphasis on market mechanisms (Bonoli 2013: 1-2).

Active social policies remove obstacles (by providing childcare services, for instance) or enhance a person's capacity to join the labour force, through training, financial incentives, or otherwise. Childcare belongs to family policy and is beyond the scope of our investigation, which is concerned specifically with active labour market policies, and can be defined as the set of instruments used to address and reduce unemployment (Nelson 2013). These policies include various types of incentives for workers and employers, job subsidies, training programs, and employment services (Dinan 2019).

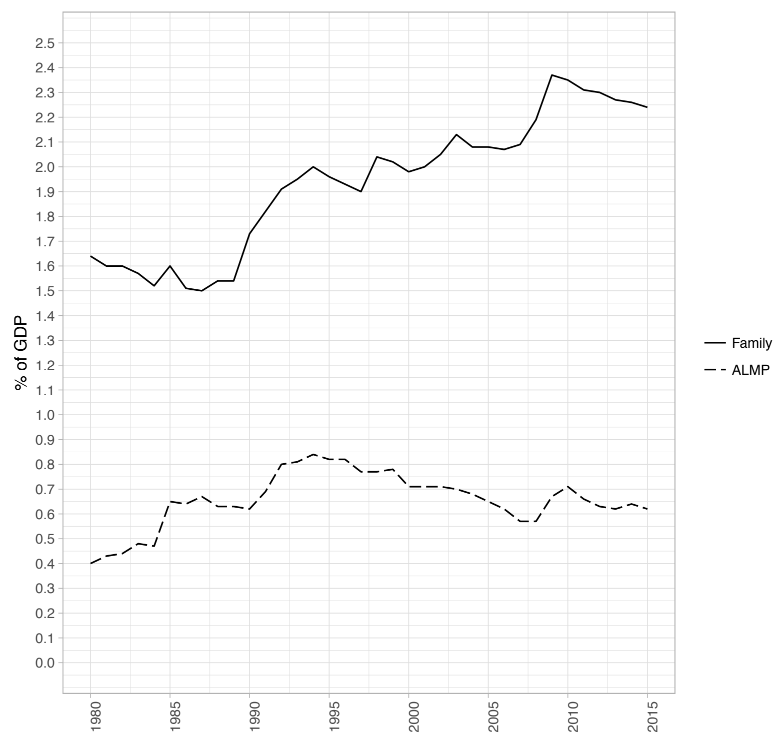
The literature on active labour market policies has focused on four related issues: change over time, and in particular the ups and downs of public commitments to spend on ALMPs; the content of actual policies and the gradual emergence of new instruments and approaches; the effects of intervention on the level of employment for different categories of the population; and the political determinants of the turn toward active labour market policies.

Regarding change over time, there is a broad consensus on the renewed interest of governments in the 1990s, but one that did not lead to a spectacular breakthrough and was not always sustained in the twenty-first century. In his book on active social policies, Giuliano Bonoli notes that most OECD countries have increased their expenditures on active labour market policies between 1985 and the 2007-08 financial crisis (2013: 35). This transition, however, was not uniform and it remained short of spectacular. The shift was most pronounced in the conservative welfare states of continental Europe. In Germany, for instance, public expenditures went from 0.5% to 0.8% of GDP between 1985 and 2007

(2013: 30). Nordic countries, which pioneered ALMPs in the 1970s, mostly maintained their commitments, at levels above those of the rest of the OECD. English-speaking welfare states hardly embraced this general movement and continued to count on the market more than on the state to create jobs. Mediterranean countries made some progress, but from a very low starting point.

Overall, as can be seen in Figure 1, there was a steady but modest evolution in ALMP expenditures. Average spending went from 0.40 % of GDP in 1980 to a peak of 0.84 % in 1994, with a gradual decline and levelling afterwards, to reach 0.62 % of GDP by 2015. The mid-1990s peak was associated with high unemployment rates, which almost automatically boosted ALMP expenditures. If we controlled for unemployment, the spending trend would be gradually upward but flatter, at least until recent years, when signs of retrenchment appeared (Bonoli 2013: 32; Moreira and Lødemel 2014). By comparison, expenditures for family policies, which include spending on early childhood education and care, increased more substantially, going from an average of 1.64 % of GDP in 1980 to 2.24 % in 2015.

Figure 1: Means of active labour market policy and family expenditures as a percentage of GDP, OECD countries, 1980-2015 [1]
Source: OECD 2019



[1] The countries included are those considered in Beramendi et al. 2015, namely Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Japan, the Netherlands, New Zealand, Norway, Portugal, Spain, Switzerland, the United Kingdom, and the United States.

One should keep in mind that for these countries in 2015, total social expenditures counted for an average of 23.5 % of GDP. At 0.62 %, the commitment to support active labour market policy remained a minor, almost invisible component of the welfare state.

