COVID-19, Poverty Reduction, and Partisanship in Canada and the United States

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COVID-19, poverty reduction, and partisanship in Canada and the United States

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Abstract

Poor people proved especially vulnerable to economic disruption during the coronavirus disease (COVID-19) pandemic, which highlighted the importance of poverty reduction as a policy concern. In this article, we explore the politics of poverty reduction during the COVID-19 crisis in Canada and the United States, two liberal welfare-state regimes where poverty reduction is a key policy issue. We show that, since the beginning of the pandemic, policies likely to reduce poverty significantly have been adopted in both Canada and the United States. Yet, this poverty reduction logic has emerged in different ways in the two countries—with the United States embracing more significant departures from its policy status quo. This situation leads us to ask the following question: in each country, what are the political conditions under which public policies susceptible of reducing poverty are enacted? To answer this question, we study the politics of poverty reduction both before and during the pandemic, as we suggest that grasping the evolution of partisan and electoral patterns over time is necessary to explain what happened during the pandemic, whose impact is closely related to how it interacts with such patterns. Our analysis suggests the need to consider more carefully the impact of both crises and partisanship on social policy, including poverty reduction.

Keywords: COVID-19; partisanship; poverty reduction; social policy; Canada; United States
Yet, COVID-19 prompted politicians in both countries to adopt policies that have the potential to significantly reduce poverty, although in ways that vary substantially across the two countries. Specifically, the United States adopted changes that shifted away from its status quo on poverty policy to a greater degree than in Canada. This article draws on evidence from pandemic policymaking to consider the political conditions under which policies susceptible of reducing poverty are enacted.

Theoretically, the article is grounded in the scholarship on the importance of partisan control and party systems in welfare state politics (Allan & Scruggs, 2004; Huber & Stephens, 2001; Iversen, 2021; Maioni, 1998; Rueda, 2007). Drawing on this literature, we argue that the variable outcomes in Canada and the United States can be better understood when we consider how the pandemic interacted with preexisting partisan and electoral legacies in both countries. Clearly, in terms of partisan preferences, both Liberals in Canada and Democrats in the United States have moved to the left since the 2000s, in contrast to what we saw during the 1990s, under the Chrétien Liberal government and Clinton Democratic presidency (Bashevkin, 2000). The opportunity for progressive antipoverty policy in Canada materialized in 2015 with the election of the Trudeau Liberal majority government, and, in that country, the COVID-19 crisis simply reinforced the existing partisan and policy path that had begun half a decade earlier. Whereas in the United States, the opportunity for progressive policies that had materialized in January 2009 ended 2 years later after the 2010 midterms. A new window for Democrats seeking to pursue antipoverty measures only opened in January 2021, after the advent of the Biden administration and a slim Democratic majority in the Senate, two changes facilitated in part by the pandemic. Once in office, the Biden White House quickly used the pandemic as a reason to push a major legislative package that contained significant anti-poverty measures. Considering this, we can say that the pandemic had a stronger impact on antipoverty policy in the United States than in Canada because of the electoral realignment it helped foster in the former country but not in the latter, where Liberal partisan continuity prevailed.

Three main sections comprise the remainder of this article. The first section explores the Canadian case and the second section the U.S. case. These two sections adopt the same overall structure, as they each begin with a discussion of the evolution of policy legacies and partisan control over time before discussing the poverty reduction measures adopted before and after the pandemic and, finally, looking into their potential effects, which remain rather uncertain. The two country sections stress the temporal relationship between the COVID-19 crisis, partisanship, and the adoption of policies capable of significantly reducing poverty. The final main section compares the two cases before drawing broad theoretical and policy conclusions about the politics of poverty reduction during the COVID-19 crisis. This section explains how our comparative case studies contribute to the study of the impact of both crises and partisanship on social and public policy, including poverty reduction.

At a theoretical level, our analysis suggests that policy change during crises depends on how such crises intersect with partisanship and, more specifically, both inter- and intraparty dynamics. As we suggest, in Canada, external pressures from the New Democratic Party on the Liberal Party favored a greater focus on poverty reduction while, in the United States, such a focus resulted from internal pressures from the left wing of the Democratic Party. In Canada, a change in government control years before the pandemic was the event that made change in poverty policy possible with a center-left government adopting a vote seeking-strategy leading to untargeted antipoverty policy designs. This contrasts with the situation in the United States, where the beginning of the pandemic placed Republicans on the defensive in an election year, including when it came to antipoverty policy. Both Republicans’ attempt to save, and their eventual loss of, a closely divided Senate, ultimately yielded transformative policy changes. Further, during the pandemic, members of Congress skirted typical institutional impediments to antipoverty policy, namely the Senate filibuster, by using the budget reconciliation process to pass crucial pieces of legislation. Overall, our analysis suggests that the impact of crises on policy change is closely related to both partisan pressures and the timing of electoral realignments over time.

