

Securing the Social Union

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with the assistance of:
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Foreword

This volume reports on a voyage of discovery for CPRN and the 83 people who participated in at least one of the four roundtables convened by CPRN in 1997 on *Securing the Social Union*.

One of the ties that binds Canadians together is the sense that they will have access to roughly similar public services at a similar fiscal cost, no matter where they live. This is one of the central tenets of postwar federalism and of the social contract between citizens and their governments.

Now federal and provincial governments are striving to adapt this commitment to the social, economic and political realities of the last years of the century. The task they face is daunting, as the polarization of work creates more income inequality, excessive public debt has led to painful cuts in many social programs at the heart of the social contract, and the dramatic increase in the power and influence of the provinces has shifted the power balance in the federation. All these forces create a pressing need to find ways to manage the interdependence of the social policies of the two orders of government.

The process began in earnest at the August 1995 Annual Premiers' Conference, when Premiers decided to step back from their provincial parishes and take a pan-Canadian perspective on social policy and the federal system. Their work has continued through a succession of provincial-territorial and federal-provincial-territorial working groups and ministerial councils. Progress has been made on specific issues such as the rethinking of policies for children, for persons with disabilities, and work has begun on youth employment. Even more important for the longer term, perhaps, First Ministers have asked officials to work on a new framework for the social union, and report back later in 1998. This study tells you a lot about what they are trying to achieve.

Kathy O'Hara, CPRN Research Fellow, was the navigator for this voyage of discovery and Sarah Cox was her research assistant. The voyage took us through a series of background papers and one-day roundtable discussions, involving a cross section of federal and provincial officials, experts from universities and from non-

profit organizations with a direct interest in the future of social policy and the federal system in Canada. Ms. O'Hara prepared a summary of each roundtable discussion, and, at the end of 1997, she published a CPRN *REFLEXION* on *Securing the Social Union: Next Steps*, outlining the results of the research and the dialogue as input to the First Ministers' Meeting, which took place on December 12. All three stages of idea development are reflected in each chapter of the study – first the background paper, then the summary of discussion, and then the synthesis in the *REFLEXION*.

Throughout 1997, CPRN provided the neutral space where officials, experts and advocates worked through issues that are central to the future of the social union. Here is how the study is organized:

- At this stage, there is no agreed definition of the social union, although Chapter 2 lays out many of the possibilities and summarizes the current state of thinking.
- The social union, however defined, is based on a set of core values and principles. These are described and organized in Chapter 3.
- A key new development in social programming and in citizen-state relationships is the need to measure outcomes. The state of knowledge and the challenges ahead are summarized in Chapter 4.
- If governments are to manage interdependence, they need to consider new institutions – and some of the options are described in Chapter 5.
- Finally, as citizens become more educated and more demanding of their governments, the social union must deal with the democratic deficit that is fundamental to all federations. Chapter 6 examines the options for enhancing the voice of citizens on social policy issues.
- Chapter 7 outlines the main conclusions of the project and the next steps proposed to First Ministers for their December 1997 meeting.

I want to thank the author for the way she guided us through this complex terrain, the Advisory Committee, who worked so well, in our virtual fashion, to support the project, and the 83 participants who listened and argued through four roundtables. I also want to thank the federal agencies and the provincial governments who invested a small amount of money and a great deal of time in the project, as one part of their effort to make this complex federation work better for Canadians.

Judith Maxwell
President

Securing the Social Union

1

Introduction to the CPRN Roundtable Series on Securing the Social Union

CPRN's work on the social union began in 1995 with the publication of *Exploring Canadian Values* by Suzanne Peters, a report combining longitudinal analysis of public opinion in Canada with the results of 25 discussion groups. In June 1996, CPRN released a working paper prepared by Research Fellow Margaret Biggs entitled *Building Blocks for Canada's New Social Union*, which outlined options for the architecture of the social union and proposed 10 essential building blocks for a renewed social union. A follow-up roundtable was held in November to pursue the ideas raised in the Biggs paper, which was regarded by many academics and federal and provincial officials as a major contribution to new thinking about how to achieve social policy renewal, build new processes to manage intergovernmental relations, and begin to engage citizens in this renewal process.

In January 1997, CPRN launched a new initiative, which was intended to build on the earlier research and roundtable discussion by developing concrete proposals for the construction of the social union. Discussion papers containing background information and analysis of relevant models were prepared for a series of four roundtables held in March, May, June, and September 1997. Discussion at the first roundtable included an exploration of the various ways to frame a definition of the social union and describe the purpose, values, and principles that might be considered to underpin it. Participants at

subsequent roundtables discussed how relatively new approaches to governance, such as outcome measurement and citizen engagement, could be integrated into the construction of the social union, as well as models for new institutions that might be required in light of pressures on the social union to perform new functions.

The four roundtables brought together 83 participants, half of whom were federal and provincial officials, with the other half composed of academics and representatives of public policy research, private sector, and non-governmental organizations. More than 30 percent of the participants attended two or more of the roundtables. The roundtable format encouraged participants to share learning in a neutral setting and in that way help to arrive at a new understanding of the issues under discussion. A paper summarizing the conclusions of each roundtable discussion was circulated to all participants within a week of the roundtable. A CPRN *REFLEXION* entitled *Securing the Social Union: Next Steps*, which provides a synthesis of the discussion papers and roundtable conclusions, was released in November 1997.

This study is a compilation of the five discussion papers and the four conclusions papers prepared for the Roundtable Series on Securing the Social Union, as well as the *REFLEXION* released at the

end of the process. Each chapter contains the discussion paper, excerpts from the conclusions from the roundtable discussion, and finally excerpts from the *REFLEXION*. This format allows readers who did not participate in the roundtables to develop an understanding not only of the research undertaken in the project but also of the process by which thinking on the project evolved through the shared learning that occurred in the roundtable discussion. A concluding chapter has been added, which includes the

recommendations for “next steps” contained in the *REFLEXION*.

It must be pointed out that the opinions expressed in this paper are the views of the author and are not intended to reflect the views of the participants at the roundtables. They were generous with their time and ideas, but do not necessarily concur with the views reflected in this paper, as will often be evident in the conclusions of the roundtable discussions.

A Definition of the Social Union

Introduction

The question of how to define the social union for the purposes of this project was one that the author came back to many times throughout the life of the project. The first discussion paper written for the series described 10 key features of the social union and suggested that Canadians would define the social union in different ways depending on the emphasis that they placed on one or more of these features. It proposed that the definition used in the Biggs paper on *Building Blocks for Canada's New Social Union* be adopted, and that further work should be focussed on describing the purpose of the social union. As the excerpt from the conclusions of the roundtable discussion indicates, however, participants were divided on the question not only of *how* to define the social union, with some challenging the scope of the Biggs definition, but even *whether* to attempt to define it at the beginning of the process. Based on the roundtable discussion, the *REFLEXION* attempts to flesh out somewhat the definition proposed by Biggs, and also explains why it differs from other approaches to thinking about the social union.

Discussion Paper

“Introduction to the
Social Union Roundtable Project”

This discussion paper describes the key features of the social union and how they have evolved, and

then discusses the different ways that people think about the social union, and tend to define it, depending on the emphasis they place on one or more of these features. The paper concludes that the social union in fact encompasses all of these different perspectives, but that this may not provide much guidance to policymakers as they begin their work on developing principles and objectives for the social union, and subsequently consider new institutions and mechanisms for the social union.

One approach is to construct the social union with a values-based definition as a foundation, a “mission statement” to outline the purpose of the social union, a set of principles and objectives to frame decision making, and new institutions and mechanisms to provide a governance structure. This paper focuses on a definition and mission statement for the social union. Other papers in the series will address principles and objectives and new institutions.

Key Features of the Social Union

The history of the social union is one of evolution. This can be illustrated by looking at the key features of the social union and briefly examining how these features have changed over time. These key features are described below.

1. *Division of Powers*

The political culture and governance structure, which underpin the social union, can be found in the *Constitution Act, 1867*. Sections 91 and 92 lay out the division of powers between the federal and provincial governments within the social union. Primary or exclusive jurisdiction over many areas of social policy such as health care, education, postsecondary education, and social services resides with the provinces.

Some have argued that judicial interpretation and evolving practice mean that the allocation of responsibilities in the Constitution needs to be revisited. Since the failure of the Charlottetown Accord, however, calls for amending the Constitution with respect to the division of powers appear to have been overtaken by a preference for a non-constitutional realignment of roles and responsibilities. This has variously been described as “rebalancing” by the western Premiers in 1992, “realignment” by the Premiers at their Annual Conference in 1993, “clarification of roles and responsibilities” by the Ministerial Council on Social Policy Reform and Renewal in 1995, and “disentanglement” by others.

The most recent development in this area was the 1996 Speech from the Throne commitment to “accelerate [the Government’s] current discussions with the provinces on labour market training and development to ensure the orderly withdrawal of federal activity in training, and to explore new approaches and the appropriate roles and responsibilities of each level of government for strengthening national and local labour markets.”¹

2. *Federal Spending Power*

The federal spending power is not explicitly defined in the Constitution, and its constitutionality has been the subject of dispute. The Macdonald Commission noted that it is thought to derive from general principles related to the Crown prerogative, and that it has also been justified in the *Constitution Act, 1867* under s. 91(a) on “The Public Debt and Property” and under s. 102, which authorizes a

Consolidated Revenue Fund.² Use of the federal spending has been key to the evolution of the social union, although the contribution of provincial initiatives to the current configuration of the social union should not be underestimated.

In recent years there have been a number of proposals to recast the federal spending power so as to restrict its use, for example, those in the Macdonald Commission Report, the Meech Lake Accord, the Charlottetown Accord, and the recommendations of the Confederation 2000 Conferences. The most recent formulation was advanced by the federal government in the 1996 Speech from the Throne, in which it committed itself to “not use its spending power to create new shared-cost programs in areas of exclusive provincial jurisdiction without the consent of a majority of the provinces. Any new program will be designed so that non-participating provinces will be compensated, provided they establish equivalent or comparable initiatives.”³ The “Issues Paper on Social Policy Reform and Renewal: Next Steps,” prepared for the Annual Premiers Conference in Alberta in 1996, suggested that the proposed Federal/Provincial/Territorial Council on Social Policy Renewal be mandated to “look at new approaches to the use of the federal spending power to ensure that the federal government cannot continue to unilaterally use it to impose conditions on social programs.”⁴

3. *Values*

In large part in reaction to the Great Depression, Canada, like many other countries, built a welfare state, which acted as a safety net to provide “cradle to grave” protection from all the major risks of life. This was the thrust of the 1943 Marsh Report and the “Charter of Social Security for the Whole of Canada” called for in the 1944 Speech from the Throne. Over the years, Canadians began to consider the social programs created in the postwar period as rights of citizenship, and as a unique reflection of Canadian values and identity, particularly in comparison to the United States. For example, the discussion paper on a social charter released by the Ontario government in 1991

suggested that “over time, the idea of Canadian citizenship has evolved and broadened... Taken together, [a national system of health care, an array of income support programs, free public and secondary education, and affordable post-secondary education] represent and symbolize Canadians’ sense of themselves as members of a community where solidarity and mutual responsibility are fundamental social norms.”⁵

In *Exploring Canadian Values – A Synthesis Report*, Suzanne Peters found that there appear to be deeply held Canadian “core” values, which include compassion, collective responsibility, self-reliance and fiscal responsibility, that are largely unchanged from those that shaped the safety net in the postwar period.⁶ But she also found that Canadians were grappling with the tensions among these values, and many observers have speculated about whether Canadians in the 1990s are balancing these tensions in new ways. This does not mean, however, that the social union is of any less importance to them as an expression of basic values of compassion and collective responsibility.

4. Programs

Canada’s welfare state was built over many years. The Macdonald Commission Report suggested that it spanned a 50-year period and “stands as a classic testament to the Canadian preference for incremental, rather than wholesale, reform.”⁷ But by the end of the 1970s, the main structure of Canada’s version of the welfare state was in place, and it included federal programs such as Unemployment Insurance, Family Allowances, Old Age Security, Canada and Quebec Pension Plans, Child Tax Credit, Guaranteed Income Supplement and the Spouses Allowance, the Canada Assistance Plan, and health insurance, as well as provincial social programs.

During the 1970s social expenditures grew significantly so that by 1981, Canada’s social expenditures were 21.7 percent of GDP (although it should be noted that this placed Canada ninth out of 12 major OECD countries in spending on social

programs).⁸ By the late 1980s and early 1990s, however, issues of affordability and relevance began to be raised. Analysts suggested that “passive” income support should be replaced by “active” expenditures designed to increase individuals’ ability to participate in the workforce. Provinces began to reshape their programs to increase training expenditures and provide incentives for people to move from welfare to work.

A consensus emerged among the public and policymakers that Canada’s social programs, while they had served us well in the past, needed to be modernized. While providing for basic security needs through a safety net remained important to Canadians, the image of the “trampoline” emerged to capture the objective of helping people “bounce” out of the safety net through investments in training and services such as child care to support participation in the workforce. Research on the importance of early childhood development also gained prominence and analysts began to focus on the needs of individuals at various transition points in their lives. New social policy goals of helping individuals adapt to change and investing in human development were added to the longstanding goal of providing security.

5. Fiscal Arrangements

Transfers to the provinces go back to 1867, but equalization as we know it today only began in 1957. The subsequent entrenchment of the equalization principle in the *Constitution Act, 1982* symbolizes its importance to both the political union and the social union. Intergovernmental transfers for health, postsecondary education and social assistance and social services through shared-cost programs also began in the late 1950s, and assisted the provinces in funding greatly expanding social programs within their jurisdiction. It has also been argued that the federal government used this funding to “steer” provincial expenditures in these programs.

The fiscal arrangements most commonly discussed are the Canada Assistance Plan (CAP),

established in 1966, and Established Programs Financing (EPF), which began in 1977. Under CAP, the federal government reimbursed provincial governments 50 percent of the costs of social assistance and social services, provided “undertakings” laid out in the legislation were fulfilled. Under EPF, the federal government provided unconditional funding for postsecondary education and, with the passage of the *Canada Health Act* (CHA) in 1984, funding for health care, conditional on provinces meeting criteria defined in the CHA. In both the case of the CAP and EPF (Health), the federal government could impose financial sanctions if a provincial government did not adhere to these “undertakings” or “criteria.” These fiscal arrangements were replaced in 1996 by the Canada Health and Social Transfer (CHST), which provides funding to the provinces for health, postsecondary education, social assistance and social services in the form of a “block fund,” conditional on provinces meeting the *Canada Health Act* criteria and not imposing a residency requirement as a condition for eligibility for social assistance.

6. National “Standards” and Principles

Many Canadians believe that the purpose of the social union is to ensure that “national standards” in important social programs are maintained and they respond affirmatively in the order of 80 to 90 percent when questioned in polls about the need for “national standards” in health and education. The CHA “criteria” and the CAP “undertakings” are often described as “national standards,” although a wide variation of policies and programs are permissible within the so-called national standards. The CHST legislation calls for the federal and provincial governments to develop “mutually agreed upon principles” rather than standards. Critics argue that national “standards” have been lost and that the federal government’s capacity to enforce these “standards” has been eroded as a result of the introduction of the CHST.

Others have suggested that in fact the key national principles underpinning the social union are the constitutional commitment to “provide essential

public services of reasonable quality to all Canadians” in s. 36(1), the related commitment by the federal government in s. 36(2) to make equalization payments to ensure that provincial governments provide reasonably comparable levels of public services, and the right to mobility in s. 6 of the *Canadian Charter of Rights and Freedoms*. These principles were highlighted in the 1996 Speech from the Throne in which the federal government committed itself to “protect and promote unhampered social mobility between provinces and access to social and other benefits, and [to] work with the provinces to identify new and mutually agreed approaches.”⁹

7. Intergovernmental Mechanisms

The development of Canada’s welfare state was in large part accomplished through a tortuous process of sorting out federal and provincial roles, given the allocation of jurisdictional responsibilities in the Constitution, and, in particular, the federal government’s use of the spending power. As described above, this led to a series of shared-cost programs and fiscal arrangements between the two orders of government, which some have argued were not founded on the basis of real negotiation but rather imposed on provinces, which, while resenting the federal intrusion, needed to pay for expanding social programs. The domination of the intergovernmental agenda by energy and constitutional issues in the 1970s and 1980s also tended to exacerbate the tension and mistrust in the intergovernmental system.

Both the Pépin-Robarts Commission in 1979 and the Macdonald Commission in 1985 called for the creation of mechanisms to support increased collaboration within the social (and political) union to replace unilateral federal action and the constant conflict and mistrust between the two orders of government. The latter Commission recommended the creation of three federal-provincial-territorial ministerial councils, including a Council of Ministers on Social Policy.

In response to the cuts to federal transfers to provinces and the introduction of the CHST, there

has been a revival of calls for greater collaboration between the federal and provincial governments. Both orders of government have committed themselves to increased dialogue and collaboration, the federal government in the 1996 Speech from the Throne, the provincial governments in the Ministerial Council report, which noted that “dialogue on social policy and fiscal matters must also be considerably strengthened,”¹⁰ and both levels of government at the First Ministers’ Meeting in June 1996. New institutions such as the provincial-territorial (PT) and federal-provincial-territorial (FPT) ministerial councils on social policy renewal have recently been created, and both orders of government are committed to working together to develop principles and objectives for social policy renewal, as well as collaborating on new initiatives such as a National Child Benefit.

8. *Links to Economic Union*

Historically, the social union and economic union have been treated as complementary, with the social union compensating for market failures and inequities created by the market. In the language of economists, the economic union focuses on the production and consumption of private goods while the social union focuses on the distribution of income and wealth. Over the past 10 years there has been an increasing sense that the two unions are more than just complementary and, in fact, require a high degree of integration. As the provincial-territorial Report to Premiers notes, “social and economic priorities are interrelated. A strong safety net contributes to economic prosperity.”¹¹ This is perhaps most evident in discussions of human capital and investment in human development, and particularly in explorations of the role of human capital in new economic growth theory. In the past, approaches to human capital from a social union perspective did not always contribute positively to the economic union. We now have a much better appreciation of the need to ensure consistency across the social and economic unions. Indeed, Thomas Courchene has argued that “social policy, as it relates to human capital and skills formation, is indistinguishable from economic policy.”¹²

We also have a much better sense of the linkages between investments in the social union, such as investment in children, and the resulting impact on the economic union, for example, in a well-trained and productive workforce. We are also beginning to understand the interdependent linkages between the economic union, the social union, and social cohesion, as illustrated, for example, in the role that health care plays in contributing to both the economic union through increased prosperity, and to social cohesion, which itself is fundamental to stability and prosperity in the economic union.

9. *Social Cohesion*

The social union has always been concerned with individual security as well as broader social development goals associated with the community and society in general. But recent thinking in the 1990s about the importance of social capital and social cohesion to both the economic and political union has highlighted the interdependent relationship between the social union and social cohesion. While we know that the very fact that there is a social union contributes to social cohesion, that is, a sense of belonging to a community that shares values and a sense of purpose and commitment, we also appreciate that the social union itself is dependent on the community sharing values that support it. As governments reshape social programs and reduce expenditures in the “social union,” this complex interaction and interdependency will surely be affected and will need to be watched closely.

10. *“Projet de Société”*

Historically there has been strong public support for significant expenditures on social programs. Indeed, as discussed earlier, some polls have indicated that Canadians tend to define Canada, or at least differentiate it from the United States, in terms of our social programs, particularly our health care system. But the federal government’s Social Security Reform process in 1994 and the inter-provincial process in 1995 presented a diagnosis of social programs that were badly in need of reform,

and the public agreed. The House of Commons Standing Committee on Human Resources Development noted in a consultation report released in 1994 that “Canadians said that although our social programs have served us well in the past, fundamental change is now necessary.”¹³

Canadians have indicated that they want to participate in the process of renewing social programs and that they recognize that government cannot act alone in this area. There have been calls for “national projects” similar to the notion of a *projet de société* in Quebec. Could the construction of the social union be a national *projet de société* that includes Quebec? Can the social union be defined in a way that is compatible with Quebec’s aspirations and objectives, or does the cultural and linguistic context in which Quebecers think of the social union preclude a common approach? Could the kind of social policy reform and renewal currently being undertaken by the federal and provincial governments demonstrate the flexibility and evolution that Quebecers have long sought?

Options for Defining the Social Union

Canadians likely differ in the way they think about the social union depending on the emphasis they place on one or more of these features of the social union. Five illustrative approaches are described below.

1. Values, Social Cohesion, and “Projet de Société”

The definition of the social union that best reflects a focus on the importance of values, social cohesion, and the concept of *projet de société* was proposed by Margaret Biggs in *Building Blocks for Canada’s New Social Union*. She defined the social union as “the web of rights and obligations between Canadian citizens and governments that give effect and meaning to our shared sense of social purpose and common citizenship. The social union embodies our sense of collective responsibil-

ity (among citizens), our federalism pact (between and across regions), and our governance contract (between citizens and governments).”¹⁴

2. Programs

Most Canadians, if asked to define the social union, might well list the pan-Canadian programs such as medicare, postsecondary education, Employment Insurance, Old Age Security, Canada (and Quebec) Pension Plan, Child Tax Credit, and social assistance and social services, which are a tangible expression of our values and perceived rights of citizenship. The equalization program might also be cited as a key component of the social union.

3. National “Standards” and Principles

Social policy advocates and many Canadians might argue that the purpose of the social union, and therefore its definition, is tied to the maintenance of national standards or principles, such as those in the *Canada Health Act* and the CHST, shored up by the principles of access to reasonably comparable levels of public services, equalization, and mobility enshrined in the Constitution and the Charter.

4. Links to the Economic Union

Some may take the view that the definition of the social union should reflect its points of integration with the economic union. This approach argues that the economic and social unions cannot be compartmentalized, and require a high degree of integration in areas such as investments in human capital.

5. Governance

Some may think of the social union by focussing on its fiscal, jurisdictional, and intergovernmental features. They might define the social union in

terms of the reform of the federation contemplated in new approaches to the division of powers, the federal spending power, fiscal arrangements, and intergovernmental institutions, as well as new mechanisms for public engagement and accountability.

A Proposal for a Definition and Mission Statement for the Social Union

It can be argued that the social union, in fact, encompasses all of these different perspectives. One approach to constructing the social union, therefore, would be to adopt the values-based definition proposed by Margaret Biggs, and develop a mission statement that attempts to integrate many of the perspectives described above. Policymakers working on principles and objectives for the social union could use these as their foundation.

One possible mission statement for the social union would be:

The purpose of the social union is to provide security and share risk, guarantee comparable essential services, ensure mobility, and support human development and social cohesion. It uses mechanisms and institutions based on intergovernmental collaboration, and public engagement and accountability to achieve this purpose.

Using this proposed definition and mission statement, policymakers might want to initially consider that the program areas encompassed by the social union include health, education, income security, employment insurance, labour market development, and social services. Other program areas that could also be included under this approach to the social union are equalization, environment, and justice. Policymakers might want to maintain separate institutional arrangements in these program areas, however, and agree to integrate them into the work on the social union, as appropriate.

Conclusion

This paper has suggested that constructing the

social union should begin with the articulation of a definition and mission statement for the social union, and has reviewed a number of different approaches. The paper is intended to stimulate debate at the roundtable on the desirability/need for a definition and mission statement to guide future work on the social union, and a discussion of the different approaches described in the paper. Some participants may argue that a better approach is to build towards a definition and mission statement at the end of the process by working through the individual components of the social union.

Participants at the roundtable may want to discuss these questions from the perspective of their implications for Quebec. While some have argued that it is naive to contemplate Quebec becoming a partner in any kind of social union in the absence of recognition of the distinct society, it would nonetheless be desirable to frame any definition of the social union in a way that was seen to be compatible with Quebec's objectives. In this context, the proposed definition is likely problematic, but the mission statement attempts to anticipate three substantive concerns that could be raised by Quebec:

- it is consistent with recent policy decisions by Quebec, which appear to be motivated by a collective determination to provide security and support human development through initiatives to support families and children, education reform, and changes to welfare;
- it allows for a framework of intergovernmental relations with varying degrees of collaboration in different sectors that is consistent with Quebec's current engagement in intergovernmental processes (albeit not in the social sector); and
- it provides for democratic engagement and accountability that is consistent with recent initiatives in Quebec such as the Economic Summit.

Conclusions from the Roundtable (Excerpt)

Whether and How We Should Define the Social Union

Discussion during the morning plenary session focussed on issues around the need for a definition of the social union, and different ways of thinking about the social union. It appeared that “the practitioners,” that is, the federal and provincial government officials who had been engaged in discussions about these issues for some time, and in particular provincial officials whose provincial-territorial discussions on social policy reform and renewal have been ongoing for some two years, were very comfortable with the ambiguity associated with the term “social union.” They seemed confident that a definition would emerge in an evolutionary way from a bottom-up or sectoral approach, and indeed, felt that defining the social union could limit or restrict their work. Others questioned how long this ambiguity could be sustained, and whether some degree of consensus on the scope of the social union and its purpose would not be necessary at some point to frame the sectoral activity and express to Canadians the importance of the social union.

Participants raised a number of questions about the scope or focus of the social union, which highlighted the connections between some of the features of the social union described in the discussion paper and their relative significance. It was felt that the different features are in fact mutually reinforcing and that we need to articulate how they are linked. Some participants emphasized the link between the social union and social cohesion, while others noted that issues such as mobility were common to the social union and the economic union, and that emphasizing this linkage might make the concept of the social union more appealing to Quebecers who had embraced the economic union.

Some participants argued that in attempting to define the social union we would have to clarify the distinction between the social union and the welfare state, and between the social union and social policy

more broadly. We would also have to determine the nature of the “union” in the social union, that is, whether it referred to a union of governments, a union between governments and citizens, or both. This raised the question of the significance of federalism to the Canadian social union, since it was argued that every state has some form of social union but that the concept must encompass intergovernmental relations in Canada because of the nature of our federation. Indeed, for some participants, federalism was at the heart of the Canadian social union.

Two approaches to thinking about the social union were proposed, one focussing on social policy and the need for a new blueprint for the social contract, and the other emphasizing the common values and purposes within the social union and the relations between governments and between citizens and governments that are intended to achieve these purposes. A variation of these approaches is to focus first on the rationale or purpose of the social union, then to consider its content in terms of social policy, and finally, to look at the intergovernmental relations within the federation necessary to achieve the purpose of the social union.

The question of whether and how to address issues of identity in discussions of the social union was raised, reflecting the need to address Quebec’s concerns and objectives. Since it had been noted that the social union is rooted in shared values, the very real question of whether Quebecers in fact share these values was raised, and it was agreed that more research needs to be done comparing the values of Quebecers to the values of other Canadians. It was noted, however, that even where Quebecers share broadly held values, such as the values reflected in the *Canada Health Act*, they may not support the instrument intended to enforce these values.

REFLEXION (Excerpt)

Definition of the Social Union

A number of terms have been used to express the concept that our social programs are more than just

the sum of their parts. Some have referred to the “welfare state” or the “postwar social contract,” while others have proposed a “social charter” or “social covenant.” In the 1990s, the term “social union” was coined to be complementary to the concept of the “economic union,” an idea reflected in the title of the Royal Commission on the Economic Union and Development Prospects for Canada, created in 1982. The term can be interpreted in many ways, and indeed has been, both in the context of the drafting of the Charlottetown Accord in 1992, and subsequently following the creation of the Canada Health and Social Transfer (CHST). But the most significant attempt to capture the meaning of the term was made by Margaret Biggs in *Building Blocks for Canada’s New Social Union*. In that paper, Biggs defined the social union as “the web of rights and obligations between Canadian citizens and governments that give effect and meaning to our shared sense of social purpose. The social union embodies our sense of collective responsibility (among citizens), our federalism pact (between and across regions), and our governance contract (between citizens and governments).”¹⁵ While some have suggested that this is a rather broad and open-ended interpretation, participants at the roundtable tended to find comfort in its all-embracing formulation, recognizing that more precision would emerge in an evolutionary way through work on specific initiatives or sectors.

Biggs’ paper advanced the view that the social union can be seen as integrating values and behaviours in three broad domains: social policies and programs, federalism and intergovernmental relations, and democratic engagement and accountability. The first paper and roundtable in this project attempted to flesh out in more detail these components of the social union in an effort to articulate its purpose, and the values and principles that might be said to underpin it. What emerged was a sense that the concept of the social union had a breadth and scope far more encompassing than earlier concepts such as the social contract. It is a conceptual framework that can be viewed from many perspectives:

- as an expression of our shared values, our sense of social solidarity, and our common purpose that give meaning to our citizenship;
- as an integrated approach to the traditional social policy sectors of health, education, social services, income security, and labour market development, as well as specific programs such as equalization;
- as the way that we realize constitutional commitments to principles of mobility and access to comparable services and “principles” embedded in the *Canada Health Act* and the Canada Health and Social Transfer (CHST);
- as the structure of intergovernmental arrangements for our social programs, including intergovernmental institutions, the division of powers, fiscal arrangements, and the federal spending power; and
- as a setting for constructing new relationships between citizens and governments, which include transparency, accountability, and the engagement of citizens.

The idea of a social union differs from traditional conceptual frameworks that focus on social policies and programs, as in the notion of a social contract or, alternatively, on federalism and the interaction among the division of powers, fiscal arrangements, and the use of the federal spending power. In Biggs’ typology, the social union is broadened beyond consideration of policies and relations between governments to include notions of democratic engagement and government accountability that extend beyond the concept of the social union itself. This is an important expansion of the framework for three reasons. First, it reflects the significant role that social programs play in the lives of citizens and their desire for governments to work collaboratively to address social problems. Second, it allows us to consider the complex interplay among social policy issues, intergovernmental relations, and relationships between citizens and governments that will affect

the evolution of the social union. Third, it reinforces the importance of the underlying pact between citizens and governments that must exist in

support of both the social contract and federalism institutions if the social union is to succeed.

Notes

- 1 Canada (1996), "Speech from the Throne to Open the Second Session Thirty-fifth Parliament of Canada," Ottawa (27 February), p. 7.
- 2 Royal Commission on the Economic Union and Development Prospects for Canada (1985), "Report of the Royal Commission on the Economic Union and Development Prospects for Canada," Volume III, Ottawa: Supply and Services Canada, p. 243.
- 3 Canada (1996), "Speech from the Throne to Open the Second Session Thirty-fifth Parliament of Canada," Ottawa (27 February), p. 9.
- 4 APC Provincial-Territorial Working Group on Social Policy Reform and Renewal (1996), "Issues Paper on Social Policy Reform and Renewal: Next Steps," Jasper: 37th Annual Premiers Conference, p. 4.
- 5 Ministry of Intergovernmental Affairs (1991), "A Canadian Social Charter. Making Our Shared Values Stronger: A Discussion Paper," Toronto: Government of Ontario, p. 2.
- 6 Peters, Suzanne (1995), *Exploring Canadian Values – A Synthesis Report*, Ottawa: Canadian Policy Research Networks, p. 5.
- 7 Royal Commission on the Economic Union and Development Prospects for Canada (1985), "Report of the Royal Commission on the Economic Union and Development Prospects for Canada," Volume II, Ottawa: Supply and Services Canada, p. 547.
- 8 Royal Commission on the Economic Union and Development Prospects for Canada (1985), "Report of the Royal Commission on the Economic Union and Development Prospects for Canada," Volume II, Ottawa: Supply and Services Canada, p. 554.
- 9 Canada (1996), "Speech from the Throne to Open the Second Session Thirty-fifth Parliament of Canada," Ottawa (27 February), p. 10.
- 10 Ministerial Council on Social Policy Reform and Renewal (1995), *Report to Premiers* (December), Executive Summary, p. 2.
- 11 Ibid., p. 1.
- 12 Courchene, Thomas J. (1995), *Celebrating Flexibility: An Interpretive Essay on the Evolution of Canadian Federalism*, Benefactors Lecture 1995, Montreal: C. D. Howe Institute, p. 16.
- 13 Canada (1994), *Improving Social Security in Canada: A Discussion Paper*, Ottawa: Human Resources Development Canada, October 1994, p. 22.
- 14 Biggs, Margaret (1996), *Building Blocks for Canada's New Social Union*, Working Paper No. F|02, Ottawa: Canadian Policy Research Networks, p. 2.
- 15 Ibid., p. 2.

Purpose, Values and Principles of the Social Union

Introduction

The discussion paper proposed a framework for thinking about principles for the social union, which used the categories in the Biggs model of policy, federalism, and democratic engagement. It identified for each of these categories: “declaratory” principles, which were intended to reflect a widely shared value in society or a long term-goal that Canada is striving to achieve; “substantive” principles, which were intended to define a specific policy characteristic of the social union as a whole or a sector; and “operational” principles, which would describe how the social union should be managed and programs delivered.

As the conclusions from the roundtable indicate, the participants found many of the proposed substantive and operational principles to be too prescriptive and reworded some of them. They also preferred to characterize the proposed declaratory principles as core “values” rather than principles and to adapt many of the concepts in the proposed “mission statement” in the discussion paper into a declaration of the purpose of the social union. Through the roundtable discussion a hierarchy of purpose, values, and principles of the social union emerged, which was subsequently fleshed out in the *REFLEXION*.

Discussion Paper

“A Framework of Principles and Objectives for the Social Union”

The purpose of this paper is to propose a framework of principles and objectives for the social union. The first section of the paper describes the values of Canadians that must be reflected in any attempt to define principles and objectives for the social union. The second section lays out the purpose and possible uses of a framework of principles and objectives, and the third section presents the framework.