The policy instruments favored by governments also evolved over time, going from a reliance on direct job creation in the 1980s to a growing focus on market-enhancing, supply-side interventions such as public employment services, incentives for employers and employees, and training (Bonoli 2013: 32). Since 2008, argue Moreira and Lødemel, the choice of instruments also entailed a stronger reliance on market rules and more personal, individualized approaches (2014). Market-based mechanisms included more conditional income transfers, new incentives to work, and a turn toward private-sector service providers. Individualized instruments were associated, in particular, with the widespread introduction of personal action plans designed to guide individual beneficiaries from income support to the labour market. In some countries, such as France, the Netherlands, and the United Kingdom, the emphasis was placed on the strengthening of market mechanisms, in others, such as Germany and Denmark, more attention was paid to the improved provision of individual plans (Moreira and Lødemel 2014). Almost everywhere, the last decade was one of retrenchment more than expansion.

Interestingly, for all the investments that were devoted to enhancing active labour market policies, the evidence about their consequences for labour market integration remains difficult to establish. At the micro-economic level, existing research points to positive effects after two or three years for programs that emphasize human capital development, and positive short-term effects for job search assistance (Card et al. 2010; Nordlund and Greve 2019: 375). From a macro-economic standpoint, Moira Nelson and John D. Stephens point to a positive impact of activation policies on employment levels and on the quality of employment (2012). Be that as it may, the causal connection between policies and outcomes remains uncertain. For poverty reduction, for instance, there may be a positive impact, but probably not a strong one (Burgoon 2017: 166; Vandenbroucke and Cantillon 2014).

Active labour market policies are in fact better understood as components of broader social models anchored in a country's politics. As such, they contribute to define, in a given context, what is fair or not, what works and what is efficient, and what citizens' expectations can be with respect to social policy and labour market outcomes (Clasen and Clegg 2012). Quebec's active labour market policies, in this perspective, are anchored in a broader political package put together in the late 1990s and, as such, they are likely to be resilient, especially since their cost is modest and their visibility low. To this question, we can now turn, starting with the Canadian context.

The Federal Framework

Canada belongs to the family of liberal welfare state regimes, characterized by their residual logic and emphasis on means-tested benefits. It is also a federal welfare state, where legislative powers are divided between the federal and the provincial and territorial governments.[2] The division of powers in this country is explicitly defined, with little overlapping jurisdictions, and it leaves the provinces with full legislative competence on most social policy questions, including health care services, education, training, social assistance, social services, and many aspects of family and pension policies. The federal government is left with old-age security and employment insurance as sole unchallenged responsibilities.

Provincial governments receive important financial transfers from Ottawa, for social or for other purposes, and these transfers are an important instrument of influence for the federal government. But compared to other federal entities across the world, Canadian provinces maintain strong financial autonomy. For one thing, they rely heavily on own-source revenues, to an extent unparalleled elsewhere (Blöchliger and Nettley 2015). In addition, the bulk of federal transfers are entirely or largely unconditional. Equalization payments are formula-driven and carry no conditions, and the main social transfers come as block grants with mostly symbolic conditions.

Labour market policies constitute a domain where both orders of government intervene and interact, because the federal government controls employment insurance whereas provincial governments are responsible for employment services and social assistance. The provinces' unchallenged jurisdiction on education also makes them unavoidable in the creation and implementation of training programs.

To make matters more complex, the federal government also plays a role in the funding of social assistance. From 1966 to 1995, these transfers took the form of cost-sharing through the Canada Assistance Plan (CAP). After 1995, they became largely unconditional block grants, primarily distributed on a per capita basis.

Federal unemployment benefits are provided through the employment insurance program (EI), financed by employer and worker contributions. The 1996 Employment Insurance Act divides unemployment benefits into two types. First, there are income support measures, commonly associated with passive measures. Second, there are active labour market measures, known in Canada as Employment Benefit and Support Measures (EBSM). While the federal government funds these EBSM programs, it is not solely responsible for their implementation, which is delegated to the provinces through bilateral agreements. Programs for EI clients are financed through Labour Market Development Agreements (LDMA) and programs for non-EI clients through Labour Market Agreements (LMA). Similarly, the federal government has labour market agreements for specific target groups, not addressed here. Canada's labour market policies are therefore decentralized and coordinated by both the federal and provincial governments (Vandenbroucke et al. 2016: 64). With these agreements, the federal government consents to fund policy initiatives based on agreed programs and targets. These arrangements mean that, although the federal government funds activation, the programs offered may vary from province to

[2] The following discussion leaves aside the territories, which have much smaller populations, less elaborate bureaucratic structures and policy instruments, and a significantly stronger dependence on federal transfers.

province. Service delivery also varies across provinces, with different mixes of public and third-party service providers (OECD 2015: 65).