Canada
Policy legacies and partisanship
Like the United States, Canada has a decentralized federal liberal welfare regime in which income support is comprised of a complex mix of federal and subnational programs. In both countries, modest social insurance programs work in tandem with social assistance programs. A key difference between
Canada and the United States, however, is the existence of major universal social programs in the former country but not in the latter (Béland & Waddan, 2017).

In Canada, the core program for income support for the unemployed is Employment Insurance (EI). In contrast to the situation prevailing in the United States, where EI is decentralized, EI is a purely federal program. Yet, like in the United States and in other liberal welfare regimes, benefits are relatively low and a large percentage of people who lose their job are not eligible for benefits. Simultaneously, although EI is a federal program, eligibility criteria and benefit levels vary across the country’s more than 60 EI Economic Regions. Within this system, people living in high unemployment areas of the country face less stringent eligibility criteria and have access to more generous benefits. EI payroll contributions are the same across the country, however, and they are used to finance unemployment benefits but also parental leaves (Campeau, 2005).

As in the United States, Canadian social assistance for non-elderly people is a decentralized policy area in which the federal government plays a limited fiscal role. This means that benefit levels and eligibility criteria vary from province to province. While people with disabilities and families tend to fare better, childless single individuals receive benefit levels far below the poverty line, in the name of work incentives, a situation consistent with the liberal welfare regime (Béland & Daigneault, 2015).

As far as older people are concerned, Canada like the United States operates a relatively centralized retirement income security system. This system includes the purely federal and (quasi) universal flat pension known as Old Age Security (OAS), and the closely related income-tested federal Guaranteed Income Supplement (GIS). On the top of these two programs, we find the Canada and Quebec Pension Plans, which are contributory, earnings-related pension programs. The provinces play a limited role in income support for older Canadians, but they do generally offer pension supplements for lower income people. Overall, since the 1970s, in part because of the presence of the GIS within its multi-layered pension system, Canada has done a very good job at fighting poverty among older people, especially compared with other liberal countries such as the United Kingdom (Wiseman & Martynas, 2008).

At least before the pandemic, a policy area where Canada departed dramatically from the United States is child cash benefits, which have existed at the federal level in a way or another since 1945. Before the Trudeau (2015–) years discussed below, the main federal child benefit program was the flat-rate, yet taxable, Universal Child Care Benefit (UCCB) introduced by the Conservative Harper government in 2006. Alongside this universal program, which was abolished by the Liberals a decade later to make room for a more redistributive program, provinces operate their own child benefit programs targeting specific populations, especially low-income families. In the field of child benefits and poverty reduction among young families, Quebec has been extremely successful. In that province, the existence of a large-scale, universal childcare system has proved instrumental in achieving low levels of poverty among families with younger children that make it more akin to a social democratic than to a liberal welfare regime, in the area of family policies (van den Berg et al., 2017).

Poverty reduction measures before the pandemic

Canada is a large country with great regional variation in unemployment rate and poverty level. By 2015, the year of the federal elections leading to the first Trudeau Liberal government, the official low-income rate was 13.4% for adults and 17.0% for children (Statistics Canada, 2017). These numbers explain why poverty reduction among families with children has remained a priority during the Trudeau years.

The Liberal federal government made poverty reduction a focus during its first mandate including through a poverty reduction strategy. Despite this, the design of several flagship government transfers also targeted groups not in poverty. Overall, before the pandemic, the Liberal government emphasized the middle-class families with young children and the elderly. Federal transfers have significant effects on poverty reduction in Canada (Harding, 2018), and the Liberal government made several campaign promises affecting transfers in 2015. This includes the introduction of the Canada Child Benefit (CCB) and modifications to OAS and the GIS for seniors as well as to the Canada Pension Plan (CPP) (Béland & Prince, 2019). Additionally, this government created the Canada Worker’s Benefit, which provides a tax credit for low-income workers. This policy is designed in a way that makes application for this income-tested credit mandatory.

Adopted in 2016, the CCB is a tax-exempt income supplement for qualifying Canadian families that is slowly phased out as income increases, with the vast majority of families qualifying for the benefit. To receive the benefit, parents must register their children and provide proof of birth, citizenship, and
income information. Benefits are delivered to the primary caretaker, and the policy is designed to default to the female parent. In addition to introducing the measure, the CCB was indexed with the inflation rate ahead of schedule in 2018. Analyses show that the policy has reduced child poverty (Baker et al., 2021; Government of Canada, 2018, 2021a). While designed differently than its predecessor, the UCCB, the CCB could be redesigned to better target low-income families and decrease poverty (Kesselman, 2019).