Canadian Values on the Social Union

The values of Canadians are the foundation upon which the social union, and in particular its principles and objectives, must be built. In her study entitled *Exploring Canadian Values – A Synthesis Report*, Suzanne Peters found that there appear to be a set of deeply held Canadian values, which are largely unchanged from those that shaped the construction of the safety net in the postwar period.¹ These core values, which are shared by Canadians across regions, incomes, age groups, and education levels, include:

- self-reliance
- compassion leading to collective responsibility

- investment, especially in children as the future generation
- democracy
- freedom
- equality
- fiscal responsibility

There is, of course, a healthy tension between some of these values, and although our values may not have changed, many observers have speculated about whether Canadians in the 1990s are changing the ways they balance these tensions.

Suzanne Peters found that what *has* changed is Canadians’ certainty that we have designed the appropriate systems to achieve our goals. The policy principles set for the social union must reflect Canadians’ concerns about existing programs and their view that systemic approaches are necessary:

- while Canadians continue to value universality and accessibility in the health care system, they are concerned about increasing costs and are searching for solutions that are fair but achieve savings:
- while they value education as an investment in future generations and want to ensure accessibility, they also have concerns about quality and outcomes in the system; and
- while they want income security programs to reflect compassion, they also want to ensure that there are incentives in these programs to deter abuse and encourage self-reliance.

Canadians do not appear to have clearly thought through how federalism should work. They generally tend to focus on the substance of the social union and are less interested in who does what. But a broad debate on these issues has been triggered by recent events such as the federal cuts to transfers, the Quebec referendum, and the restructuring of program delivery in many provinces. As a result, Canadians are paying more attention to these issues. They tend to want both orders of government to be involved in a wide range of social policies, and

they prefer collaboration among governments rather than bickering. Some polls appear to indicate that there is less support for unilateral federal action to defend national principles. Suzanne Peters found in *Exploring Canadian Values* that Canadians want national consistency but are not clear about how to achieve it in the face of provincial disagreement.²

It is in the area of democratic engagement that Canadians’ views have changed most over the years. Canadians have become increasingly disillusioned with governments and their actions and are demanding greater accountability and transparency from politicians and officials. Canadians want to be engaged in the development of public policy, and particularly in the process of working through tradeoffs and hard choices. They also want more information and new mechanisms for governments to report back to them.

Purpose of a Framework of Principles and Objectives for the Social Union

The federal and provincial governments are considering the kinds of principles and objectives that should guide their work on social policy reform and renewal. This paper proposes a framework for thinking about and organizing principles and objectives to stimulate discussion and debate. The purpose of the proposed framework is to identify:

- new principles and objectives that should underpin the social union, thus providing a “vision” for the social union that will reassure Canadians;
- new approaches to shared-cost programs and fiscal arrangements, thus providing “ground rules” for a social union that is based on inter-governmental collaboration;
- new approaches for managing the social union itself as well as programs in the social union, thus providing a “governance” structure for the social union; and

- policy and program objectives, which should be measured and reported to the public, thus providing a base for an “accountability regime” for the social union.

A Proposed Framework of Principles and Objectives for the Social Union

There are a number of different models for developing principles for the social union, including the principles proposed to Premiers by the Provincial-Territorial Ministerial Council on Social Policy Reform and Renewal and principles contained in international agreements, national constitutions, and national and provincial statutes. Many of the latter were identified in a staff report prepared by the Ministry of the Attorney General in the Government of Ontario in 1991.³ Often, principles are expressed in terms of rights or entitlements. Sometimes they attempt to codify ground rules. They can have a substantive policy focus or an operational focus. Sometimes they are very broad in scope but they can also be limited to specific sectors.

The framework proposed in this paper adopts the Biggs model in *Building Blocks for Canada’s New Social Union*, and attempts to develop principles and objectives for the social union that deal with issues of policy, federalism, and democratic engagement. For each of these categories it proposes “declaratory” principles, which reflect a widely shared value in society or a long-term goal that Canada is striving to achieve, “substantive” principles, which define a specific policy characteristic of the social union as a whole or a specific sector, and “operational” principles, which describe or define how the social union should be managed and programs delivered. The hope is that these examples of principles will stimulate a discussion at the roundtable on the nature and scope of declaratory principles required to articulate a “vision” for the social union, substantive principles on which to base “ground rules” for the social union, and operational principles necessary to construct a “governance” structure for the social union. A list

of examples of possible objectives for the social union that flow from the proposed principles is then presented to stimulate discussion about an “accountability regime” for the social union.

The terms “principles” and “objectives” are often used loosely and synonymously with other terms such as “standards.” For the purpose of this paper:

- *principles* can be thought of as the translation or expression of values, which is intended to help guide the selection of objectives as well as efforts to pursue those objectives; and
- *objectives* can provide either a broad orientation for policies and programs or identify specific goals.

The principles identified in this paper draw on existing conditions in the *Canada Health Act* and the CHST, the principles in the Provincial-Territorial Ministerial Council Report, as well as international examples. Many of the principles and objectives that are categorized as “declaratory” in the proposed framework are in fact already reflected in international agreements and national constitutions. The constitutions of many countries express the values and guiding principles for their government’s actions, using the language of “rights” and committing themselves to broad goals such as full employment, minimum living standards, and wealth distribution.

On the other hand, a review of the Canadian Constitution and federal and provincial statutes suggests a tendency on the part of these governments to avoid expressions of “declaratory” principles and objectives and to focus on “substantive” and “operational” principles such as the “program criteria” in the *Canada Health Act*, “criteria for eligibility” in Bill C-61 (CHST), and “undertakings” in the Canada Assistance Plan statute. In light of the concerns that have been expressed about the loss of “national standards” as a result of the introduction of the CHST, it is also interesting to note the extent to which the program criteria in the *Canada Health Act* and the undertakings in the

Canada Assistance Plan are already reflected in provincial statutes, in some cases before the federal legislation.

Because it addresses a wide range of policy, federalism, and democratic engagement issues and attempts to use these categories to develop a vision, ground rules, and governance structure for the social union, the proposed framework is very long, and indeed, somewhat intimidating. One way to deal with this complexity is to consider the different policy and communications uses of the proposed principles. For example, the vision principles are declaratory; they lend themselves to some kind of public communication, while the substantive and operational principles are intrinsically of more interest to governments.

Declaratory Principles

Examples of some declaratory principles for the social union are:

i) Policy

- D1. The social union should provide basic security and the opportunity for the fullest possible human development of Canadians.
 - D2. The social union should reflect our individual responsibility to strive to achieve self-reliance and support the desire of all Canadians for independent living.
 - D3. The social union should reflect our collective responsibility to help those in need.
 - D4. The social union should contribute to the achievement of full employment and more equitable income inequality.
 - D5. The social union should protect families and invest in children, and seek to achieve the goal of eliminating child poverty.
 - D6. The social union should seek to improve the health and well-being of Canadians through healthy public policy strategies that address the full range of health determinants.
- ##### *ii) Federalism*
- D7. The federal and provincial governments should be full partners in the process of collaborating on the social union.
 - D8. Both orders of government should participate in the establishment, maintenance and interpretation/dispute resolution of national principles and objectives for the social union, and agree on enforcement mechanisms that could include public opinion, peer pressure, and sanctions.
 - D9. In addition to interprovincial collaboration, the federal government should play a role in securing cooperation and harmonization in the social union, in enforcing agreed conditions on federal funding, and imposing sanctions recommended by joint dispute resolution mechanisms.
 - D10. Governments should collaborate on major decisions in areas of shared jurisdiction or that impact on other orders of government, rather than acting unilaterally.
 - D11. Governments should coordinate programming design and funding to improve outcomes and eliminate waste.
 - D12. Social programs should be responsive to regional priorities, but should reflect an agreed framework of national principles and objectives.
 - D13. Social programs should reflect the fiscal situation of governments but should have as much funding stability as possible, and should be a priority for new funding as governments' fiscal situation improves.

iii) Democratic Engagement

- D14. Citizens should participate in the development of principles and objectives for the social union.
- D15. The process of intergovernmental collaboration should be transparent and accountable to citizens for results, and provide information to citizens about the outcomes of programs and initiatives in the social union.
- D16. Citizens should have unrestricted access to appeal mechanisms.

The “vision” of the social union that emerges from these examples of declaratory principles encompasses broad policy directions, the roles of both orders of government, as well as the involvement of the public in the social union. It is a vision of a social union that:

- focuses on providing security and supporting human development through improving health and well-being, reducing income inequality, contributing to the achievement of full employment, and investing in families and children;
- attempts to balance individual responsibility to strive for self-reliance with our collective responsibility to help those in need;
- recognizes the need for flexibility and responsiveness in social programs within an agreed framework of national principles;
- involves both the federal and provincial governments as full partners in managing the social union in a collaborative way; and
- engages public participation, and is transparent and accountable to citizens.

Substantive Principles

Examples of possible substantive principles for the social union are:

i) Policy

- S1. No financial or other barrier should be created that restricts access to reasonably comparable health care, education or labour market programs.
- S2. No residency conditions should be established that have the effect of restricting access to health care, education, income security and labour market programs anywhere in Canada.
- S3. Governments should take system-wide approaches to issues that cut across different sectors, such as the need to integrate health care with social services and income support with labour market programs.
- S4. The conditions of the *Canada Health Act* should be retained and defined to reflect the broad range of health care reforms underway in the provinces.
- S5. The right to a basic income for essential needs should be linked to the responsibility and desire of individuals to strive for self-reliance and independence.
- S6. Income support programs should be designed to provide an incentive to work, and should be complemented by training and services such as child care that support the transition from welfare to work.
- S7. Prevention and early intervention programs should be expanded.
- S8. Investments in families and children should reflect the most appropriate mix of income support, services and delivery models.

ii) Federalism

- S9. The federal spending power should only be used to create new shared-cost programs in

areas of exclusive provincial jurisdiction with the consent of a majority of provinces, and non-participating provinces that establish comparable programs should receive compensation.

- S10. To respect provincial differences, asymmetry should be an option in formal transfers of power and administrative arrangements between the federal and provincial governments.
- S11. In the spirit of transparency, any arrangement between the federal government and an individual province should be communicated to another province seeking similar arrangements.
- S12. Federal programs providing funding to provinces should be administered through some form of collaboration and joint decision making, and, with the exception of equalization, funding should be allocated on an equal per capita basis.
- S13. A sectoral approach should be taken to clarifying the roles of both orders of government rather than attempting to apply general criteria such as subsidiarity.

iii) Democratic Engagement

- S14. Accountability measures such as national testing, performance indicators and outcome measures, and evaluations should be developed and the results regularly released to the public.
- S15. Public consultation and public dialogue processes should be created to provide input to the intergovernmental process.
- S16. New ways to engage advocacy groups and politicians and officials in a meaningful dialogue about values and tradeoffs should be developed and integrated into the intergovernmental process.
- S17. Public participation and transparency should be built into the intergovernmental process in

a way that maximizes openness and public engagement as well as trust and collaboration between governments.

The new set of “ground rules” that is suggested by these examples of substantive principles deals with specific policy issues, guidelines for shared-cost programs and fiscal arrangements, and specific requirements to support public engagement. These new ground rules include:

- maintenance of the prohibition on residency requirements and retention of the *Canada Health Act* principles defined to reflect the broad range of current and proposed health care reforms;
- redefinition of need to reward individual effort and provide incentives to work while ensuring that the training and other services necessary to support the transition from welfare to work are provided;
- transparency in any arrangements negotiated between the federal government and a provincial government, and, where desirable, collaboration and joint decision making on federal programs providing funding to provinces;
- equal per capita allocation of all federal transfers to provinces other than equalization; and
- the integration of public participation, transparency and accountability measures into intergovernmental processes.

Operational Principles

Examples of possible operational principles for the social union are:

i) Policy

- O1. Administrative arrangements between governments similar to those on portability should be developed to deal with residency issues.

- O2. Programs should be publicly administered but new partnerships should be developed among governments, communities, social organizations, business and labour.
- O3. Performance indicators and outcome measures should be developed for all programs and data collection systems established.
- O4. Programs should be regularly evaluated and the results shared among jurisdictions.
- O5. Appeal mechanisms should be put in place where appropriate.
- O6. Program design and delivery should be simplified and, where possible, federal and provincial programs integrated.

ii) Federalism

- O7. The Federal-Provincial-Territorial Council on Social Policy Renewal (FPT) should be mandated by First Ministers to coordinate the management of the social union, including determining joint priorities, coordinating agreed sectoral activities, and making recommendations to First Ministers on issues such as the use of the federal spending power, the creation of new intergovernmental mechanisms and institutions and their mandates, and fiscal arrangements.
- O8. The FPT Council should operate on the basis of consensus until agreement is reached on decision-making rules.
- O9. As appropriate, sectoral councils and working groups composed of representatives of both orders of government should be created by the FPT Council.

iii) Democratic Engagement

- O10. Appropriate mechanisms and supporting structures to intergovernmental processes

should be created to coordinate data collection, monitoring and reporting to the public, improve transparency, manage appeal and dispute resolution mechanisms, and consultation processes with the public and advocacy groups.

- O11. The agenda and results of intergovernmental meetings should be made public.

- O12. The FPT Council should submit annual reports on its activities to federal and provincial legislatures, which are then reviewed by Standing Committees and could be the subject of public hearings.

The new approaches to “governance” suggested in these examples of operational principles for the social union address the delivery of specific programs, structures for intergovernmental processes, and mechanisms to increase democratic engagement and accountability. They include:

- partnership arrangements among governments, communities, social organizations, business and labour to improve the delivery of programs and their links to the community;
- data collection systems as the base for program evaluations, performance indicators and outcome measures that can be shared among jurisdictions and released to the public;
- mandating the Federal-Provincial-Territorial Council on Social Policy Renewal (FPT) to coordinate the management of the social union in a collaborative and consensual manner;
- the creation of appropriate supporting structures for the FPT Council, such as sectoral councils, working groups, and mechanisms for collecting data and evaluations, monitoring and reporting to the public, managing appeal and dispute resolution mechanisms, and managing public consultation processes; and
- the development of techniques to increase the transparency and accountability of the

intergovernmental process, such as annual reports to legislatures and releasing agenda and meeting results to the public.

Objectives for the Social Union

The next step is to develop objectives for the social union based on these proposed principles. These objectives should be measurable and provide the basis for an accountability regime for the social union. Table 1 provides an illustration of the kinds of objectives in the areas of policy, federalism, and democratic engagement that could flow from the principles proposed in this paper. It is intended to provoke discussion and debate about questions such as how broad the objectives should be, how concrete they should be, how they would be measured, whether there should be long and short term objectives, etc.

Conclusions from the Roundtable (Excerpt)

The small groups grappled with questions about the appropriate level of principles, how they should be framed, and the exact wording of principles using examples provided in the discussion paper. There was a clear preference for the expression of “declaratory” or “hortatory” principles. Substantive and operational principles were seen to be too prescriptive. There was agreement that declaratory principles should reflect the core values upon which the social union is founded, and that these values should encompass the policy, federalism, and democratic engagement dimensions of the social union. One approach discussed was to differentiate broad values and the purpose of the social union to which all governments could commit from principles for social policy that would be reflected in policies and programs that would vary depending on local circumstances. The importance of linking values with principles and objectives with outcomes was also noted.

The outcome of the roundtable discussion can be captured in a hierarchy of purpose, values, and

principles of the social union. (These are outlined below in the excerpt from the *REFLEXION*).

REFLEXION (Excerpt)

Purpose, Values, and Principles of the Social Union

The purpose of the social union is to perform an integrative function across social policies and programs, intergovernmental relations, and relationships between citizens and governments. The need for integration flows from the myriad of policies and programs within the social union that serve at least one, and often more than one, of the following objectives:

- to **promote social cohesion**, by promoting sharing, providing security, and assisting all Canadians to actively participate in economic and social life;
- to **support human development**, by ensuring that basic needs are met and that individuals’ skills and capacities are fully developed throughout their lives; and
- to **strengthen the economic union**, by sharing risk, ensuring mobility, and providing access to comparable levels of essential public services.

The first integrative function of the social union is to provide a policy framework that allows the linkages among these objectives to be explicitly considered in an integrated or horizontal way across policy sectors, both within and beyond traditional social policy. For example:

- there are complex linkages among the objectives of promoting social cohesion, supporting human development, and strengthening the economic union. For example, we know that our health care system, which is fundamental to human development, also strengthens the economic union in a number of ways, such as the provision of a healthy workforce, the development of health

Table 1

Policy, Federalism, and Democratic Engagement Objectives

| Declaratory | Substantive | Operational |
|--|---|--|
| 1. All Canadians will achieve the highest attainable standard of physical and mental health and well-being. | 6. All Canadians will have full access to health, education and labour market programs across Canada, and there will be no residency restrictions that limit access to income security. | 11. Program design and delivery will be improved through data collection, evaluations, performance indicators and outcome measures that are shared across jurisdictions. |
| 2. All children and youth will be raised in a healthy, safe and nurturing environment. | 7. A national action program for investing in children will be developed and will include a National Child Benefit system and effective service interventions. | 12. New partnerships will result in new ways to deliver programs and involve communities. |
| 3. The basic needs of all Canadians for food, clothing and shelter will be fully met, and those in need will be provided with the tools to achieve self-reliance and independent living. | 8. Medical insurance plans will be expanded to include prescription drugs and home care. | 13. Programs will be simpler and better integrated. |
| 4. Full employment will be achieved. | 9. A national priority will be placed on education with the objective of improving the quality and outcomes of the system, and ensuring access to lifelong learning. | 14. New intergovernmental institutions and mechanisms will be created to increase collaboration. |
| 5. Income inequality will be reduced. | 10. Federal-provincial agreements on labour market programs will be completed and discussions continued on other priorities such as programs for children, an integrated approach to income support programs for persons with disabilities, a “vision” for health, and fiscal arrangements. | 15. Institutions and mechanisms will be created to maximize transparency, citizens’ participation, and citizens’ access to appeal mechanisms. |

care industries, and the creation of a competitive advantage relative to other economies. It also contributes to our sense of social cohesion and, for many Canadians, to our sense of shared citizenship. At the same time, maintaining our health care system is dependent on prosperity in the economic union and the community sharing values in support of the system. We need to develop a better understanding of these linkages and interrelationships across the social union;

- increasingly social policy must be developed through cross-sectoral approaches to ensure that a systems-based approach is taken to complex issues rather than focussing on specific problems in isolation. For example, the national children's agenda, which the federal and provincial governments are developing, involves a large number of sectors and departments, including education, social services and health, and a wide range of programs in the areas of justice, environment, recreation, and many others; and
- we no longer view social and economic policy as different or, at best, complementary, but rather as policies that must be integrated. This can be readily seen with respect to one dimension of human development that is sometimes referred to as "investment in human capital." As Thomas Courchene has pointed out, "social policy, as it relates to human capital and skills formation, is indistinguishable from economic policy."⁴ For example, investing in children's development is a major social policy objective, which also has implications for economic growth and prosperity. Conversely, fiscal, monetary, and economic policies have significant social implications through their impact on unemployment. We can no longer compartmentalize the social union and the economic union. We must develop a better understanding of the relationships between them, while recognizing that each has its own integrity and objectives.

The second way in which the social union performs an integrative function is in providing a

framework for governments to manage interdependencies as they address these interrelated policy issues. Increasingly, both the federal and provincial governments are dealing with the same policy issues and using similar policy instruments. An initiative of one order of government has an immediate impact on another order of government, and may even undercut the latter government's objectives. While efforts have been made to clarify the respective roles and responsibilities of governments, particularly in the area of social policy, there are real limits to the extent to which governments in a federal system can "disentangle" themselves or, as some have suggested, create "watertight compartments." In any case, this is not desirable since it prevents the two orders of government from bringing their specific strengths to issues. For example, the federal government brings a global and pan-Canadian perspective to issues, and is able to articulate core Canadian values and mobilize Canadians to achieve pan-Canadian objectives. Provincial governments, on the other hand, are better positioned to articulate local needs and priorities and design ways to tailor programs to local circumstances that may be unique.

It can be argued that the trend to decentralization may in a perverse way only increase the need for at least some form of coordination, and possibly even integration. While it might be possible to manage this integration through interprovincial mechanisms in some areas, as Courchene has suggested,⁵ both orders of government are actively engaged in social policy and will continue to require integrative mechanisms and institutions to help them manage these interdependencies. This is not a new idea. In 1985, the Royal Commission on the Economic Union and Development Prospects for Canada noted that "the activities of federal and provincial governments are interwoven in many policy fields... The challenge, then, is for Canadians to design intergovernmental machinery for managing this interdependence."⁶

The third integrative function that the social union could potentially play, but has not to date played in a systematic way, is to ensure that the

values, perspectives, and expectations of Canadians are fully reflected, integrated, and ultimately realized through the social union. The intergovernmental dimension of the social union has traditionally dominated, as reflected in our institutions of “executive federalism.” But, increasingly, Canadians seem unwilling to rely on these institutions to frame the issues and develop policy responses in isolation. Citizens are demanding, at a minimum, transparency in this process, and are increasingly calling for mechanisms to increase the accountability of governments for the outcomes of the process. Others go further in seeking mechanisms to allow citizen groups and individual citizens to have an input to the intergovernmental process. Governments have begun to grapple with different ways to provide increased transparency, accountability, and opportunities for group and citizen engagement.

Values of the Social Union

Our values are the fundamental underpinning of the social union. They are reflected in the social programs that were put in place in the postwar period, and continue to be reflected in the evolution of these programs. Many have even argued that our definition of Canadian citizenship is based on our social programs and the sense that these programs symbolize our membership in a community that shares values of solidarity and mutual responsibility. Again using the framework of policy, intergovernmental relations, and democratic engagement, this project explored the values that underlie these three dimensions of the social union.

With respect to the values reflected in our social policies and programs, Suzanne Peters, in *Exploring Canadian Values*, and others have found a great deal of continuity in deeply held Canadian values such as compassion, sharing, equal opportunity, equity, fairness, and collective responsibility. At the same time, they also report tensions underlying, for example, the values of individual responsibility and self-reliance in contrast to collective responsibility, and perhaps sometimes between investing in children and fiscal responsibility. Canadians are constantly balancing these values, and possibly even changing the way

they balance values over time and on specific issues, but always in an overall context in which social solidarity and mutual responsibility are seen as basic norms.

Not surprisingly, the fundamental values underpinning intergovernmental relations are based on federalism. The dimension of federalism that Canadians particularly value is its dual capacity for collective action across Canada, which enables Canadians to pursue their shared values, and for flexible and autonomous action to respond to the diversity of regional and local priorities and needs in Canada. Canadians value harmony and collaboration within the federal system and are frustrated by intergovernmental bickering. They tend to want to see both orders of government involved in a wide range of social policy areas, perhaps recognizing that they benefit in a number of ways from such an arrangement.

The values more generally related to democratic engagement in Canada that were identified in Suzanne Peters’ work (e.g., transparency, accountability, and citizen engagement), also apply to the social union. They are fairly new, and perhaps can be attributed to documented levels of declining deference, respect and confidence in many of our institutions, including governments. Some have argued that there are structural reasons, such as age and levels of education, that would suggest that this is not just a passing phase for Canadians but rather a fundamental shift in their values about self-expression and participation in decision making at all levels, including government. The question is not just how the social union will adapt to these changing values but our political system as a whole.

Principles of the Social Union

Again using the framework of policy, intergovernmental relations, and democratic engagement, the project developed a set of broad principles that might guide the development and evolution of the social union. Many of these reflect the significant work of the provinces’ Ministerial Council Report, which laid out 15 principles to guide social policy reform

and renewal, all but one of which have been accepted by the federal government in the context of the ongoing federal-provincial-territorial process. Some of the principles identified through the project are presented below.

a) Social Policy Principles

1. Social policies should promote social and economic conditions that enhance self-sufficiency and well-being and support the active development of individuals' capabilities.
2. Social policies should be designed to reduce income polarization and social marginalization, which undermine social cohesion.
3. Social policies should be designed to complement and support individual responsibility to earn, save, and share.
4. Social policies should reflect both our individual responsibility and desire for independence and our collective responsibility to support those in need.
5. Social policies should be designed to achieve long-term benefits from prevention and early intervention, particularly by promoting the well-being of children and families through investments that support healthy, safe and nurturing environments.

b) Federalism Principles

6. The social union should use the instruments of federalism to ensure that common values and objectives are respected while remaining flexible and responsive to the diversity within Canada.
7. The social union should be respectful of jurisdiction as well as the need for autonomous action by both federal and provincial governments to achieve pan-Canadian objectives and

to reflect local circumstances and preferences.

8. The social union should include mechanisms for collaboration between governments to ensure that its pan-Canadian needs and desired outcomes are achieved, particularly in areas where both orders of government are active.
9. Both orders of government should be full partners in setting priorities for the social union and in establishing, maintaining, and interpreting pan-Canadian principles in the social union; and they should agree on how to ensure adherence to these principles.
10. Arrangements between the federal government and individual provinces should be transparent to ensure that provinces are treated similarly, but this should not preclude asymmetry in federal-provincial arrangements to reflect different situations that require different outcomes.
11. Interregional sharing to ensure comparable levels of essential public services is a fundamental component of the social union, and funding arrangements, including equalization, should be regularly reviewed to ensure that they reflect the roles and responsibilities of governments and the need for adequate resources to fulfill them.

c) Democratic Engagement

12. The social union should seek to be inclusive and ensure that the full diversity of perspectives within Canada is reflected in its design and maintenance.
13. Mechanisms should be created to ensure the involvement of citizens in the social union, particularly in the identification of broad directions and priorities.
14. Programs within the social union should be client-centred and include mechanisms of redress and appeal.

15. The process of intergovernmental collaboration in the social union should be transparent and accountable to citizens for results by regularly publishing data on the outcomes of programs and initiatives in the social union.

Notes

- 1 Peters, Suzanne (1995), *Exploring Canadian Values – A Synthesis Report*, Ottawa: Canadian Policy Research Networks, p. 5.
- 2 Ibid., p. 13.
- 3 Ministry of the Attorney General (1991), “The Protection of Social and Economic Rights: A Comparative Study,” Staff Paper, Toronto: Government of Ontario, Appendices A, B and C.
- 4 Courchene, Thomas J. (1995), *Celebrating Flexibility: An Interpretive Essay on the Evolution of Canadian Federalism*, Benefactors Lecture 1995, Montreal: C. D. Howe Institute, p. 17.
- 5 Courchene, Thomas J. (1996), “ACCESS: A Convention on Canada’s Economic and Social Systems,” Working Paper prepared for the Ministry of Intergovernmental Affairs, Government of Ontario (August), p. 17.
- 6 Royal Commission on the Economic Union and Development Prospects for Canada (1985), “Report of the Royal Commission on the Economic Union and Development Prospects for Canada,” Volume III, Ottawa: Supply and Services Canada, p. 260.

Measuring Outcomes in the Social Union

Introduction

Interest in performance measurement among federal and provincial governments has intensified in the past few years. At the November 1996 roundtable on “Securing the Social Union: Instruments and Institutions,” some participants commented on the need to build this concept into thinking about constructing the social union.

The discussion paper prepared for the roundtable provided background on the concept of outcome measurement, described some Canadian and international models, and provided for illustrative purposes examples of possible outcomes and outcome measures for the social union. At the roundtable, participants identified a number of reasons for measuring outcomes in the social union, discussed challenges and constraints, and then drew upon the models in the discussion paper to build a hierarchy of possible outcome measures for the social union. Small groups discussed the potential for outcome measurement in key sectors of the social union, such as health, children’s programs, and labour market development. The *REFLEXION* summarized the agreed objectives, difficulties in outcome measurement, and laid out a hierarchy of outcome measures for the social union.

Discussion Paper

“Measuring Outcomes in the Social Union”

The purpose of this paper is to explore whether recent government initiatives in a number of jurisdictions to introduce outcome-based performance measurement should be considered in the context of constructing the social union. Increasingly, governments are measuring outcomes rather than inputs and outputs to determine if policies and programs are achieving their intended results. Applying this concept to the social union raises issues about why outcomes in the social union should be measured, which outcomes should be measured, what outcome measures would be appropriate, and who should compile such outcome measures. (The last question is addressed in the discussion paper on new institutions for the social union in Chapter 5.)

The paper begins with a discussion of possible reasons or objectives for considering measuring outcomes in the social union. It then provides some general background on aspects of performance measurement most relevant to the social union and discusses outcome-based performance measurement models in New Brunswick, Alberta, Oregon, and Australia, assessing the strengths and weaknesses of these models and their applicability to the social union. The paper proposes criteria for identifying which outcomes should be measured and

which measures should be used, and concludes with examples of possible outcome measures for the social union. Some of the difficulties involved in identifying outcome measures in the social union are also discussed.

Objectives for Measuring Outcomes in the Social Union

Before launching such a daunting exercise, it would be important to be clear at the outset about why governments would undertake such an initiative. In other words, what would be the desired outcomes for the exercise itself and how would we measure whether governments were achieving their objectives?

A number of possible objectives can be identified, and they are presented below under two headings: to enhance governments' performance and accountability, and to strengthen the social union. As will be seen, sometimes an objective identified under one heading would also contribute to achieving objectives under the second heading.

Enhance Governments' Performance and Accountability

The following objectives would be relevant to any government activity but could also be applied broadly to the social union:

- to help governments explicitly identify objectives and desired outcomes as part of their decision-making process;
- to provide objective and relevant information to clients, stakeholders, and citizens so that they can assess whether government objectives are being met and hold governments accountable for results;
- to motivate public sector employees and other public service delivery agents to deliver programs that achieve the government's intended

results by clearly articulating what those results are and how their achievement will be measured;

- to provide information to governments that will enable them to improve program design and delivery; and
- to aid in resource allocation decisions through "performance budgeting."

Strengthen the Social Union

In addition to these governance benefits, measuring outcomes may also be a mechanism for strengthening the social union. A number of objectives might apply:

- to help clarify and define the roles and responsibilities of different governments in the design and delivery of services by requiring the objectives of each order of government and their impact on desired outcomes to be explicit. This is clearly identified as an objective of Australia's performance monitoring system and is reflected in "Oregon Option," an agreement between the federal, state and local governments, which links federal transfers to state and local government performance;
- to help strengthen social cohesion in the social union by developing mechanisms to engage citizens in identifying their desired outcomes in the social union and what they consider to be the most relevant measures, and then to report to citizens regularly on these measures. This kind of process would mobilize the collective engagement of individuals and communities in the social union, and would ensure that Canadians' values and priorities are reflected in the construction of the social union. These kinds of processes of public engagement and accountability at the front and back end of performance measurement would also reinforce relationships between governments and citizens as distinct from relationships between governments that tend to be the focus of "Executive Federalism." If the "new"

social union is to be seen to encompass new kinds of relationships between governments and citizens, processes such as this will be essential;

- to provide a new way to achieve consistency in social policy across the social union and possibly even a new way to express national standards or principles. Defining desired outcomes may be one way for governments to collectively agree on national frameworks of principles while retaining flexibility in program design and delivery; and
- to assist in ensuring adherence to national principles by providing a new accountability tool for governments and even possibly an alternative to mechanisms for government-to-government enforcement of compliance. It may be possible to frame the criteria in the *Canada Health Act*, the national standard on residency in the Canada Health and Social Transfer (CHST), and any new shared principles and objectives that are developed for the CHST as outcomes that could be measured and monitored.

It will be important to keep in mind these possible objectives for implementing an outcome-based performance measurement system in the social union as we assess the strengths and weaknesses of the various performance measurement tools and models used by other jurisdictions. As will become evident, none of them contemplate such an ambitious range of objectives.

Performance Measurement Tools

A casual observer in the area of performance measurement can easily be overwhelmed by the range of tools and models within the field as well as the number of terms that are used, sometimes interchangeably, within different models. This section of the paper presents a very brief overview of the performance measurement issues that appear to be most relevant to the social union, and uses life expectancy, as an example, to try to help readers differentiate terms used in this field.

It is important to note in considering this range

of tools that many of them appear to use approaches and methodologies not unlike those used in traditional policy and program evaluation processes. As will be seen, three key differences may be the availability of data that allows outcomes and impacts to be measured today with a precision that was not possible before; the explicit objective of reporting on outcomes for broad accountability purposes rather than improving performance; and the process of regular assessment of outcomes over time as distinct from the “snapshot” perspective of policy and program evaluations.

Tracking Trends

There is a long history of interest in the development of *social indicators* in response to concerns that economic indicators are insufficient in terms of measuring well-being. These indicators are not used to measure progress toward identified goals but rather to monitor social trends, facilitate comparisons between communities, and serve as an early warning system to policy analysts about emerging problems. They are defined by Robert Horn as “statistics that are relevant for the analysis of the situation in a particular social field or for society as a whole... The general functions of social indicators can then be fitted into a systemic sequence from observation and assessment to prognosis, to policy planning and the monitoring of plan performance.”¹ For example, life expectancy is often used as a social indicator to indicate trends in overall health status.

Considerable effort has been expended in the development of *composite indicators* in this area, including the United Nations Human Development Index, the Genuine Progress Indicator, and the Fordham Index in the United States, and Canadian adaptations of these models being developed by Statistics Canada and Human Resources Development Canada. Although there are many methodological issues that must be addressed in the design of these indices, there is considerable interest in the generation of social equivalents to economic indicators such as the Gross Domestic

Product (GDP), if only from a communications perspective. Life expectancy is a component of many of these composite indicators, again as one measure of health status.