To avoid excessive heterogeneity, the federal government created EBSM categories that provincial governments can use as a guide to design their programs. Active labour market policies are divided between employment benefits and support measures. Employment benefits are "only available to eligible participants (active and former EI claimants) and generally involve long-duration interventions with clients" (Canada Employment Insurance Commission 2005: 34).[3] Not eligible to employment benefits, non-EI beneficiaries can qualify for support measures, because these are not EI funded. Employment support generally takes the form of short-term interventions ranging from half a day to a few weeks. These policies account for a non-negligible amount of EBSM funding. According to the OECD, expenditures for such support measures represented 7.7% of EBSM funding in 2012-2013 (2015: 75).

EBSM activation funding includes eight activation policies related to both English-speaking and European social models (van den Berg et al. 2008). Spending and participation for activation measures increased after the 1996 EI reform (van den Berg et al. 2008, 326). Much of the rise in the number of interventions was related to short-term measures, such as employment services, rather than long-term measures.

Unemployed Canadians are expected to be relatively autonomous and search for employment using public employment services, which provide basic aid. Further conditions can be applied and vary according to individual cases. Studies indicate, however, that the monitoring of individuals and sanctions remain weak in Canada (OECD 2015, 156; Venn 2012). Comparisons of the strictness of unemployment and behavioural eligibility criteria in OECD countries concur that Canada ranks among the least severe (Immervoll 2012; Langenbucher 2015). This lack of monitoring may lead to symbolic politics, in which conditionality is affirmed but not necessarily implemented or enforced (Clegg and Palier 2014).

Conditionality was different for social assistance beneficiaries under the Canada Assistance Plan. This federal funding allowed provinces to create work activity projects, but they could not refuse aid to those who decline to participate (Boychuck 2015: 37). This constraint may have had the effect of limiting activation conditionality as provincial governments who applied strict work conditions would not be eligible to cost-sharing for these policies. Once cost-sharing funding changed to block-funding in 1996, eligibility conditions tended to become stricter and beneficiaries were more pressured into employability programs (Banting and Myles 2013: 23). Difficult economic conditions (Boychuk 2015) and retrenchment in the federal employment insurance program (McIntosh and Boychuk 2000) also facilitated benefit reductions and stricter eligibility criteria in some provinces. This was the case, in particular, for social assistance. In their analysis of moral hazard in the multi-tiered regulation of unemployment and social

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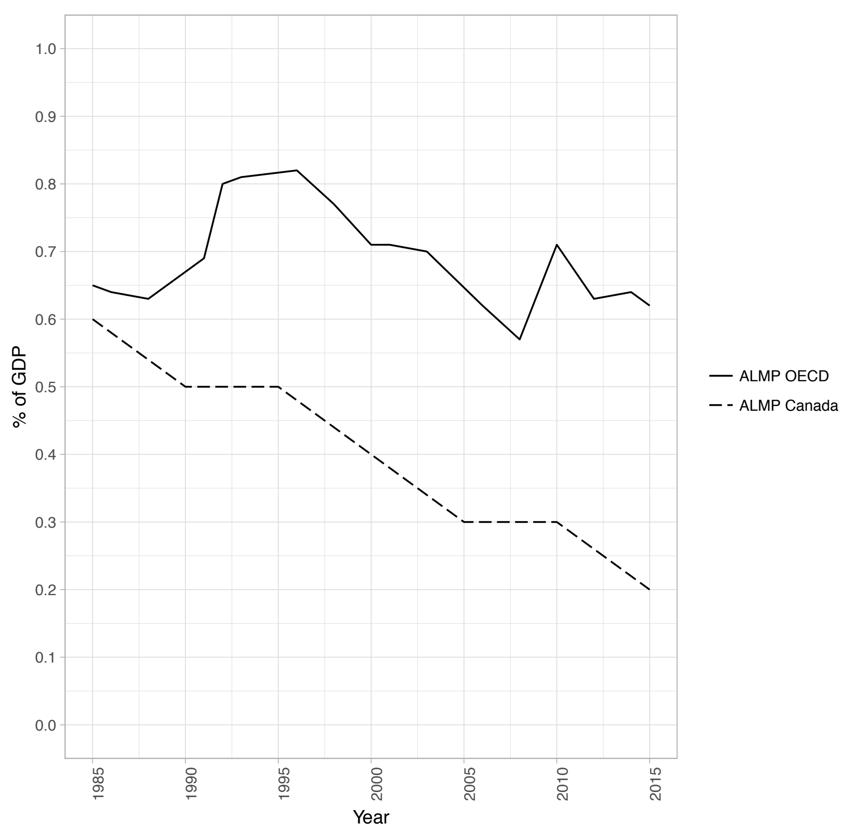
[3] With long-term assistance, the government refers to benefits that last for more than a few weeks and "involve financial assistance either to employers, third parties, or individuals to prepare clients for employment" (Canada Employment Insurance Commission 1999: 34).