Before the pandemic, modifications were also made to existing transfers, especially those affecting the elderly. OAS is a taxable public pension for individuals aged 65 years and over. The GIS is an additional means-tested cash benefit for low-income OAS beneficiaries. Enrollment to these policies should be automatic, but some recipients must apply when their tax information is not available. Age eligibility for OAS and GIS was kept at 65 instead of a planned increase to 67 by the previous Conservative government. Additionally, GIS benefits were increased for certain claimants. Finally, increases to the CPP, a contributions-based pension plan, began to be phased in as of 2019. Eligibility to receive this pension begins at 60 years of age and depends on previous work history. Beneficiaries must also apply to receive benefits. While all these transfers improve living conditions for low-income seniors (Harding, 2018), a recent study shows the financial impact of these increases may be offset by concomitant reductions to GIS and increased taxation for low-income seniors (MacDonald, 2019).

In addition to enhanced funding for federal transfers, the Liberal federal government released a poverty reduction strategy in 2018. This follows a trend set in Canada by the provinces beginning in the early 2000s. Enacted by parliament in 2019, the federal strategy adopts a formal definition of poverty as well as setting clear targets and indicators, with the objective of reducing poverty by 50% by 2030. Lauded by some experts as a step forward (Noël, 2018), the strategy was the result of a consultation process that calls for specific targets and indicators to be adopted (Government of Canada, 2019).

In the lead up to the crisis, according to federal data, poverty had decreased between 2015 and 2019 (Government of Canada, 2021b). Poverty rates vary by category, with the most expensive federal transfers affecting the elderly through OAS, GIS, and the CPP (Harding, 2018). Recent reports have highlighted how single employable adults continue to be particularly at-risk for poverty in Canada (Falvo, 2020) as well as lone parents (Government of Canada, 2021a).

Poverty reduction measures during the pandemic

COVID-19 has affected population categories differently, perpetuating inequalities. A Statistics Canada report indicates that racialized minorities had a higher mortality risk during the first wave of the pandemic (Subedi et al., 2020). Low-income Canadians (Achou et al., 2020), youth, and women (Desjardins & Freestone, 2021; Government of Canada, 2020; Lim, 2021) were also disproportionately affected by the economic repercussions of the crisis. Despite this, many policies adopted during the pandemic were designed to be as encompassing as possible to reduce application and delivery delays. These designs have the effect of increasing the number of eligible beneficiaries, consequently reducing targeting for most at-risk populations. Furthermore, the design of some federal policies had negative impacts on vulnerable populations.

An example of this comes from the Canadian Emergency Response Benefit (CERB), a $500 CAD a week taxable benefit lasting up to 16 weeks for eligible workers having lost income because of the sanitary crisis. Low-income individuals benefiting from this federal program experienced clawbacks in social assistance, which is handled by provincial governments (Tweddle & Stapleton, 2020). Clawbacks also affected self-employed individuals and youth (Press, 2020) as well as beneficiaries above specific income levels, with the federal government claiming partial repayments from individuals earning over $38,000 CAD a year.

Benefits for youth have also come under criticism. Take up of the Canada Emergency Student Benefit, a program like the CERB but targeted at students and recent graduates, was not as high as expected (Lim, 2020). Another program for youth, the Canada Student Service Grant, was cancelled amidst a corruption scandal involving the finance minister.

Other federal policies affecting low-income groups were one-time increases to existing benefits. For example, the federal government created a one-time increase of $300 CAD to the CCB in May 2020. However, this aid was not targeted to low-income families. The government adopted similar increases of $300 CAD and a maximum of $200 CAD for OAS and GIS, respectively. These policies are designed
for existing beneficiaries to automatically qualify. Nevertheless, elderly protection groups criticized the payments as insufficient, preferring recurring payments (Britneff, 2020).

The 2021 budget continues spending on the elderly and children. This includes funding for long-term care facilities, a major issue in Canada during the pandemic, promises to increase for OAS, and the creation of a $30 billion CAD national childcare program. Yet again, these policies do not specifically target those in poverty or most at-risk, applying instead to individuals and families that earn above the median income in Canada. An exception to this is the Age Well at Home initiative, which promises to spend $90 billion CAD to help low-income seniors remain in their homes. This policy is designed to work with communities. The budget also includes an expansion of the Canada Worker’s Benefit.

Uncertain consequences

In the short term, quarterly statistics show that, on average, benefits from the federal COVID-19 economic response are higher than lost wages during the pandemic (Statistics Canada, 2021). This led to an increase in household disposable income for all income groups between July and September 2020 but was particularly significant for the lowest earners and youth. Furthermore, the federal response led to a reduction in income inequality as measured by the difference in disposable household income between the lowest- and highest-income earners in Canada (Statistics Canada, 2021). While these signs may be encouraging, some have suggested that an overcompensation partially due to the universal nature of many pandemic benefits is expensive and implies a lack of focus on specific groups and a need for increased targeting in the future (Lester, 2020).