Although social indicators are not used to measure performance, they can be used in conjunction with performance indicators. As Margaret Biggs noted in *Building Blocks for Canada's New Social Union*, “from both the perspective of policy and program ‘learning’ and democratic accountability, it is important to track progress at two levels: overall social trends – *social indicators* – and policy and program outcomes – *performance indicators*.”²

Measuring Efficiency and Quality of Service Delivery

Many performance measurement systems focus on efficiency and the quality of service delivery. A number of countries, such as the United Kingdom and New Zealand, have emphasized these issues in the context of public sector reform and improved accountability to the public. For example, the United Kingdom released a Citizen’s Charter, which sets out explicit standards of service. Efficiency measures, which provide information on how well an organization is using its resources to produce goods and services, are useful measures of an organization’s performance and are sometimes used in conjunction with outcome measures. As the Alberta Treasury Reference Guide on Measuring Performance notes “each type of measure provides a slightly different perspective on organizational performance and therefore will be important to certain audiences. Selecting the appropriate measures will depend upon the intended audience and their particular information requirements.”³ What limited discussion there has been to date of the issue of performance measurement in the social union has suggested greater priority should be placed on measuring outcomes, at least in the initial stages, rather than efficiency or quality of service delivery.

Measuring Performance

Historically, much of the emphasis in performance measurement has been on using input and output measures to assess efficiency. But as the Alberta Treasury Reference Guide entitled *Measuring Performance* notes, “measuring performance in terms of inputs and outputs can’t answer whether government programs are effective in addressing the problems of child abuse and juvenile crime, or whether the quality of health care and education has improved.”⁴

The most significant development in the performance measurement field with respect to the social union is the increasing interest in the development of *outcome-based performance measures*, which attempt to measure achievement of desired results. It has been argued that this new focus in performance measurement reflects taxpayers’ concerns about wasteful government expenditures, which in a period of budgetary deficits could no longer be rationalized. When citizens began to demand more “bang for the buck,” they were implicitly asking governments to address quality issues but also to demonstrate that they were achieving desirable and intended results. Suzanne Peters’ research on Canadian values in *Exploring Canadian Values* highlighted the public’s desire to hold governments more accountable for results.

Many jurisdictions are now engaged in the process of designing outcome-based performance measurement systems and the next section of the paper will briefly describe some of their approaches and what lessons can be drawn for outcome measurement in the social union. At this point it should simply be noted as background that outcome-based performance measurement systems generally include five activities. These activities are outlined in a paper published by the National Academy of Public Administration entitled *Outcome and Performance Measurement Systems: An Overview*,⁵ and include:

- identifying goals or desired outcomes;

- selecting the most appropriate measures or indicators;
- setting standards for performance and outcomes;
- reporting on results; and
- integrating the information on outcomes into analysis and decision making.

Using the life expectancy example to define terminology in outcome-based performance measurement, it can be seen that life expectancy could be expressed as a *goal* or *desired outcome*, the objective being to increase life expectancy or, as it is expressed in some jurisdictions, reduce years of potential life lost. The *outcome measure* for life expectancy is usually expressed as the average number of years that a person born in a particular year will live, based upon current mortality statistics. It is possible to identify a *target* for life expectancy, such as increasing the life expectancy of the general population by one year every five years or reducing the number of potential years lost as Oregon does, but many jurisdictions seem to identify a *benchmark* for life expectancy rather than a target.

The two terms are often used interchangeably, but the key difference is that a target identifies a desired level of performance usually expressed in comparison with the current level of performance or historical levels of performance, while a benchmark sets out a desired outcome expressed in comparison to best business practices in the case of the private sector or, for the public sector, in terms of an optimal performance standard met by another jurisdiction. For example, in the case of life expectancy, Alberta's target is expressed in terms of a benchmark, i.e., "to approach the life expectancy of the world's leading countries," particularly noting the standard set by Japan. New Brunswick's target is also expressed as a benchmark: "to attain the same level of life expectancy as Canadians by the year 2006."

The approaches discussed in the next section of the paper reflect the two types of outcome-based

performance measurement systems that tend to be developed. One monitors the outcomes of specific government programs and the other attempts to monitor overall conditions in a nation, state, province or community. Some models attempt to marry the two approaches by measuring the contribution of individual programs to the achievement of broader community or societal goals.

Hierarchy of Performance Measurement

This section has outlined a hierarchy of performance measurement, beginning with the measurement of social trends, moving to the assessment of quality of service delivery and efficiency, and ending with measuring the achievement of desired outcomes, and ultimately the achievement of specified targets or benchmarks. As we consider measuring outcomes in the social union, we will need to assess which of these measures would be most relevant to the social union or should be given higher priority. For example, the report of the Ministerial Council on Social Policy Reform and Renewal calls for "a mechanism for... monitoring progress on the scope of progress in social policy reform and renewal."⁶ A key issue is whether such monitoring activity should be at the level of broad social indicators, specific program outcome measures, or whether, as noted earlier, it could be designed with the explicit objective of monitoring adherence to national principles. An even more ambitious objective was set out in the report of the Canadian Council on Social Development (CCSD) Roundtables on the CHST, which proposed that "a set of overall national measures of social outcomes should be developed and monitored, along with the monitoring of explicit targets related to agreed upon national social goals and objectives."⁷

Performance Measurement Models

This section provides a brief overview of some illustrative models of performance measurement systems used in New Brunswick, Alberta, Oregon, and Australia, and assesses their strengths and weak-

nesses as models that could be applied to the social union. The apparent objectives, basic design and methodology, and use of each model is briefly described as a framework for comparing the models and applying them to the social union. It should be noted that many American states and cities as well as Canadian provinces, in addition to New Brunswick and Alberta, have introduced or are engaged in developing outcome-based performance measurement systems. The models described in this section attempt to capture the range of different approaches being put in place by these jurisdictions. Most of these systems have only been in place for two or three years so it is difficult to be conclusive in evaluating them. The difficulties in developing these systems, however, and the risk of generating unintended results, as has been experienced by the private sector, suggests a cautious and evolutionary approach and a design that reflects the best practices of different models rather than attempting to adapt one specific model to the social union.

New Brunswick

The government of New Brunswick launched an outcomes-based performance measurement process in 1996 with the express purpose of providing to the public, for discussion and review, information on the performance and impact of programs. Its system involves the identification of “core business areas” by departments, the articulation of goals for each of these business areas, the selection of performance indicators for each goal, and the identification of targets (sometimes expressed as a benchmark) for each goal. An example of this process as it applies to the Department of Advanced Education and Labour is presented below. It is excerpted from a document on Performance Measurement, which was a supplement to New Brunswick’s 1997-1998 Main Estimates.⁸

Core Business

- Area: Self-sufficiency
- Goal: To increase self-sufficiency through lifelong learning.

Indicator: Percentage of graduates of the New Brunswick Community College who find employment. (Annual percentage of NBCC graduates who find employment within one year of graduation.)

Target: To achieve for the NBCC graduates an employment rate of 80 percent by 1999 from the 1994 level of 72 percent.

The key difference between the New Brunswick process and some of the other processes described in this paper is that it does not include the elaboration of a broad vision or overarching goals as the framework for department level goals. The goals are grounded in departmental “core business areas” rather than a statement of a broader government-wide vision. It can be argued that this is the approach being taken in performance measurement activity currently underway at the sectoral level of the social union, which does not flow from the identification of overarching goals for the social union. A key issue to be addressed in thinking about measuring outcomes in the social union is whether the process should be focussed on measuring outcomes in specific sectors or measuring the achievement of overarching goals, or whether the process should deal with these issues in sequence or in parallel.

The New Brunswick document notes that performance measurement is a “methodology which takes years to learn, develop and adapt to one’s own environment. Experience of other jurisdictions has proven that a performance measurement system cannot grow overnight, but must evolve over several years.”⁹ This is an important lesson for any attempt to measure outcomes in the social union. It will likely be an iterative and evolutionary process that builds on its own experience and the experience of other jurisdictions over time.

Alberta

Alberta’s performance measurement system be-

gan in 1995 and was enacted in the *Government Accountability Act* of that year. It is arguably the most advanced of any federal or provincial initiative of this kind and reflects the priority the Alberta government has placed on performance measurement in the context of accountability to the public.

Alberta's Reference Guide on *Measuring Performance* notes that performance measures can serve a variety of purposes.

First, they serve as a vehicle for communication. To the public they signal the things that government deems important, and how the government should be judged. This is the essence of the government's accountability efforts. Second, they can serve as a motivational tool. To those within the organization, measures signal what is important, and what is necessary for success. Finally, measures can serve as a vital management and decision-making tool, providing information that can be used to make improvements in program design and service delivery.¹⁰

Alberta's process includes the identification of a broad government-wide vision, three core businesses of government – people, prosperity, and preservation – and 18 goals for these core businesses, the selection of 23 core performance measures for these goals, and the establishment of targets, sometimes expressed as benchmarks, for each of these goals. Each ministry has selected a set of key performance measures to track progress against its business plan goals, which also contribute to the success of the government in achieving its overall goals. An illustration of how this hierarchy of goals and targets works is presented below. It is based on material provided in *Measuring Up*, the Second Annual Report on the Performance of the Government of Alberta, released in June 1996.¹¹

Vision: A vibrant and prosperous province where Albertans enjoy a superior quality of life and are confident about the future for themselves and their children.

Core Business: People... helping Albertans to be self-reliant, capable and caring.

Goal: To protect, maintain, restore and enhance the health of Albertans.

Measure: The percentage of Albertans who rate their health compared to others their own age as fair or poor in each of five age groups as reported in the annual Alberta Health Survey.

Target: To have the lowest percentage of Albertans reporting fair or poor health status compared to other provinces.

Key Ministry Measure: Percentage of Albertans rating their health as “excellent” or “very good.”

The Alberta performance measurement system also uses and reports on societal indicators to track important trends in Alberta society. “Keeping track of these societal trends will help identify potential future problems and prepare us for change. It can also help us understand why our programs are or are not effective, as environmental factors can enhance or negate the effects of government programs.”¹² The societal indicators in the area of health and wellness, for example, include number of home care clients, exercise and recreation participation rate, alcohol and tobacco use, and percentage of disabled in institutional care.

The Albertan model provides many lessons for measuring outcomes in the social union. It includes a limited attempt to engage citizens in the development of appropriate government-wide outcome measures through the use of a questionnaire (which had a 35 percent return rate). Its system focuses on accountability to the public and the importance of reporting to citizens, and emphasizes outcomes and outcome measures that are seen to be most relevant to Albertans. It encompasses a specific hierarchy of a broad government-wide vision and core businesses and related goals, measures and targets and includes both government-wide and ministry outcome measures. As in New Brunswick, the process is seen as an iterative one.

One of the benefits of the performance measurement system in Alberta is that there is a shared vocabulary and focus on desired results across government departments and the legislature. Officials appearing before legislative committees are regularly questioned about which outcome measures they are using and why particular outcomes are being measured. Proponents of the system see it as a good way to “tell their story.” On the other hand, those who are not sure that they will *have* a good story to tell may not be supportive of systems that explicitly measure outcomes.

Oregon

Perhaps the best known outcome-based performance measurement process is the Oregon Benchmarks, which is used to measure progress on the implementation of a 20-year, state-wide strategic plan called Oregon Shines. The process has its origins in an economic downturn in Oregon in the mid- to late 1980s due to changes in the wood resource sector and a worldwide recession. In response, a 20-year strategic plan was developed; a set of 92 state-level benchmarks was adopted by the Oregon Legislative Assembly in 1989; and an independent state planning and oversight agency called the Oregon Progress Board was created to collect and distribute benchmarks data, and to focus all Oregon institutions – public, nonprofit, and private – on the achievement of the outcomes that support the overall vision and goals of Oregon Shines.

The structure of the Oregon Benchmarks is similar to the hierarchy of vision, goals, and targets in the Alberta performance measurement system. It is based on a vision, three goals, and seven benchmark categories, which encompass some 92 benchmarks, 15 of which were originally identified as “core” benchmarks and another 15 of which (with some overlaps with the core benchmarks) were seen as “urgent.” One of the most interesting aspects of the Oregon Benchmarks is that they are not actually framed as benchmarks according to the definition articulated earlier of a target that is expressed in

terms of a comparison with optimal performance achieved in another jurisdiction. Oregon’s performance measures are in fact indicators of the progress made toward achieving a 2010 target from a baseline of historical data, often from 1980.

The hierarchy within the Oregon Benchmarks is illustrated below.¹³

- Vision: A prosperous Oregon that excels in all spheres of life.
- Goal: Safe, caring and engaged communities.
- Benchmark: Bias crimes (reported crimes against people or property motivated by prejudice) per 100,000 Oregonians.
- Target: To reduce the number of bias crimes per 100,000 Oregonians from 9.2 in 1993 to 5 in 1995, 2 in 2000, and 0 in 2010.

A number of lessons for measuring outcomes in the social union can be drawn from the Oregon Benchmarks process. The most significant is its ability to motivate an entire community to the achievement of a long-term vision through measuring outcomes in a wide range of policy areas. Thousands of individuals, communities, and institutions were involved in the development of the benchmarks, and are involved in the ongoing identification of new benchmarks. A wide range of public, nonprofit and private institutions collect data periodically that are then collected and compiled by the Oregon Progress Board into biennial reports.

There is some sense that Oregon has imbedded this system into its policy decisions, community and private sector way of thinking, as well as the citizenry. Citizen participation is very high. On the other hand, the process has generated a large number of benchmarks, which continues to grow. This is likely occurring because resource allocation is linked to benchmark performance and groups seeking resources recognize the need to have

“their” indicator included in the Oregon Benchmarks. This may be why the Oregon Shines Task Force earlier this year identified 26 “developmental” benchmarks, which will be considered for inclusion in the Benchmarks “if proponents of these measures are able to provide reliable, periodic data before the next review period.”¹⁴

The creation of an independent data collection and oversight agency like the Oregon Progress Board is an interesting model with respect to the social union. It appears to be able to keep citizens and institutions focussed on the achievement of a 20-year strategic plan and maintain their participation in what appears to be a long-term experiment in citizen engagement. On the other hand, it is not clear that a data collection body should also be responsible for implementation of public engagement processes or the evolution of the process. This may be why in 1996 the Governor formed a 46-member Task Force to assess what had been accomplished since the Benchmarks were introduced in 1989 and to recommend how the plan should be modified, reflecting the iterative nature of the process. The January 1997 Report to the People of Oregon from the Oregon Progress Board and the Governor’s Oregon Shines Task Force describes Oregon Shines 11, the state’s updated strategic plan, which revises the goals to focus more attention on the well-being of families and communities and the condition of Oregon’s surroundings, and indicates the development of a tiered system of benchmarks that identifies benchmarks of overarching importance and shows how they are related.

The Oregon Option, which began in 1994 as an experiment between the federal, state and local governments, is an example of how such performance measurement systems can be used to measure adherence to conditions related to funding transfers. The state government was able to secure a waiver from welfare reform, giving it more flexibility in reducing the welfare caseload. It was then able to distribute a portion of the savings returned by the federal government to local groups to be

used in achieving a specific benchmark – increased independence and productivity. Specific initiatives funded through this process were intended to reduce teen pregnancy, provide housing, improve access to child care, and increase job skills.

Australia

Australia’s “performance monitoring” system is part of the Review of Government Service Provision, which was an initiative of the Prime Minister, State Premiers and Chief Ministers at the Premiers’ Conference in 1993, and now operates under the auspices of the Council of Australian Governments (COAG). The Review is managed by a Steering Committee, which includes representatives from the Commonwealth and State and Territory governments, and is supported by Working Groups for each area of service provision covered by the Review.

Since 1995, the Review has published an annual report on an agreed set of performance indicators and data for these indicators from the Commonwealth, State and Territory governments for each area of service provision. The example provided below, which is excerpted from the 1997 Report on Government Service Provision, is typical of the way the data is presented.

Notifications and Substantiation of Child Abuse and Neglect — In 1995-96, there were 91,800 notifications of suspected child abuse and neglect in Australia. The number of notifications per 1,000 children varied from 7 in Western Australia to 22 in Victoria. Patterns in allegations, notifications, and investigations of child abuse and neglect are changing across jurisdictions. This is partly a result of changes in the policy directions of many jurisdictions, which are separating notifications of child abuse and neglect from other concerns for the well-being of children.

Australia-wide, an increase in notifications between 1993-94 and 1995-96 was accompanied by an increase of 4 percentage points in the proportion

of finalised investigations that substantiated claims of abuse and neglect – one measure of the degree to which services are well targeted.

The substantiation rate in 1995-96 varied from 12 percent in Tasmania to 57 percent in New South Wales. Policy changes in Tasmania and Western Australia affected substantiation rates in 1995-96.¹⁵

The Review of Government Services initially gave priority to the following areas:

- school education
- vocational education and training
- public acute care hospitals
- public housing
- crisis and support services
- police
- courts administration
- corrective services.

The scope of the review was subsequently expanded to include aged care, disability services, children’s services, community health, and emergency services.

According to the 1997 Report of the Review, “the framework developed for this Report is based on the three Es model of economy, efficiency, and effectiveness... The indicators in this Report attempt to cover both [program and policy] measures of effectiveness and to consider three main aspects of these measures with regard to outputs – quality, access and appropriateness. The effectiveness of a service can also be considered at the higher order level of its outcomes or impacts... The focus of this Report is efficiency in terms of the simple relationship between inputs and outputs... The main proxy [being] the cost per unit of service (or unit cost).”¹⁶

The Review explicitly leaves the process of determining objectives and desired outcomes to the “policy process” of each government and the objectives of agencies are not challenged. Moreover, the performance monitoring process does not include the setting of targets or performance standards,

although there is reference to the potential for “yardstick competition” since programs with similar objectives can be compared across jurisdictions and over time.

The example provided above illustrates the limitations of a model that does not clearly articulate policy outcomes and then identify relevant measures of these outcomes. The desired outcome in the example appears to be increased substantiation rates, but it is not clear why this is the desired outcome rather than, for example, reducing the incidence of child abuse. While it is argued that the substantiation rate is one measure of the degree to which services are well targeted, it is not clear that this is the most relevant factor to be measured with respect to child abuse and neglect. However, if increased substantiation rates were not the priority of a particular government, the knowledge that its performance against this measure would be reported annually in a comparative way would presumably result in it becoming a priority of that government, possibly displacing more important priorities.

While at first glance the Australian model would seem to be the one most relevant to the social union, there are many gaps in the Australian system. Unlike the Alberta and Oregon models, it does not include an overarching vision and broad goals but rather focuses on specific areas of service provision. This may not be seen to be sufficient to achieve the possible objectives for measuring outcomes in the social union described earlier in the paper. Unlike all of the other models, it does not include the setting of targets or benchmarks, which may be relevant to the sectors in the social union. Australia’s system includes efficiency measures on which the other models place much less emphasis and which would arguably not be a priority for performance measurement in the social union. While Oregon uses an independent data collection agency to monitor outcomes, the Steering Committee that collects data for the Australian annual report is composed of representatives from the Commonwealth and State and Territory governments, although its chair has an independent role

and does not represent any of these governments. It is not clear whether this is considered to be sufficiently arm's length from government to be credible to citizens. Unlike Oregon, it does not appear to engage citizens and institutions in defining indicators or collecting data. This may not be a desirable model for the social union if it is agreed that the process of engaging citizens in identifying outcomes is important to the overall objective of measuring outcomes in the social union. Like all of the other models, however, it sees performance monitoring as an iterative process whose purpose is accountability to the public.

Criteria for Identifying Outcomes and Outcome Measures in the Social Union

If there was to be agreement that it would be desirable to measure outcomes in the social union, which outcomes should be measured and how should they be measured? All outcome-based performance measurement systems need criteria for determining which outcomes should be measured and which measures should be used. Generally they break down into three broad criteria:

Practicality

This means measuring outcomes where data already exist, or it is agreed should be generated, which are reliable, unbiased, can be tracked over time, are collected in the same way by all of the jurisdictions involved so that comparisons are possible, and are quantifiable. The measures should be simple, well-defined, and clearly understood. This is particularly important with respect to service deliverers because otherwise there is a risk of unintended behaviours generated by confusion about the actual outcome desired.

Relevance

This means measuring outcomes that are widely agreed to be significant because they contribute to

the achievement of goals that have been set. Where outcomes are difficult to measure or measures are difficult to quantify, proxies of the desired outcome should be agreed upon. Where qualitative measures must be used, it should be widely agreed that these measures do in fact measure achievement of the desired outcome.

Accountability

This means measuring outcomes that are important to the public and what they want to know about. The measures and methodology being used should be credible and legitimate. The process of compiling the measures should be transparent and reports to the public on the results of outcome measurement should be released regularly.

An accountability issue of concern to some with respect to outcome measurement is the extent to which governments can be seen to influence the desired outcome or are the only influence on the desired outcome. This concern would lead to a distinction between measures of outcomes that government can affect and measures of well-being that are affected by many influences. This kind of approach could even be extended to assigning different levels of responsibility to governments and third parties for achieving specific outcomes. None of the models described in this paper make this distinction, however, and use well-being measures even though they are reporting on the performance of government. It is also interesting to note that none of the government publications on performance measurement referred to in this paper make this distinction, and many of the outcomes measured in these documents are clearly influenced by factors other than governments. This is an issue that should be discussed at the roundtable.

Another issue is whether setting targets or benchmarks should be part of an outcome measurement process for the social union, as it is in the New Brunswick, Alberta, and Oregon processes and as was proposed by the CCSD Roundtables on the CHST, or whether a system like the Australia

Review, which does not include targets, is more relevant to the social union. It can be argued that it is much easier to agree on targets at the state and provincial level than the national level. It would also be difficult to generate national targets that would apply fairly to all regions of the country. What would seem to be a low outcome in one region of the country could well be a high outcome in another. Perhaps as part of an iterative process, the initial focus of outcome measurement within the social union might be on identifying the most appropriate outcomes to be measured and the most accurate outcome measures, and that setting targets at the level of the social union should only proceed after a broad framework of outcome-based performance measurement is in place or only at the sectoral level.

A final issue to be addressed in determining which outcomes might be measured is whether only sectoral outcomes in social policy areas should be addressed or whether broader outcomes within the social union that reflect an agreed upon vision or goals should be measured as well. There is also the issue of whether national and provincial outcomes would be measured as in the Australian model. Although neither the New Brunswick nor the Australian models include broad goals, both the Oregon and Alberta models include a hierarchy of broad vision, goals and related outcome measures, and lower-level ministry or agency outcomes, which also contribute to achieving the broader goals. As noted earlier, the Alberta model also includes the identification of societal indicators to track trends.

The Conclusions paper from the first roundtable in the CPRN Roundtable Series on Securing the Social Union discussed the purpose of the social union, which was seen to have three interrelated goals:

- promoting *social cohesion* by promoting sharing, providing security, and assisting all Canadians to actively participate in economic and social life;
- supporting the *economic union* through pan-Canadian commitments to sharing risk, ensuring

mobility, and providing access to comparable levels of essential public services; and

- supporting *human development* by ensuring that basic needs are met and that individuals' skills and capabilities are fully developed throughout their lives.¹⁷

The next section of the paper attempts to identify broad outcomes related to these goals that could be measured both at the national and provincial level.

The social policy sectors that could be seen to be encompassed by these goals are health, education, income security, labour market development, and social services. Priority areas such as children and persons with disabilities would also be included. Federal-provincial-territorial accountability regimes are already being developed in the context of bilateral agreements on labour market development and the development of the national child benefit. The federal, provincial and territorial advisory committee on population health has also developed a list of health status indicators. (It should be noted that other sectors, such as justice, environment, and fiscal arrangements including equalization, might also fit under the conceptualization of the social union described above but are not addressed in this paper because they have not been integrated in any substantive way into the intergovernmental process undertaken by the provinces over the past two years and in which the federal government became engaged last year.)

Outcomes and Outcome Measures for the Social Union

The remainder of this paper discusses possible outcomes and related outcome measures for the social union based on this hierarchy of broad goals and sectoral activity. The paper first discusses the kinds of outcomes that would be considered significant to the achievement of each of the three goals and provides examples of possible outcome measures for these categories of outcomes to stimulate

discussion about which are the most appropriate outcome measures. It does not propose specific desired outcomes but highlights some of the policy and methodological problems involved in identifying desired outcomes for these goals. Although some of the outcomes linked to the three goals could also be expressed as sectoral outcomes, the intent is to identify the kinds of broad outcomes, including some sectoral outcomes, that are most relevant with respect to the achievement of the three goals. The paper then proposes specific sectoral outcomes.

Social Cohesion

A number of outcomes related to social cohesion could be measured. Some examples of these outcomes and possible measures are:

1. Income Distribution

- while the importance of income distribution to social cohesion is agreed, it is not as clear how to express the desired outcome and which dimensions of income distribution should be the focus of outcome indicators in this area. This is an area fraught with methodological debates about absolute versus relative measures, and policy debates about target groups, e.g., children, welfare poor versus working poor. Some examples of possible outcome measures are:

- the Gini Coefficient to reflect inequality of income between quintiles
- percentage of families with incomes below the Low Income Cut-Offs
- CCSD’s Market Poverty Index measuring incidence and depth of poverty
- other measures of the poverty gap before and after transfers
- percentage of working poor families
- child poverty rates
- women’s wages as a percentage of men’s wages

2. Participation in Associative Activities

- this section and the next one on fragmentation of society highlight a key issue in identifying out-

comes and outcome measures. Some government activity is remedial in nature and would therefore be measured in the context of reducing a negative outcome.

Other activity is designed to have a positive impact on well-being and presumably should be measured in terms of its positive impact on outcomes or well-being. Most outcome-based performance measurement systems of necessity combine these two approaches.

This section provides some examples of positive outcome measures of social cohesion:

- membership in voluntary organizations
- number of students in French immersion programs
- number of charitable donations claimed per year
- church attendance rates
- number of persons with disabilities integrated into mainstream activities

3. Fragmentation of Society

- it may be relatively easy to identify the negative outcomes of the lack of social cohesion but more difficult to agree on the most appropriate measures of these outcomes. The concept of social exclusion was developed in France in the late 1970s to explicitly address issues related to the emergence of new forms of poverty and marginalization.¹⁸ The intention is to look beyond basic needs and consider concepts such as relative deprivation, security of livelihood, and vulnerability. It would be useful to try to reflect this broader concept of security in desired outcomes related to social cohesion. Some possible outcome measures related to fragmentation of society might be:

- number of families seeking assistance in shelters
- number of reports of spousal and child abuse
- number of births to mothers under the age of 18
- number of child support orders enforced

- crime rates (violent crimes and property crimes)
- number of young offenders
- specific unemployment rates, e.g., youth
- specific indicators for groups such as aboriginal persons
- suicide rates for the general population and specific groups such as youth
- number of hate crimes
- number of homeless people
- number of people using food banks
- measures of “precariousness of work,” e.g., number of people in multiple jobs

Human Development

This goal involves the most overlap with possible sectoral outcomes, but this section attempts to capture the most significant human development outcomes.

1. Health Status

- health status is key to human development. It may be possible to identify key outcomes and outcome measures related to human development that would be broader than specific sectoral outcomes and measures. Some examples of key health status outcome measures might be:
 - health-status-adjusted life expectancy
 - self-rated health status
 - proportion of low birth weight infants
 - mortality rates by income and education

2. Early Childhood Development

- early childhood development is increasingly seen as a critical component of human development. It would be useful to try to identify the key desired outcomes in this area and the most relevant outcome measures. Some possible outcome measures are:
 - readiness to learn, e.g., percentage of children entering kindergarten meeting specific developmental standards for their age in the areas

- of cognitive development, language and literacy development, physical well-being, and social and emotional development
- percentage of children with disabilities or at risk of disability who are identified prior to entering kindergarten
- number of pupils in remedial classes

3. Lifelong Learning and Skills Development

- lifelong learning is key to the goal of ensuring that individuals’ skills and capabilities are fully developed throughout their lives. Some possible outcome measures in this area might be:
 - number of adults in formal learning activities
 - participation of the non-student employed population in job-related education and training
 - number of non-student employed population claiming tuition credit
 - percentage of labour force who received at least 20 hours of skills training in the past year
 - percentage of employee time used for on-the-job training
 - library usage per capita

4. Educational Attainment

- education is an essential factor of human development within a country. Although sectoral outcomes should be identified in this area, it may be useful to identify broad outcomes associated with human development and appropriate outcome measures. Some possible measures are:
 - adult literacy and numeracy rates
 - annual drop-out rates
 - postsecondary school enrolment
 - achievement in recognized international comparative tests

Economic Union

One of the goals of the social union is to support the economic union by ensuring mobility and

providing access to comparable levels of essential public services. Desired outcomes would focus on maximizing access to social programs and supporting mobility.

1. *Mobility*

- mobility is supported through the removal of barriers to provincial labour markets, educational facilities, and social services. Some possible outcome measures might be:
 - proportion of trades that have the Red Seal
 - number of professions dealt with under Chapter 7 of the Internal Trade Agreement
 - number of out-of-province students attending educational institutions
 - out-of-province health expenditures for each province

2. *Access*

- access to comparable levels of essential public services may be an outcome that can only be measured by proxies. These might include:
 - per capita health and education expenditures by province
 - health and education expenditures as a percentage of GDP
 - number of hospital beds or doctors or schools per 100,000 people or by province
 - surveys of availability of services in provinces
 - measures of need for services, e.g., the Socio-Economic Risk Index, compared to available services
 - waiting lists

Outcomes and Outcome Measures for the Sectors in the Social Union

Outcome measures that could be applied to some of the sectors within the social union have been identified by other jurisdictions and in research done within Canada. This section provides exam-

ples of some of these outcome measures for the health, education, labour market development, and social services sectors. (Outcome measures for income security were included in the measures identified above for the social cohesion goal of the social union.) The selection of measures would in large part depend on the outcomes that it was agreed should be measured within these sectors.

Health

Health Services Outcome Measures

- hospital stays per 100,000 people
- average length of hospital stay
- number of re-admissions
- number of outpatient visits
- health expenditures by category, e.g., hospitals, physicians, drugs, and other
- percentage of seniors in institutional care
- number of home care clients

Population Health Outcome Measures

- regular exercise rates by gender and age
- smoking rates for adults by gender and age
- infant mortality rates
- increased hospitalization with age
- new cancer rates by gender
- physical health decline by age

Education

- graduation rates
- student/educator ratios
- participation rate by age
- average class size
- surveys of “quality of school life”
- expenditures per student
- percentage of students who achieve established skill levels at certain grades
- percentage of secondary and postsecondary graduates who make successful transitions to employment within three years

Labour Market Development

- net employment growth
- labour market productivity
- percentage of standard jobs
- number of people occupying more than one job
- number of people in part-time work who desire full-time jobs
- labour force participation rates
- percentage change in average annual wage rates by decade
- job insecurity (self-rated)
- unemployment rates
- number of EI claimants reintegrated into the labour market

Social Services

- number of people using specific social services
- satisfaction ratings of clients
- caseload numbers
- number of clients making a successful transition out of programs

Conclusion

This paper has provided a broad overview of possible objectives in measuring outcomes in the social union and has assessed the applicability of a number of different models of outcome-based performance measurement to the social union. All of them seem to be insufficient in terms of achieving the ambitious objectives discussed in the paper, and it would be necessary to combine the best features of these models in any system developed for the social union. A hierarchy of possible approaches to outcome measurement ranging from measuring societal trends to setting targets for desired outcomes was outlined, and issues related to the scope of the process, e.g., sectoral versus overarching outcomes and national versus provincial measurement were also raised. Examples of the kinds of outcome measures that could be developed for measuring outcomes in the social

union were also provided to stimulate discussion at the roundtable.

Conclusions from the Roundtable (Excerpt)

A general consensus emerged at the roundtable around the desirability of measuring outcomes in the social union and possible objectives for such a process. Despite this consensus, a number of constraints and challenges were also identified. A hierarchy of processes for measuring outcomes in the social union was developed to reflect a spectrum of government accountability for specific outcomes (which is outlined in the excerpt below from the *REFLEXION*). Participants also discussed a number of difficult implementation issues, such as how to engage Canadians at the national level in the articulation of desired outcomes, who should compile the data and issue “report cards,” and how to identify the most relevant outcome measures. Participants concluded that measuring outcomes in the social union would have to be iterative, both with respect to the process and the measures themselves; that it should include both a “bottom up” and “top down” approach carried on in parallel as reflected in the proposed hierarchy; and most importantly, that there was no logical starting point to the process but that it should be advanced on a number of different fronts with appropriate checkpoints and opportunities for feedback built into the process.

The small group discussion at the roundtable focussed on outcome measurement issues related to specific sectors in the social union.

Outcome Measurement in Health

The rapporteur from the small group that discussed outcome measurement in the health sector noted that, unlike the United States and the European region of the World Health Organization (WHO), Canada has been unable to develop national health goals, despite three attempts. The barriers appear to be the resistance of provincial governments to

being compared with respect to the achievement of goals, political concerns about accountability, scientific limitations with respect to the quality of knowledge and measurement in the sector, and cultural issues resulting in the limited use of research by decision makers. On the other hand, it had been noted that the ability to produce knowledge in the sector was high, and indeed, that a template existed in the Report on the Health of Canadians prepared by a federal-provincial-territorial advisory committee on population health that identified 87 indicators. On balance, implicit desired outcomes in the sector might be said to exist, as well as a basis for consensus on the most relevant outcome measures. It could be concluded, therefore, that if the production, analysis and consumption of such data were institutionalized and co-owned by the two orders of government, national goals or desired outcomes might evolve naturally over time and the necessary cultural change, sharing of data, and use of research in policy development would also occur.

With respect to the use of outcomes to reframe national principles and reporting on outcomes as an alternative to unilateral enforcement of compliance, it was noted that data on the *Canada Health Act* principles had not been the focus of data collection to date and were therefore less developed. In addition, given the nature of the principles, it would likely be necessary to use qualitative and self-reporting measures and would require a lengthy process to get the data, particularly with respect to access. At a minimum, however, outcomes might be seen as a complement to national principles, and perhaps ultimately outcome measurement could become the instrument for monitoring compliance with national principles.

