

***The Kind of Canada
We Want:
Citizens' Dialogue on
Canada's Future***

Workbook

Fall 2002



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The Kind of Canada We Want: Citizens' Dialogue on Canada's Future

Fall 2002

Canadian Policy Research Networks

Viewpoint Learning

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Dear Dialogue Participant,

Thank you for agreeing to take part in this dialogue. It is one of ten being held across the country this Fall.

Our purpose is to engage you and 400 other Canadians in a dialogue about what kind of Canada we want for ourselves and for future generations. It is not an easy discussion - it will require soul searching and pragmatism. Soul searching because our choices should be based on our values, and pragmatism because we know that Canada's resources are limited. We will need to think about our own responsibilities and rights and about what we should expect from our governments, our employers, and our communities.

During the post-war period, Canadians established social, economic, and political principles that have served us well. But Canada and the world have changed in many ways in the past 50 years. The time has come to think through how best to deal with these changes and the challenges they pose for our future. What choices and tradeoffs are we prepared to make to shape the future we want for our children and ourselves? That is what this dialogue is all about.

This workbook provides you with some information on how Canada has changed, and you will have your own ideas to add. It also gives you a set of scenarios for the future to serve as a starting point for the dialogue. You will be asked to explore these scenarios and then to create your own preferred vision. You will then work together to discuss how to achieve that vision.

There are no right or wrong answers here. What we are looking for is a better sense of what you collectively value as important and what you believe to be the best path to take and why. Your discussion will help us to write a report that will be presented to Cabinet Ministers, other policy makers and leaders, the media, and to Canadians generally, as well as to the government departments and agencies that have sponsored this dialogue. They are:

- Canadian Heritage
- Health Canada
- Human Resources Development Canada
- Industry Canada
- International Development Research Centre

On your behalf, I want to thank the sponsoring departments and agencies who have made it possible for you and your fellow citizens to have a say on the kind of Canada you want. A copy of the report will be sent to you.

Once again, thank you for being part of this research project.

Judith Maxwell, President
for Canadian Policy Research Networks and Viewpoint Learning

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INTRODUCTION

The Issue

Periodically in our history, Canadians have had to make fundamental choices about the kind of Canada we want for our children, and about what role we want governments, markets, families and communities to play in realizing that future.

For example, after the Great Depression and the Second World War, Canadians opted for a more active economic and social role for governments. This new role focused on promoting economic growth and stability *and* on sharing the risks of unemployment, old age, poor health, and social disadvantage. At home, this led to the creation of the Canadian version of the welfare state, and abroad, it led to Canada's role as a leading Aid donor and influential "middle power".

As we enter the new century we face choices of similar importance because we are dealing with changes of similar magnitude. In the last 50 years the world has changed and Canada has changed in some very fundamental ways. For example, we have seen:

- Large-scale immigration making us a much more multicultural society
- A revolution in the role of women in society and in the workplace
- Much more varied family types (the two-parent family with a single breadwinner is now the exception); and more people living alone
- Cascading technological revolutions in information, telecommunications, biotechnology and much more, raising new opportunities and threats, and making the world much smaller
- Increasing North American economic integration, and a growing acceptance of the role of markets in an era of globalization and freer trade
- Declining trust in government and other social institutions coupled with increasing individualism and self-reliance
- A growing awareness and concern about environmental issues
- Major international power shifts with the end of the cold war, and with the rapid growth of some developing countries into trading partners (e.g. Mexico), while others decline into greater poverty (e.g. sub-Saharan Africa)
- A shift in our economy and employment from resource industries to service and knowledge-based industries

- A change in the structure of work and a loss of job security as more people work on contract, are self-employed or work part time
- Increasing income gaps between rich and poor, educated and uneducated
- A population and economic shift from rural to urban
- Slowing population growth and an aging population

In the face of these fundamental changes, and the challenges they pose, we need to make some important choices. But we are being pulled in different directions by two powerful sets of conflicting values. One set has to do with how much emphasis to put on market values as opposed to civil society values:

- Some want us to put greater emphasis on the market, so that we can provide greater opportunities for Canadians to excel and improve our standard of living.
- Others say that we should emphasize social equity and quality of life, providing greater help to those most in need so that no one is left behind — that's what makes Canada special.