Government of Canada reports on poverty are optimistic; however, the long-term effects from temporary programs are unknown. In the short to medium term, fiscal policy should remain stable with the election of a nearly unchanged federal parliament in September 2021. The minority Liberal government agenda was confirmed in a December economic update promising additional pandemic spending. Nonetheless, it is hard to assess the long-term consequences of the 2021 budget on poverty reduction because the implementation of many of the most meaningful measures is yet to begin. This is particularly the case in the field of childcare, where the advent of a Quebec-style subsidized childcare approach across the country very much depends on the collaboration of provinces. Despite an initial reluctance (Labin, 2021), agreements have been reached with every province and territory except Nunavut and Ontario.

Beyond these remarks about the political challenges facing the implementation of the Liberal childcare agenda in the provinces, the experience in the province of Quebec does suggest that universal, subsidized childcare is an effective way to fight poverty and improve the economic well-being of young families while stimulating gender equality and labor market participating among parents of younger children (van den Berg et al., 2017).

United States

Policy legacies and partisanship

In contrast to Canada’s more universalistic policies, the United States has maintained a patchwork of targeted social welfare programs, which are often financed and administered through federal-state partnerships in which state governments have a great deal of discretion in dictating the scope and eligibility of benefits. In contrast to the Canadian case, the targeted and decentralized character of administration and financing has predisposed these programs to face explicit stresses during the pandemic. This includes the Unemployment Insurance (UI) program, in which states operate a basic benefit program which pays out benefits to eligible individuals for 26 weeks, and which expands to an additional 13 (or at state discretion) 20 weeks during a recession. But even during economic downturns, many unemployed find themselves ineligible, with part-time and low-waged workers especially vulnerable to exclusion from the program (Hagenbaugh, 2009). Another conspicuous gap in the U.S. safety net is the lack of a widespread child benefit or family assistance program. The Aid to Families with Dependent Children program (AFDC), created as part of the 1935 Social Security Act, only ever served the poorest of families and despite providing some relief for mostly single parent families it was increasingly derided by critics. It was eliminated in 1996 and replaced by a new program named Temporary Assistance to Needy Families (TANF), which offered little relief for poor families with children (Béland & Waddan, 2012). At the time of its elimination, AFDC provided benefits for 68 of every 100 families with children.
living in poverty. In 2019, TANF benefited 23 of 100 such families (Center on Budget and Policy Priorities, 2021a).

More important sources of support for low-income households came from the Earned Income Tax Credit (EITC) and the Supplemental Nutrition Assistance Program (SNAP, formerly known as the Food Stamp program). SNAP is federally funded and differs from most means-tested benefits in allowing nearly all low-income households with limited assets to participate, including childless adults, with the program effectively targeting the poorest households (Pavetti & Rosenbaum, 2010). EITC, part of the “hidden” or “submerged” welfare state (Howard, 1997; Mettler, 2011), was established in 1975 but really began to make a meaningful impact after expansions in 1986, 1990, and 1993. EITC, which reimburses low-income taxpayers through a tax credit, had equivocal ideological roots (Myles & Pierson, 1997) appealing to conservatives as providing work incentives and an alternative to minimum wage hikes and attractive to liberals as a means of getting money to low-income households. Social Security has also provided enduring benefits to most of the country’s seniors, contributing to a substantial decline in poverty among aging Americans in recent years (AEI/Brookings Working Group on Poverty and Opportunity, 2015).

The partisan politics of antipoverty policy in the United States has been particularly fraught—dominated by racialized policy frames that delegitimize the poor as claimants on the state and divide potential coalitions for the expansion of low-income benefits (Schram et al., 2010). Not only has the realignment of the South into the Republican Party hardened these policy frames, but the Democratic Party’s neoliberal pivot in the 1990s yielded a compromise with Republicans on welfare reform and kept the expansion of direct assistance off the political agenda (Beland & Waddan, 2012). In the wake of the 1996 welfare reform, the impact of social policy retrenchment and restructuring on the lives of the poor has rarely become a high priority for the Democrats, who have preferred to focus on the middle class as the target audience for their signature policy initiatives. The policy changes that remain on the agenda in this context tend to be targeted tax credits, attractive to both liberals and some conservatives (Rubin & Morath, 2016).