Outcome Measurement for Programs for Children

The rapporteur from the small group that discussed outcome measurement for programs for children noted that there was a real barrier to thinking of children as a sector since in fact chil-

dren's issues have to be addressed in a multi-sectoral way. This makes identifying outcomes for children difficult since different sectoral strategies for children lead to the identification of different outcomes. On the other hand, there is a high level of consensus around some broad outcomes, such as eliminating child poverty. While there appeared to be a great deal of information about children, the group noted that there were very little community-level data and that leading outcome measures or indicators had not been identified. Knowledge about specific program outcomes is also weak and there is little capacity for sharing information about outcomes across jurisdictions. At the same time, a number of possible templates exist for measuring outcomes for children, including the report card being prepared by the Laidlaw Foundation for the year 2000, which uses indicators over a 5- to 7-year period as well as CCSD's Annual Report on the Progress of Canada's Children.

The small group discussed the potential for identifying national benchmarks for children's outcomes as an alternative to national principles, both at the broad level, such as readiness to learn, and at the sectoral level, such as child welfare outcomes. More information at the program level would be required to measure progress as well as agreement on the linkage between provincial goals and national benchmarks. On balance, however, setting national benchmarks and agreeing on desired outcomes for children were seen as having some potential as a substitute for the development of national principles with respect to programs for children.

The small group discussed the need to engage citizens in the dialogue about outcomes for children, noting the high level of consensus and public engagement that already existed around issues such as child poverty. There is a lot of activity at the community level, but it may not have gelled yet at the national level. Some argued that it may not be necessary to have a cohesive national-level focus while others argued that a coherent national approach is necessary to have a meaningful impact. In any case, the group noted the lack of information

on how to mobilize citizens to engage in social union issues such as programs for children.

Outcome Measurement for Labour Market Development

The rapporteur from the small group that discussed outcome measurement in labour market development noted that the barriers to identifying desired outcomes in this sector include the variation in desired outcomes identified by different regions, the lack of information on programs given the fluidity of the sector and the inability to track the activities of educational institutions, the lack of comparable data, and differences in the way that provincial governments are organized to deliver labour market development programs. A system perspective is required and a focus on where programs are going, not where they have been. On the other hand, it was noted that when provinces have developed training strategies, they are remarkably similar. This reflects the high level of consensus on desired outcomes in the sector, i.e., Canadians want to participate in the labour market; they want to participate within their own communities and in ways that lead to self-mastery; and when they have to leave their community because of lack of jobs, they want mobility.

The barriers to identifying appropriate outcome measures include the need to distinguish between diversity and disparity, the lack of consensus among stakeholders, which may lead to underinvestment in training, and the need for data that could only come from longitudinal studies. The group noted that it is possible to measure trends in the sector and that consensus exists on global outcomes. On the other hand, there is disagreement about how to translate the trends into outcome measures and use the outcome measures to describe how well the labour market is functioning. A major investment is required to develop a richer set of indicators that can measure outcomes in specific regions, for different populations, for different communities, and address outcomes for individuals at different stages in the life cycle.

The group discussed a number of ways to engage citizens in considering outcomes in the sector, noting the time the Alberta Minister responsible for labour market development invests in discussions with stakeholders about performance indicators in the department's annual business plan. Another tool is satisfaction surveys for citizens, students, graduates, and employers. The Canada Labour Force Development Board is monitoring the Labour Market Agreements, and its reports combined with the Annual Report submitted by the Minister of Human Resources Development Canada to Parliament on Part II of the Employment Insurance legislation could become the focus of an annual consultation by a Parliamentary Committee.

Since labour markets are local, it would not be possible to develop national standards in the sector. On the other hand, the sector does need mutual recognition of credentials and portability of skills development programs. As an alternative to national standards, agreement on outcome measures in the sector would increase the accountability of governments to demonstrate to citizens how their expectations with respect to outcomes in labour market development are being met.

Conclusions from Small Group Discussions and Next Steps

Some participants reflected on the high degree of convergence in their small group discussions, the consensus about the desirability of outcome measurement in the social union, and the optimism that policy reform could be achieved through improved data. In discussing next steps, participants noted the need for work to proceed at the cross-sectoral and sectoral level. Specific cross-sectoral initiatives discussed included further work on defining the different levels within the hierarchy of outcomes that had emerged in the general discussion, developing ways to institutionalize data collection in the social union, securing the commitment of Ministers and officials to specific outcome measures, and developing ways to engage citizens in the dialogue about outcome measurement in the social union. Similar work is

required at the sectoral level but, in addition, more data are required so that the impacts of programs on outcomes are better understood.

REFLEXION (Excerpt)

A recent trend in governance, which we considered in the context of the social union, has been to move away from traditional performance measurement programs focussed on inputs and outputs and toward attempts to measure the actual outcomes of government programs. The objective is to increase governments' accountability to citizens for results, help governments improve program design and delivery, and provide input to resource allocation decisions.

While these are desirable objectives, broader objectives for measuring outcomes in the context of the social union were identified during the roundtable discussion. In particular, participants felt that outcome measurement and reporting could be used to:

- provide regular reports on outcomes to inform a dialogue among citizen groups, citizens and governments about the desired outcomes that can reasonably be expected from policies and programs, and the most relevant ways to measure progress in achieving these agreed upon outcomes;
- build relationships and trust among governments, citizen groups, and citizens in a collaborative process of identifying shared values and desired outcomes and working together to achieve these outcomes;
- mobilize citizens, communities, and governments around priority outcomes or “Canadian projects,” and identify the specific means that all the players who can have an impact on those outcomes could use to achieve the desired outcomes; and
- help to demonstrate to citizens that agreed upon pan-Canadian principles are reflected in govern-

ments' policies and programs, using achievement of desired outcomes as one measure of adherence to these principles.

Despite the desirability of using outcome measurement to achieve these objectives, there are a number of constraints and challenges to be addressed. There are methodological questions, such as whether to use absolute or relative measures of poverty, and concerns about our ability to understand the linkages among different factors that could have an impact on an outcome and our ability to measure the separate impact of each factor. In some sectors, there have been institutional barriers to the identification of pan-Canadian desired outcomes. There are credibility issues associated with how the desired outcomes are identified and how they are measured – for example, if governments alone identify the outcomes, will they select the most readily achievable outcomes and measures? Who will collect the measurement data and how will they be reported to citizens? There are also governance concerns about holding governments accountable for outcomes that they can only influence indirectly or are only one of many influences that affect the achievement of those outcomes. Also, in the specific context of the social union, ways must be found to balance national consistency and regional diversity since regions and communities will use different ways to achieve outcomes, even those based on shared values, and the outcome measures that are chosen will need to reflect some of these differences.

The particular concerns about appropriate measures of government accountability and ways to recognize and respect diversity in achieving outcomes led participants at the roundtable to articulate a hierarchy of outcomes to be measured in the social union that reflects a range of government accountability for specific outcomes and a range of measures of “ends” and “means.” The upper levels of the hierarchy deal with desired outcomes or “ends” for which governments cannot be held directly accountable, although citizens may demand that they address these outcomes and demonstrate leadership in mobilizing other players to influence them. At the lower levels of the hierarchy are

outcomes related to programs for which governments should be directly accountable for the different “means” that they are using to achieve agreed upon “ends.”

The five levels of the hierarchy are:

1. Indicators of Well-being

These would be at the level of “state of the social union” indicators, which would monitor the social and economic well-being of society. Further work is required on the improvement of existing composite indicators such as the Genuine Progress Indicator and the development of meaningful social indicators.

2. Performance Measures of Canadian Goals or Projects

As part of the construction of the social union, Canadians may want to identify specific societal goals or “Canadian projects” that they want to work on collectively. They will need performance measures to track progress on these projects and identify areas for adjustment.

3. Systems Performance Measures

In addition to the achievement of specific societal goals, Canadians may also be concerned about the performance of key “systems” in the social union, such as health and education, and the maintenance of our social infrastructure. These systems involve a number of players and also vary considerably between different jurisdictions. It would be useful to agree on our expectations and desired outcomes from these systems so that their performance can be monitored and adjusted as data become available about the outcomes achieved through diverse

approaches taken by different jurisdictions and internationally.

4. Program Performance Measures

While program performance measurement is done by all governments, in the context of the social union, accountability to citizens for the results of programs would be improved by the articulation of explicit desired outcomes of these programs, agreement on the most relevant outcome measures, and the compilation of comparable data across jurisdictions.

5. Measures of Adherence to Pan-Canadian Principles

This last level of the hierarchy seeks to find ways to express pan-Canadian principles, such as comparable access, mobility, and principles in the *Canada Health Act* and the Canada Health and Social Transfer (CHST), as desired outcomes, and then measure their achievement in order to demonstrate that governments are adhering to these principles. If this could be achieved, outcomes would be a supplement to defined principles or possibly even an alternative way to express pan-Canadian principles. Reporting on outcome measures to citizens could become a supplement to government-to-government enforcement of these principles, and perhaps after some experience with them, an alternative to such enforcement.

Federal, provincial, and territorial governments are already developing outcomes in the context of their work on child poverty, the national children’s agenda, and programs for the disabled, and in other sectors of the social union such as health and labour market development programs. This process should be broadened, both in scope, to encompass all of the social union, and in inclusion, so that communities, citizens groups, and citizens are involved in the process.

Notes

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- 3 Alberta Treasury (1996), *Measuring Performance: A Reference Guide*, Edmonton: Government of Alberta, p. 14.
- 4 Ibid., p. 27.
- 5 Campbell, Michael (1995), "Outcome and Performance Measurement Systems: An Overview," Washington: The Alliance for Redesigning Government of the National Academy of Public Administration.
- 6 Ministerial Council on Social Policy Reform and Renewal (1995), *Report to Premiers* (December), p. 20.
- 7 Canadian Council on Social Development (1996), *Roundtables on the Canada Health and Social Transfer: Final Report*, Ottawa, p. 12.
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- 12 Alberta Treasury (1996), *Measuring Performance: A Reference Guide*, Edmonton: Government of Alberta, p. 25.
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- 15 Steering Committee for the Review of Commonwealth/State Services Provision (1997), *Report on Government Service Provision 1997*, Melbourne, p. XI iii.
- 16 Ibid., p. 10, 12, 14.
- 17 O'Hara, Kathy (1997), "Conclusions from the CPRN Roundtable on a Framework of Principles and Objectives for the Social Union," Ottawa: Canadian Policy Research Networks, p. 4.
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New Institutions for the Social Union

Introduction

The discussion paper argued that new institutions for the social union are required to provide processes and mechanisms for increased collaboration and joint rather than unilateral processes, and to respond to the public's demands for increased transparency, accountability, and citizen engagement. The paper discussed the functions to be performed by new institutions in the social union, proposed criteria for assessing these institutions, and described a number of models upon which new institutions could be based.

During the plenary discussion, roundtable participants debated issues around the demand and need for citizen engagement, the appropriate level of intergovernmentalism, and the pros and cons of incremental versus structural approaches to reform of intergovernmental institutions. The small groups explored options for new institutions to perform the four functions discussed in the paper. The section on new institutions in the *REFLEXION* built on this discussion and proposed specific institutional reforms for First Ministers to consider.

Discussion Paper

“Citizen Engagement in the Social Union”

The purpose of this paper is to explore whether

new intergovernmental mechanisms are needed in the context of the creation of the social union. While Canada has had a long history of machinery for intergovernmental relations, it is not clear that this machinery is adequate to meet the demands of the social union for enhanced intergovernmental collaboration and increased transparency and public accountability. This paper outlines issues and criteria to consider in the elaboration of new institutions for the social union and describes existing models or mechanisms that might be relevant in designing such institutions.

Rationale for New Institutions in the Social Union

The lack of development of intergovernmental institutions in Canadian federalism has often been noted and calls for reforms to these institutions go back at least to the 1970s. Historically, these proposals have been advanced in terms of constitutionalism, but more recent events have tended to focus the discussion on federalism. This evolution has been welcomed by many. As Thomas Courchene notes in his recent “Reflections on ACCESS,” Peter Meekison has suggested that “ACCESS provides a timely and comprehensive catalyst for political scientists, economists, lawyers and practitioners to re-engage themselves in the re-making of Canadian *federalism* and at the same time to extricate themselves from more than a decade of Canadian *constitutionalism*.”¹

While many of the arguments for new intergovernmental institutions, which are outlined below, are therefore not new, recent efforts to create the social union are reinforcing the need for new institutions and may provide a context in which their creation is seen to be more urgent.

The need for new intergovernmental institutions in the context of the creation of the social union is based on:

1. Interdependence

The need for new institutions to deal with interdependence in Canadian federalism has been argued for some time. In 1984, Peter Meekison argued that “federal and provincial governments are today so interdependent that effective public policies can be made only through intergovernmental consultations, discussions, negotiations, and, in some cases, formal agreements.”² The Royal Commission on the Economic Union and Development Prospects for Canada noted that “the activities of federal and provincial governments are interwoven in many policy fields... The challenge, then, is for Canadians to design intergovernmental machinery for managing this interdependence.”³ More recently, Courchene has argued that policy interdependencies between the two levels of government are increasing.⁴ In the first roundtable in CPRN’s series on the social union, the purpose of the social union included providing a framework for managing the interdependence of governments as they address interrelated concepts of social cohesion, economic union, and human development. So while proposals for new institutions to address interdependence are not new, the recent focus on the social union and its linkages to the economic union may be revitalizing and reinforcing these arguments.

2. Decentralization and Integration

Courchene has argued that “the reality is that Canada is undergoing unprecedented decentralization – some of it driven by global forces and

some of it policy- and fiscal-driven.”⁵ In many ways, his ACCESS proposal has served to highlight the need for greater integration that flows from decentralization in a federation, and it provides one model of the kind of enhanced intergovernmentalism that decentralization and its related need for integration seem to require. Indeed, his proposal has raised concerns that “taken too far, intergovernmentalism could negate the advantages of decentralization.”⁶ Nonetheless, it could be argued that the provinces have taken up the challenge posed above by Courchene, since in the Ministerial Council Report and the communique from the Annual Premiers Conference in Jasper the provinces have argued both for greater clarification of the roles of federal and provincial governments in social policy (and indirectly support for decentralization), and the need for pan-Canadian principles and new intergovernmental mechanisms to interpret (and possibly enforce) them.

3. Joint versus Unilateral

The December 1995 Report to Premiers of the Ministerial Council on Social Policy Reform and Renewal outlined 15 principles that in its view “provide the foundation on which a new national vision for Canada’s social policies can be based.”⁷ One of these principles is that both orders of government should have a “continuing and important role in the establishment, maintenance and interpretation of national principles for social programs.”⁸ The Ministerial Council report further recommended the creation of a mechanism for settling differences. The communique from the Annual Premiers Conference in Jasper in August 1996 endorsed this principle and recommendation and asked for further work to be done to “design options for mechanisms and processes to develop and promote national principles and standards [and identify] both provincial/territorial and federal/provincial/territorial options together with the issues best addressed by each of these options.”⁹ Courchene has argued that this “finally put paid to the unilateral federalism era of Canadian social

policy history.”¹⁰ While not everyone may share this interpretation of the Jasper meeting, the provinces have clearly put the issue of joint versus unilateral federalism on the table. But they are not the only ones to do so. In May 1996, the report from the Confederation 2000 Conferences argued that “the social and economic union will not be well-served by the unilateral imposition of federal standards and rules. The approach, on the contrary, must be one that builds on a new spirit of partnership and on a more effective decision-making model.”¹¹ These arguments have clearly put the creation of new intergovernmental institutions for the social union on the agenda.

4. *Democratic Engagement*

Another pressure for reforms to intergovernmental machinery, which is not new although it has been reinforced by the recent focus on the social union, is the increased demand for greater democratic engagement in the form of transparency, accountability and even public participation. Existing intergovernmental machinery has been described as “executive federalism,” and the term has come to be associated with the concept of a “democratic deficit,” symbolized by First Ministers making decisions and deals behind closed doors. This critique is not new and indeed was first raised by Donald Smiley more than two decades ago! But the constitutional failures and, in particular, the public’s rejection of the Charlottetown Accord through a referendum have contributed to raising the public’s concern about democratic engagement and consideration of how these issues can appropriately be addressed in intergovernmental institutions, consistent with the principles of parliamentary democracy.

5. *Increased Pressure for Collaboration*

The first paragraph of the Ministerial Council Report to Premiers includes three references to cooperation between governments and the commitment to work together. The press release

of the Alberta co-chair of the Federal-Provincial-Territorial Council on Social Policy Renewal from the first meeting of the Council on November 27, 1996, noted that the meeting “represents the start of a new era of federal and provincial cooperation and a new partnership to renew Canada’s safety net.” His federal counterpart is quoted in the communique from the meeting as saying “we are committed for the first time in many years to working together on practical solutions to renew the social union for the benefit of all Canadians.” While some have argued that the foundations of this new relationship are fragile and have noted that Quebec is participating only as an observer, there is a new interest and commitment within governments to collaborative activity, which provides a window for putting in place new institutions to support greater collaboration that also address the institutional implications of the factors raised above, i.e., interdependence, decentralization and integration, joint rather than unilateral activity, and democratic engagement.

Current Framework of Intergovernmental Institutions

It is important in contemplating the creation of new institutions for intergovernmental relations to understand the current intergovernmental machinery and its history. In 1985, the Royal Commission on the Economic Union and Development Prospects for Canada described four different levels of relationships that existed within each of four different kinds of governmental interaction, which remain largely unchanged today. The levels of relationships included First Ministers’ Conferences; Ministerial meetings; hundreds, if not thousands, of multilateral and bilateral meetings of federal, provincial, and territorial officials; and an increasing number of interprovincial meetings. The kinds of intergovernmental interaction described by the Commission included *autonomous actions* by governments; *consultation*, particularly in areas in which the action of one government can have an impact on another government; *coordination* on

commonly acceptable policies and objectives; and *joint decision making* in areas requiring governments to act together.¹²

Many observers have noted that while Confederation was brought about through intergovernmental conferences and they are now a permanent feature of Canadian federalism, they were not considered part of the new federal system at the time of Confederation, and indeed, did not occur until 1906.¹³ But they became inevitable due to judicial decisions that gave a broad interpretation to provincial powers, the rising costs of provincial programs, and the resulting implications for fiscal arrangements in the federation. In some federal systems, these kinds of issues would have been dealt with through a Parliamentary approach, similar to the U.S. Senate, and this approach is reflected in many proposals for reform of the Canadian Senate. But Canada chose what Peter Meekison has characterized as the “consultative or conference approach,” which involves meetings of federal and provincial governments, particularly at the level of First Ministers.¹⁴

While to many Canadians it may seem that these meetings have been dominated by constitutional matters, in fact analysis of the themes of First Ministers Conferences (FMCs) suggests that other matters, such as the economy and federal-provincial fiscal relations, have been the focus of even more FMCs than the Constitution.¹⁵ Indeed, much of the pressure to hold FMCs flows from provincial demands to discuss the economy and fiscal arrangements, which led, for example, to the 1976 conference on established programs financing and has been reflected in regular provincial calls for an annual FMC on the economy. This has led to a long history of attempts to formalize and regularize FMCs in the context of constitutional discussions, such as the 1971 Victoria Charter, and in the communiqués from the Annual Premiers’ Conferences (APCs).

Finally, at the 1985 FMC on the economy, First Ministers signed a five-year memorandum of agreement committing to an annual conference of First Ministers, which would “review the state of

federal-provincial relations; consult on major issues that concern both orders of government, and in particular the state of the economy; consider broad objectives for governments in Canada; and exchange information.”¹⁶ An interesting feature of this agreement was that First Ministers were to jointly determine the agenda, date and location of the annual conference. The Meech Lake Accord subsequently called for annual FMCs on the economy and on the Constitution, and the Charlottetown Accord also included a provision for an annual FMC.

In the absence of a memorandum of agreement or a constitutional requirement, FMCs tend to be the prerogative of the Prime Minister who controls the scheduling and agenda-setting of these meetings and also chairs them. They are not generally intended to provide guidance or direction to sectoral Ministers, although there are exceptions such as the agreement at the June 1996 First Ministers Meeting that a committee of federal and provincial Ministers should be created to pursue the issues in the Ministerial Council report, and, in particular, undertake joint work on a National Child Benefit and income support programs for persons with disabilities. The informality and lack of structure of the FMCs remain in sharp contrast to institutional reforms undertaken in other federations, for example Australia, and a long history of recommendations, such as those of the Royal Commission on the Economic Union and Development Prospects for Canada in 1985, that the FMCs be formalized and regularized.

The Annual Premiers’ Conferences (APCs), on the other hand, are often seen as a model of the kind of structure the FMC should adopt. The history of APCs goes back to 1887, but more recently to the 1960 interprovincial meeting that marked the birth of the APC, which has been held, usually in August, every year since then. In contrast to the FMCs, the chair of the APC rotates each year, as does the location of the meeting. Agendas are jointly set and papers prepared in advance. The agendas tend to be dominated by the economy, federal-provincial fiscal relations, and

the Constitution, and APCs are often used by the provinces to develop their positions on these issues for FMCs. Most recently, the Premiers have used the APC to direct inter-provincial work on the social union, notably at the 1995 and 1996 meetings.

As the Macdonald Royal Commission noted, in addition to these federal-provincial and inter-provincial meetings of First Ministers, each year there are ministerial level meetings, with varying degrees of formal structures, such as the Federal-Provincial-Territorial Ministers responsible for Health, the Forum of Labour Market Ministers, and the Council of Ministers of Education of Canada, and hundreds, if not thousands, of multilateral and bilateral meetings of federal, provincial, and territorial officials.

In considering reform of this institutional machinery, it is interesting to reflect on the environment in which this machinery has operated and the expectations that different observers have placed on these institutions. The members of the Macdonald Royal Commission, for example, while wishing to encourage cooperation within intergovernmental relations to manage interdependence, were also conscious of the need to respect diversity and reap the benefits of competitive federalism. Indeed, they noted that “while coordination is the desired result, the process of achieving it is often competitive and adversarial.”¹⁷ Peter Leslie describes the style of interaction within Canadian federalism as “thrust and riposte” – one government taking a step that affects others, prompting a counter-move. In considering the potential for coordinating federal and provincial policies in areas of divided or concurrent jurisdiction, Leslie noted that “the basic question is to what extent governments may find it in their interests to move away from the ‘thrust and riposte’ mode of policy-making within the federal system.”¹⁸

In considering the overall environment of intergovernmental relations in Canada, the members of the Macdonald Commission noted that constitutional reform had dominated the intergovernmental agenda for much of the period from 1968 to 1983,

and they argued that “debate on the Constitution brought out the worst features of the intergovernmental process. While more cooperative relationships existed in many areas, battles over constitutional and energy issues tended to poison the whole range of intergovernmental relations, turning the process into one of ‘good guys’ versus ‘bad guys’.”¹⁹ This assessment is even more applicable in 1997 after the demise of the Meech Lake Accord and then the Charlottetown Accord. This is true both with respect to the commentary on the “poison” engendered by constitutional debates as well as the recognition that cooperation can exist in parallel to that tension on other fronts in the inter-governmental process.

This background provides some context to any contemplation of new intergovernmental machinery for the social union. The environment is still contaminated by fallout from the constitutional failures (not to mention the 1995 Quebec referendum); the interest in cooperation is constrained by the bad will and lack of trust between governments built up after decades of “thrust and riposte”; and even those who advocate cooperation still anticipate an environment of competitive and adversarial behaviour. But as noted earlier, calls for reforms in Canada’s intergovernmental machinery go back at least as far as the 1970s, and the need for such reform has only intensified. Provincial governments have taken the lead in developing interprovincial mechanisms and processes, but in its 1996 Speech from the Throne, the federal government indicated its commitment to exploring “new approaches to decision making in social policy.”²⁰ Moreover, as will be described below, federal and provincial governments have in fact taken some small steps to reform the institutional machinery in the context of creating the social union.

Functions of Institutions within the Social Union

While observers have focussed on the need for intergovernmental fora to manage interdependence, there has been less discussion of the specific functions

that such fora should perform. The next section of the paper identifies four broad categories of functions that need to be performed by institutional machinery in the context of the social union, and outlines possible models for these functions, which will be described in more detail later in the paper. These models reflect a spectrum of three broad “process” approaches to implementing these functions:

- **status quo**, which tends to be informal, ad hoc, has a minimal structure, has a limited number of functions such as consultation, some policy coordination, and information sharing about the behaviour of players, involves a limited number of players, and is largely intergovernmental;
- **incremental**, which adds some structure and system to the process largely by building on existing institutions, expands the number of functions to include activities to influence behaviour such as joint data collection, monitoring, and interpretation, expands the players to include the public and NGOs, and is therefore somewhat less intergovernmental; and
- **structural**, which has very formal and structured processes and decision-making rules, requires the creation of new institutions, includes formal decision making and enforcement functions that are intended to direct behaviour, tends to limit the number of players, particularly the public, and may involve other institutions such as the courts.

The proposed functions to be performed by institutions in the context of the social union and the models described in this paper are:

1. Priority Setting, Planning, Vertical Management of Sectoral and Cross-sectoral Issues, and Policy Coordination

To deal with interdependence in a collaborative way, some general management tasks including problem identification, priority setting, long-

range planning, and developing joint workplans need to be performed at the sectoral and cross-sectoral level. Broad frameworks of principles, objectives, and ground rules have to be developed, and new institutions created and managed. Information sharing and policy coordination at the sectoral level should also occur.

Status quo models include the First Ministers’ Conferences (FMCs), Annual Premiers’ Conferences (APCs), the Provincial-Territorial Ministerial Council on Social Policy Renewal, and the recently created Federal-Provincial-Territorial Council on Social Policy Renewal. Incremental models include the recommendations of the Macdonald Commission concerning FMCs, the Australian Council of Australian Governments (COAG), and expansion of the functions of the FPT Council on Social Policy Renewal. Structural models include the Council of the Federation, European Community based models, and ACCESS.

2. Data Collection, Monitoring, and Reporting to the Public

It has been argued that the social union needs institutions to increase transparency and accountability. One function that has been discussed in this context is the collection of data on outcomes in the social union and reporting to the public on outcomes. It has also been suggested that outcomes could potentially be used as an alternative to national principles and that outcome measurement could be used to assess compliance. Another function to be performed is the analysis of data and the submission of advice to governments.

The status quo model is the European Community. Incremental models include the Canadian Centre for Justice Statistics, the Canadian Institute for Health Information, and the German Council of Experts. Structural models include Oregon’s benchmarking process and Australia’s performance monitoring system.

3. *Interpretation, Dispute Settlement, and Mediation*

Implementation of proposals for joint rather than unilateral interpretation would require the creation of new mechanisms and institutions. It is presumed that these functions would be applied initially with respect to the conditions in the CHST, joint initiatives such as the National Child Benefit, and possibly the labour market agreements, and could ultimately be applied to the use of the federal spending power. Ideally, any new mechanisms would incorporate transparency and public participation so that public opinion and peer pressure as well as more formal dispute resolution techniques could be applied, rather than secret and bureaucratic processes.

The status quo model is the Commonwealth Grants Commission in Australia. Incremental models include the International Labour Organization, the Agreement on Internal Trade, and the Sector Councils. The structural model is the World Trade Organization.

4. *Promoting Adherence/Enforcement*

Ideally, the function of promoting adherence or enforcement in the context of a collaborative approach to the first three functions should be seen as a last resort function, which is rarely if ever used. If it must be, the focus should be on models that involve high levels of collaboration.

The status quo model is the CHST. The incremental models are the Canada-Wide Accord on Environmental Harmonization, the European Social Charter and the FMC. The structural model is the courts.

Criteria for Evaluating Models for New Institutions in the Social Union

As a basis for assessing these models as well as the process spectrum (status quo, incremental, and structural) described earlier, the following three

criteria are proposed for evaluating the pros and cons of each model and its relevance to the social union.

The three criteria are:

- *Consistency with the Social Union's Core Values, Purpose, and Principles*

At the first roundtable in the CPRN Roundtable Series on Securing the Social Union, (described in Chapter 2), participants identified a hierarchy of core values, purpose, and principles for the social union. In summary, the core values included sharing, equity, compassion, and individual responsibility; federalism, which provides for collective action to pursue these values and for the flexibility to respond to local priorities and circumstances; and citizen participation and public accountability. The purpose of the social union was defined as addressing the interrelated concepts of social cohesion, economic union, and human development and providing a framework for managing the interdependence of governments as they address these concepts. Social policy, federalism, and democratic engagement principles were also identified. These emphasized the importance of reflecting diversity and consistency by respecting autonomous action by governments to achieve pan-Canadian objectives and to reflect local preference; providing mechanisms for governmental collaboration; discouraging unilateral action without paralyzing governments' ability to act; ensuring transparency; providing equity of treatment without precluding asymmetry to reflect different situations that require different outcomes; striving to be inclusive; and being transparent and accountable to citizens for results.²¹

This criterion for evaluating the proposed models of institutions for the social union would favour models that are collaborative, help governments address interdependence through federal-provincial and interprovincial mechanisms, are transparent, inclusive, accountable, and effectively balance consistency and diversity.

- *Efficiency and Effectiveness*

Intergovernmental collaboration, like all governmental activity, should strive to achieve optimal policy outcomes in a timely manner and with the lowest possible transactions costs. In the case of the social and economic union, one particular desired outcome is increased positive integration. It can be more difficult, however, to achieve these objectives through collective action than the action of any one government. Kennett argues that “efforts to promote an interprovincial or federal-provincial model as an alternative to unilateral federal action should explicitly recognize the obstacles to collective action and design institutional arrangements to overcome them.”²²

He describes a number of these obstacles, including incentives for non-cooperation such as the incentives to free ride, to cheat, and to “race to the bottom,” transactions costs, and the impact on bargaining dynamics of factors such as different vulnerabilities to externalities among the negotiators.

This criterion for evaluating models for new institutions in the social union would therefore favour models that encourage a convergence of interests among different governments or include explicit mechanisms to deal with divergence, such as asymmetrical arrangements and opting-out provisions, without raising the incentives problems described by Kennett.

- *Ability to Achieve*

The tensions in the environment of intergovernmental relations described earlier suggest that the process of creating new institutions will be difficult. As Margaret Biggs has noted “efforts to design new instruments or institutions for the social union will be doomed if there is an environment of intergovernmental suspicion and mistrust and an absence of common interest and incentive.”²³ Others have argued that the window available to create such institutions is a short one, since governments and intergovernmental dynamics change so quickly. One criterion for

evaluating models for new institutions for the social union should therefore be the likelihood that the institution could be implemented in a reasonably short time frame.

This criterion would favour models that are incremental, build on existing institutions, allow for different approaches to different sectors as proposed by Swinton, do not require immediate constitutional agreement, can build from consensus-based decision making to rules-based decision making, and can be readily adapted to the Canadian historical and cultural context. This criterion would not preclude evolution to more structural institutional reform at a later date.

Some Models for Institutions for Priority Setting, Planning, Vertical Management of Sectoral and Cross-sectoral Issues, and Policy Coordination

1. Status Quo Model

FMCs, APCs, Provincial-Territorial Ministerial Council on Social Policy Renewal and Federal-Provincial-Territorial Council on Social Policy Renewal — The historical structure of institutions that deal with policy and management issues in the social union include the First Ministers’ Conferences (FMCs), the Annual Premiers’ Conferences (APCs), and regular meetings of federal, provincial and territorial Ministers responsible for sectors within the social union, such as the Ministers of Health, the Ministers of Social Services, and the Forum of Labour Market Ministers. As noted earlier, FMCs are held irregularly, are chaired by the Prime Minister who controls their scheduling and their agenda, and tend to deal with current issues rather than long-term issues or strategic planning. FMCs are not generally intended to provide guidance or direction to sector Ministers. APCs are chaired on a rotational basis by the provincial premiers, federal Ministers do not participate, and the issues on the agenda tend to reflect current

provincial grievances but also broader and more strategic thinking about restructuring the federation. Ministerial-level meetings vary in their frequency, are often co-chaired by a federal and provincial Minister, and while they sometimes do deal with longer term issues, they are largely dominated by the issues of the day and tend to be very transactional. Indeed, often the agenda from one meeting to another does not vary significantly.

This structure was recently modified by the Premiers, with the exception of Quebec, at the 1996 APC in Jasper. The provinces agreed to create a Ministers Council on Social Policy Renewal, as a follow-up to the 1995 Ministerial Council Report on Social Policy Reform and Renewal. The Premiers also recommended that a Federal-Provincial-Territorial Council on Social Policy Renewal be created with a mandate to “provide an integrated and coordinated approach to social policy reform and renewal, based on the Ministerial Council Report.”²⁴ The proposed FPT Council would report to First Ministers on progress and would also make recommendations to First Ministers, as appropriate, on how to advance the social policy renewal agenda, including the redesign of financial arrangements.

The first meeting of the FPT Council on Social Policy Renewal was held on November 27, 1996, in Toronto. The communique from that meeting notes that “First Ministers are looking to the Council to coordinate an approach to overarching social policy issues of national importance. The Council is also to support and coordinate the work of sectoral ministries, such as social services, labour market and health, in developing practical solutions in specific areas of priority. The Council relies on the individual sectors to develop and implement specific reforms.” The Council is co-chaired by a federal and provincial Minister and includes representation from nine provinces and two territories. The province of Quebec is not a member of the Council but sends observers to Council meetings.

While the creation of these new institutions is encouraging, the status quo model continues to be informal and ad hoc, performs a limited number of

functions, and is largely intergovernmental. The incremental models described below would provide important improvements to this system.