assistance activation, Frank Vandenbroucke et al. argue that, although EBSM were created to reduce costs, provinces had no incentive to activate EI recipients, for which they did not pay income support (2016: Annex Canada 11-12). Provinces, however, were fully responsible for social assistance and no longer received shared-cost funding from the federal government. They thus had a stronger incentive to activate persons receiving social assistance.

From the standpoint of expenditures, Canada's activation regime can be described as "weak" (OECD 2015: 125). As can be seen in Figure 2, between 1985 and 2015, Canada always spent below the OECD average on active labour market programs, and the decline of the country's commitment over time was more pronounced than that of the OECD average.

In Canada, expenditures for both active and passive policies remain comparatively low, with the country spending 0.83% of GDP on labour market policies in 2012 as compared to an OECD average of 1.58%, and less than a third of this envelope going to active measures (OECD 2015:146). Both passive and active labour market expenditures decreased between 1985 and 2015.

Figure 2: Active labour market policy expenditures as a percentage of GDP, mean of OECD countries and Canada, 1985-2015
Source: OCDE 2019



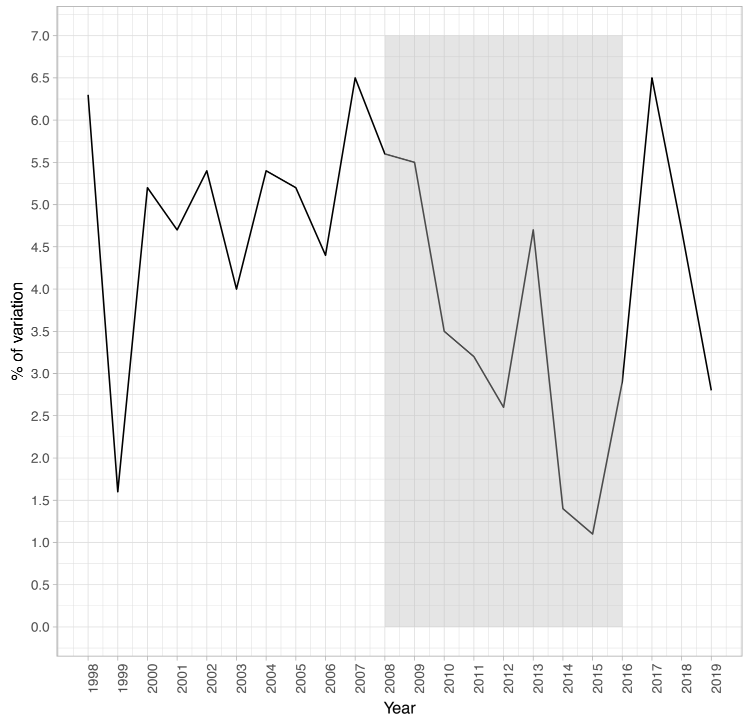
Low levels of spending relative to other OECD countries notwithstanding, Canada has a long history with activation. Donna Wood argues the country already participated in the "activation turn" promoted by international organizations between the 1960s and the 1980s (2018: 45). Furthermore, the 1996 reform of employment insurance was at least partially motivated by the objective of encouraging beneficiaries back into the workforce (van den Berg et al. 2008). Recent data from the OECD shows that Canada spends the largest proportion of its activation budget on training (2015, 149). Reports from the OECD have also deemed Canada's employment services to be "work-first" in nature (2015, 153). This form of activation is often associated with liberal welfare state regimes. Liberal activation is focused on "inciting individuals to seek work, providing quick information and matching services, as well as investing in short-term vocational training," compared to more universal approaches, which are more egalitarian, provide better services and sustain higher quality jobs (Barbier 2005: 115).

It is in this liberal, rather ungenerous context that Quebec's active labour market policies were developed and implemented.

The Quebec Model Under Stress

In 1998, in the context of a general overhaul of its redistribution model, the Quebec government created Emploi-Québec as a one-stop-shop for employment services that would meet the needs of all EI recipients, social assistance beneficiaries, and uncovered unemployed persons in a relatively seamless way (Noël 2012 and 2013). Governed in a multipartite fashion, with business, unions and community and education sector representatives, the new agency integrated and improved existing measures, and subdivided activation policies into specific measures and themes (MESS 1999: 25-26). The budget for these activation measures came from the *Fonds de développement du marché du travail* (FMDT) and included federal funding. Over time, however, the early commitments made by the Quebec government may have leveled off, and perhaps declined (Noël 2017: 263). The drive to balance the budget, in particular, and a generally good employment situation, may also have eroded ALMP funding (Noël 2018b). Figure 3 shows how restrained the growth of program spending was between 2008 and 2016, until the election-year budget of 2017-2018. This context is likely to have favoured retrenchment in ALMP spending.