**Poverty reduction measures before the pandemic**

The political conditions for antipoverty policy in the two decades prior to the pandemic were not auspicious. As of 2018, 11.8% of Americans were living at or below the U.S. official poverty line (U.S. Census Bureau, 2020). Yet, the issue of poverty was far from a priority. Dating back to the Great Recession, political figures had increasingly talked about inequality, but there had been little discussion focused specifically on poverty. Nor did political leaders of either party push for the permanent extension of poverty-reducing measures to expand EITC, UI, and SNAP contained in crisis response legislation such as the American Recovery and Reinvestment Act of 2009 (Fording & Smith, 2012; Waddan, 2019). As public opinion studies suggested, while Americans had become more sympathetic to the poor and more aware of the so-called “working poor” since the early 2000s, attitudes toward poverty policy continued to be shaped by negative racial stereotypes of “welfare” and of “welfare recipients” (Howard et al., 2017).

During his campaign, candidate Trump criticized Republicans who proposed downsizing Social Security, but in its first 3 years, the Trump administration showed little break with Republican orthodoxy on social welfare policy; the most significant policy initiative in Trump’s first 100 days was the failed effort to repeal and replace the Affordable Care Act. The 2017 Tax Cut and Jobs Act did double the maximum credit available to families through the Child Tax Credit (CTC), but this had a limited impact in terms of poverty reduction as it mostly expanded eligibility up the income ladder rather than increase the credit to low-income households. Hence, while “the 2017 law made millions of upper-income families eligible for the $2000 credit ... it gave a boost of just $75 to most full-time workers at the minimum wage” (DeParle, 2019). Researchers at Columbia University found that one in three families did not qualify for the full credit because they earned too little, with the most disadvantaged demographic groups most likely to be excluded. Those left out of the program were “disproportionately children of color, those in families with young children, those with single parents, and those who reside in rural areas” (Collyer et al., 2019, p. 4).

At the same time, the backlash to Trump’s presidency helped to catalyze political changes that increased voter turnout and participation in mass political activity, including marches and protests around racial justice organized by national groups like Black Lives Matter (Burden, 2021). 2018 saw the reemergence of the Poor People’s Campaign, a national social movement organization led by Rev.
William Barber II, which led “40 days of civil disobedience” to protest what Barber called the “triple evils” of racism, poverty, and militarism (Kilgore, 2018). The results of the 2016 election helped to galvanize an insurgent progressive movement within the Democratic Party, whose members—most notably Sen. Bernie Sanders (I–VT), played an increasingly crucial role in shaping the party’s public orientation on socio-economic issues (Masket, 2021). This did not translate to victory for Sanders in the Democratic primaries, but it did lead Biden to make major appeals to progressives in the development of the 2020 Democratic platform (Burden, 2021). The advancement of progressive ideas within the Democratic voter base also helped to unify Democratic voters on issues like increasing the minimum wage, federal support for paid leave, and higher taxes on the rich—issues that tend to divide Republicans along economic lines (Drutman et al., 2019).

Beyond shifting the internal politics of the Democratic Party, the backlash to Trump’s presidency helped to advance Democrats’ efforts in the electoral arena. Trump’s mismanagement of the COVID-19 pandemic—while likely an important factor shaping the 2020 election outcome—did not unleash the “blue wave” that some observers expected. Yet, 2020 nevertheless saw very high turnout and the first period of unified Democratic control of government in over a decade (Burden, 2021). This electoral shift, as we will see, not only placed Republicans on the defensive but also provided a crucial opportunity for Democrats to advance a new antipoverty agenda.

Poverty reduction measures during the pandemic

The onset of the COVID-19 pandemic did little to disrupt partisan conflict, at either the elite or mass level. Throughout the pandemic, public attitudes toward the severity of contagion, the appropriateness of masking and social distancing procedures, and willingness to be vaccinated remained divided along partisan lines. Yet on the specific issue of the federal government’s role in providing pandemic relief, the scale of COVID-19’s impact did occasion a significant level of consensus. Whereas support for federal relief during the Great Recession was highly polarized along partisan lines—65% of self-identified Republicans opposed the March 2009 stimulus bill supported by President Barack Obama—nearly 90% of both Democrats and Republicans supported economic aid packages initiated in the early days of the COVID-19 pandemic. And even after the passage of the initial package, similarly large majorities of Democrats (87%) and Republicans (66%) believed additional federal aid would be necessary (Pew Research Center, 2020).

The uncommon level of public support for federal aid placed Republicans, who typically oppose extensive federal social spending, in an untenable position during an election year. Despite lacking control of the White House and the Senate in 2020, Democrats shaped pandemic response policies—especially the Families First Coronavirus Response Act and the Coronavirus Aid, Relief, and Economic Security (CARES) Act—in critical ways. One of the most immediate problems these legislative efforts had to tackle was the extraordinary rise in unemployment. In May 2020 according to the Bureau of Labor Statistics, the official unemployment rate had jumped to 13% with the real figure likely to be closer to 16% (Kochhar, 2020). A year later, in May 2021, there were still 7.6 million fewer jobs than there had been in February 2020, with these losses disproportionately concentrated in lower wage jobs (Center on Budget and Policy Priorities, 2021b) (Figure 1).