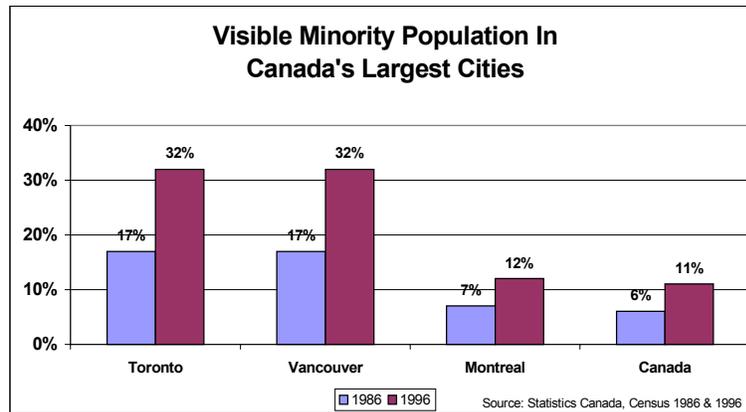
The other set of conflicting values has to do with how much emphasis to put on revitalizing traditional Canadian values, as opposed to promoting cultural diversity including acceptance of widely different moral norms:

- Some lament that we have lost our way, and that we need to re-emphasize traditional values, with a clear conception of right and wrong, where people, especially those in authority, live up to their responsibilities and can be held to account.
- Still others contend that we should emphasize diversity and choice, building a Canada that is more diverse with greater scope for individuals and communities to express their own values and choose their own lifestyles.

We need to work through, as Canadians, whether we want to adopt one of these four directions or some combination or create an alternative. What choices are we prepared to make or support, not just in the abstract, but in very concrete areas like economic development, international development, dealing with poverty and social marginalization or managing environmental and health risks? What choices and tradeoffs are we prepared to make to shape the future we want for our children and ourselves?

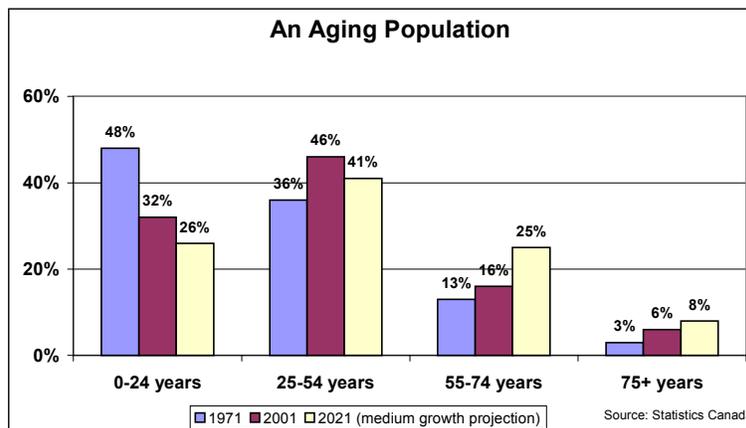
BACKGROUND

In the last 50 years Canada has changed in some very fundamental ways. The charts below provide some examples.

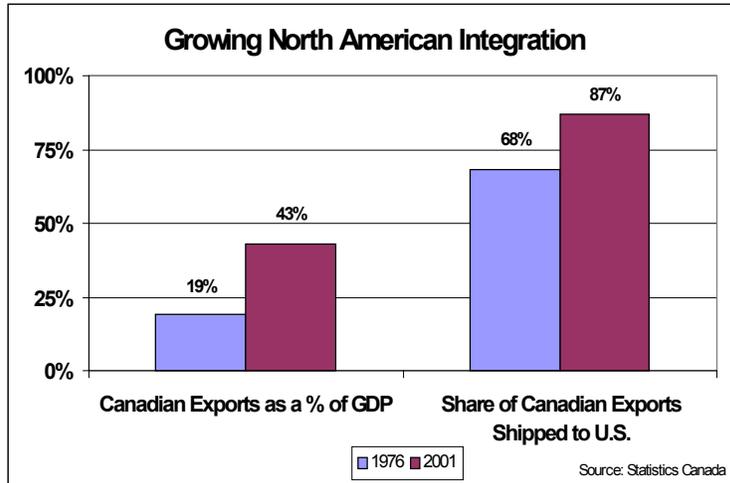


Note: In the 1996 Census a different question was asked regarding ethnic or cultural origin.