Figure 3: Percentage variation in program spending, Quebec government, 1998-2018



Note: Data for 2018-2019 and 2019-2020 are previsions.
Source: Ministère des Finances, *Quebec's Budgetary Statistics*, 2018.

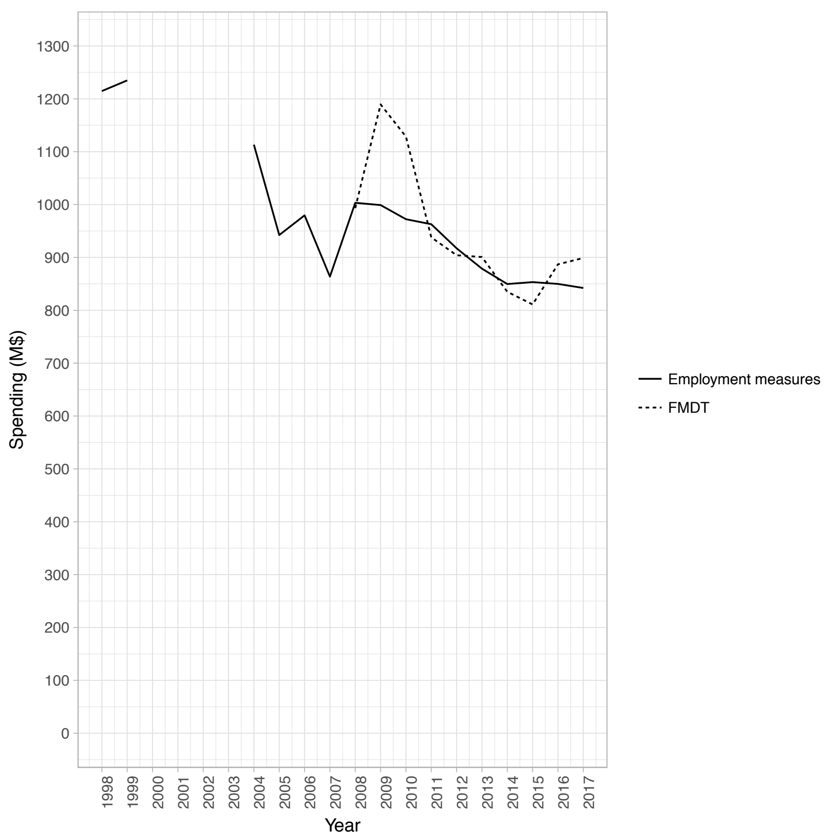
ALMP expenditures collected from annual reports and from data provided by Emploi-Québec show indeed an overall decrease in activation and active labour market spending. Likewise, measures for specific programs display significant variations, but not always in a market-conforming direction. Conditionality has been introduced for new social assistance claimants, with the creation of the Objectif Emploi program, but spending on financial incentives and public employment services also increased. Furthermore, recruitment incentive spending remains important through job subsidies to the private sector. To better assess the evolution of Quebec activation policies in recent years, we will first consider public expenditures, and then practices and reforms.

Spending

Overall spending trends indicate that Quebec has not undertaken a major reorientation of its activation policies in the 2010s. The government has rather maintained the same general model, with alterations at the margins. The changes implemented, nonetheless, suggest a gradual erosion of the initial pattern. The austerity policies adopted after 2008 did lead to a decline in activation spending and they favored an increase in conditionality for specific claimants.

Activation spending in Quebec can be measured in two ways. First, the Ministry of Employment and Social Solidarity considers the expenditures it devotes to active measures that increase employability. Second, Emploi-Québec keeps track of the revenues it manages through the *Fonds de développement du marché du travail* (FMDT), which include transfers from the federal government. These two measures (expenditures on employment measures and FMDT revenues) may vary slightly because of accounting differences but, as Figure 4 indicates, the general trends are the same.[4]

Figure 4: Quebec activation spending, in constant 2018 dollars (millions), 1998-2017



Note: Data are from April to March for each year.

Sources: Ministère de l'Emploi et de la Solidarité sociale, Annual Reports 1998-2018 and Emploi-Québec.

[4] Sources: Expenditures from Ministère du Travail, de l'Emploi et de la Solidarité sociale, *Rapport annuel de gestion,* and Emploi-Québec 1998-1999 to 2017-2018, and Emploi-Québec Fonds de développement du marché du travail; Spending is adjusted using the Consumer Price Index for Quebec to reflect 2018 prices, CANSIM 326-0020.