Even as existing state-level infrastructures for unemployment remained inadequate to process new claims effectively, the CARES Act did make significant efforts, at least in the short term, to combat these losses through a major expansion of UI. This saw the extension of the duration of normal UI benefits, the expansion of benefit levels to $600 per week, as well as the extension of unemployment assistance to millions of workers who would otherwise not qualify for traditional UI through a new Pandemic Unemployment Assistance program (Rocco et al., 2020). Additionally, the CARES Act also provided direct relief through one-time payments of $1,200 per adult and $500 per dependent child, with payments being tapered down for those who had filed earnings of over $75,000 in 2019. Further, CARES provided some protections and financial support for renters in federally supported properties who had lost income as a result of the pandemic, although the evidence suggested that these measures had a limited impact (Grinstein-Weiss et al., 2020). Finally, the federal government also enhanced Medicaid payments to the states as over 10 million more people signed up for this safety net public health program (Kliff, 2021).

By fall, however, the impact of these policy changes was diminishing. The $600 boost to UI had come to an end and Congress stalled on renewing the package (Long, 2020). The Trump administration
attempted to replace some of this through executive actions, but even as COVID-19 infections rose again toward the end of 2020, there was little movement on the federal level to mitigate the impact of continued unemployment and economic hardship. Hence, while the poverty rate declined from 10.7% in February 2020 to 9.1% in May, it rose again to 11.6% in November. In December, after a significant amount of partisan gamesmanship, Congress passed a $900 billion sequel to the CARES Act—the Consolidated Appropriations Act of 2021—which included a $120 billion extension of increased federal UI benefits, $13 billion in additional funding for SNAP, and $160 billion for additional $600 stimulus checks for Americans with an adjusted gross income lower than $75,000 (Barone, 2020). To an even greater degree than earlier pieces of legislation, the year-end appropriations bill found Republicans in a defensive position. Not only had provisions of earlier COVID relief policies expired on 27 December, but Republicans now faced the prospect of losing control of the Senate. Highly competitive elections for both of Georgia’s Senate seats were slated for the first week of January 2021. Unsurprisingly, the bill passed both House and Senate by wide margins. Nevertheless, as of April 2021, the Official Poverty Measure still stood at a calculated 11.7% in April of 2021. Highlighting the inequities behind these numbers, the poverty rate for Black Americans stood at 21.8% in March 2020, dropping to 16.1% in May and then peaking at 23.3% in August.

Yet the most dramatic shift in policy came not with the pandemic itself, but with a change in the party control of government. With Democrats’ victory in both special elections in Georgia, they now controlled the White House as well as both houses of Congress. This gave Democrats a slim majority in the House and produced an evenly divided Senate, where Vice President Kamala Harris could cast tie-breaking votes.

These slim legislative margins meant that Democrats now encountered another formidable obstacle to antipoverty policy: the Senate filibuster. To do so, they leveraged the budget reconciliation process—which allows legislation to pass without the usual required 60 votes to cut off debate. Using reconciliation was essential given universal Republican opposition to major pandemic-relief proposals initiated by the Biden administration. And in doing so, Democrats secured sizable changes in poverty policy.

Signed in March 2021 the $1.9 trillion American Rescue Plan (ARP) Act paid out direct checks worth $1400 per individual and extended the UI compensation package although the federal government boost, at $300 per week, was half the figure from a year earlier. Yet, it was a further measure that most caught the attention of antipoverty advocates. The ARP made a pathbreaking change, if temporary, to the CTC program (Marr et al., 2021). It not only increased the programs benefits but it changed eligibility in a fundamental manner. First, the maximum credit rose from $2000 to $3,600 per year (and $3,600 for households with children under 6 years). Second, as explained by Robert Greenstein (2021),
Table 1. Comparing the two cases.

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<thead>
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<th>Canada</th>
<th>U.S.</th>
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<tbody>
<tr>
<td>Center-left control of governmen</td>
<td>Yes</td>
<td>No</td>
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<tr>
<td>Major antipoverty policy change before pandemic?</td>
<td>Yes</td>
<td>No</td>
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<tr>
<td>Presence of social-democratic third party</td>
<td>Yes</td>
<td>No</td>
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<td>Is 2020 a federal election year?</td>
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<td>Yes</td>
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<tr>
<td>Major antipoverty policy change during pandemic?</td>
<td>No</td>
<td>Yes&lt;sup&gt;a&lt;/sup&gt;</td>
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<sup>a</sup>Temporary.