2. Incremental Models

Macdonald Commission Recommendations — The members of the Royal Commission noted the longstanding goal of provincial governments to institutionalize and regularize the FMCs and argued that “official status for the FMC would acknowledge the need to arrange a satisfactory forum of interdependence, and for federal and provincial governments to coordinate policies and activities.”²⁵ The Royal Commission recommended that the FMC should not be a decision-making body and its decisions should not be binding on governments. Instead it should discuss policy needs and seek common policy frameworks for issues of national importance. The Commission recommended against the creation of a bureaucracy to support the FMC, but did propose that advisory groups or panels be created to advise the FMC and, as appropriate, provide an informal mediation service. A further recommendation proposed the creation by the FMC of a number of Councils of Ministers, based on the model of meetings of federal-provincial-territorial Ministers of Finance and Treasurers. In particular, the Commission recommended the creation of a Council of Ministers of Social Policy.

The advantage of this model is its capacity to deal with interdependence in a systematic way, both through the FMCs’ focus on national frameworks and the Councils’ coordination of sectoral issues. On the other hand, unless these reforms were accompanied by procedures increasing the transparency of this process, it is not clear whether from the perspective of accountability and democratic engagement this structure would be an improvement over the existing “executive federalism” structure.

Council of Australian Governments (COAG) — In 1992, Australia created an intergovernmental institutional structure remarkably similar to the structure recommended by the Macdonald Commission

in 1985 and, as many have noted, modelled on the Canadian proposal for a Council of the Federation. The COAG is a forum for Heads of Government, which meets twice a year and is chaired by the Commonwealth, although secretariat support for the meetings is shared by the Commonwealth and the state or territory hosting the meeting. Agendas for meetings are set jointly, joint papers are prepared for discussion, and jurisdictions other than the Commonwealth can take the lead on agenda items. The overall mandate of COAG is “to initiate, develop and monitor the implementation of policy reforms which are of national significance and which require cooperative action.”²⁶ The COAG has created 19 working groups of officials, which are intended to complement the work of the 21 Ministerial Councils that remain from a previous high of 45 Councils. These Councils have information sharing, policy development, and policy coordination roles and are sometimes chaired by the Commonwealth and sometimes by the state governments in rotation.

The Australian experience appears to offer many lessons to Canada about structuring intergovernmental mechanisms. Perhaps the most important, as Margaret Biggs notes, is “how an intergovernmental body like COAG can provide a *national* forum to address national-level issues and interests, and how *national* solutions need not be centrally imposed or controlled.”²⁷ Also significant was the example shown by the Commonwealth government in its commitment to power sharing, which was critical to building the necessary trust and cooperation to make the new structure work. Moreover, there is some evidence that Australia’s structure had provided more transparency to the intergovernmental process, although it is not clear that citizens are any more engaged in the process than in traditional “executive federalism” structures in Canada.

There may be some constraints, however, on importing this Australian model directly to Canada. Given the fiscal dependence of the state governments on the Commonwealth, their weaker legislative powers than Canadian provinces,

Canada’s history of bitter constitutional failures, and the conflict between distinct society status for Quebec and some provinces’ commitment to the equality of provinces, it is important to consider the difference in power relationships within the two federations and the difficulty of accommodating very different provincial perspectives on the federation. Any Canadian institution based on the COAG model would have to be adjusted to reflect this reality. Moreover, there may also be some benefits to the interprovincial process in Canada’s intergovernmental structure as reflected in the APCs that should be retained in any new institutions. Nonetheless, the Australian model may include some structural innovations and best practices that could be easily integrated into Canadian institution.

Building on the Provincial-Territorial Ministerial Council on Social Policy Renewal and the FPT Council on Social Policy Renewal — In many ways these new structures could represent an incremental but significant step in the direction of the models recommended by the Macdonald Commission and implemented by Australia in COAG. They involve working collaboratively on national issues; they are intended to coordinate the work of sectoral groups and deal with cross-sectoral issues; they are developing national policy frameworks for priority policy areas identified by First Ministers in June 1996 – a National Child Benefit and programs for persons with disabilities; and they tend to work in a consensual manner. Unlike the other incremental models, they have a formal interprovincial process and an explicit commitment to consult Canadians, although this is not yet developed.

At the same time, a number of additional incremental steps could be taken to make this model less ad hoc. For example, it would be desirable to identify more clearly a hierarchy which includes the FMC (and interprovincial work through the APC), the FPT Council on Social Policy Renewal, Sectoral Ministerial Councils, and Working Groups established by the FPT Council. It would also be useful to clarify the scope of the Council’s

activities. To date, it has tended to focus on health and social services issues and so has engaged these sectoral ministerial groups. Other groups, such as the Forum of Labour Market Ministers and CMEC, have not appeared to be engaged in the work of the Ministerial Council and the FPT Council although their policy issues clearly fall within the scope of the social union. It would also be useful to clarify the mandates of the FPT Council and the sectoral councils and the nature of the relationship between the two, as well as the relationship between the FPT Council and the FMC. It might also be necessary to build a small secretariat support function to this process, perhaps building on the existing Canadian Intergovernmental Conferences Secretariat, which services both the FMCs and the APCs. All of these reforms would move the current status quo model closer to the COAG model. However, as was noted earlier, this would have to be done in a way that reflects the Canadian context. This might argue for retaining more informality than the COAG model until there has been more experience with the current structure.

3. Structural Models

Council of the Federation — A number of proposals for more comprehensive institutional reforms have been advanced. For example, the federal constitutional proposals released in September 1991 included a proposal for a Council of the Federation that would “decide on issues of intergovernmental coordination and collaboration.” The functions of the Council, to be composed of representatives of federal, provincial, and territorial governments, were to vote on proposed federal legislation dealing with the economic union and common guidelines for fiscal harmonization and coordination, and to make decisions on improved processes for collaboration in this area as well as on the use of the federal spending power. All decisions of the Council would have required the approval of the federal government and at least seven provinces representing 50 percent of the population. Others have argued that the Senate should have the mandate to articulate regional concerns within the national government,

and the dominance of the Triple-E Senate proposal during the constitutional discussions that led to the Charlottetown Accord meant that reforms such as the Council of the Federation were not given a high priority.

European Community-based Models — Often proposals for new intergovernmental institutions for Canada are based on the European Community model. For example, André Burelle’s “Pact on the Canadian Social and Economic Union” is based on what he calls “European-style codecision” through a Council of First Ministers that binds all the federation partners by a European-style decision-making process and establishes decision-making rules for subject areas varying from a simple majority to a weighted majority or unanimity.²⁸

While some might argue that models such as these offer the only prospect for, as Burelle says, “a renewed Canada to which Quebec could say ‘yes’,” they would not meet some of the criteria set out earlier in this paper. They would not be seen to be incremental, would not really build on existing institutions, require tough choices on decision-making rules that would be difficult to achieve in the current context, and most importantly, may not meet the transparency and democratic engagement test. Peter Leslie has noted that concerns about the “non-democratic character of executive federalism in Canada would be multiplied a thousand-fold if an EC-type government were established here.”²⁹ Margaret Biggs has argued that such models result in “a system that meets the needs of governments at the expense of the democratic interests of citizens.”³⁰ The question is whether these models could be adapted to include processes to address their “democratic deficit” or whether such a deficit is inherent to their structure.

ACCESS — Another broad structural model is reflected in the ACCESS model proposed by Thomas Courchene. ACCESS – A Convention on the Canadian Economic and Social Systems – is a detailed proposal for intergovernmental agreements, which would include the creation of new intergovernmental institutions. Courchene actually proposes an interim model of the convention and a

full model, “the interim model being more federal and federal-provincial in nature whereas the full model is more federal-provincial and interprovincial.”³¹ The interim model would require the creation of a federal-provincial oversight agency to monitor and enforce the convention. The full access model would be implemented by a new interprovincial institution to enforce a framework of principles and standards/equivalencies in an interprovincial accord, new institutions to improve the processes within the Agreement on Internal Trade and extend them to the full convention, and perhaps a new federal-provincial institution to co-manage the employment insurance program. Courchene’s paper on the ACCESS model also addresses many of the difficulties involved in making such interprovincial agreements binding on all governments and in performing the monitoring, dispute resolution and enforcement functions within the model.

A number of observers have commented on the ACCESS proposal, particularly in the recent publication of the Institute of Intergovernmental Relations at Queen’s University entitled *Assessing ACCESS: Towards a New Social Union*. Many of these observers have expressed reservations about the comprehensive model, arguing instead for an incremental and functional approach that allows for a variety of models to be applied in different sectors of the social union over time. Others, such as Kennett, have noted the difficulties inherent in implementing the collective action-based intergovernmental model proposed by Courchene. Nonetheless, as Courchene’s paper concludes, “ACCESS may not be the answer [to the question of how Canada can maintain the integrity of its social and economic union in the face of decentralization], but Canadians must surely devise some reasonable facsimile that challenges the provinces to shoulder enhanced ‘pan-Canadian’ responsibilities commensurate with their increased powers.”³²

Some Models for Institutions for Data Collection, Monitoring, and Reporting to the Public

1. Status Quo Model

European Community — Peter Leslie has described the model of the European Commission, which is responsible for monitoring and enforcing the implementation of, or respect for, treaties within the European Community. The Commission requires information to perform its policy leadership and oversight functions. It relies on the European Community’s statistical agency, Eurostat, as its essential source, but Eurostat itself is dependent on data from the statistical agencies of the members of the European Community. The capacity of these agencies to deliver comprehensive and reliable data varies. Moreover, as Leslie notes “there may also be some instances where the states do not find it in their interest to keep the Commission fully informed, for instance on matters relating to the administration of national laws enacted to comply with Community directives.”³³ As a result, as Leslie concludes, “deficiencies in the information base available to the Commission do probably stand in the way of effective policy formation and Community ‘checks’ on administrative carry-through, at least in some instances.”³⁴

This model illustrates the critical importance to the functioning of the social union of reliable and objective data collection mechanisms. Two recently created Canadian models for data collection, which could be built upon in the context of the social union, are described below.

2. Incremental Models

Canadian Centre for Justice Statistics (CCJS) — Since 1981, federal-provincial-territorial deputy ministers responsible for justice along with the Chief Statistician have been working on the National Justice Statistics Initiative, which is intended to ensure that accurate information regarding the nature and extent of crime and the administration of justice is available to the public. The governing body for the Initiative is the Justice Information Council (JIC), chaired by the federal Deputy Minister of Justice and composed of federal, provincial, and territorial deputy ministers responsible for justice. The Canadian Centre for Justice Statistics, which is located within Statistics Canada, is the operational arm of the

Initiative. It is governed by the Liaison Officers Committee, which consists of one departmental official appointed by each member of the JIC plus a representative of the Canadian Association of Chiefs of Police. Under the guidance of the JIC and the Liaison Officers Committee, the CCJS develops and implements statistical surveys and other studies, and provides information products and services to the governments involved in the Initiative and the public.

The CCJS relies heavily on a broad consultative process. It involves governments and interested groups such as academics, Canadian chiefs of police, and corrections groups such as the John Howard Society in the development of new surveys, the preparation of special studies, and the production of its strategic plan, every two years.

A key product of the CCJS is a recent draft publication on Criminal Justice Indicators. It identifies five goals of the justice system and performance indicators that focus on outcomes of the system. It is the first step toward establishing indicators that collectively are intended to measure the functioning of the criminal justice system. If agreed by the JIC, Statistics Canada will begin collecting data for these indicators, where it is available, and releasing it through regular publications, including CCJS' own monthly publication, *Juristat*.

Since the CCJS operates under the *Statistics Canada Act*, release of information to the public is mandatory. This has raised concerns within some jurisdictions about the release of information, which has led to a careful pre-release procedure involving the review of all publications by working groups of provincial officials and the CCJS. Moreover, mandatory release to the public is tempered by confidentiality rules, which require aggregation of detailed data.

It has been proposed that this model be followed by the Centre for Education Statistics (CES) within Statistics Canada, whose first strategic plan is about to be reviewed by a subcommittee of the Centre for Education Statistics Council, composed of provincial Deputy Ministers of Education and the Chief Statistician. The CES receives recommendations

from the Council of Ministers of Education of Canada (CMEC) and the Centre for Education Statistics Council, and works with a number of clients such as Human Resources Development Canada, the Department of Foreign and International Trade, the Association of Community Colleges of Canada, and the Canadian Teachers' Federation.

This is a model of a data collection institution operating within the federal government under the direction of federal, provincial and territorial officials in consultation with stakeholders. Because it operates under the *Statistics Canada Act*, release of information to the public is mandatory. It has the capacity to develop outcome performance indicators and monitor and report on progress to the public.

Canadian Institute for Health Information (CIHI) — A different approach has been taken within the health sector. In the early 1990s the Conference of Deputy Ministers of Health recognized the need for health system information and initiated the creation of the Canadian Institute for Health Information (CIHI), a federally chartered, nonprofit organization, which assumed the responsibility of the Hospital Medical Records Institute (HMRI), the MIS Group, the functions and resources of Health Canada's Health Information Division, and selected activities of the Health Statistics Division of Statistics Canada. CIHI's Board of Governors includes government and non-government members and its mandate is to build/maintain consensus on health information needs, priorities and directions; provide advice to the Conference of Deputy Ministers of Health and the Chief Statistician of Canada about health information matters; and provide strategic guidance to two operational arms, CIHI itself and the Health Statistics Division of Statistics Canada.

CIHI has been operating since 1993, and very recently embarked on an external review of its mandate, governance and operations. This will likely result in changes to CIHI, which makes it difficult to assess this model at this time. It would appear that CIHI may engage stakeholders more fully than the CCJS since its governance structure includes stake-

holders whereas stakeholder input in the CCJS model is limited to consultation and advice. It operates outside of government which implies that it is more able to function at arm's length from the government, although some of the changes being contemplated could increase its connection to the Conference of Deputy Ministers of Health. Since it does not operate within Statistics Canada, it may not benefit from the synergy of an institution focussed on data collection nor has it been under the same pressure to release reports to the public.

Earlier this year, the National Forum on Health recommended the creation of an evidence-based health system, based on the foundation of a national health information system “which goes beyond data warehousing to create different levels of information to support clinical, policy and health services decision-making as well as decision-making by the patient and public at large.”³⁵ It also recommended the creation of a National Population Health Institute “to report to the public on national overall health status and health system performance and act as a resource for the development and evaluation of public policy.”³⁶ The Forum recommended that the mandates of existing agencies such as CIHI be reviewed before a new agency is created.

An issue that has been raised in this context is whether data collection and analysis need necessarily be combined in one institution. There may be some merit in models such as the CCJS and CIHI, which collect data under varying degrees of guidance by federal-provincial-territorial bodies and with input from stakeholders, and then release the information to the public, but also to academics, think tanks, and non-governmental organizations that are in a position to analyse the data and prepare reports to governments and the public. This would allow for a multiplicity of perspectives on the data, in addition to any analysis that governments themselves release.

Council of Experts — One model for providing analysis to governments is the creation by the Federal Republic of Germany of an experts body, the Council of Experts on Economic Development, charged with providing yearly reports on the

German economy and options for achieving economic objectives. The Council does not provide recommendations to the government, but is intended to provide independent analysis. Through the FPT Council, governments could commission independent analysis of data and reports on “the state of the social union,” which could be tabled in legislatures and be the subject of public hearings, possibly, as has been proposed in the past, by joint federal and provincial legislative committees on Intergovernmental Affairs, which would be responsible for reviewing and holding hearings on the output of intergovernmental relations in Canada. This, of course, would not preclude other bodies from releasing their own analysis of the social union.

3. Structural Models

Oregon Benchmarks — As described in the second paper in the CPRN series on the social union, which was entitled “Measuring Outcomes in the Social Union,” Oregon has established an outcome-based performance measurement process that involves extensive public consultation, the creation of an independent data collection and oversight agency to report on progress, the engagement of a wide range of public, nonprofit and private institutions in collecting data on outcomes, and linkages between outcome performance, decision making, and resource allocation. It also uses the performance measurement system to measure adherence to conditions related to funding transfers.

Australia's Performance Monitoring System — Australia, on the other hand, has established a performance monitoring system under the auspices of COAG, which is less ambitious than Oregon's benchmarking system, but is perhaps more compatible with the intergovernmental processes already in place in Canada. COAG has established an annual review of the performance of Commonwealth, State and Territory governments using an agreed set of indicators for each area of service provision covered by the review. The review is managed by a Steering Committee, which includes representatives from the Commonwealth, State and Territory governments

but is headed by an independent chair. While the Australian model does not include the identification of broad goals and setting of targets, which are key components of other outcome performance measurement systems such as Oregon's Benchmarks, and does not engage the general public sufficiently, it may be a model for an over-arching government and sector-wide project for the social union that builds on existing Canadian models such as the CCJS and CIHI.

Some Models for Institutions for Interpretation, Dispute Settlement and Mediation

1. Status Quo Model

Commonwealth Grants Commission — The Commonwealth Grants Commission in Australia is an interesting and seemingly effective model for managing contentious intergovernmental issues such as the allocation of equalization. As Peter Leslie has noted, since the revenue raising capacity of the states in Australia is limited, they are dependent on the Commonwealth for over 40 percent of their revenues. About 60 percent of the transfer to the states from the Commonwealth is in the form of specific-purposes grants, and the remainder is provided through general grants which are allocated on the basis of estimated need. The Commonwealth Grants Commission is an arm's-length experts body, which provides advice to the Commonwealth government on the allocation of these general grants, taking into account states' revenue generating capacity and their expenditure needs. The Commonwealth generally bases its offer to the states on the Commission's recommendations and its offer is usually accepted by the states.

This may be an example of a model with a limited function involving a limited number of players that could be easily integrated into the current institutional machinery of the social union. At the same time, referring contentious issues such as the funding formula for the CHST and the use of the federal spending power to an advisory committee might be one way to reduce the existing tension

and mistrust in intergovernmental relations in Canada and create a base for incremental reforms.

2. Incremental Models

International Labour Organization (ILO) — The ILO has adopted a number of interesting interpretation and dispute settlement mechanisms that might be applicable to the social union, recognizing that the ILO's power to enforce decisions is somewhat limited. For example, the ILO seeks the comments of workers' and employers' organizations on governments' reports on the application of ILO Conventions as part of its assessment of whether a state is complying with its obligations under the ILO Conventions. It also appoints panels of eminent jurists from a number of countries to Commissions of Inquiries convened to consider the complaints filed by one government against another; and uses "direct contact" missions to investigate a complaint by holding discussions with representatives of governments, employers' and workers' organizations, advisory bodies, and other non-governmental bodies to get a clearer idea of the problems. The latter can also be designed as more informal advisory missions.

The ILO procedures to broaden the perspectives considered in interpreting and ruling on complaints illustrate how the process can be opened up to allow public opinion, the perspectives of stakeholders, and the views of other governments to be taken into consideration in the decision-making process. Often disputes within the social union are characterized as disagreements between the federal government and a provincial government and their perspectives seem to dominate the debate. The views of other provincial governments and the opinions of the public and informed stakeholders often do not get on the table. Increasing the transparency and the number of perspectives considered in the interpretation and dispute settlement process could reduce the number of issues forced to the enforcement stage.

Agreement on Internal Trade (AIT) — The AIT is often cited as a possible model for a dispute

settlement mechanism for the social union, but as Thomas Courchene has pointed out, reviews of the AIT process often suggest a glass that is half full or half empty, depending on the perspective of the observer. For example, Margaret Biggs notes, “not only are there important areas of substantive overlap, for example labour mobility, but the AIT is a concrete, and very recent, example of what Canadian governments are able to agree upon and commit to.”³⁷ But Steve Kennett concludes that “the AIT does not inspire confidence in the ability of intergovernmental negotiations in Canada to fashion effective institutions for collective action.”³⁸

Some commentators see the AIT as an important first step in an incremental approach to trade dispute settlement and argue that, as in the case of the GATT, over time, governments’ willingness to be bound by rules will increase. Others see it as a document so full of gaps and loopholes, particularly with respect to enforcement, that it cannot be the base for an incremental approach. Nonetheless, there may be some lessons that can be drawn from the AIT model with respect to the social union. It may even be argued that some of the features that its critics dislike, such as its focus on diplomacy and negotiations – indeed dispute avoidance – rather than the rules-based approach that dominates international trade organizations such as the WTO, is the appropriate model for the social union.

The AIT process begins with a 40-day period for “consultations,” generally bilateral meetings and information sharing intended to avoid a full-blown dispute. If the dispute is not resolved within 40 days, either party may request the assistance of the Committee of Internal Trade and the use of dispute settlement mechanisms, again with the hope that a dispute can be avoided. Only after the failure of these two steps can a panel be requested and formal mediation sought in the form of an experts panel, which will determine whether the alleged offending party has indeed contravened a provision of the AIT and make a recommendation on an appropriate remedy. If the panel recommendation is not implemented, the issue is referred to the Committee on Internal Trade and the panel report

can be made public. If after a year there has been no resolution of the issue, the aggrieved party is entitled to take retaliatory measures.

While Robert Howse has noted some of the weaknesses in the AIT, he has also argued that “the dispute settlement process under the AIT is characterized by greater transparency than has typically been the case with international trade agreements; proceedings of the panels dealing with internal disputes are to be made public, whereas, at the international level, secrecy normally still prevails in these matters.”³⁹ In considering applying the AIT model to the social union, he argues that it would be important for social program beneficiaries to have direct access to the process, i.e., their complaint should not be screened by governments or an ombudsperson, and that stakeholders should be involved in the selection of panel members.

One of the main differences between the AIT and the WTO is the institutional machinery that supports the WTO process compared to the small, invisible secretariat that supports the AIT process with a minimal mandate focussed on administrative issues. If the AIT model were to be applied to the social union, consideration would have to be given to the appropriate mandate and size of supporting institutional machinery.

Sector Councils — Earlier it was noted that the interpretation, dispute settlement, and mediation functions in the social union would at least initially need to address the conditions in the CHST, joint initiatives such as the National Child Benefit, and possibly the bilateral labour market agreements, and ultimately specific uses of the spending power. The mandate of the existing FPT Council on Social Policy Renewal could be expanded to include managing these functions, and Sector Councils could be mandated to make recommendations to the FPT Council on appropriate dispute settlement and mediation mechanisms for specific disputes, e.g., experts panel, individual mediator, etc., implementing the agreed mechanism, and reporting back to the FPT Council on its recommendations. The FPT Council could be responsible for adopting the

Sector Councils' recommendations, ensuring their implementation, and in the absence of compliance, referring the issue to First Ministers.

3. *Structural Model*

World Trade Organization (WTO) — The WTO dispute settlement process has stages similar to the AIT process, in that it commences with two stages intended to avoid a dispute, and then moves to the establishment of a panel. The panel's recommendations are referred to the Dispute Settlement Body (DSB), which has the sole authority to adopt panel and appellate reports, maintain surveillance of implementation of rulings and recommendations, and authorize retaliatory measures in cases of non-implementation of recommendations. Unlike the AIT process, a panel's report is adopted by the DSB within 60 days of issuance unless it is appealed to the Appellate Body or a consensus emerges against the adoption of the report. The offending member is given a reasonable period of time to implement the recommendation, and if it does not, and a satisfactory compensation agreement cannot be reached, the complainant may seek the authority of the DSB to suspend concessions or obligations against the offending party in the same sector as the dispute or another. Thus the WTO process, unlike the AIT, provides for a decisive conclusion to unresolved disputes.

Some Models for Institutions for Promoting Adherence/Enforcement

1. *Status Quo Model*

Enforcement of the CHST — The cash contribution of the CHST may be reduced or withheld from provincial governments for violation of the *Canada Health Act* or the "no period of residence" condition for eligibility for social assistance. The Minister of Health is responsible for enforcing the *Canada Health Act* while the Minister of Human Resources Development Canada is responsible for enforcing the CHST no period of residency condi-

tion for eligibility for social assistance. The *Canada Health Act* and CHST legislation lay out a four-step enforcement process for the Ministers:

- send by registered mail to the responsible Minister in the province a notice of concern with respect to any problem foreseen;
- seek any additional information available from the province with respect to the problem through bilateral discussions, and make a report to the province within 90 days after sending the notice of concern;
- if requested by the province, meet within a reasonable time to discuss the report; and
- where the Minister is of the opinion that the province is not in compliance and the province has not given an undertaking satisfactory to the Minister to remedy the default within a period that the Minister considers reasonable, the Minister shall refer the matter to the Governor in Council, which may direct that the cash contribution payable to the province be reduced or withheld.

This enforcement process is often characterized as unilateral, with the federal government acting as judge, jury and executioner! The process does include opportunities for information sharing and bilateral discussions intended to avoid a dispute, but they tend to involve only the federal government and the concerned provincial government. Although the general public, stakeholders, and other provincial governments often have a view on the disputed issue, there are few mechanisms available for these views to get on the table. Sometimes these views coincide with the opinion of the federal government and put pressure on the provincial government to remove the irritant before enforcement is required. But this process is very ad hoc and could be improved significantly by increasing the transparency of the process and the engagement of other players in the process through mechanisms identified in some of the models discussed earlier.

2. Incremental Models

Canada-wide Accord on Environmental Harmonization — The Canada-wide Accord on Environmental Harmonization, approved in principle in November 1996 by the Canadian Council of Ministers for the Environment (CCME), is a model of an enforcement regime based initially upon agreed objectives and principles and some minimal ground rules, but with a work plan that calls for the negotiation of implementation agreements, the development of standards, as well as a number of other agreements, including one on enforcement, within 18 months. The principles in the Accord include agreement that environmental measures should be performance-based and results-oriented; that openness, transparency, accountability and the effective participation of stakeholders and the public in environmental decision making are necessary; and that decisions pursuant to the Accord will be consensus-based and driven by the commitment to achieve the highest level of environmental quality within the context of sustainable development. This model of a recent intergovernmental agreement suggests that such agreements can be developed in an incremental way, building initially on consensus on objectives, principles, and a joint work plan, and moving later to agreements on issues such as enforcement.

European Social Charter — The European Social Charter is the creation of the Council of Europe, an organization of 21 Western European states established in 1949. The European Charter is the Council's social and economic rights counterpart to the European Convention on Human Rights, which guarantees civil and political rights. The Council of Europe uses a procedure of reporting and supervision to enforce the Charter rather than the courts. The procedure includes two stages: first, member countries must submit periodic reports to a Committee of Independent Experts on the compliance of their laws and practices with the provisions of the Social Charter; second, these reports are reviewed first by the Expert Committee and then by the Governmental Committee of the Social Charter, composed of government representatives, and ultimately by the Committee of

Ministers, the primary decision-making body of the Council of Europe.

The role of the Expert Committee is to determine whether member countries are complying with the provisions of the Social Charter. It considers the member country's report, as well as comments from employers and trade unions on member reports and input from the ILO. The Governmental Committee reviews both the Expert Committee report and the comments of workers' and employers' organizations and submits recommendations to the Committee of Ministers. This Committee may, by a two-thirds majority, make any necessary recommendations to a member country that has violated the Social Charter.

This process allows both independent experts and government officials (some of whom may have been involved in the preparation of their country's report!), as well as interested stakeholders such as the employers' and workers' organizations, to have an input into the assessment of whether members are complying with the standards of the Charter. While the Committee of Ministers has chosen not to make recommendations against any member country, despite the recommendations of the Expert Committee, but rather simply identifies the Charter provisions that have been violated, this process has allowed the Expert Committee to build up a vast body of case law within its reports. This case law has effectively defined how the provisions of the Charter are to be interpreted. This kind of reporting mechanism could be considered as one component of an institution to promote adherence and enforcement in the social union.

First Ministers' Conferences (FMC) — From time to time a Prime Minister or Premier has expressed a view on an enforcement issue, but generally these matters have been left, at least publicly, in the hands of the responsible Ministers, although they are usually the subject of Cabinet consideration because of their sensitive nature. Nonetheless, in considering models for more collaborative federalism, it may be necessary to consider a model in which enforcement issues are referred to First Ministers for resolution, but only as a last resort

and after intensive efforts at dispute avoidance, dispute settlement and mediation mechanisms, and the engagement of public opinion and, in some cases, peer pressure in a transparent process. It would be expected that such referrals would be rare and, indeed, that governments would act to preempt such an outcome. Nonetheless, this is the logical outcome of a search for institutions that emphasize collaboration, transparency, and non-constitutional approaches, and might also be a way to preempt referral of these issues to the courts by the general public and interest groups, as discussed below.

One approach, which was described earlier, would mandate the FPT Council on Social Policy Renewal to refer unresolved enforcement issues to First Ministers. They could be scheduled for discussion at the next regularly scheduled FMC or could be discussed at a more informal meeting of First Ministers (FMM). The First Ministers could consider the recommendations of the FPT Council on Social Policy Renewal and the report of the relevant Sector Council, or they may wish to supplement these reports through the use of other models discussed in this paper, such as the creation of an advisory panel whose mandate could include seeking the views of the general public and interested groups.

It should be noted that unless means can be devised to make intergovernmental agreements legally binding, as has been discussed by Swinton and others, federal legislation may have to be the ultimate enforcement mechanism used in even the most collaborative model.

3. Structural Model

Courts — From time to time, provincial governments have taken the federal government to court with respect to cost-shared programs, e.g., *Re Canada Assistance Plan*, the provincial governments' constitutional challenge to the federal government's Budget proposal to place a 5 percent annual cap on the growth of Canada Assistance Plan transfer payments to the provinces of Alberta, British Columbia, and Ontario. Sometimes beneficiaries of

social programs take provincial governments to court and implicate the federal government, e.g., the *Finlay* case involving an argument that the Manitoba government had failed to comply with the conditions of the Canada Assistance Plan. Katherine Swinton has argued that increasingly if groups such as the poor, women, persons with disabilities, or those with inadequate workplace skills “do not feel that their concerns are adequately addressed in the political process, they are likely to resort to litigation.”⁴⁰ She notes in particular the potential for litigation with respect to the *Canada Health Act*, and indeed, the British Columbia government and, by implication, the federal government are currently being sued with respect to the non-payment of out-of-province bills. Swinton notes that litigation such as this may not succeed nor does she think Charter-based challenges are likely to succeed. Nonetheless, she concludes that “while [the courts] may be reluctant to challenge the role of the legislative branches in this area, this will not prevent interest groups from resorting to the judiciary when other routes for political change seem deficient.”⁴¹ Intervention by the courts to enforce the CHST, therefore, may be unlikely, but it is presumably in governments' interest to preempt such a possibility by putting in place the kinds of processes discussed earlier in which the general public and interest groups can directly engage in these issues.

Conclusions from the Roundtable (Excerpt)

Plenary Discussion

The plenary discussion began with questions about the definition of the social union – an issue which had been discussed at the first CPRN Roundtable as reflected in the conclusions from that roundtable. That discussion, as well as subsequent exchanges on preferred approaches to federalism, led some participants to conclude that closure on these issues was required before there could be resolution of issues such as the design of new institutions for the social union. Despite this

concern, there was a spirited discussion of five themes or issues concerning the creation of new institutions for the social union, which is summarized below.

1. Rationale for Creating New Institutions in the Social Union

The discussion paper identified five reasons for creating new institutions in the social union, including managing the increasing interdependence between and among governments; dealing with increasing decentralization and the related need for greater integration; addressing proposals for joint rather than unilateral establishment, maintenance and interpretation of Canadian principles for social programs; responding to the increased demand for democratic engagement; and supporting increased collaboration between and among governments. Participants discussed three additional reasons for creating new institutions in the social union:

- the need to create new institutions that unite Canadians and help to define the Canadian identity by addressing issues that bring Canadians together in an environment of increasing decentralization and globalization, and provide a sense of shared citizenship;
- the need to create an institutional framework for federal withdrawal from areas of provincial jurisdiction, and the development of new approaches to intergovernmental collaboration and partnership based on mutual respect and greater clarification of roles; and
- the need to provide regular, almost routine, meetings for federal and provincial First Ministers, Ministers, and officials to share perspectives, identify shared objectives, provide greater accountability to citizens, and coordinate joint activity.

2. Criteria for Assessing Models for New Institutions for the Social Union

The discussion paper proposed three criteria for assessing models for new institutions in the social

union, including consistency with the social union’s core values, purpose, and principles as identified at the first roundtable on the social union; efficiency and effectiveness; and ability to achieve. The plenary discussion highlighted the following criteria:

- incrementalism, particularly with respect to its ability to evolve in terms of membership, operating rules, and terms of reference, and its capacity for continuous learning, for example, on new issues such as measuring outcomes
- flexibility, particularly to accommodate lack of closure on key issues such as the preferred approach to federalism
- tailoring the design of institutions to specific problems, for example, using hard-edged approaches such as financial sanctions for issues involving externalities and mobility, and soft-edged processes such as consultation to promote social cohesion and common values
- legitimacy to the public
- promoting unity by responding to the concerns of Quebec and other provinces.

3. Democratic Engagement

The discussion paper had identified the need to respond to increased demands for citizen engagement as part of the rationale for creating new institutions in the social union, and issues of transparency, accountability, and citizen engagement were encompassed by the proposed criteria for assessing models for new institutions in the social union. There was a spirited discussion of the issue at the roundtable, with participants advancing a number of very different perspectives on the question of a “democratic deficit” in executive federalism as described in the discussion paper.

Some participants were not convinced of the existence of a democratic deficit in intergovernmental relations, arguing that governments were held

accountable to citizens for the outcome of intergovernmental processes through democratic mechanisms such as elections. Others worried about a democratic deficit, but argued that the way to address the concern was not by increasing democratic engagement in intergovernmental relations but rather by improving existing Parliamentary institutions by making them more deliberative bodies. These participants felt that accountability for intergovernmental relations should be expressed through Parliament and that including stakeholders at the executive federalism table would therefore not address the accountability issue. It was suggested that trying to address the democratic deficit outside of representative democracy could result in conflicting parallel structures.

Others argued that there had been an evolution in thinking about democracy, which did not limit accountability and public engagement to representative democracy but included direct stakeholder participation. International organizations such as the OECD and the WTO were cited as models of bodies that include stakeholders at the table. In the Canadian context, this raised issues for many participants about integrating self-government and municipal governments into intergovernmental relations. Other participants felt that democratic engagement in the social union must encompass the direct engagement of citizens in deliberative processes that would provide a deeper reflection of the views of the public than mechanisms such as public opinion polls upon which governments tend to rely.