In constant 2018 dollars, expenditures for employment measures declined before the economic recession and have continued to do so since then. Spending increased during the recession, but this was not a lasting change. Active labour market policy spending between 2008-2018 shows a similar trend. FMDT spending decreased by 10.5% between 2008 and 2018.

Labour market policies are cyclical, and labour market changes partially explain this variation (Bonoli 2013: 29). For instance, unemployment in Quebec rose by 0.75 percentage points between 2008-2009 and 2010-2011. This change coincides with increases in activation spending. The business cycle, however, does not tell the whole story. When unemployment rates dropped by 1.58 percentage points between 2015-2016 and 2017-2018, activation spending increased. Moreover, participant counts for individual activation measures were higher in 2017-2018 than they were in 2008-2009.

As part of broader social and labour market reforms, Quebec revised its existing ALMP in 1998 and created new categories of programs (MESS 2000: 25-26).[5] Some of the individual programs that made up these categories have been modified or removed over time, but their general orientation did not change. Table 1 presents a classification of FMDT by activation incentives, according to the lever for labour-market integration and enforcement mechanisms (Dinan 2019), to better identify spending patterns. Participant and expenditure data are averaged for the 2008-2018 period. Figures 5 and 6 present participant and spending trends for this period, by activation type.

[5] Quebec identifies five categories. These are training programs, employment integration, employment maintenance, employment stabilization, and employment creation. The first two categories target individuals and provide public employment services, training, and employment subsidies. Employment creation specifically targets autonomous workers via financial assistance and training. Finally, employment maintenance and stabilization measures target employers through financial and human resource assistance.

Table 1: Participants and funding in Quebec activation programs, average for 2008-2018

Activation incentive type	Average annual active participants (individuals and businesses)	Average annual funding (in constant 2018 M$)
Upskilling	70,122*	445.38*
Employment services	427,969*	256.06*
Subsidized employment	30,193	174.29
Company training	8,316*	61.56*
Fiscal incentives	11,525	36.04
Administrative services	8,102	30.51
*These calculations include measures that have been categorized as belonging to two types (specifically *Formation des travailleurs en emploi* and *Projets de préparation en emploi*) the participant counts and average annual funding for these measures, therefore, appear twice in the table.		

Figure 5: Participants by Activation Type

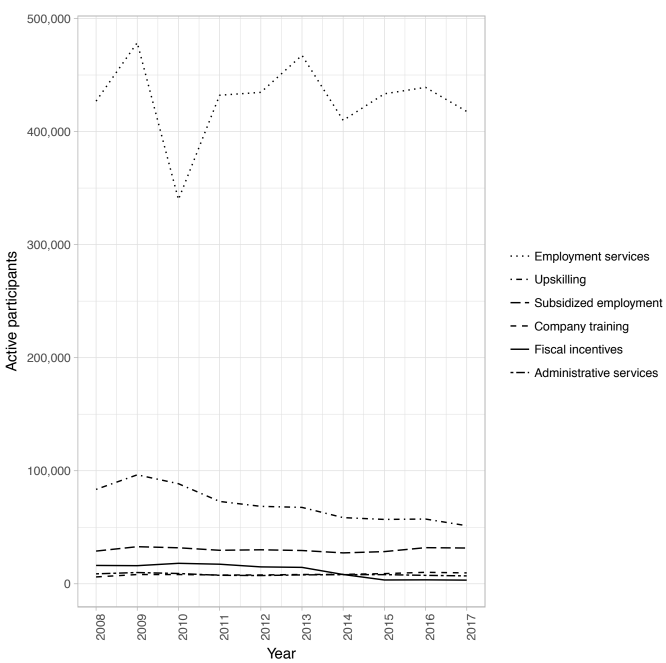
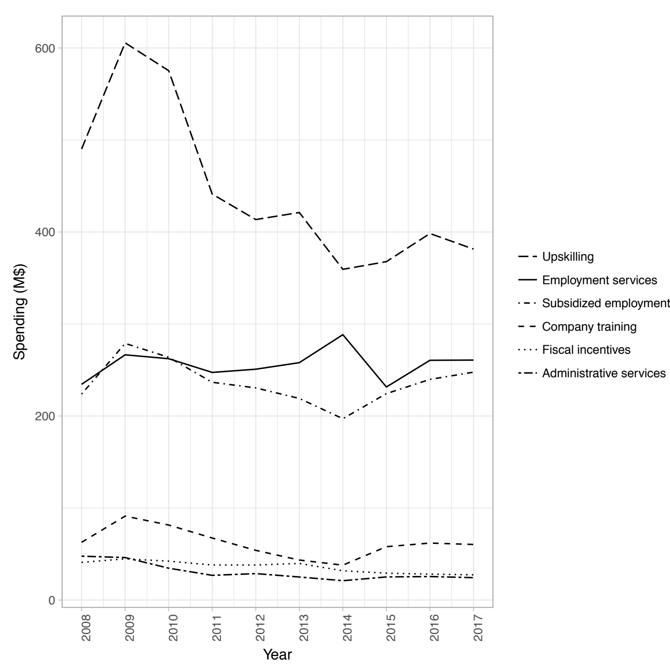


Figure 6: Spending by Activation Type



Note: Data are from April to March for each year.