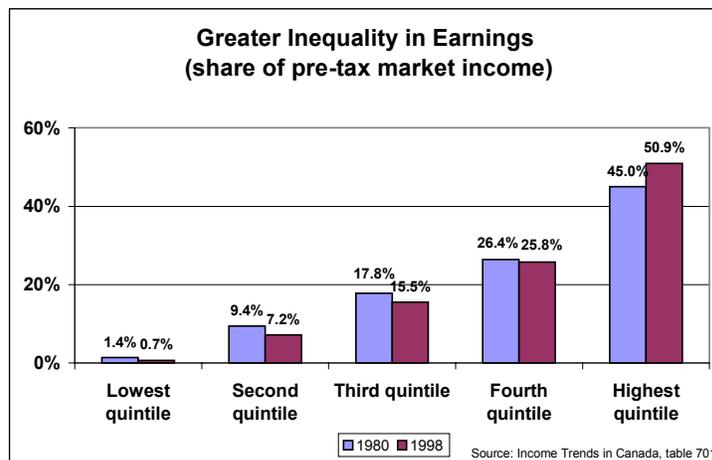
Canada has always been an immigrant receiving country. In the 1960s, 68% came from Europe. Now, 57% come from Asia and the Middle East. Most of them move to the big cities. The result is that Canada's cities have begun to reflect a new mosaic, with visible minorities accounting for 32% of the populations of Toronto and Vancouver in 1996, nearly double the 17% in 1986. These newcomers have brought new talent, new cuisine, new ideas, and new trading patterns to the Canadian scene.



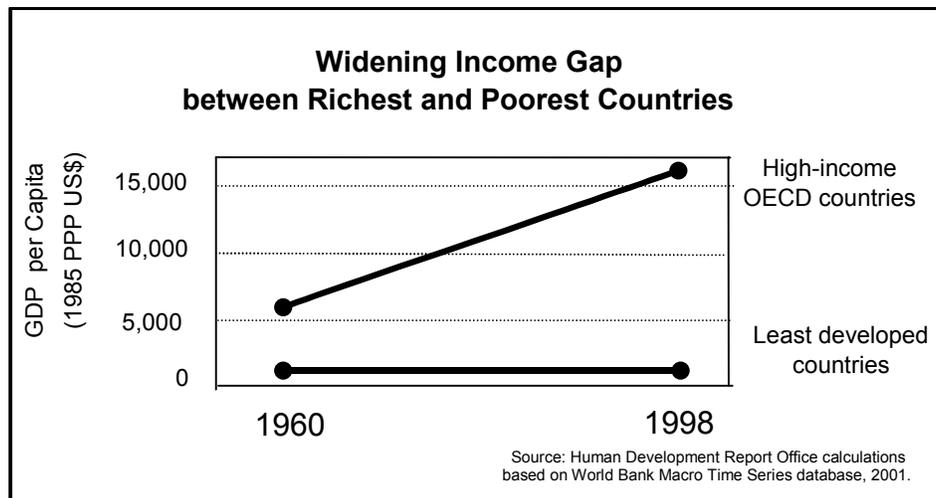
The population share of children and youth will drop by half - from 48% in 1971 to 26% in 2021. At the other end of the age spectrum, the share of the young elderly (55 to 74) and of the older elderly (75 and older) will double. With fewer people entering the labour force and more people retiring, the share of the population of prime working age will start to shrink rapidly in the next 20 years - from 46% in 2001 to 41% in 2021. This is why some economists are now expecting labour shortages in the decades ahead, and why they worry about how Canada will find the caregivers to look after the fragile elderly.



Canada's exports have become twice as important as a source of income and jobs - 43% of GDP in 2001 compared to 19% in 1976. And much of this increase reflects the dramatic increase in two-way trade with the United States. In 2001, 87% of our exports went to the U.S., up from 68% in 1976. And Canada is the number one export market for 37 U.S. states. The growing integration with the U.S. is also evident in financial flows, the harmonization of regulations and accounting standards.



Earnings of people with higher education and skills have increased rapidly, while wages have been falling for people without those skills. This chart shows the share of total pre-tax income earned by families, divided into quintiles (that is, each bar represents 20% of families), ranked from lowest to highest. Between 1980 and 1998, the top 20% of families saw their share of total earnings increase (from 45% to 50.9%). At the same time the share of earnings going to the remaining 80% of Canadian families declined. The social safety net was strong enough to offset those declines until the mid-90s. Since then, however, the gap in after-tax and after-transfer incomes has also widened.