4. Intergovernmentalism

The discussion paper had noted that increased decentralization and the resulting need for greater integration would inevitably lead to increased intergovernmentalism. There was a wide-ranging discussion of the issue at the roundtable, and a number of different perspectives on the “right” amount of intergovernmentalism. Some participants argued that increased intergovernmentalism was inevitable, noting that globalization was leading to more intergovernmentalism at the international level and that greater interdependencies required more collabora-

tion and, therefore, increased intergovernmentalism. Others felt that intergovernmentalism would decrease if there was greater clarity in the roles of the two orders of government, which would then be accountable to their legislatures, and if the desired outcome was convergence and accountability to citizens rather than standardization and accountability to governments. But even in this case, there may be a need for greater collaboration on some functions such as priority setting. It was also argued that overreliance on intergovernmentalism could reduce the ability of provincial governments to act in a way that reflected the diversity of Canada and also reduce the scope for the federal government to act to deal with pan-Canadian concerns. Others noted the public’s support for the federal government playing a role in protecting national standards, but their concern when this leads to governments fighting.

Many participants argued that tension and conflict were inevitable in intergovernmental relations given the differing interests of the players and the Canadian electorate’s tendency to elect governments of differing political parties at the federal and provincial level. One of the functions of intergovernmental institutions is therefore to keep these tensions within reasonable bounds, a task that is made more difficult by the positioning of the current Quebec provincial government, which participates in some intergovernmental institutions only as an observer.

5. Incrementalism

Perhaps the most spirited discussion at the roundtable was on the issue of incrementalism. Most participants preferred an incremental rather than structural approach to the creation of new institutions in the social union based on the criterion of ability to achieve, since structural reforms requiring constitutional change were viewed as non-starters. For others, the advantage of incrementalism was its flexibility and ability to adapt, since new issues such as measuring outcomes were just emerging and required further analysis, and basic issues such as the preferred nature of the new

federalism remained unresolved. Others noted that, in fact, there already had been an incremental evolution in intergovernmental relations in the creation of the Provincial-Territorial Council on Social Policy Renewal and the Federal-Provincial-Territorial Council on Social Policy Renewal. They also pointed to intergovernmental work underway on the National Child Benefit as a model of an incremental approach based on shared goals and agreement on broad directions, which could provide a successful model for intergovernmental relations. The public is largely unaware of all of this activity, however, and governments may need to consider how to inform Canadians of these successful developments.

Others argued that such an approach would be insufficient to demonstrate to Canadians that federalism had been renewed in a fundamental, structural way. They argued that a symbol of a “fresh start” was required to persuade Quebeckers, as well as other Canadians, that things had really changed, and suggested that this should be a criterion for assessing new institutions in the social union. There was disagreement on how to do this. For example, some argued that the new intergovernmental institutions described above were evidence of significant change while others argued for modest reforms to existing institutions, such as the Annual Premiers Conferences and the First Ministers’ Conferences, that nonetheless would suggest that there was a new way of doing business in the federation.

Others were not optimistic about starting incremental reforms at that level and pointed to other areas, such as joint measurement of outcomes and reporting to the public, as providing more prospects for success and evidence of change. It was also suggested that the focus should be on innovation, not incrementalism, and that initiatives to promote positive integration, such as in the area of mutual recognition of skills, launched by a small number of provinces in which other provinces could join in later, were another way to demonstrate evolution in Canadian federalism.

Finally, it was argued that even if an incremental approach were adopted, there should be a longer

term vision that outlined in broad terms the intended direction of incremental reforms. It was noted in one of the small group discussions that the European Union had originated out of a focus on a few specific economic issues, but that some of the European leaders of the day had shared a vision of an institution such as the European Union. This conclusion is consistent with the consensus reached at an earlier roundtable that initiatives should be launched on specific issues in the social union in parallel to work on overarching themes.

Small Group Discussions

1. Priority Setting, Planning, Vertical Management of Sectoral and Cross-sectoral Issues, and Policy Coordination

This group proposed that the criteria for assessing models for new institutions in the social union should emphasize the institutions’ scope to reflect the diversity and specificity of Quebec, to provide a symbolic response to Quebec, to respect the role and jurisdiction of each order of government, to discourage unilateral action by one level of government that could impact negatively on another level without paralysing governments, and to engage citizens. In that context, the group grappled with two issues: whether there should be one or two apex institutions to manage intergovernmental relations, and whether an incremental approach to institutional reform would provide the necessary symbol of a “fresh start” in Quebec. On the first issue, participants discussed two approaches: rejuvenating the existing Annual Premiers Conference, which deals with interprovincial issues, and the First Ministers’ Conference, which deals with federal-provincial issues; and creating one institution that would at times address intergovernmental issues and at other times focus on interprovincial issues. One suggestion was to maintain the two institutions and evolve over time to one body. There was a risk, however, that interprovincialism would be compromised in such a model if the federal government were seen to domi-

nate the new institution.

On the second issue, some participants were concerned that major institutional reform could fail and therefore preferred to build slowly and surely on successes in a way that kept expectations modest. Others argued that “you cannot jump across a chasm in two steps,” and supported a broad new approach as a tangible demonstration to Quebecers of a renewed federalism that reflected their aspirations.

2. *Data Collection, Monitoring, and Reporting to the Public*

This group argued that specific criteria that should be applied to institutions in this area included the ability to identify specific measurable outcomes, the extent of co-ownership of the institution, and objectivity. The group also discussed issues of independence and access to data, but noted that fundamentally the institutions had to be seen to be objective and not dominated by one order of government. Statistics Canada was discussed as a possible overarching institution that was seen as objective by governments and at the same time was credible to the public. It already has models such as the CCJS, which could be built upon. Based upon these models, federal and provincial officials and stakeholders could develop outcome indicators, and then Statistics Canada would collect the data and issue reports to the public. Another option, which the group discussed, was to engage a panel of experts to design outcome indicators and release an annual report based on data collected by Statistics Canada.

The group emphasized the need to engage the public and stakeholders in the identification of outcomes to be measured and the specific measures to be used; to link data collection and reporting to the institution designated to set priorities; to market the reports to the public to give the data some profile; and to provide the data in a context that limits misinterpretation by the media and others. It might be possible to refer the reports to legislative committees, which would bring the legislatures into the process, give the reports a higher profile, and link the reports to the policy process.

3. *Interpretation, Dispute Settlement, and Mediation*

This group set out to identify the problems that new institutions in the social union were intended to address, which might require interpretation or dispute settlement. Participants noted that there is more incentive to agree in the social union rather than in the economic union because of our shared social values. So the problem does not appear to be the risk of a race to the bottom but rather the risk of a patchwork when Canadians want consistency and comparability across the social union. The other problem is unilateral federal action in this area. While dispute avoidance is most appropriate in the social union since the protection of social rights is essentially a political process, dispute settlement may be needed where governments are bound by legislative agreements. It was also noted that a capacity for joint interpretation, including mechanisms such as expert panels, is necessary in a system that is guided by broad principles and is required to make decisions about resource allocation.

The absence of mechanisms such as expert panels in the social union allows conflicts to escalate. Creating such a tool could help prevent the need for enforcement. An agreed upon protocol on the process, including a joint appointment system and ground rules for joint development of terms of reference, timelines, and the nature of public consultation, would have to be developed. Sectoral Councils could be mandated on a voluntary basis to trigger expert panels and other mechanisms for interpretation, but these techniques would have to be fully developed before they are included in their mandate. The Federal-Provincial-Territorial Council on Social Policy Renewal could play a role in developing such mechanisms and agreeing on their application. Such mechanisms need to be fully developed before existing mechanisms such as the dispute settlement procedures in the *Canada Health Act* can be replaced.

4. *Promoting Adherence/Enforcement*

This group agreed that transparency, fairness,

and due process should be essential features of any mechanisms designed to promote adherence to principles in the social union. It was noted that some municipal regulations such as poop-and-scoop by-laws work very effectively even though the financial sanction is minimal. They nonetheless are symbols of a societal consensus and a sense of moral seriousness and importance to the community. The challenge was to develop mechanisms that reflect the consensus and moral weight attached to principles in the social union and were effective in promoting adherence to these principles. In this context, participants felt that the CHST was perceived to be a strong tool even though it might not work effectively in reality. There appeared to be a reluctance both by governments and some stakeholders to use the courts, since the judicial process is costly and often does not resolve the issue. First Ministers Conferences generally do not deal with difficult issues of this kind.

In considering alternative ways to promote adherence, the group noted the importance of improving the “front end” of the process by seeking interprovincial agreement on objectives and desired outcomes, reporting on outcomes to the public, and avoiding disputes through transparent processes that engage stakeholders and citizens as well as governments. Ideally, enforcement processes would then be largely symbolic since they would rarely need to be triggered. While we may not be sure that mechanisms such as public reporting on outcomes will be completely effective in promoting adherence to principles, they should be tried. Such mechanisms should be designed in a way that is not seen to be punitive or intended to focus on problem areas. The group also felt that the process to promote adherence currently being developed in the work on the National Child Benefit could ultimately be an alternative to the CHST, but further development and practice were required before the CHST could be replaced.

Next Steps

The Chair concluded the meeting by noting that there did not appear to be a mood among participants for taking big risks in this area but rather a prefer-

ence for obtaining more experience with recently created institutions, although some participants did feel that a symbolic gesture was required to bring Quebeckers into the discussion. Nonetheless, the small groups did identify a number of next steps that could be taken in the development of new institutions for the social union. These included:

- seeking intergovernmental agreement on priorities and desired outcomes in the social union;
- developing a culture among governments for disclosing and sharing data;
- creating data sharing bodies to monitor and collect data on outcomes in the social union and reporting to the public;
- continuing to assess ways in which intergovernmental institutions such as the Annual Premiers Conferences and the First Ministers Conferences could serve as the apex institutions in a hierarchy that includes the Provincial-Territorial Council on Social Policy Renewal, the Federal-Provincial-Territorial Council on Social Policy Renewal, and the Sectoral Ministerial Councils; and
- developing a toolkit of mechanisms, such as expert panels, for interpretation, dispute settlement, and mediation that could be used by the Sectoral Councils and the FPT Council on Social Policy Renewal so as to reduce the need for unilateral federal enforcement.

REFLEXION (Excerpt)

While there is no desire to create a new layer of process and bureaucracy, managing interdependence requires regular, almost routine, meetings of federal and provincial First Ministers, Ministers, and officials, to share perspectives, identify common objectives, coordinate joint activity, and provide greater accountability to citizens, without the raised expectations often associated with meetings or conferences held on an irregular basis. Routine meetings also provide greater potential for increased transparency

and accountability to citizens.

Over the past two years, there has been an incremental evolution in intergovernmental machinery through the creation by the Premiers of the Provincial-Territorial Council on Social Policy Renewal and subsequently the creation of the Federal-Provincial-Territorial Council on Social Policy Renewal (FPT Council) at the First Ministers' Meeting in June 1996. Joint work underway on the National Child Benefit, the national children's agenda, and programs for persons with disabilities appears to be taking an incremental approach based on shared goals and agreement on broad directions. Coming out of the Annual Premiers' Conference in August 1997, however, "Premiers expressed their desire to strengthen the role of the FPT Council on Social Policy Renewal in coordinating and monitoring this work on social policy renewal, and clarifying its channels for communicating with First Ministers."⁴² They also proposed the negotiation of a framework agreement to deal with broad issues such as the use of the federal spending power.

While it may be practical and pragmatic to approach institutional reform in an incremental way, there should be a long-term vision that sets out the intended direction of incremental reforms. The purpose, values, and principles discussed earlier in this paper provide one model of a possible vision and direction for the social union, which reflects the criteria identified above as well as constraints, such as the need to start by building trust between governments and between governments and citizens, to be adaptable to longstanding differences in intergovernmental management within the sectors of the social union, to be responsive to understandable concerns on the part of governments to be visible to citizens

for programs and provide incentives for them to collaborate, and to recognize that not all issues should be the subject of intergovernmentalism.

Specific institutional reforms that might be considered by First Ministers include:

- scheduling regular, routine meetings of First Ministers to review progress on social policy renewal, agree on shared objectives and priorities, and task the FPT Council;
- mandating the FPT Council to coordinate joint sectoral work across the social union; develop a workplan for discussing framework issues; initiate activity in all of the sectors of the social union on outcome measurement and citizen engagement; and report regularly to First Ministers;
- identifying a reliable and objective body, such as Statistics Canada, to collect and publish outcome data for the social union on an annual basis;
- agreeing on ways to increase transparency in interpretation and dispute resolution processes in the social union, such as the creation of expert panels and processes that involve citizen groups and citizens, and establishing clear ground rules and mechanisms for resolving disputes; and
- maintaining existing enforcement mechanisms with respect to the CHST while assessing the potential for alternative approaches to promoting adherence, such as reporting to citizens on outcomes and the reinvestment framework approach in the National Child Benefit.

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Citizen Engagement in the Social Union

Introduction

The issue of citizen engagement surfaced several times throughout the social union project. The final paper in the series discussed the reasons why citizen engagement was an issue not just for the social union, but for the future of democratic institutions. Several models for citizen engagement were also described in the paper, which could be adapted for use in the social union. Barriers to implementing citizen engagement processes were identified and a possible process for engaging citizens in the social union was proposed to stimulate discussion at the roundtable.

The plenary discussion at the roundtable focussed on general issues such as linkages between citizen engagement and representative democracy institutions, and traditional consultation processes with interest groups. Some participants worried that citizen engagement would displace well-established processes with interest groups, while others saw the results of citizen engagement as a possible input to these processes. Participants also speculated about whether the social union was an appropriate subject for citizen engagement since it was already being considered through an intergovernmental process. Some of these participants argued that the priority should be placed on making this process more transparent.

The small groups discussed options for engaging citizens in specific sectors of the social union, such

as children, health, persons with disabilities, and skills development for youth.

The section on citizen engagement in the *REFLEXION* tried to provide a broad overview of the issue and a synthesis of the research and roundtable discussion.

Discussion Paper

“Citizen Engagement in the Social Union”

The purpose of this paper is to provide a broad overview of the concept of citizen engagement, both its theory and practice, and then attempt to apply the concept to the social union. After contrasting traditional consultation and citizen engagement, the paper provides an overview of the theory of citizen engagement under the headings of *why* engage citizens, *how* to engage citizens, *who* to engage, *when* to engage citizens and on *what* issues. The next section of the paper discusses the practice of citizen engagement through brief descriptions of some examples of traditional consultation and then more detailed descriptions of new models for citizen engagement. The final section of the paper describes some barriers to implementing citizen engagement and proposes a process for applying citizen engagement in the social union.

Definitions

When the roundtable series on the social union was originally conceived, the final paper was to be about “public participation” in the social union. The change to “citizen engagement” is significant because it reflects an emphasis on new ways of thinking about citizen engagement rather than traditional forms of consultation and public participation. It assumes that traditional consultation or public participation may be too limiting an approach in light of the features of the social union that one might ask citizens to consider, such as values, principles or desired outcomes. These are not issues for which traditional consultation techniques tend to be appropriate or useful, as will be explored below. This section of the paper defines a spectrum of possible ways to involve citizens in the social union, ranging from transparency to citizen engagement. Proposals for direct decision making by citizens, such as constituent assemblies, are beyond the scope of this paper, which takes as a given the current responsibility for intergovernmental relations held by the executive, and to a considerably lesser extent, the legislature.

At a minimum, governments could involve citizens in the social union by acting in a fully transparent way. This would mean ensuring that decision-making processes are clear and that decisions are made openly so that those who wish to can be informed about them. Further along the spectrum, the government could respond to demands for increased accountability for results by identifying desired outcomes in the social union and reporting regularly to citizens on results. Responding at this level would not necessarily involve citizen engagement or even consultation, but could be limited to providing information on outcomes identified by governments.

Moving further along the spectrum, governments have tended to respond to demands for “public participation” through consultation processes. Deborah Wadsworth of Public Agenda has described three kinds of typical approaches: exercises that are restricted to experts and leaders (interest groups) rather than citizens; exercises that are often a thinly

disguised sales effort designed to sell the public on a favoured solution (these exercises are often preceded by “research on the best way to package one’s own reform agenda in the public’s concerns and values in order to sell it most effectively”); and exercises that focus on informing the public but often in a way that overloads citizens with technical detail and jargon-laden vocabulary, which only serves to frustrate citizens.¹ Often these exercises are limited in their time frames and budgets. However, increasingly innovative ways to “consult” citizens have been developed, which provide a base for evolving toward processes that are able to engage citizens rather than just consult them in traditional ways.

In a recent C. D. Howe paper entitled *Citizen Engagement in Conflict Resolution*, Janice Stein, David Cameron and Richard Simeon point out other flaws in traditional consultations. They note that most consultation processes ask citizens to respond to a predetermined menu of options drafted by officials without much attention to the values that underpin this range of options. They rarely allow participants to debate issues of values or identities, to listen to other perspectives and debate the pros and cons of options, and through that process of learning, adjust and reconsider their positions, and even add options. As a result, they encourage advocacy, and have the effect of “defining difference rather than exploring accommodation.” Moreover, “when citizens participate principally as advocates for their own interests and do not search for common political space, their participation can indeed overload the agenda.”²

The C. D. Howe paper proposes the following criteria for effective citizen engagement processes:³

- a discussion of identities, values, and needs;
- an inclusive, fair, and respectful process;
- an open agenda; and
- the opportunity to reconsider preferences in the light of learning about others.

Other observers have also explored the differences between traditional consultation and citizen

Box 1

Traditional Consultation

Encourages venting, advocacy

Treats interest groups one by one, and creates a platform for them

Encourages a “me-first” dynamic

Focuses on technical choices with little attention to underlying values

Seeks a validation of the government’s choices – “government knows best”

Tends to be a tightly controlled process seeking to legitimize pre-determined outcomes

Imposes tight deadlines, which limits time available for participation

Citizen Engagement

Encourages reflection, learning

Forces interest groups to listen to citizens and interact with others

Promotes a focus on common ground

Focuses on moral choices – no right or wrong answers

Assumes citizens will add value and that new options will emerge

Uses an open process to encourage the emergence of new ideas

Takes the time necessary and often involves a continuous process

engagement. In a recent presentation on citizen engagement, Judith Maxwell contrasted the distinguishing features of the different models as set out in Box 1.⁴

Daniel Yankelovich approaches citizen engagement from a deep concern about what he considers to be an enormous gap that separates the public from the experts, resulting from what he calls a “culture of technical control.” Arguing that this has led to the erosion of democratic self-governance, he rejects traditional consultation exercises, which only have the time and means to seek “top-of-mind” public opinion, and instead proposes a strategy to strengthen public judgement, which he defines as “a particular form of public opinion that exhibits 1) more thoughtfulness, more weighing of alternatives, more genuine engagement with the issue, more taking into account a wide variety of factors than ordinary public opinion as measured in public opinion polls, and 2) more emphasis on the normative, valuing, ethical side of questions than on the factual, informational side.”⁵

It will be noted that certain words consistently appear in these discussions of citizen engagement:

“deliberation,” “judgement,” “learning,” and especially “values,” which help us to consider how the concept of citizen engagement could be applied to the social union. These terms are also reflected in recent thinking about “deliberative democracy,” which has been defined by the Civic Practices Network in the following way:

Deliberative democracy rests on the core notion of citizens themselves, and their representatives, deliberating about public problems and solutions under conditions that are conducive to: reasoned reflection and refined public judgement; a mutual willingness to understand the values, perspectives, and interests of others; and the possibility of reframing interests and perspectives in light of a joint search for common interests and mutually acceptable solutions.⁶

As will be discussed later in this paper, citizen engagement also involves the development of a new “mental map” for the relationship between the governed and the governing. It requires politicians and officials to “let go” of the process and enter into a partnership and shared ownership governance relationship with citizens. Policies are developed through a process of shared learning and identifica-

tion of common ground, and political leadership is redefined as the capacity to work with citizens to rigorously examine public policy options and make difficult choices and tradeoffs.

In pulling together all of these approaches, it can be seen that efforts to engage citizens in constructing the social union rather than merely consulting them would require:

- an open process both with respect to the time frame and the agenda;
- exploration of values before, or in combination with, consideration of substantive issues;
- provision of information that explains issues and discusses options in an objective and non-technical way;
- techniques that promote deliberation, listening, learning, and discussion of the pros and cons of all options;
- mechanisms to support sharing of perspectives and the identification of common ground; and
- new governance relationships between citizens and governments.

Why Engage Citizens in the Social Union

There are two conflicting views of public participation and citizen engagement. One argues that citizens do not possess the capacity to contribute to public policy, that citizens hold very narrow and self-interested views on issues, and that their involvement only reinforces differences, intensifies conflict, and makes accommodation impossible. Proponents of citizen engagement argue that in fact it is elites who exacerbate conflict, and that “citizen involvement and a sense of shared responsibility in public choices will raise levels of information [and] moderate claims on government.”⁷

This section of the paper briefly outlines 10 reasons for citizen engagement organized under

four headings: why it is important for the future of democracy; why the public is demanding it; why it would strengthen social cohesion and civil society; and why it would improve public policy. In some cases, these arguments extend well beyond the social union since much of the rationale for citizen engagement arises out of a profound concern about democracy. Nonetheless, many of these arguments can readily be applied to the specific case of the social union.

Some of the suggested reasons support an argument that, in fact, we are already in a transition period that is inevitably leading to new forms of citizen involvement in public affairs. The ground is shifting under governments as citizens question their competence and legitimacy. An obvious current example is the impact of citizens in the United Kingdom on one of the oldest institutions in the world, the monarchy. In Canada, the decline in deference and respect for authority has been sharper than in the United States, and indeed, support for greater respect for authority is lower in Canada than in the United States, that bastion of individualism. In this transformation, traditional solutions will not be sufficient. While some look to legislatures or referenda as solutions, others argue that we need to evolve from the representative democracy of legislatures and the mass democracy of referenda to new forms of “deliberative democracy.”

Why Citizen Engagement Is Important for the Future of Democracy

1. Democracy

Theories of democracy assume citizen participation, although varying levels and demonstrations of participation have been proposed by different theorists. Increasingly, concerns are being raised, particularly in the United States, about the limited involvement of citizens in democratic processes such as elections. For some observers, there is even a question of the viability of democracy without citizen involvement. Robert Dahl has argued that “if democracy is to work, it would seem to require a certain level of political competence on the part of

its citizens... Unless we are prepared to accept a severe attenuation of democracy, we need to discover genuinely feasible ways of raising competence.”⁸ He concludes that traditional democratic processes need to be supplemented with new institutions and techniques, such as citizen assemblies, citizen juries, and deliberative polling, which will be described later in this paper.

2. *Moral Crisis of Democracy*

Charles Maier has argued that the recent tremendous electoral volatility experienced around the world is evidence of a “moral crisis in democracy,” which is reflected in “a profound shift of public attitude along three dimensions: a sudden sense of historical dislocation [as evidenced by the feeling of anti-climax that succeeded the initial euphoria in the aftermath of 1989’s collapse of communism]; a disaffection with the political leadership of all parties; and a recurring skepticism about doctrines of social progress [in this climate conservative critiques of mass politics tend to seem more persuasive, while ideologies of the left lose their credibility].”⁹ His analysis of moral crises of the past leads him to conclude that while some moral crises have undermined democracy, others have prompted what he calls “a renewed sense of civic mission,” which includes citizen participation and “remoralized politics.” Citizen engagement may be one way to deal with both Dahl’s concern about citizen capacity and Maier’s call for a new “civic mission.”

3. *New Relationship between Governments and Citizens*

Proposals for the development of a new relationship between governments and citizens are beginning to emerge, often in the context of citizen engagement. It is an idea that is resisted by many. In his review of post-referendum citizen group activity, John Trent reminds us that in 1991, Alan Cairns wrote that “necessary changes are unlikely to come easily or to be

granted graciously. Those who govern us may have to relearn the ancient democratic message that they are the servants of the people.”¹⁰ Since then, citizens’ frustrations and mistrust have only increased and if the arguments about the structural basis for this frustration and demand for participation are correct, this is not just a temporary phenomenon.

Proposals for the development of a new relationship between the government and the governed involve a new concept of partnership. For example, a recent article by Carolyn Lukensmeyer et al. for *AmericaSpeaks* entitled “Building a Framework for Democratic Renewal,” argues that “if we are to renew American democracy, government leaders need to consider citizens as visible and equal partners in the exercise of democratic rule, and citizens must renew their faith that public officials are working to improve the quality of our lives. To realize the vision of a healthier democracy, government officials [must] work with citizens to design partnerships and processes that open new avenues for authentic citizen participation in deciding public policy.”¹¹

Similarly, Benjamin Barber argues that “government officials [must] see people not just as the voters who may turn out their bosses every few years, or as passive clients demanding services, but rather as active partners in the ongoing process of governance.”¹² Instead of a two cell “mental map,” which divides the world into the public sector and the private sector, Barber proposes a three cell model, which adds the third sector or “civil society.” This model reinforces the notion of the individual as a citizen, rather than just a voter in the public sector or a consumer in the private sector. In this model of governance, citizens become partners with public officials in finding solutions. As Premier Bouchard noted in opening the Quebec Economic Summit, “if I include you, you will be my partner; if I exclude you, you will be my judge.” Many advocates for a new relationship between governments and citizens regard citizen engagement as fundamental to the development of this relationship.

Why the Public Is Demanding Citizen Engagement

4. Decline in Deference

Institutions of representative democracy depend on the willingness of citizens to trust and defer to elected representatives. Many studies have pointed to the significant decline in recent years of this trust and deference, a number of which argue that this has been most evident in Canada. As Leslie Seidle notes in his article on “the angry citizenry,” Gallup’s polls measuring Canadians’ respect and confidence in a number of major institutions since 1979 demonstrate that among these institutions, the House of Commons and political parties have suffered the most. “In early 1993, only 16 percent of respondents accorded the House of Commons ‘a great deal’ or ‘quite a lot’ of respect and confidence, whereas in 1979, 38 percent did so; for political parties, the corresponding drop was from 30 to 9 percent.”¹³

A number of explanations for this phenomenon have been proposed, including Neil Nevitte’s conclusion in *The Decline of Deference* that the reasons for less confidence in government and more interest in non-traditional forms of political action reflect deep-seated generational shifts rather than short term fluctuations. “The findings from the multivariate analysis... demonstrate, in fact, that age and postmaterialist orientation are consistently the most powerful predictors of confidence in governmental and non-governmental institutions.”¹⁴ Ron Inglehart’s analysis of the values and beliefs of 43 societies representing 70 percent of the world’s population showed that “one of the defining characteristics of postmaterialist values [which were evident in Canada] is the fact that they give a high priority to self-expression and participation in decision making at all levels, including the political.”¹⁵ He notes that the postmodern shift away from both traditional authority, e.g., the Church, and state authority, has led to declining confidence in hierarchical institutions of all kinds, and a “systematic decline in the basis of moral support for established political institutions.”¹⁶ Inglehart concludes that in

the face of these trends, political systems will “either adapt in ways that generate some measure of internalized support or they [will] collapse and [be] replaced by new political systems.”¹⁷

5. Rights Culture

Some observers argue that increased demands for political participation flow from the specific recognition of categories of people and the enhancement of both individual and collective rights in the *Charter of Rights and Freedoms*, resulting in the creation of “Charter citizens.” While discussion of this rights culture often focuses on interest and identity groups, the impact on individual citizens, as reflected in their rejection of the Charlottetown Accord, should not be underestimated. As Susan Delacourt has argued, “Charlottetown failed because governments refused to accept debate and dissent, they foisted last minute executive compromises on an unprepared and excluded public, and most of all, because of a rupture in respect between citizens and politicians ... since the public felt it was ready to play a responsible role in decision making and felt they had a right to do so [while] the politicians were increasingly worried about being second-guessed on all their decisions.”¹⁸ The public’s response to the Charlottetown Accord is but one reflection of what John Trent describes as “a demand for more representative and equitable institutions, openness, responsiveness, participation and a more diversified politics that goes beyond federal and electoral issues.”¹⁹ Citizen engagement is one way for the political process to respond to this demand.

6. Public Demand

Another reason for genuine engagement of citizens rather than traditional consultation is that in public opinion polls citizens overwhelmingly indicate their demand for consultation, but they also demonstrate a low level of confidence in the impact citizens’ views will have and are unable to identify useful mechanisms for consultation among existing

mechanisms. For example, Ekos' *Rethinking Government* found that 86 percent of respondents wanted the government to place more emphasis on consulting Canadians and 69 percent believed that increased federal government consultation with stakeholders would improve governance. At the same time, only 34 percent of respondents believed that "when government consults with ordinary Canadians, citizens have a real impact."²⁰ When asked to assess the usefulness of consultation mechanisms such as elections, referendums, town halls, members of parliament, polls, public hearings, and royal commissions, elections were rated the most useful but most of the other mechanisms were thought to be only moderately useful. Citizen engagement is an attempt to respond to this demand for a consultation process that enables citizens to influence policy.

Why Citizen Engagement Will Strengthen Social Cohesion and Civil Society

7. Transformation of Society

Peter Drucker has argued that "every few hundred years in Western history, there occurs a sharp transformation. Within a few short decades, society – its world view, its basic values and political structure, its arts, its key institutions – rearranges itself. Fifty years later there is a new world... We are currently living through such a transformation."²¹ When society is experiencing a transformation of this kind, citizens need what have been called "shared mental maps" to define where they want to go and to undertake collective action to get there.²² Citizens need to be involved in the development of these mental maps in which core social values are a critical element. We can no longer assume that citizens share the same mental maps, particularly in increasingly heterogeneous societies. For different reasons, traditional consultation exercises and democratic processes such as elections do not seem to function effectively as mechanisms for exploring values and developing a sense of collective purpose. Citizen engagement processes are specifically designed to help citizens and governments translate

values into an agenda for collective action, which is particularly relevant with respect to constructing the social union.

8. Citizenship

Proponents of participatory democracy argue that such participation improves the capacity of individuals to act as citizens. J. J. Rousseau argued that through participation in decision making, individuals learn that they must take into account interests beyond their own, and thus learn to be public as well as private citizens. As Carol Pateman points out, Rousseau believed that "through this educative process the individual will eventually come to feel little or no conflict between the demands of the public and private spheres."²³ Most models of citizen engagement are in fact designed to achieve this integration of interests advocated by Rousseau. They also respond to increasing demands for what Katherine Graham has called a "citizen-centred government" that encourages citizens to fully exercise their responsibilities as citizens. In her view, "these obligations include the exercise of informed oversight and provision of guidance to governments both at election time and in between."²⁴

9. Integration Mechanism

While much of the citizen engagement literature originates in the United States, a strong case has been made by Stein, Cameron and Simeon for using such techniques in Canada to break down the misunderstanding and lack of comprehension that divides Canadians. Democracy theorists have commented on the difficulty of achieving "empathic understanding" of others in modern society. And as Robert Dahl notes, "it is especially difficult to acquire an empathic understanding of others who seem strange and threatening. Consequently, citizens in hitherto relatively homogeneous countries are likely to find it difficult to sustain a sense of the common good."²⁵ Dahl concludes that the central political issue in democratic politics in the coming century may well be the promotion of a more

widespread capacity for empathic understanding among citizens.

Benjamin Barber shares this concern and argues that the solution lies in finding spaces and time within the public policy process where citizens can talk to one another and learn about each other. Through this process, Barber argues, citizens will begin to see others as being like themselves, and will develop a sense of the public interest as simply a reconstruction of their own interest. Indeed, it has been argued that it is the very need for citizens to choose both individually and collectively that necessitates deliberative forums. As long ago as 1848, John Stuart Mill argued that “it is hardly possible to overrate the value ... of placing human beings in contact with persons dissimilar to themselves, and with modes of thought and action unlike those with which they are familiar ... Such communication has always been, and is peculiarly in this present age, one of the primary sources of progress.”²⁶ Citizen engagement processes are founded on deliberation, which “does more than tolerate differences; it uses them, [and not by destroying] individual differences in a homogenous amalgam, [but by building] on each perspective in creating its integrated view of the whole.”²⁷

Why Citizen Engagement Will Improve Public Policy

10. Impact on Policy

While proponents of citizen engagement often focus on the benefits of the engagement process, the positive impact on substance in the form of public policies should not be underestimated. Stein, Cameron and Simeon point out that citizen engagement serves a variety of functions in the context of conflict resolution, many of which are applicable as well to the development of public policy. From a process perspective, citizen engagement builds social trust, helps to identify areas of common ground as a basis for negotiation, and increases citizens’ sense of ownership and responsibility for the outcome, thereby establishing its legitimacy and ensuring its acceptance. With respect to substance, it

ensures that policies are grounded in a consensus on values, that all dimensions of all options are canvassed, including issues that may not have occurred to policymakers, and that the final tradeoffs and choices in policies have been fully explored and accepted. Moreover, as Robert Reich has noted, “as society defines and evaluates its collective goals ... it becomes better able to mobilize its resources and achieve its goals.”²⁸ Traditional consultation rarely, if ever, is able to achieve all of these outcomes.

Why Not to Engage Citizens

Questions have been raised about three aspects of citizen engagement: its expense, its impact on government’s flexibility, and its effect on the timeliness of policy development. It is worth examining each of these in turn to assess their overall significance.