Source: Ministère de l'Emploi et de la Solidarité sociale, *Annual Reports,* 1998-2018.

On average, Quebec spends most on upskilling incentives. This mainly comes in the form of training for the unemployed.[6] Upskilling remained Quebec's most expensive activation program in 2017-2018. Like its generous childcare policies, this trend is consistent with the view of Quebec as adhering to the social investment model. At the same time, spending on training for the unemployed has decreased by approximately 25% since 2007, and participant counts have fallen by nearly 40%. These changes may be due primarily to cyclical economic conditions. Indeed, Quebec's unemployment rate decreased by 1.5 percentage point during this period. It may be, therefore, that individuals no longer require additional skills upgrading to find work in the context of nearly full employment.

The second most expensive activation incentive on average is employment services. Expenditures for employment services increased by 11% during the period. This activation type also counts for the highest level of active participants. High participation has continued despite the current low unemployment rate in Quebec. For instance, two measures, employment activities[7] and employment services, [8] accounted for 78% of all active interventions between 2008 and 2018. In this way, although significant funding is allocated to upskilling, the vast majority of Quebec's activation is devoted to employment services. One reason for this is likely to be the low cost per participant for these measures. This trend concerning employment services is consistent with what is observed in other English-speaking welfare states, where this type of activation has increased while overall ALMP spending went down (Immervoll 2012).

The third most important, and unexpected, activation type in Quebec is subsidized employment. Contrary to other classifications (Bonoli 2013), employment subsidy incentives in Quebec are not designed for the public sector. Instead, they apply to all businesses and target the general unemployed public, as well as the disabled, visible minorities, and immigrants with permanent residence status. In this way, these subsidies are more akin to recruitment incentives than to public work schemes. This emphasis on employment subsidies was not anticipated because the activation literature has found a general decline in direct job creation and recruitment incentive spending (Moreira and Lødemel 2014). Quebec does not adhere to this trend.

Practices

Quebec overhauled its activation policies when it created Emploi-Québec in 1998. Since then, governments have maintained the same broad activation orientations and governance practices. For instance, as part of its 2004-2010 Plan to Fight Poverty, Quebec highlighted the role of activation measures to reduce poverty and social exclusion and insisted on moving away from passive measures (MESSF 2004: 37, 43). This plan specifically avoided a "punitive" approach to activation that would have unduly reduced

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[6] Formation des personnes sans emploi.
[7] Activités d'aide à l'emploi.
[8] Services d'aide à l'emploi.

benefit levels. The emphasis was placed instead on the implementation of active measures in collaboration with social partners and on a "make work pay" approach that entailed providing additional financial aid to the working poor. These themes were reaffirmed in the 2010-2015 and the 2017-2023 poverty plans with work being described as the best source of welfare and social inclusion (MESS 2010; MTESS 2017). Emphasis also continued to be placed on financial incentives for work, such as tax credits.

There have been additional reforms. In 2017, the progressive implementation of an improved minimum income scheme for long-term social assistance claimants with severe obstacles to employment was announced (MTESS 2017). Overall, though, encouraging labour market integration remained a focal point and a host of measures continued to promote work as a way to increase revenue for the working poor, through means-tested exemptions and tax credits. In this way, Quebec's overall activation strategy remained largely aligned with the earlier trend away from conditionality and sanctions and toward flexibility. These orientations also corresponded with "make work pay" schemes that allow individuals to maintain benefits while they earn specific income levels. Some indications suggest, however, that Quebec could move away gradually from this model.

Reforms

In 2016, Quebec adopted a law that modified the governance of activation measures and skills matching and it enacted a social assistance reform that reinforced conditionality. A new social assistance program, Objectif Emploi, introduced an explicit mutual obligations rhetoric for first-time social assistance claimants who were able to work. In so doing, the program indirectly targeted persons under the age of 29, who represented 60% of these new claimants (Commission de l'économie et du travail 2016). This reform notably made individual action plans mandatory for new claimants and it applied a range of sanctions in cases of non-compliance. This reinforcement of conditions and increased work obligations brought Quebec closer to the market-enforcement trend in activation but was also compatible with the individualization observed elsewhere (Moreira and Lødemel 2014: 290).