“it fundamentally alters the restrictive rules that until now have partly or entirely shut out low-income families. For 2021, this change makes the credit fully refundable – that is, fully available to families that have no earnings or don’t earn enough to owe federal income tax.” According to poverty scholars Shaefer and Edin (2021, p. 12), the CTC expansion “holds the promise of dramatically cutting child poverty and eradicating its most extreme forms, nationwide.”

Further analysis suggested that even before the CTC expansion was rolled out, the December 2020 relief package and the ARP “significantly improved Americans’ ability to buy food and pay household bills and reduced anxiety and depression, with the largest benefits going to the poorest households and those with children” (DeParle, 2021). If not a dramatic drop, the poverty rate fell from 11.7% to 11.0% between April and May (Lab for Economic Opportunities, 2021).

**Uncertain consequences**

While the CTC expansion offered potential for a significant reduction in poverty among poor families with children, the expansion was only authorized for 1 year. Hence, a key question for the future is whether that lasts beyond this initial remit. In April 2021, the Biden administration announced its American Families Plan, which proposed that all the changes to the CTC from the ARP be extended through 2025 and critically if under-reported that the changes to eligibility made in the ARP be made permanent. This would mean that 27 million families who received either zero or only partial benefits due to the existing rules would continue to be eligible for the maximum amount (Greenstein, 2021). Yet, the plan—including the CTC extension—continued to be held up in congressional negotiations, stymied largely by conservative Democrats in the Senate, most notably Joe Manchin. As such, as of 31 December 2021, the CTC extension expired (Casselman, 2022).

A further question for long-term policymaking and efforts to diminish the hardships associated with poverty will be the extent to which the evidence about what worked is considered. The various legislative packages put together through 2020 and then the ARP do not constitute a controlled experiment, the evidence is essentially unequivocal (Cooney & Shaefer, 2021). Cash-based transfers ameliorated the impact of the economic collapse in spring and summer 2020. Those benefits eroded in the final months of the year, but the aid provided at the end of 2020 and early 2021 once again eased the pain caused by economic dislocation. Whether this evidence triumphs in the face of long-running conservative concerns about big government spending and the potential for work disincentives is an unknown. The scrapping of AFDC and the celebration of the 1996 reform as a success despite the inadequacy of TANF as a help to poor households shows how embedded those concerns are.

**Discussion and conclusion**

The analysis shows that in both Canada and the United States, measures likely to significantly reduce poverty have been enacted in the aftermath of COVID-19. Yet, even a superficial reading of these two cases suggests that these measures did not emerge in the same way across the two countries. This is in part because, while in Canada poverty reduction had become a priority for the federal government long before the beginning of the pandemic, in the United States federal antipoverty measures only materialized in the middle of the pandemic, after years of policy neglect. In this context, the time has come to address our research question head on: what are the political conditions under which public policies susceptible of reducing poverty are enacted? As our analysis clearly points out, an understanding of the evolution of partisan patterns over time is necessary to explain what happened during the pandemic (Table 1).
In Canada, the Liberal Party came to power in 2015 and launched new antipoverty policies long before the beginning of the COVID-19 crisis. In a minority situation since the 2019 federal elections, the Liberal government has continued to seek to gain more votes on the left of the political spectrum by articulating the big government agenda that has become such a central aspect of Liberal political identity under the leadership of Justin Trudeau. This strategy coincides with policy designs that reduce poverty without overtly targeting the most at-risk populations.

Although many of the emergency policies enacted during the pandemic did not explicitly target the poor, from a macro-economic standpoint, massive federal spending helped avoid an economic catastrophe that would have been particularly detrimental to those in and at-risk of poverty. More important, beyond economic stimulus, the 2021 federal budget communicates a version in which the reduction of both child and old-age poverty continue to be priorities. This is accomplished through subsidized childcare, which is especially favorable to low-income families and higher pension benefits and should help Canada reduce old-age poverty even further. This strategy does, however, leave other at-risk groups behind.

Because of the combined electoral weight of young parents and older voters, it is impossible to separate the Liberal poverty reduction approach from a left-leaning electoral strategy that has helped the Liberals return to and stay in power under the leadership of Justin Trudeau. Before and during the pandemic, the Liberal's electoral strategy has remained the same, and it fuels the antipoverty agenda associated with his government: stealing votes from the social-democratic New Democratic Party to beat the Conservatives. Re-elected to minority status in a virtually unchanged parliament in September 2021, the self-proclaimed “progressive” Liberal government maintains its leftward shift pushed by the NDP. This strategy helps explain the antipoverty bias of some of the Trudeau government’s policies.