It is true that citizen engagement processes require significant funding, although since they often involve nonprofit organizations, they are potentially cheaper than government-managed consultation processes. Many citizen engagement processes are based on the voluntary efforts of many civic organizations, and the major cost is associated with the production of discussion material. Since governments already have large communications budgets to inform citizens, there should not be a significant incremental cost to prepare objective material for citizen engagement processes. Second, governments’ expenditures on public opinion polling are not insignificant, and these expenditures could be reduced significantly if citizen engagement becomes a standard feature of policy development. Third, the overall cost of all of these processes is a marginal increment to total government expenditures. For example, the total budget for the 1993 consultation process on social security reform, which is often cited as a costly consultation process, was about 0.025 percent of the cost of the expenditures of the programs being reviewed. If existing government expenditures on consultation processes and public opinion polling were

redirected to citizen engagement, the incremental cost would be insignificant.

Some argue that citizen engagement ties the hands of governments, reduces their flexibility, particularly in the context of negotiations, makes it difficult to achieve significant policy reform, and precludes significant changes in policy direction that might be resisted by citizens. It is argued, for example, that the difficult deficit reduction processes undertaken recently by many governments might not have occurred if they had been subjected to the process of citizen engagement. The assumption behind these concerns is that citizens will not voluntarily agree to decisions that have a negative impact on them or find it difficult to make difficult tradeoffs and choices. A theoretical counter argument to these concerns is that governments require legitimacy and trust to act in a democracy, and that only by engaging citizen support can a government's action be considered legitimate. A more practical response is that many public opinion polls, consultations, and citizen engagement processes have demonstrated that citizens are indeed capable of making difficult choices and tradeoffs and will accept decisions with negative consequences for them if they understand the reasoning, and even better, were part of the decision-making process.

Moreover, it can be argued that it is in fact the absence of genuine citizen engagement that makes it difficult to achieve major policy reforms. For example, it has been argued that a fundamental flaw in the health care reform process in the United States was that there was no serious effort to engage citizens in the debate and to understand their underlying concerns and level of knowledge about the issues. Those who espouse the development of a new relationship between citizens and governments based on partnership would argue that concerns about governments' flexibility to act are misplaced, and that the real concern should be about governments that attempt to make significant changes in policy without public support.

The third concern about citizen engagement is that it can be a time-consuming process, which, at

the extreme, could paralyse governments. While acknowledging that often the time constraints facing governments are self-imposed or a function of election schedules, some argue that rather than engaging citizens in lengthy consultation processes, the public expects governments to find solutions to problems, to act, and indeed, to act in a timely manner. Moreover, some decisions must be taken in the context of the annual budget cycle or international timetables that do not allow for flexibility in the timing of decision making. Proponents of citizen engagement turn these arguments around and argue that "you save time by taking time." Often government initiatives run into trouble after they are announced because the necessary time to develop citizen support has not been taken. It can sometimes take longer to respond to such situations than to address concerns through the policy development process itself.

Moreover, as will be discussed later, it is not suggested that every decision of government warrants citizen engagement. Advocates of a new partnership relationship between citizens and governments would argue that both partners should agree on the time frame for decision making, which would not preclude designing citizen engagement processes that can accommodate budget cycles and international deadlines.

How to Engage Citizens

No proponent of citizen engagement argues that it should replace the institutions associated with representative democracy. Rather, they argue that it should be seen as a supplement to, and more importantly an input to, these institutions. But there are very real barriers against representative democracy institutions themselves managing processes to engage citizens.

The first obvious barrier is that the very mistrust and lack of deference for institutions such as the House of Commons and political parties, which has led to demands for public participation, argue against these institutions as credible facilitators of

citizen engagement processes. Secondly, practitioners of citizen engagement in the United States point to the partisan nature of these institutions as a key barrier to the involvement of legislatures in citizen engagement. At the federal level in Canada, it would be difficult to obtain the agreement of five political parties to a genuinely non-partisan process. A third problem lies in the way brokerage parties operate. “Deliberative democracy” is about citizens exploring values and identifying common ground for accommodation. Political parties with their policy platforms and governments with their carefully crafted Speeches from the Throne do not generally engage ordinary citizens in their deliberations on values and policy options. Instead, political parties, particularly the governing party, tend to internalize the process of accommodation and present the outcome to citizens as a *fait accompli*. Finally, as discussed earlier, representative institutions tend to have a very time-limited focus on issues, often sensitive to election timetables, which precludes lengthy citizen engagement processes. Their time frames generally cannot accommodate processes in which new options may emerge. Nor are they willing to suspend decision making until deliberation is complete.

In the end, it should not be surprising if representative democracy institutions, which have traditionally focussed on managing relationships between the governed and the governing, are not very effective at facilitating processes whose objective is to bring citizens together to talk to each other, and not directly to them. It is also not surprising that institutions that operate on the basis of accommodation largely achieved through internal debates would not be very comfortable with processes seeking accommodation among citizens. It can also be expected that institutions that are intended to represent citizens will be reluctant to recognize the legitimacy of other processes that enable citizens themselves to articulate values and debate options for public policy. Finally, it would be surprising if the executive, with its focus on controlling the political agenda and timetable, was interested in open processes such as citizen engagement.

All of the citizen engagement models that will be described later in this paper originated outside government. They are often funded by private foundations and managed by non-partisan, nonprofit organizations. Some of them involve networks of community associations – the core of civil society. This status means that they do not suffer from the credibility and legitimacy problems described earlier in this paper. At the same time, they do not regard their processes as being outside the political process or parallel to it, but rather focus on how they can contribute to that process.

The solution may lie in finding ways to “blend” representative democracy and citizen engagement. For example, elected representatives could participate in citizen engagement forums as individual citizens, thus giving them a better perspective on their constituents’ values on issues and the way they reach accommodation on different options. Parliamentary committees, rather than listening to a series of witnesses in towns across Canada, could instead participate in deliberative fora organized for them by local organizations. Royal commissions could include citizen engagement processes in their terms of reference. Governments could ask arm’s-length organizations to manage citizen engagement processes on issues on their agenda, and to issue public reports on the results.

Who to Engage

The purpose of citizen engagement is, as the term suggests, to engage *citizens*, not experts, interest groups or stakeholders. For some proponents of citizen engagement, particularly Daniel Yankelovich, this reflects a concern about the dominance of experts and empirical knowledge in public policymaking, and the relative absence of citizens who bring an “intuitive knowledge” to issues, but are easily intimidated by experts. Yankelovich argues that the dominant “culture of technical control is undermining the country’s ability to reach agreement between the public and experts on the serious problems that beset the society. We have lost this capability because the

Culture of Technical Control has developed a series of assumptions that work against bringing the public into constructive engagement with these problems.”²⁹

What are these assumptions? Some examples Yankelovich cites are³⁰

- that policy decisions depend essentially on a high degree of specialized knowledge and skills
- that only experts possess this knowledge
- that the public lacks the relevant knowledge, is concerned largely with its own pocketbook interests, and is likely to be apathetic to issues not directly related to these interests
- that where the public does have a view it is accurately reflected in opinion polls
- that elected officials know what the views of the electorate are and, by and large, represent them well
- that on issues where public understanding and support are mandatory, they can be achieved through “public education” where experts who are knowledgeable share some of their information with the public.

Robert Dahl takes a different tack in questioning the role of experts in policymaking. He argues that public affairs have become so complex that experts are generally no more competent over a range of issues than citizens, and may even be less competent. “Ironically, many of the basic qualities of experts conspire to impair their broader judgement: their narrowness of outlook, understanding, and values; their idiosyncratic biases reflecting their own narrow field of specialization; their unwarranted confidence in the applicability of a model or method that is at best valid only under certain very limited conditions; their all-too-human tendency to force highly complex phenomena onto the Procrustean bed of theory; their blindness to the impact of their own ideology on their analysis; and

their unwillingness or inability to recognize the limits of their own expertise.”³¹

As noted earlier with respect to representative democracy, proponents of citizen engagement do not argue that these processes should replace consultations with interest groups since these groups bring an expertise to the policy table that cannot be tapped through citizen engagement. They do suggest, however, that these processes can supplement consultation exercises designed to ensure that these sources of expertise are heard.

When to Engage Citizens and on What Issue

Some theorists and practitioners of citizen engagement have commented on the most appropriate points in the policy development process to engage citizens and on what kinds of policy issues. For example, Deborah Wadsworth of Public Agenda, in summarizing Yankelovich’s seven-stage model for moving from public opinion to public judgement (i.e., becoming aware of an issue; developing a sense of urgency about it; searching for answers; overcoming resistance and obstacles to finding a solution; working through options; accepting a solution intellectually; and integrating the solution into attitudes and behaviour) notes that standard consultation techniques “may be helpful at the early consciousness-raising stage but totally inappropriate when there is public resistance to needed change. At that point, greater give-and-take, understanding, and responsiveness are called for. When people are struggling with competing solutions, leaders and experts can help most by formulating realistic options and spelling out the costs and tradeoffs that accompany them, not by becoming entrenched in selling their own solutions.”³²

In a recent presentation on citizen engagement, Judith Maxwell suggested that governments need to engage citizens on difficult public policy choices at two stages: first, around values and principles before detailed proposals are developed, and then again after the proposals are developed, identifying

the choices and tradeoffs that have been made, and showing how the previous engagement process shaped the proposals.³³ Similarly, Stein, Cameron and Simeon suggest that with respect to engaging citizens in the context of conflict resolution, dialogue among citizens and governments is essential at the pre-negotiation stage to set out the parameters within which the negotiators will operate. Citizens can also become engaged in reviewing the draft or interim outputs of the negotiation process, and, depending on the nature of the negotiation, they may need to be engaged in the actual ratification of the final outcome of the process.³⁴

In the context of the four stages of the policy cycle described by Ray Rist (i.e., agenda setting, policy formulation, implementation, and evaluation),³⁵ it would appear that citizen engagement is appropriate at the agenda setting stage, including the identification of desired outcomes, since this is when values most come into play. It is also useful at the policy formulation stage, so that citizens become engaged in working through the choices and tradeoffs involved in policymaking. It may or may not be useful at the implementation stage, depending on whether values or significant choices/tradeoffs are at stake, and would only be necessary at the evaluation stage if outcome results suggest that priorities should change or programs reconfigured to reflect different choices.

Theories vary about the kind of issues on which governments should engage citizens. Some argue that it is easier to engage citizens at the local level on issues that have a direct impact on them, although many of these may simply trigger NIMBY (not in my backyard) responses. Others have noted that citizens quickly become engaged in the context of a crisis, although a crisis may not always generate a deliberative consideration of the issue at stake. While some argue that citizen engagement cannot deal with complex national policy issues, proponents of citizen engagement cite the failure of the Clinton health care reform as an example of a national issue that would have benefited from a deliberative approach that focussed on values and expectations.

A general conclusion may be that any public policy issue that involves potential conflicts in values, difficult choices or tradeoffs, or is expected to have a major impact on citizens, is an appropriate issue for citizen engagement, whether it is a modest local problem or a complex national issue. In the case of the social union, this means engaging citizens around issues dealing with schools, hospitals, programs for children and persons with disabilities, income security programs for seniors, pensions, the delivery of social services, the development and maintenance of pan-Canadian principles, skills development, equalization, and perhaps others. In short, most of the social union!

A Brief Overview of Traditional Consultation Exercises

Governments began to promote public participation in the late 1960s, in a wave of enthusiasm for participatory democracy, which Susan Phillips has reminded us was a part of Trudeau's Just Society. She also points out that public participation in the 1960s implied "at a minimum, a two-way exchange of information and, at best, shared decision making. Consultation is a term made popular in the 1980s which stresses information exchange, but excludes joint decision making as a possibility."³⁶

Over time, governments have become increasingly sophisticated in their experimentation with new techniques for consultation, their use of consultation in exercises such as business planning and on very specialized issues, and their ability to reach thousands of citizens. While, as was argued earlier, there is a significant difference between traditional consultation and citizen engagement, some recent consultation exercises have been quite innovative in the way they have sought public participation and meet many of the criteria proposed earlier in the paper for citizen engagement. For example:

- over a period of just four months in 1991, 700,000 Canadians participated in 13,031 group discussions and 13,313 classroom discussions through the Citizens' Forum on Canada's Fu-

ture, demonstrating that large numbers of citizens can become “engaged” on national issues in a very brief period of time. The Forum’s mandate and the initial thinking of the Commissioners anticipated a citizen engagement process, and it can be argued that the results demonstrate that the Forum might have pulled it off with more time, especially lead time to prepare information material, and the ability to use technology, both as a mechanism for dialogue and to tabulate and feedback results more quickly. The Forum model deserves some attention as discussion begins about whether and how to use “bottom-up” exercises to engage citizens on national unity. It would need to be updated, however, to reflect more recent experience with large-scale citizen engagement models;

- the six Constitutional Conferences organized by arm’s-length organizations in 1992 had elements of deliberation in their processes and included “ordinary citizens” as participants, along with experts and interest groups. They were not always successful, however, in overcoming the intimidation sometimes felt by citizens in consultative forums involving politicians and interest groups;
- over a three-year period, from 1992-95, over 20,000 citizens participated in the development of Vancouver’s City Plan. A wide range of techniques were used by city officials, such as study circles, a Choices Workbook, a three-day “Ideas Fair,” television shows, newspaper inserts, and a “Futures Tent” visited by 15,000 people, which provided material on four possible futures for the city and questionnaires for visitors to indicate their preference;
- Alberta has used a number of different approaches to engaging the public in a wide range of exercises. For example, as part of an ongoing process, in November 1996, Alberta’s Minister of Advanced Education held a two-day Adult Learning Forum of 220 participants to review the department’s business plan, recommend areas for priority action, and identify future

challenges. In 1993, more than 3,300 Albertans from 65 communities participated in an extensive consultation on the design of children’s services, which led to the creation of Regional Steering Committees of citizens with a mandate to coordinate community planning processes for the development of a service plan for the region. At the end of September 1997, Alberta held a Growth Summit to consider where Albertans want to be in the year 2005, and the public and private policies required to get there;

- in February and March 1995, the province of Quebec undertook “the most sweeping consultation in its history.”³⁷ It established the National Commission on the Future of Quebec to seek citizens’ views on draft legislation on the government’s sovereignty proposals. Fifty-five thousand citizens attended 435 public gatherings at which 5,000 oral presentations were made, and 5,500 briefs were submitted to the Commission. The results of this process had a direct impact on the specific wording of the 1995 referendum question;
- the federal and provincial governments recently undertook a joint consultation on the Canada Pension Plan, using panels of federal, provincial and territorial elected representatives supported by a joint Secretariat, demonstrating that in areas of joint responsibility, there is potential for jointly managed citizen engagement processes;
- in 1996, the New Brunswick government asked an all-party committee to consult citizens on the fairly esoteric but important subject of the demographic issues likely to impact on the development of public policy in the province, suggesting that the range of issues in which citizens are interested may be unlimited, depending on how they are presented;
- royal commissions are one form of representative democracy, which Jane Jenson suggests have provided “alternative routes to representation, which are neither the traditional electoral nor interest group channels.”³⁸ As a result, they have

often generated controversy on issues dealing with representation, including the membership of the Commission, participants in their activities, the impact of their procedures, and the focus of their research agenda. On the other hand, the Berger Commission on the Mackenzie Valley pipeline and the Royal Commission on Aboriginal Peoples were lauded for their efforts to encourage participation. Jenson concludes that we may have entered “a new era in which royal commissions, along with other institutions of representation, will be called upon to democratize their ways of learning”;³⁹ and

- Newfoundland’s recent referendum on denominational schools is an example of increased usage of this mechanism in Canada, particularly in the context of the Constitution. Widely used in the United States and at the municipal level, this technique has the potential to increase citizen engagement but is fraught with design issues such as the wording of the question, the availability of objective information, the absence of deliberative processes, and the implications of non-binding referenda.

Models of Citizen Engagement

This section of the paper provides a brief overview of a range of approaches to citizen engagement, which have been implemented in the United States and in Canada. The models build progressively from an individual-based model to small group models and then to large group and community-wide models, and conclude with some Canadian experiments with these models. Some of the case studies presented deal with local issues and others with national issues, although most of the techniques can be adapted to both. While some models have been operating for over 20 years, others were only very recently put in place and are still at the experimental stage. Nonetheless, the cumulative impact of this range of models and their success to date provides some reassurance that the theory of citizen engagement can be translated into practice. While there are clearly major hurdles to overcome

and many practical operational issues to address, these models do provide some guidance about what works and what additional thinking needs to be done to improve them.

1. Televoting

While this approach does not include the citizen deliberation dynamic of most of the citizen engagement models described below, its proponents argue that it does provide a quick, convenient, and low-cost way to obtain the views of interested citizens, including the perspective of citizens who might not feel comfortable participating in a group deliberation or, for whatever reason, are normally unable to participate in such activities.

A televote system model generally involves four steps: first, relevant facts and opposing views on a number of options on a particular issue are sent to all interested citizens who have registered as televoters; then, after a week, televoters express their preferences on these options by dialling a specific telephone number for their preferred option; a computer tabulates the number of votes for each option; and the fourth and final step involves the release of the results to public officials and the media a day or so later. Generally, in addition to the voluntary televoters, a representative sample of the population is asked to televote regularly. Continuing efforts are made to attract televoters from all cultural and socio-economic groups.

Televoting was used by the San Jose Unified School District for seven months during the 1973-74 school year. During the seven months there were nine televotes on 30 specific questions about 14 issues. Five thousand five hundred citizens registered as televoters from a total population of 180,000, and an average of about 700 voted on a given issue. A typical example of an issue on which there was a televote was how much time high school student should be involved in out-of-school learning activities, such as field trips, community work, tutoring younger children, or developing a skill or craft not offered in school.

While proponents agree that televoting will not replace other vehicles, they argue that it offers the potential of overcoming the low motivation of many citizens to participate in civic matters by making it easy and convenient, and providing a way for people without public speaking skills to influence decisions. Critics of this new form of “plebiscitary democracy” argue that it is simply a more sophisticated approach to instant polling, which had led proponents to attempt to design more deliberative approaches.

2. Study Circles

The study circle is a process for small-group deliberation that involves 10-15 people who meet regularly over a period of weeks or months to address a policy issue, using a trained facilitator and techniques to ensure that all perspectives are respected and common ground is discovered. Participants receive background material to inform the discussion, and follow a three-step dialogue process, which progresses from a session on personal experience (how does the issue affect me?) to sessions providing a broader perspective (what are others saying about the issue?) and finally to a session on action (what can we do about the issue?).

The Study Circles Resource Centre is a non-profit organization established in the United States in 1990 to promote the use of study circles on public policy issues. It is funded solely by the Topsfield Foundation, a private, nonprofit, non-partisan foundation whose mission is to advance deliberative democracy and improve the quality of public life in the United States. The Resource Centre organizes and distributes information materials free of charge to organizers of community-wide study circle programs, and provides technical assistance to the organizers.

In most communities, an initial interested organization builds a sponsoring coalition of 10 to 30 organizations, such as churches, neighbourhood organizations, and clubs. This coalition organizes large numbers – in some cases thousands of citizens –

into study circles to discuss a public policy issue. Citizens are motivated to participate because they believe that they will have an impact on the issue by being involved in a community-wide exercise involving hundreds or thousands of citizens and sponsored by key community organizations.

In 1992, Lima, Ohio, became the first city to create a community-wide study circle program, but since then 19 communities in the United States have undertaken programs and 90 are currently planning programs. Study circle programs can be long-term projects, such as the Lima, Ohio, program, which is still in place and has moved from a focus on race relations to a concern about violence, or short-term, focussed projects such as the year-long Minneapolis Quality Schools Study in 1992-93, which involved 40 study circles formed to help citizens discuss major objectives for the city’s schools.

3. Citizens Juries

Citizens juries bring together a small number of people, randomly selected from the population, to hear expert “witnesses” on a particular issue, deliberate over a short period of time, and issue recommendations to the press and the public. The process was developed by the Jefferson Center in Minneapolis, Minnesota, which is a non-partisan, nonprofit political research and reform organization. Since 1974, the Center has organized 12 citizens juries on local and state issues. But it is perhaps best known for its first national citizens jury, which met for five days in January 1993 to “determine what priorities and difficult decisions [the United States] must make to rejuvenate the economy and ensure long-term growth and prosperity.”⁴⁰ The primary recommendation of the jury was a budget proposal for 1997 with a deficit lower than both those of the President and the Congressional Budget Office. The 24-member jury recommended increased taxes of \$70 billion to finance desired programs such as health care, workfare, day care, and retraining for workers, and cuts in spending on defence and social security.

4. Search Conferences

The search conference methodology was first used in 1960 and since then has gone through a great deal of experimentation and innovation, and has been used in a wide range of public and private settings. It was designed as an approach to participative strategic planning and community development grounded in behavioural science principles. A search conference is “a participative event that enables a large group to collectively create a plan that its members themselves will implement. Typically, 20 to 35 people from a community or organization work progressively for two to three days on planning tasks, primarily in large-group plenary sessions. They develop long-term strategic visions, achievable goals, and concrete action plans.”⁴¹ While private sector organizations see them as a vehicle for participative strategic planning that is responsive to fast-paced changes in the environment, communities have used them to “bring together people with diverse and often conflicting perspectives on complex social issues, such as the environment, education, economic development, and public safety.”⁴²

Search conferences use small and large group discussions in which participants scan their environment, explore their system’s past and present as a basis for planning for the future, and develop strategic goals and action plans. The focus is on *action*. The methodology focuses almost exclusively on oral interaction, building on McLuhan’s insight that modern culture’s focus on “linear lines of type and print tend to introduce a linear, one-thing-follows-another view of the world.”⁴³ It is also based on behavioural theories about the interaction of behaviour and environment, including people’s ability to change their goals under new conditions, and their willingness to set aside conflicts when they see that they share a common purpose or goal. By providing a context that emphasizes finding commonalities, the search conference methodology allows people to argue about issues in the knowledge that they share the common goal of developing strategies for the future.

Search conferences have been used by communities to develop action plans for education reform and resolve regional resource management issues, by Norway to discuss “the future of North Sea oil and gas,” and to resolve an international dispute between Singapore, Malaysia, and Indonesia. They have been used in Australia to engage youth in town planning and communities in designing transportation systems. While it is a methodology that is implemented at the local level, it can be used to examine national issues, such as those encompassed within the social union.

5. Public Agenda and National Issues Forum

Public Agenda is a non-partisan, nonprofit organization founded in 1975 by Daniel Yankelovich, a public opinion analyst, and former Secretary of State Cyrus Vance. Its purpose is to understand and clarify the public’s views on public policy issues and provide effective information to citizens so that they can make more informed, and more thoughtful decisions. “By providing these much-needed services, Public Agenda helps Americans participate in the policy-making process and enables leaders to respond more effectively to those they serve.”⁴⁴

Public Agenda currently performs three functions:

- 1) conducts traditional public opinion surveys and focus groups;
- 2) prepares Issue Books and writes final reports from National Issues Forums for the Kettering Foundation and the National Issues Forum Institute; and
- 3) organizes and supports deliberation forums with other partners.

In late 1997, Public Agenda also launched an Internet site to provide current analysis of public attitudes and background material on 15 major

public policy issues as a resource for journalists.

Public Agenda seeks to both inform leaders of the “public judgement” on public policy issues, as distinct from “top-of-mind” public opinion, and to provide forums for citizens to engage in an informed and deliberative dialogue on complex issues. An example of the first objective is Public Agenda’s analysis of citizens’ views on national health insurance in the United States. Although public opinion polling suggested that there was broad support for ideas such as “national health insurance,” Public Agenda showed that in fact most Americans did not understand either the causes of the health care crisis or the implications of proposed solutions such as national health insurance. “Public Agenda’s work led national decision makers to rethink proposed solutions, and encouraged news media and public opinion analysts to reconsider widely-held assumptions about the public’s point of view.”⁴⁵

An interesting example of Public Agenda’s deliberative forum process is its work in 1995 with the Institute for Educational Leadership (IEL) to bring together forums of citizens, community leaders, and experts to deliberate on issues facing schools. Deborah Wadsworth of Public Agenda notes that over six years of studying the attitudes of the players in education reform, the Public Agenda “has repeatedly documented the enormous gap that exists between experts and citizens over this issue.”⁴⁶ She argues that the resulting lack of communication is responsible for the continuing erosion of the public’s confidence in their schools and their suspicion about proposed reforms. To try to overcome this problem, Public Agenda designed a project entitled “Public Conversations about the Public’s Schools,” funded by the Charles Stewart Mort Foundation, the Pew Charitable Trusts, the Procter & Gamble Fund, TRW Inc., and the George Gund Foundation.

Based on the results of a national survey and focus groups, Public Agenda and IEL developed “discussion-starter” scenarios on six educational issues: school standards, parent involvement, teaching methods, school funding, school choice, and purposes of education. These were designed using the “choice work” methodology in which three or

more alternative but credible perspectives are presented. Options are framed this way to avoid what can be simplistic debates about two polar opposite alternatives. For example, the three scenarios presented on parental involvement, along with their pros and cons, were: active parental involvement through a school management council; active parental involvement to support their children’s education at home, for example, by supervising homework; and the schools picking up the slack caused by broken homes, two-earner families, and social problems.

This material was then used at 10 meetings of 75-100 people, which included an initial plenary session, small group meetings of 15-20 people focussing on two of the six issues, and a wrap-up plenary session to report and discuss next steps. Although the meetings lasted four hours, Public Agenda found that “needed more time” and “have longer meetings” were the most frequent responses to the questions in the post-meeting questionnaire.

The National Issues Forum Institute (NIF), chartered in 1987, was created by a group of civic and educational organizations to promote public deliberation. They began by asking the Kettering Foundation and Public Agenda to prepare issue books for National Issues Forums organized by these groups through the National Issues Forum Network. Each year, three issues are identified through polling and focus groups as issues of concern to citizens. Issue books and video guides providing background information on these issues and options presented in the choice work format are then used by the informal Network of civic and educational organizations at small “study circle” meetings of 5-15 people who meet over a period of weeks or at large town hall style meetings with over 100 people. The aggregated results of each year’s forums are presented in an annual report and through the annual “A Public Voice” program on public television. For example, in 1995-96 one of the issues discussed at National Issues Forums was “The Troubled American Family: Which Way Out of the Storm?” The final report was based on 1,181 ballots from forums and three focus groups,

two with a demographically representative sample and one with African-American and Hispanic participants. The focus groups are used to compare the results of the randomly selected groups with the self-selected forums, and to address any demographic imbalances in the forum participants.

6. *Deliberative Polling*

James Fishkin, arguing for the ideal of “face-to-face democracy,” proposes four conditions for such an ideal:

Political equality: citizens’ preferences count equally in a process that can plausibly be viewed as representative of everyone. Deliberation: a wide range of competing arguments is given careful consideration in small-group, face-to-face discussion. Participation: a significant proportion of the citizenry is engaged in the process. Non-tyranny: the political process avoids, whenever possible, depriving any portion of the citizenry of rights or essential interest, and the “tyranny of the majority.”⁴⁷

Fishkin argues that, in the United States, the “elite democracy” of the Federalists, whose representative model won out over the referendum model of the Anti-Federalists, is now challenged by “mass democracy,” represented by public opinion polling and radio talk shows. “The elite democracy of the founders, which emphasized deliberation and non-tyranny but downplayed both political equality and participation, has given way in successive battles and innovations to a form of democracy that attempts to promote political equality and participation – often at the expense of deliberation and non-tyranny.”⁴⁸

To Fishkin, the major flaw in mass democracy is that it neglects deliberation. He argues that we need to find a way to move beyond mass democracy to a “democracy of civic engagement” that reflects all four conditions of democracy, and in particular, deliberation. His proposal is to create forums for face-to-face deliberation and to engage the media in supporting this deliberation.

Fishkin rejects techniques such as televoting and town hall meetings, the former because it does not include deliberation and the latter because it is not representative of the population. While he agrees with Yankelovich’s theory of public judgement and believes that the Public Agenda and National Issues Forums facilitate deliberation and are therefore an improvement over polls, he points out that these forums are generally not representative of the general population. Fishkin’s model of “deliberative polling” builds on some of the techniques used by Public Agenda and the National Issues Forums as well as the new interest in civic journalism. It “attempts to model what the public *would* think, had it a better opportunity to consider the issues at hand.”⁴⁹

In the deliberative polling process, a national random sample of citizens is brought together for two or three days to discuss an issue. After completing a survey, they are given objective reading materials and have an opportunity to ask questions to competing experts and sometimes politicians. They participate in plenary sessions and small group discussions. At the end of the process, they are polled in detail on their opinions on the issue to determine whether and how their opinions have changed as a result of the process. In this way, Fishkin argues, “the resulting survey offers a representation of the considered judgements of the public – the views the entire country would come to if it had the same experience of behaving more like ideal citizens immersed in the issues for an extended period.”⁵⁰

The first televised deliberative poll was held in Manchester, England, in 1994 on the issue of “Rising Crime: What Can We Do about It?” A baseline survey of 869 citizens was done with a random sample chosen from the electoral register. The 300 people from the initial survey who attended the deliberative poll were statistically representative of the original baseline survey. Most importantly, the 300 people had the same views on crime as those in the baseline survey.

Fishkin argues that the results of this process were different from those of an ordinary poll in two

ways. First, the 300 participants not only read the briefing material sent to them in advance but they also started reading newspapers and talking to friends about the issue. As Fishkin notes, “their views thus immediately became unrepresentative of public opinion in the conventional sense.”⁵¹ Second, while they remained tough on crime, “they demonstrated a new appreciation for the complexity of the issues, the conflict of values the issues posed, and the limitations of any one solution.”⁵² He found that the participants recognized the limitations of prison as a tool for reducing crime and therefore focussed on rehabilitation and on different treatments for first-time juvenile offenders; they increased their sensitivity to the procedural rights of defendants; and they significantly increased their opposition to the police “cutting corners” to secure convictions. Fishkin concludes that through this process, the New England town hall meeting, which to many Americans is the ideal of face-to-face democracy, can be adapted to the large nation-state.

7. Open Spaces

There have been many experiments seeking to engage large groups in short-term, deliberative processes. Some of these emphasize the importance of the interaction being self-directed, that is, that participants themselves determine the agenda and manage and take ownership of the process. One example of these approaches is the “Open Space” methodology, which involves large groups (as many as 500 people) meeting to discuss an issue.

In a recent Canadian example, the issue was a proposed merger of hospitals, and the participants were the wide range of hospital employees and stakeholders who would be directly affected by the ultimate decisions taken. The meeting began with the moderator laying out the theme of the meeting, and asking participants to identify specific problems or issues that would have to be addressed in implementing the merger. Participants who proposed issues also undertook to convene a small group discussion of the problem and possible solu-

tions, and to post the time and location of the meeting on a large bulletin board. After the issues were all posted (in this particular case, over 100 issues were proposed) and participants signed up to discuss particular issues, small groups met for the rest of the day and most of the next day. After each meeting the convenors wrote up the results of their meeting with the help of a small secretariat. These were posted on the bulletin board for everyone to read. There were plenary meetings to review progress, and at the end of the two days, all participants received a copy of the full proceedings as they left the conference.

Through this process, participants determined the meeting agenda and took ownership for finding results. The managers and boards of the hospitals involved obtained a perspective on the wide range of issues and concerns of employees and stakeholders which they might not have identified themselves. In exchange they gave up control over the process since they did not determine the agenda of the meeting. Although the ultimate responsibility for decision making continued to reside with the hospital boards, providing feedback to participants was essential to respect the legitimacy of the process, because expectations were raised about their response to recommended solutions. As a result of this process, the boards’ decisions were more informed, and the hospital employees and stakeholders felt that their engagement in the process had had an impact on these decisions.

8. Electronic Town Meetings

Increasingly, television and computer technology are being used in efforts to increase citizen participation. But as the authors of *The Electronic Commonwealth: The Impact of New Media Technologies on Democratic Politics* argue,

Many features of the new communications environment, especially the speed and volume of information exchanges today, make it likely that in the future we will see more, not less, of electronic plebiscites, voting from the home, and

instant polls. If this happens, the new media will impoverish not enrich, the sustained public debates through which democracy thrives. Only if the technology is used to provide instruments for collective deliberation will the new media prove an ally of citizenship and participation.⁵³

Electronic town meetings (ETMs) are one form of what has been called “electronic democracy,” that is, the integration of new technologies into our system of governance. The title obviously is derived from the New England town meeting model, but as Halley and Horn point out, there are major differences between the two concepts. While the purpose of New England town meetings was to make final decisions for the community, the purpose of ETMs is not to make decisions but “to increase deliberation and consensus building among citizens, experts, and politicians during and between elections through a systematic process that includes electronic media (usually television, but also radio, computer and telephone).”⁵⁴ Other distinguishing features of many ETMs are the use of specially trained moderators to aid deliberation and consensus building; the recruitment of a representative sample of the population as participants; the distribution of material to participants to ensure an informed deliberation; and sometimes the use of polling before, during, and after the meeting to try to capture the direction of any consensus that may emerge from the process.

Although experiments with ETMs began in the early 1970s, as in the case of many citizen engagement processes, methodologies and techniques continue to evolve, and indeed, vary considerably. ETMs can use different combinations of broadcast and cable television, touch-tone phones, audio linkages, and computers. Sometimes there is a “studio audience” as well as viewers whose opinions are obtained through telephone calls. The general format is to bring together studio audiences, remote groups and/or television viewers in their homes to discuss and register their opinions on a public policy issue.

One early experiment, which demonstrated the potential for ETMs, occurred in Reading,

Pennsylvania, in 1976. A pilot program using interactive, multichannel cable television was developed to link three senior citizens centres. The centres were given television cameras and video-recording equipment so that the seniors could produce their own programs and then share them through cable television. Converters were also installed in the homes of 125 seniors so that they could also receive the cable programming. Although the initial design of the project did not include political programming, when it became clear that the seniors wanted to talk with city officials, video conferences with elected officials were set up. As a result of this experiment, all city budget and community development hearings are now conducted by two-way cable. Citizens can participate at hearings on-camera by visiting neighbourhood centres equipped with television cameras or they can ask questions from home by telephone. The comments from citizens who telephone are treated the same way as testimony from witnesses appearing in person.