At the same time, these changes can be seen as consistent with Quebec's often affirmed orientation in favour of work. Ever since the creation of Emploi-Québec, work conditions have continually been added (Dufour et al. 2003; Groulx 2009: 37). Even so, the 2016 social assistance reform led to significant public debate and social partners expressed clear disagreements about the reform. Unions and community organizations generally saw the changes as significant and positioned themselves against the use of sanctions that reduced financial aid (Commission de l'économie et du travail 2016). For these parties, these changes were incoherent with Quebec's general social inclusion strategy. Groups representing youth and immigrant interests also worried this reform unfairly targeted these individuals without providing the necessary resources to overcome systemic problems and lead to durable employment. On the contrary, employer associations generally supported the bill and requested better skill matching.

The same bill also proposed changes in the governance of labour market policies. Multiple actors questioned how these modifications, which reduced the autonomy of Emploi-Québec and broadened the role of the Commission des partenaires du marché du travail (CMPT), would affect policy implementation. The CMPT includes employer representatives, trade unions, and persons from the education and community sector, as well as government organizations, and it promotes work skill development and recognition. The bill proposed to allow the Commission to participate more actively in policymaking. Unions, however, argued these changes would reduce the CMPT's role to a consultative one. They also feared Emploi-Quebec would no longer be able to act as a partner as it had in the past. For these reasons, they stated the bill was contrary to Quebec's partnership model founded in the 1990s. The exact significance of these reforms remains uncertain.

Conclusion

English-speaking countries with liberal welfare states were not strong adherents to the ALMP movement that began in the mid 1980s, and Canada as a whole remained typically liberal. The Quebec government, a provincial state in a decentralized federation, was nevertheless able to create a coherent set of activation policies that emphasized upskilling, employment services, and employment subsidies. The reforms introduced in the late 1990s have been maintained and Quebec still has a wide variety of activation programs for the unemployed, whether they are employment insurance or social assistance beneficiaries, or persons without income support. In this regard, Quebec evolved differently compared to its liberal welfare state counterparts.

Quebec, however, is not immune to change. As in other welfare states, activation spending has declined in the 2000s and 2010s. The types of activation that receive the most funding are also evolving, with a decreasing emphasis on upskilling and a growing use of low-cost employment services. This evolution may be related to the austerity policies privileged by the Liberal government after the economic recession and cyclical economic effects. It may also reflect an ever-present ideological preference for measures that sustain employment and, more generally, favour the "deserving" poor (the working poor, families, persons with an incapacity) (Larocque 2018). Conditions for persons receiving social assistance, and for first-time claimants in particular, have evolved to become stricter. This development is consistent with general trends toward the marketization and individualization of activation. One should note, however, that so far most new social assistance claimants have accepted to prepare an individual plan and very few penalties have been implemented. Between April 2018, when Objectif Emploi was launched, and December 2018, financial penalties were imposed on only 0.6 % of newcomers (21 out of 3459 persons) (Porter 2018). On the ground, among those working with young persons receiving social assistance, opinions range from those concluding the reform changed nothing, to those considering it provided a useful new tool to support labour market integration efforts (Porter 2019). Time and more research will be necessary to determine who is right.

Finally, the multipartite governance model that helped found Quebec's social and employment policy changes in the 1990s remained intact and effective. In the 2013 federal budget, the Conservative government of Stephen Harper introduced a new program, the Canada Job Grant, to replace existing labour market funding arrangements with a measure more closely tied to the needs of employers. Provincial governments resisted this change, but eventually conceded, except Quebec, where the social partners expressed their unanimous support for the status quo. This opposition made it difficult for Ottawa to impose a program giving more say to employers against the will of Quebec businesses. In the end, the federal government backed down and signed a special agreement with Quebec, allowing the continuation of the Quebec model (Noël 2015). When Objectif Emploi was adopted in 2016, social partners, especially trade unions, expressed concerns about proposed changes to the governance model for active labour market policies. Yet, the proposed modifications were difficult to evaluate, and not strongly opposed. Only time will tell whether they amount to a real turn.

To sum up, Quebec activation policies in the 2010s were not immune to the overall OECD trend toward retrenchment, marketization, and individualization. In a broader context of austerity, the Quebec government reduced its expenditures on active labour market policies, favored low-cost programs such as employment services, and placed a new emphasis on conditions and penalties, at least for new social assistance claimants. At the same time, traditional programs such as employment subsidies were maintained, the multipartite governance arrangements were sustained, and the social investment emphasis on activation was reaffirmed. All in all, Quebec's distinct redistribution model remained in place.

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