In the United States, from January 2011 through to the end of 2020, Republican control of at least one chamber of Congress along with the 4 years of the Trump presidency prevented the adoption of ambitious federal social policies capable of significantly reducing poverty. In contrast to what happened in Canada, however, the COVID-19 crisis helped trigger an electoral shift that saw Democrats take the White House and the Senate, making the adoption and implementation of such policies possible for the first time in a decade.

There is no social-democratic third party in the United States, so pressures for progressive social programming come from social movements and from within the Democratic Party rather than from another national party. This is in contrast with Canada, where Liberals tend to embrace redistributive policies when they face electoral pressures from the NDP, especially when they are in a minority situation in parliament (Maioni, 1998). This means that, in the United States, a crucial factor for the recent adoption of poverty reduction policies is the rise of the progressive wing of the Democratic Party over the last decade. This change is related to a push to address economic and racial inequality associated with phenomena as different as the influence of Bernie Sanders and, more recently, the advent of Black Lives Matter and other forms of social mobilizations that have led to the nomination and election of more progressive candidates in the Senate. These factors helped extract concessions from Democratic Party leadership, even if the party remains internally ideologically divided. The nomination of Joe Biden, a rather centrist figure, as the Democratic candidate for the 2020 presidential election did not slow this momentum. The extent of these concessions and their direct impact on antipoverty policy became clear with the enactment of the ARP as discussed above (Dayen, 2021). Yet, the narrow margins of control for the Democrats in both chambers of Congress meant that the more centrist, fiscally cautious, figures in the party still held considerable sway. This was illustrated in the summer and fall of 2021 by the media attention paid to Senators Joe Manchin of West Virginia and Kyrsten Sinema of Arizona who expressed skepticism about the scale of the $3.5 trillion budget reconciliation package designed as a follow-up to the ARP (Brown, 2021). The expansiveness of that package reflected the pressures from the left of the party, but the institutional reality was that Manchin’s and Sinema’s votes were required, giving them leverage in negotiations.

Theoretically, our analysis contributes to the analysis of partisanship as a potential explanation for policy change in the welfare state (Allan & Scruggs, 2004; Huber & Stephens, 2001; Iversen, 2021; Maioni, 1998; Rueda, 2007). Building on the now classic work of power resource scholars such as Esping-Andersen (1990) and Korpi (1983), this literature emphasizes the role of partisan control and party systems in the politics of social policy, with a particular focus on the influence of left-leaning
parties, which is associated with redistributive programs that are likely to reduce poverty, either through universal policies (Korpi & Palme, 1998) or through targeted yet generous social assistance programs (Béland & Myles, 2005).

In relationship to this literature, what our analysis suggests is that partisanship is crucial both before and during a crisis to facilitate the adoption of social policies likely to significantly reduce poverty (Figure 2). Perhaps more important, the impact of crises on the politics of social policy and poverty reduction cannot be assessed properly without a close look at partisan politics and electoral results as they relate to the timing of such crises. Clearly, our two case studies demonstrate that, to understand the impact of the COVID-19 crisis on poverty reduction, one needs to look at the partisan competition and electoral results both before and during the crisis.

Simultaneously, following the work of Antonia Maioni (1998), our case studies suggest that differences in party systems affect the ways in which center-left parties might promote redistributive policies capable of reducing poverty. On the one hand, in Canada, the existence of the NDP as a social democratic third party pushed the Liberals to adopt more redistributive policies to seduce potential NDP voters. This has especially been the case since a minority Liberal government came to power in late 2019. On the other hand, in the United States, the absence of major third parties in general and, especially, on the left creates a binary partisan system in which internal struggles within the Democratic Party, alongside social movements that may influence its left-wing factions, are instrumental in deciding whether antipoverty measures will become a priority once the party controls Congress and the White House.

Overall, a key message of our article is that the impact of major crises like the COVID-19 pandemic on poverty reduction and redistributive social policies is mediated by partisan struggles between and within political parties as well as the timing of electoral shifts as they relate to the onset of such crises. Although crises themselves can help tilt electoral competition and partisan composition, as was clearly the case in the United States during the November 2020 federal elections, the identity of the party in power at the beginning of a crisis is a major factor. These remarks point to the importance of timing and sequence in public policy analysis, as they relate to electoral competition and the institutional features of each political system (Pierson, 2004). This finding suggests that attention to partisanship in social and public policy research should also take institutional factors into consideration as they interact with the timing of crises in relationship to electoral competition and partisan dynamic and composition (Huber & Stephens, 2001; Maioni, 1998). Crises might interrupt routine politics and create opportunities for policy change, but, in poverty reduction as in other policy areas, electoral and partisan struggles as they interact with such crises over time are crucial. Therefore, scholars interested in their impact on public policy should pay a close attention to the content and timing of partisan and electoral politics.
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Conflict of interest

We authors have no conflict of interest to declare.

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