9. Civic Journalism

Civic journalism arose from two very different but ultimately complementary motivations. During the 1990s, journalists became increasingly concerned about the decline of public participation in civil affairs, which is critical to the future of journalism, since “citizens who don’t participate have little need for news.” They also began to recognize that newspapers had become detached from their own communities. As they considered how to respond, “to some, the clear objective [was] better journalism, with invigorated public life a desirable but secondary objective. To others, enhanced public life [was] the end itself, and journalism [was] the means.”⁵⁵

The Executive Director of the Pew Center for Journalism in the United States, which is funded by Pew Charitable Trusts, argues that “civic journalism is about providing people with the news and information they need to allow them to function as citizens, to make the decisions they are called on to

make in a democratic society. It is an effort to reconnect with the real concerns that readers and viewers have about the things in their lives they care most about – not in a way that panders to them, but in a way that treats them as citizens with the responsibilities of self-government, rather than as consumers to whom goods and services are sold.”⁵⁶

Civic journalism often focuses on improving election campaign coverage to increase citizen involvement. For example, in 1994, the Poynter Institute for Media Studies worked with National Public Radio in five American cities to engage the leading newspaper and public radio station, and in some cases television station, in each city to involve citizens in their campaign coverage through polls and interviews to identify the citizens’ concerns; issue forums and town meetings to discuss these issues, supported by the Kettering Foundation; candidate meetings at which speakers and candidates discussed these issues; and citizen advisory panels that advised the media on their election coverage.

A different model of civic journalism is evident in the experience of a small newspaper, the Ledger-Enquirer of Columbus, Georgia, which ran an eight-part series, called “Columbus: Beyond 2000” examining the social and economic problems that would have an impact on the community over the long term. The series received no attention from the public, because, according to Jay Rosen, a journalism professor, “the community lacked organization, leadership, debate. It had a government, but it lacked politics – ‘public politics’ – [meaning] a politics based on citizen engagement and serious dialogue between citizens and leaders.”⁵⁷ In response, the newspaper took the lead in creating a new civic organization called United Beyond 2000, which organized community task forces led by volunteers to examine specific issues such as recreation needs, child care, race relations, and the problems of teenagers. After a year of continued town meetings and editorials and further coverage in the newspaper, the city adopted a new strategic plan. As David Broder said, the example shows how to “reimagine the position of the journalist in politics. Instead of standing outside the political community and report-

ing on its pathologies, they took up residence within its borders [and became] activists ... on behalf of the process of self-government.”⁵⁸

10. Canadian Experiments

While Canadian experiments with these American models of citizen engagement are not widely known, many examples exist. For example, search conferences were introduced into Canada in the 1970s through the Ontario Centre for Quality of Working Life and Eric Trist, when he was at York University. The National Health Forum used deliberative polling techniques in its public consultation process. Televised group discussions on the Constitution used citizen jury and other deliberative techniques. But three experiments in particular warrant attention.

Assembly '96 — In August 1996, Canada West Foundation, the Council for Canadian Unity, and the Atlantic Provinces Economic Council organized *Assembly '96* – “Canada’s first experiment in deliberative democracy.”⁵⁹ A random sample of 97 young Canadians were brought together for seven days to discuss Canadian values, the economy, national unity, and representation and participation. Participants were selected on the basis of a public opinion poll. They began the assembly by completing a survey and then read workbooks on the issues and listened to some 18 “experts.” They then spent about half of the 40 hours of the assembly in workshops, discussing the four issues. At the end they completed a second survey.

In the final survey, almost 80 percent of participants reported a change in their opinions as a result of the assembly. The Summary Report of *Assembly '96* indicates that of that 80 percent, 65 percent said it was their attitudes toward national unity that had changed. The Report notes that “large swings in opinion occurred on the unity issue. Following the assembly, support for status quo federalism fell dramatically from 64 to 22 percent. Support for some type of undefined special status for Quebec grew from under 10 percent to almost a third.

Support for the more familiar ‘distinct society’ increased significantly from 34 to 74 percent. Support for a general devolution of powers to the provinces also grew from 67 percent on the first survey to 89 percent on the second.”⁶⁰

The assembly organizers plan to conduct another survey among the participants to assess the long-term effects of the assembly. Plans are also being made for another assembly.

The Society We Want — The Society We Want (TSWW) is a Canadian public dialogue process, which was launched in 1996. It is coordinated by CPRN and was initially funded by three foundations: the Laidlaw Foundation, the J. W. McConnell Family Foundation, and the Walter and Duncan Gordon Charitable Foundation. In 1997, it is being funded by the Trillium Foundation, the Vancouver Foundation, the Walter and Duncan Gordon Charitable Foundation, and the HongKong Bank. A number of non-profit organizations, such as the United Way of Canada, Community Foundations of Canada, and the Anglican Church of Canada are involved in the project, both as organizers of public dialogues and participants on its Advisory Committee.

“TSWW is a dialogue kit and partnership process designed to help citizens work through their values and preferences with respect to social policy... [and] bring the deeply held values of citizens to the policy decision-making process.”⁶¹ It is similar to, and yet different from, the Public Agenda and National Issues Forums described earlier. It uses the choice work methodology and includes issue guides with facts, options, and pros and cons on five issues: Our Children, Work, Health, the Social Safety Net, and the Role of Government. Civic associations organize small groups to attend two-hour meetings to discuss one or more of these issues. The results are summarized in feedback forms, which can then be tabulated and compiled in reports to policymakers. More than 200 groups have participated in the process to date.

TSWW differs from Public Agenda and National

Issues Forums in its focus on clarification of values, rather than specific public policy issues. It seeks to provide a deeper view of fundamental values and particularly the tension that exists among some of these values, as identified in Suzanne Peter’s study entitled *Exploring Canadian Values – Foundations for Well-Being*. The outcome, therefore, is values clarification rather than public policy recommendations. Some communities, such as Guelph, Orangeville, Thunder Bay, Red Deer, and Peterborough, have found TSWW to be useful in stimulating a community dialogue about their values and needs and to build partnerships. Certainly, a key objective of TSWW in its first year was to build a network to help build a public dialogue capacity in communities. This focus explains why there is less emphasis in TSWW on providing information to participants and less concern about self-selection of participants rather than a representative sample. It also means that its impact on public policy may be more indirect than that of Public Agenda or the National Issues Forums in the United States.

Peak Fires — Peak Fires is a non-partisan, non-profit organization created by a group of federalist and sovereigntist citizens after the 1995 referendum. Its purpose is to encourage groups of Canadians to discuss “the national question” (not national unity) in a process that builds understanding, dignity, and respect between people while respecting their differences. It is intended to be a modern version of the beacons or signal fires that communities in the past used to communicate with each other in a way that “transcended culture, language, and politics.”⁶² Its process is much less structured than any of the other processes examined in this paper, and the task of its teams of volunteer citizens trained to moderate dialogues “is not to seek consensus or enter into win-lose debates. Instead they will talk to other citizens about their dreams and ideas for the future.”⁶³ The results of these dialogues will be shared with participating communities so that an evolving data base of ideas can be created and discussed at a conference to be held in 1998. To date, three groups have met in Regina, Montreal, and Ottawa.

Conclusion

Two additional issues need to be touched on before turning to the question of how to apply citizen engagement to the social union. The first is a general assessment of the effectiveness of citizen engagement and the second deals with the barriers to its implementation in Canada.

The effectiveness of citizen engagement needs to be assessed at two levels: the first is its impact on the participants and the second is its impact on public policy. The Kettering Foundation publication entitled “Making Choices Together: The Power of Public Deliberation” concludes that “based on the results of thousands of forums, the initial effects seem to be personal.”⁶⁴ Many of the processes described in this paper include a participant questionnaire to be completed at the end of the process. The Summary Report from Assembly '96, the participants' survey from the Manchester deliberative poll, and an evaluation of the process organized by Public Agenda and the Institute for Educational Leadership all found high levels of satisfaction with the deliberative process, both as a learning experience and as an opportunity to discuss issues with others. All of the evaluations found that the views of participants had changed as a result of listening to other perspectives. For example, “a study of citizen deliberations by Public Agenda found that about half the participants (53 percent) change their minds. A much larger percentage (71 percent) said they have second thoughts about their opinions, even though they did not change their minds. More than three-fourths (78 percent) say they encountered viewpoints different from their own and thought those views were good.”⁶⁵ The majority indicated a desire to participate in further discussions and indeed to participate in organizing such events. Public Agenda staff and TSWW organizers report that often, even after three- and four-hour discussions, participants wish they had more time to continue the discussion.

The impact of citizen engagement on public policy is more difficult to assess. As the Kettering Foundation notes, “when people ask if public delib-

eration influences the positions that politicians and governments take on issues, they often want an unqualified yes or no answer. Either response would miss the way deliberation influences policy, which is gradually and cumulatively... On major issues, it can take a decade or more to change policy. The role of deliberation is to keep that long journey on track and out of unproductive complaining and blaming.”⁶⁶ Two points are clear: first, participants in deliberative processes always want to know if the results of their deliberation will be taken into account by the policymakers; and second, deliberative processes have the potential to provide policymakers with information they need and often do not have, and to change the relationship between citizens and policymakers into a genuine partnership.

Despite these claims about the potential for citizen engagement, it is readily apparent that there are fundamental barriers to its development to any significant extent in Canada. These include, but are certainly not limited to:

- the increasing demands that citizen engagement places on individuals at the same time as schools cut back on civic education; some of their graduates may not have the cognitive capacity and public speaking skills required for the deliberative processes discussed in this paper;
- the resistance of vested interests to the partnership implicit in the new relationship between the governed and the governing proposed by Dahl, Barber, and others, which is critical if governments are to “let go of the process” and seriously engage citizens in a deliberative way;
- the need to address tensions between representative democracy and citizen engagement, and agree on how to balance calls for “leadership” with the demands of citizens for involvement in discussions about their future; and
- the lack of basic infrastructure and funding in Canada to support significant efforts to engage citizens, in contrast to the infrastructure and funding provided by non-partisan, nonprofit

foundations and organizations in the United States.

In the face of these lofty claims for the potential for citizen engagement and the formidable barriers to its implementation in Canada, this paper can only speculate about how it might be applied in the case of the social union and raise questions about its potential impact. How could intergovernmental processes be adapted to include citizen engagement processes? How would citizen engagement affect these processes?

Five questions need to be addressed in considering how to design a citizen engagement process for the social union:

1. Should it take a global approach to the social union or a sectoral approach that could then be rolled up, if appropriate?
2. Should it focus on broad issues such as values and principles for the social union or more specific issues such as outcomes (which may just be an easier way to express values)?
3. Should the federal and provincial governments manage separate exercises or organize joint processes?
4. Should the process be managed by representative democracy institutions or by organizations at arm's length from government?
5. Should the process have a deadline or have scope to be an ongoing process?

To stimulate discussion at the roundtable, the following model is proposed:

- the First Ministers should give the Federal-Provincial-Territorial (FPT) Council on Social Policy Renewal a mandate to coordinate a citizen engagement process on the social union jointly managed by the federal and provincial governments;
- the FPT Council should work with the Sector

Councils to organize citizen engagement processes to identify desired outcomes in one or more sector, e.g., health, education, labour market development, programs for children, and programs for persons with disabilities;

- cross-sectoral issues in the social union such as equalization, mobility, access to services, pan-Canadian principles, use of the federal spending power, and mechanisms to promote adherence to pan-Canadian principles, etc., should also be the subject of citizen engagement processes;
- each sector should commission arm's-length organizations to build networks of civic organizations to organize deliberative processes in their sector;
- governments should jointly prepare objective written and video material for each process or engage arm's-length organizations to prepare the material;
- organizations such as Statistics Canada should be asked to provide information to support the process;
- media across the country should participate in the process;
- the Sector Councils should be asked to report on the results of their process to the FPT Council on Social Policy Renewal;
- the FPT Council should roll up the sector council reports and submit a report to a First Ministers Conference;
- First Ministers should commission Statistics Canada to collect data on the agreed outcomes for each sector and to submit an annual report to First Ministers to be made public upon submission; and
- new processes should be initiated by the FPT Council as appropriate.

Conclusions from the Roundtable (Excerpt)

The questions addressed in the plenary discussion were:

1. Is the case for more deliberative processes of citizen engagement persuasive or do the problems and barriers to such processes preclude their implementation?
2. How should we deal with the tensions between representative democracy and citizen engagement? Are the proposals in the paper to “blend” the two credible and viable? What are the alternatives?
3. What if anything should governments do about the lack of infrastructure for citizen engagement in Canada? What can governments do to increase capacity for engagement?
4. How would citizen engagement processes affect the roles of experts and interest groups?
5. How would citizen engagement in the social union affect intergovernmental relations? How would it affect the relations between citizens and the federal government and citizens and provincial governments?

Rationale for Citizen Engagement

The first question posed to participants asked them to assess whether the case made for deliberative processes of citizen engagement in the paper was persuasive or whether the problems and barriers to such processes precluded their implementation. One participant noted that the paper had suggested that the effectiveness of citizen engagement could be assessed both from the perspective of its impact on individual citizens and communities and its impact on policy. It appeared that some proponents viewed citizen engagement as having an intrinsic good, irrespective

of its impact on public policy, while others thought it was only worthwhile if it had a direct impact on policy.

There were differences of opinion at the roundtable about the potential for citizen engagement processes. Some participants worried that such processes might just become yet another way for governments to manage public opinion. While some participants were optimistic that such processes could increase citizens’ influence, particularly in their local communities, others were quite sceptical that such processes would really enable citizens to participate in decision making since those in power were unlikely to agree to share this power with citizens. As a result, citizen engagement processes could be dominated by participants representing middle and upper class interests. A possible way to deal with this concern was a proposal to broaden the definition of citizen engagement to include mechanisms of direct democracy, such as referenda.

The discussion of the rationale for citizen engagement blended with answers to the fourth question posed to participants on how citizen engagement processes would affect the roles of experts and interest groups. Some participants noted that most of the citizen engagement models described in the paper had been developed in the United States, presumably to address concerns about the strength and capacity of civil society in that country. They suggested that this rationale might not apply to Canada, which had developed a strong civil society, and that applying citizen engagement to Canada could have the effect of weakening civil society here.

This led to a spirited discussion of the linkages between traditional consultation processes in which governments consult representatives of citizens groups and processes in which citizens themselves would come together to deliberate about public policy issues. Some participants were concerned that processes to engage citizens would displace the existing processes and infrastructure that had been put in place to bring networks within civil society

together to have an input into public policy. They felt that the new models of citizen engagement assumed that groups were not engaging their own members adequately, or did not recognize that the members of these groups wanted a collective voice to participate in processes in which as individuals they felt at a disadvantage. It was also argued that the populism implied in the proposed models of citizen engagement ran counter to longstanding approaches to pluralism and civil society that contributed to social cohesion in Canada. This populism could have the effect of weakening civil society and breaking down social cohesion.

Some participants noted the growing questioning of whether groups do reflect the views of their members and pointed out that the funding cuts many of these groups had experienced made it more difficult for them to consult their members. Moreover, lack of resources made it difficult for groups to participate as equal partners in dialogues with governments. Increased access to technology would help these organizations and contribute to strengthening civil society. Consultation processes managed outside government would also build more equality into relationships between groups and bureaucrats and politicians.

A number of participants did not agree that the paper had suggested that citizen engagement was a replacement for traditional consultation processes with groups. They saw citizen engagement as a possible supplement to those processes. For example, Citizenship and Immigration Canada had used study circles of citizens to supplement its consultation with experts and groups on immigration policy. One approach that was suggested was to feed the results of deliberative processes among citizens, such as citizens juries, into traditional processes. It was also argued that we should not underestimate the capacity of citizens to participate in deliberative processes that call for them to make difficult choices and tradeoffs. The public's demand to participate in decision making should not be seen as a threat to groups, whom the public trust, but rather as a desire to move power away from politicians and business groups who are viewed as acting

largely out of self-interest. Citizens' support for processes such as surveys, polls, elections, and referenda reflect their desire for representative processes in which either they or people like themselves participate, rather than processes dominated by politicians or groups whose interest may not be in accord with citizens' view of the public interest.

Tensions between Representative Democracy and Citizen Engagement

The second question posed to participants asked how the tension between representative democracy and citizen engagement should be addressed. One participant noted that often citizens had more trust in their own elected officials than in governments in general, and their concern was that the system did not seem to allow these officials to represent their views. Some citizens might therefore be interested in finding ways to improve existing representative institutions. There was some support for proposals to blend representative democracy and citizen engagement, although it was noted that the focus should be on engaging people who did not feel they had influence in existing processes rather than elected officials who already have influence. The process should maintain the locus of responsibility and hold politicians accountable for implementing the results of the process. It was noted that politicians have a direct interest in finding solutions that are acceptable to most citizens, and that one form of leadership on the part of politicians would be the establishment of citizen engagement processes. One participant suggested that an example of a blended approach was the recent joint federal-provincial-territorial consultation on changes to the Canada Pension Plan, which had involved federal and provincial elected representatives in panels to hear and discuss witnesses' presentations.

It was suggested that the potential for tension between representative democracy and citizen engagement in part depended on the purpose of citizen engagement. If it was intended to enable citizens to influence government decisions, there would be tensions that would need to be sorted out.

On the other hand, if the purpose was to engage citizens in a discussion of values so that they could act with or without governments, then the issue was less one of tension and more one of creating, funding, and maintaining new infra-structure. It was suggested that citizen engagement should be seen as having an educational purpose, with citizens more able to offer informed advice to their elected representatives through a process that tries to equalize the capacity of citizens to act as citizens.

Infrastructure for Citizen Engagement

The third question posed to participants dealt with the need to create new infrastructure to engage citizens. Some participants pointed to the existing infrastructure of citizens groups and processes for governments to consult these groups and worried that citizen engagement could lead to the dismantling of this infrastructure. Others noted that many models for citizen engagement existed at the local level and that the challenge, in the context of the social union, was to develop jointly managed and pan-Canadian processes. This suggested a diffuse process of small-scale exercises that was consistent with arguments made to manage these processes at the provincial level. Some participants supported processes organized by governments, but with the involvement of arm's-length organizations to keep the processes honest, for example, by providing objective information. This was the model used by Citizenship and Immigration Canada in its consultative process on immigration policy in 1994. It was also noted that it was unlikely that there would be sufficient funding available for these processes from foundations in Canada and one approach might be for governments to create citizen engagement funds using the model of the court challenges funding program. One participant argued that governments should not take a “big bang” approach to creating infrastructure but rather begin by taking some small steps, such as replacing regular public opinion polling with deliberative polling, and publishing the results.

Citizen Engagement and Intergovernmental Relations

Some participants argued that the social union was not an appropriate subject for citizen engagement since it was being considered through an intergovernmental process that was not transparent, involved difficult questions of jurisdiction, and therefore had implications for national unity. For some, the focus should instead be on bringing transparency to the intergovernmental process, both with respect to the intergovernmental discussions but also governmental consultations with groups on these issues. Increasing transparency would also have the effect of improving accountability. For this reason, some participants suggested that the focus of any citizen engagement process on the social union should be on identifying desired outcomes and then measuring and reporting to the public on progress in achieving these outcomes. Others noted the difficulty of integrating deliberative processes for citizens into intergovernmental processes, which are often adversarial, citing officials' reluctance to disrupt potentially fragile intergovernmental relations by bringing groups and citizens into that process. On the other hand, it was argued that if the current process achieved a number of successes without including groups and citizens, there was a risk that this non-inclusive approach would become institutionalized in the social union. As a result, there would be less social cohesion and a greater gap between decision makers and citizens.

One participant argued that the key to successful citizen participation is a match between the public's expectations and the government's expectations about the use of the results of that participation. Since intergovernmental discussions on the social union were already underway, it would be important to be clear about the purpose of any citizen engagement in the social union, or, as one participant noted, “the potential for disaster was enormous.” While some were hopeful that integrating citizen engagement in the intergovernmental process on the social union might make the process less fractious and clarify expectations, it was argued

that in Quebec it might be interpreted as a challenge to the provincial government's view of its jurisdiction over social policy and would thus aggravate intergovernmental relations.

Small Group Discussions

Small group discussions followed the plenary discussion and focussed on whether and how to apply citizen engagement to specific sectors in the social union. The groups were asked to consider the potential objective for engaging citizens in the sector, what groups should be involved, and what process might be used. They were also asked to consider specific design questions as well as the process proposed in the discussion paper for engaging citizens in the social union.

Children

It was thought that despite the broad societal consensus around the issues of child poverty and investing in children, differences in values remain about how to deal with these issues. There was also a question as to whether we are at the problem definition, product development or marketing stage on children's policies. It was concluded that one difficulty is that the provinces are all at different stages, since some of them have already consulted citizens and developed strategies for children. This raised the issue of whether decisions as to what was on the table had already been taken and whether the framework for considering the national children's agenda had already been set. If that was the case, it might not be appropriate to engage citizens on these issues since that might raise expectations that citizens would be involved in framing the agenda.

It was suggested that we think in terms of four layers of process on children:

1. the provincial processes, which were at different stages;
2. the federal-provincial-territorial intergovernmental process, which is discussing framework issues;
3. the potential for a process to overlay discussions with citizens and groups on the intergovernmental process; and
4. the desirability of a longer term, ongoing and wider process to discuss the fundamental transformations occurring within and around the family and children.

Looking at these layers of process would also allow us to differentiate among government-driven strategies for children, broader societal strategies, and long-term strategies, which attempt to grapple with transformation issues.

It was agreed that the provincial processes involve varying degrees of citizen engagement and some of them had been quite extensive, one example being Quebec. With respect to the intergovernmental process, there was a risk that the process could backfire or be vulnerable to questions about its legitimacy if it did not engage other players in the discussion. It was thought that the most potential for citizen engagement on children's issues might lie in the fourth layer.

However, it was agreed that in the short term, it might be possible to develop a citizen engagement process that integrates the ongoing provincial consultation processes and the intergovernmental process with a pan-Canadian deliberative process. For example, the output from the provincial consultations and the intergovernmental discussions could be discussed by citizens through a variety of deliberative processes across Canada. The material prepared for these processes would make it clear where decisions had already been taken and where governments wanted to test whether they had gotten it right. The results of this deliberative phase could feed into a "national summit" of some kind, which could be both the culmination of the short-term process of thinking through a national action plan for children as well as the beginning of a longer term process of deliberation on

how to address the fundamental transformations occurring in families and society.

Health

There are three potential groups that could be the focus of engagement on health: individuals, health groups, and experts. It was thought that since there is a wide societal consensus on the principles in the *Canada Health Act* but differences in the way jurisdictions interpret these principles, the interpretation of the *Canada Health Act* could be the subject of deliberative processes.

The health sector has many powerful groups but no organization that represents citizens or consumers of health services. There is therefore no opportunity for citizens to become engaged in policymaking. Moreover, it is difficult to engage health professionals and health groups, which often have very different interests. This suggests the desirability of designing a citizen engagement process on the interpretation of the *Canada Health Act* principles through a multitrack process, which asks the health groups to deliberate together and find common ground and allows citizens and consumers to deliberate on these issues on a separate track so they are not drowned out by the powerful professional groups. Ways to build linkages across these processes would need to be found so that the tensions among the professional groups and between professional health groups and citizens could get sorted out.

Persons with Disabilities

Processes to engage citizens are not alternatives to consultations with groups. There is a need to create capacity and permanent infrastructure for both citizens and groups to engage in the social union. For example, Newfoundland undertook extensive consultations when it recently developed a strategic social plan and left behind the consultations infrastructure, which continues to promote public input. Another approach is to look at ways to increase citizens' and groups' capacity for

engagement, for example, by increasing groups' access to the Internet.

Citizen engagement processes focussed on sectors can become too narrow and need to be integrated through horizontal approaches. For example, a process focussed on youth might not address the specific concerns of youth with disabilities. On the other hand, it is easier to organize sectoral approaches. These processes should consider values, principles, as well as outcomes since it is difficult to disentangle these. Again, however, there would be a need to link sectoral values and principles to global approaches across the social union and to engage groups and citizens in cross-sectoral discussions. These processes can be managed by either order of government or sometimes through jointly managed exercises. Ultimately, there is a need for a flexible, asymmetric approach as well as opportunities for horizontal learning and a way to frame the sectoral processes as part of a whole. Citizens and groups will want to be involved in discussions about the broad framework as well as specific sectoral issues.

Some key features of any citizen engagement process should be adequate time for the process to unfold, funding for infrastructure, information on the issues being discussed, and reports back to participants on the outcome of the process.

Skills Development (Youth)

Citizen engagement is an ongoing process, not a one-time event, that can focus on specific policy issues or longer term value discussions. With respect to engaging citizens on skills development for youth, clarification of values is not the issue since there is a wide societal consensus on these. Rather, the focus of engagement should be on identifying goals or outcomes through qualitative measures such as increased opportunities for youth to participate in the labour market and quantitative measures, such as improvement in youth employment rates.

Ideally youth needing skills development would manage the process, but they are the least likely to

be organized in groups. Perhaps other youth groups, such as student organizations, the YMCA/YWCA, could be involved. At the national level, provincial ministries of education should be involved and at the local level schools, employers, unions, non-governmental organizations, and the public sector all need to be a part of the process.

Both global and sectoral approaches to citizen engagement processes in the social union would be useful, but intergovernmental discussions at both these levels may be moving so quickly that neither is possible in the short term. While there is a risk that such discussions without citizen engagement may lack legitimacy, these discussions will be ongoing and there may be potential for citizens to engage in the future. The most important question is whether an intergovernmental culture without citizen engagement will develop, resulting in a democratic deficit.

Citizen engagement processes can be focussed at the national and local level. There is potentially a larger role for arm's-length organizations to play in exercises at the local level while governments and legislatures will likely dominate national processes. Blended approaches involving legislatures and arm's-length organizations might be more appropriate for processes seeking to clarify values rather than identifying and choosing policy options.

REFLEXION (Excerpt)

Canada is in a transition period that is inevitably leading to new forms of citizen involvement in public affairs. The ground is shifting under governments as citizens question their competence and legitimacy. Perhaps the most concrete example of this worldwide phenomenon is the impact that citizens in the United Kingdom are having on the monarchy, one of the oldest institutions in the world. In Canada, the decline in deference and respect for authority has been sharper than in the United States. While some seek solutions in legislative reforms and others in referenda and other mechanisms of direct democracy, models of citizen en-

gagement and public dialogue offer an alternative approach that might complement these proposals.

In public opinion polls, citizens overwhelmingly indicate their demand for involvement in public policy, but they also demonstrate a low level of confidence in the impact citizens' views have on decision making. Governments are responding to this demand for involvement in a number of ways. Some are attempting to increase transparency through the provision of more information to citizens; some are becoming accountable to citizens for results through outcome measurement and reporting; and a number of them are involving citizens in increasingly more sophisticated consultation processes.

The next step for governments is to recognize that the relationship between citizens and governments is changing in fundamental ways. Ron Inglehart's analysis of the values and beliefs of 43 societies representing 70 percent of the world's population found that in countries such as Canada with "postmaterialist" values, the young and the better educated no longer accept traditional authority and hierarchy and are demanding a say, whether at home, at work, at school, or in the community.⁶⁷ For some, this means that governments must increasingly see citizens as partners in governance, and not just voters or consumers of public services.

Others focus on the need to find processes that will build trust and social cohesion. They are concerned that our "cocooning" lifestyles and increasingly heterogeneous societies are making it more difficult for us to achieve what Robert Dahl calls "empathic understanding" of each other. There are limited opportunities for us to understand the need to take account of interests beyond our own, and to learn how, in Rousseau's terms, to be public as well as private citizens.

We need to develop a shared vocabulary to describe and differentiate processes intended to provide information to citizens, to hold governments accountable, to consult the public, and to engage citizens. Many observers use the term "citizen en-

gagement” to describe processes that attempt to go beyond traditional consultation and public participation by engaging citizens in what is sometimes called “public dialogue.” This is a two-way learning process that allows for reasoned reflection, and encourages a willingness to listen to the values and perspectives of others. The objective is to search for common ground and thus find solutions acceptable to all citizens. It requires an open process both with respect to the agenda and ideally the time frame; a discussion of values, tradeoffs and choices; information on issues presented in an objective way to inform the discussion; and mechanisms that promote listening, learning, reframing of interests, and the identification of common ground.

There are three essential products from this process. The first is that views do change as people learn from listening to others. The second is that the excitement generated in the dialogue can often lead to the mobilization of citizen groups and community efforts. The third is a stronger foundation for public policy if governments respond to the results of the dialogue.

Citizens do not want, or need, to become engaged in this way on all public policy issues. But any issue that involves potential conflicts in values or identity, difficult choices or tradeoffs, or is expected to have a major impact on citizens is an appropriate issue for citizen engagement, whether it is a modest local problem or a complex national issue. In the case of the social union, this could mean engaging citizens around a number of issues such as schools, hospitals, programs for children and persons with disabilities, income security programs for seniors,

pensions, the development of principles for social programs, and even equalization.

The intention is not to paralyse governments by engaging citizens on all issues, but rather citizens and governments as partners agreeing on the agenda and the time frames for public dialogue processes. In this context, leadership is redefined as the willingness to undertake these processes and talk, listen, and learn from the dialogue with citizens. Nor is the intention to replace elected representatives, experts or citizen groups. The expectation is that elected representatives would use these kinds of processes to better understand the views of their constituents, who, as a result of participating in such processes, would be in a better position to provide informed advice to their elected representatives. Experts would continue to be key players in the policy-making process, but they also can support citizen engagement by helping to frame issues and provide information in a way that makes complex issues accessible to citizens. Public dialogue cannot replace the expertise that citizen groups bring to the policy table, but rather can be a supplement, or perhaps an input, to consultations between governments and these groups.

The federal and provincial governments should endeavour to expand their collaborative processes on the social union to engage citizens on those issues that have a significant impact on Canadians, and in some cases, may require clarification and articulation of values and preferred tradeoffs and choices.

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Conclusions and Next Steps (Excerpt from *REFLEXION*)

This *REFLEXION* has argued that the 1990s have seen the emergence of a paradigm shift in the way that our social union is conceived and constructed. The new paradigm explicitly recognizes that policies are interrelated, that we need to find new ways to manage the interdependence of governments to ensure commonality where desired and diversity where required, and that citizens should be engaged in the construction of the social union. In less than two years, federal, provincial, and territorial governments have made remarkable progress in operationalizing the new paradigm, through the creation of new intergovernmental bodies and their joint work on the National Child Benefit, the national children's agenda, and programs for persons with disabilities.

Perhaps understandably, these incremental steps have been limited in scope and ad hoc; the new relationships are fragile and have little formal structure; and to date discussions have largely been held behind closed doors. Provinces are worried that the prospects of a "fiscal dividend" for the federal government will diminish the enthusiasm of some federal Ministers for collaborative work with provincial governments and, as a result, they are pressing for a broad framework agreement to address issues such as the use of the federal spending power and mechanisms for resolving disputes. The Quebec government remains uncomfortable with the new paradigm, although it has participated in many of the federal-provincial-territorial processes as an observer, and,

at least in the case of the National Child Benefit, agrees with the principles espoused by the federal and other provincial governments. Nevertheless, as a document on the National Child Benefit recently released by Federal-Provincial-Territorial Ministers Responsible for Social Services notes, "the Government of Quebec has not taken part in the development of the National Child Benefit because it wishes to assume control of income support for the children of Quebec."¹ Moreover, since the social union discussions to date have largely been held by federal, provincial, and territorial Ministers and officials "behind closed doors," they are vulnerable to questions of legitimacy by citizen groups and citizens.

What the past two years demonstrate is the need for mechanisms to manage interdependence within the federation. Without them, Canada is missing a key piece of governance. For federal and provincial officials and Ministers and ultimately First Ministers to meet to discuss social policy renewal is simply good government that helps make the system work better. First Ministers, in particular, must constantly review progress, adjust what is not working, and provide momentum and support to what is working.

To achieve all this, First Ministers could take immediate and concrete steps at their meeting in December to build on initiatives they have already taken and also create regular, transparent, and non-bureaucratic mechanisms to help governments

continue to manage interdependence. These steps fall under the policy, federalism, and democratic engagement categories discussed throughout this paper.

First Ministers should:

1. Expand the scope of the current social union discussions by:

- a) adding additional sectors, such as health, labour market development, and education, to the social union process;
- b) agreeing on one or more “Canadian projects” to be achieved through the social union, such as reducing child poverty and developing a societal strategy for investing in children; strengthening our health care system; reducing youth employment; and investing in skills development through lifelong learning, including early childhood development, the education system, and training; and
- c) beginning to address framework issues so that the ground rules for the effective functioning of the social union are clear.

2. Build more structure for the social union discussions by:

- a) creating regular and routine meetings for First Ministers to review progress on social union initiatives, set priorities, and provide direction to Ministers;
- b) clarifying the mandate of the Federal-

Provincial-Territorial Council on Social Policy Renewal to coordinate work across all the sectors of the social union, including performance measurement and citizen engagement initiatives, begin to work on framework issues, and report regularly to First Ministers on progress; and

- c) identifying an institution such as Statistics Canada to collect outcome data and publish annual reports on the achievement of outcomes across the social union.

3. Opening up the social union discussions by:

- a) increasing transparency in the intergovernmental process by releasing the agenda and results of meetings, providing regular progress reports, and publishing the terms of reference of new intergovernmental bodies;
- b) committing to increased accountability through outcome measurement and reporting to citizens annually on outcomes in all of the sectors of the social union, beginning with the National Child Benefit and the national children’s agenda and expanding to include labour market development programs, health, and education; and
- c) beginning to engage citizen groups and citizens on the issues discussed through the intergovernmental process.

Note

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CPRN Funding Sources

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