Some of the poorest countries in Asia and Latin America like South Korea and Brazil have become successful middle-income countries - indicative of world trends which show that income inequality for the global population dropped substantially in the 1980s and 1990s. Nonetheless, income per capita did not change for the least developed countries in Africa, Asia and the Caribbean, remaining at less than US\$1,000, while for the richest countries income per capita more than doubled from 1960 to 1998 - from approximately US\$7,000 to \$18,000. Thus, the gap between the world's richest and poorest countries has widened dramatically since 1960. And the poorer a country is, the harder it is to attract the investment in education, services, and industry needed for future growth.

Growing Concern about Environmental Risks

- 84% say they are more concerned today about the environment than they were five years ago
- 89% say that the federal government should give a high or very high priority to preserving the environment (ranking second after health care)
- 66% are either extremely or very concerned about their drinking water
- 60% think that the environment should take priority over the economy

Canadians put a high priority on a clean environment. We have a good track record on recycling waste through blue box programs, for example. But many of us are still driving sports utility vehicles and do not use public transit where it exists. Drought, extreme weather and other events related to global warming will raise the risk of greater water contamination in the future. Meanwhile, our per capita consumption of water is twice the OECD average, leaving lots of scope to conserve water for future generations.

The Purpose of Today's Meeting

- **The purpose of today's meeting is for us as Canadians to wrestle with how best to deal with these and related challenges to our future. We are going to spend most of the day considering four choices or scenarios for Canada's future.** Each scenario presents a realistic course we might choose, and each reflects the stated views of a substantial number of Canadians. **Each scenario is illustrated by showing how it would affect four concrete areas: economic development, international development, dealing with poverty and social marginalization, and environmental and health risks.**
- **By the end of the day we may select one of the scenarios, we may invent a fifth made up of parts of the others, or we may end up sharply divided on which choice is best.** At the very least we will have had a good discussion and all of us will come away with a better understanding of the issues.
- **What should we expect the day's dialogue to produce?** None of us are technical experts. So we don't expect to end up with a set of expert recommendations. All of us are Canadians with our own values and points of view. It is up to us, as citizens, to say what kind of future we want for our children and ourselves. What are we prepared to do, and what do we expect our governments and others (e.g., business, religious and voluntary organizations, etc.) to do, to realize that future? What choices and tradeoffs are we prepared to make or support? Experts can provide information, but they can't make those choices for us.
- **This is one of 10 dialogues being conducted across the country. We will report the results of these dialogues to Cabinet Ministers, the departments and agencies of the Government of Canada who have sponsored it, other policy makers and leaders, and the media. Each of you will receive a copy of our report.**

Agenda for the Day

Opening comments

Initial judgment

Introducing ourselves

What we want Canada to be like in 10 years

Lunch

**Which choices are best to move us toward the kind
of Canada we want?**

Final judgment

Identifying the most important insights from the day

Closing comments

Summary of the Four Scenarios

MARKET <—> CIVIL SOCIETY

Emphasize the market. The first scenario is to make Canada more innovative, competitive and productive, providing greater opportunities for Canadians to excel and improve our standard of living. It is a Canada where competition in every sphere keeps prices low and increases consumer choice. In this Canada taxes are lower and government policies are designed to provide only those services that the market cannot.

Emphasize social equity and civil society. The second scenario is to make Canada fairer and more equitable, providing greater help to those most in need so that no one is left behind. It is a Canada where we recognize that economic and social success depends on enabling all Canadians to participate and ensuring the benefits of that success are fairly distributed. In this Canada government plays a social investment role; economic, social and environmental policies are designed to work together to meet the needs of this generation without compromising the needs of future generations.

TRADITIONAL VALUES <—> CULTURAL DIVERSITY

Emphasize traditional values and accountability. The third scenario is to reinforce traditional values and moral standards in Canada, providing greater support and encouragement for people to do the right thing. It is a Canada with a clear conception of right and wrong, where people, especially those in authority, live up to their responsibilities and can be held to account. In this Canada government focuses on protecting the national interest, providing security, lending a guiding hand to the market, enforcing high ethical standards, and strengthening basic social institutions like the family.

Emphasize diversity and choice. The fourth scenario is to build a Canada that is more open and diverse, providing greater scope for individuals and communities to express their own values and choose their own lifestyles. It is a multicultural Canada where different value systems co-exist and grow side-by-side creating an even richer mosaic. In this Canada government facilitates individual and community self-expression as a way to increase personal choice, create more vibrant cultural communities, and promote social and economic innovation.

USING DIALOGUE

Our meeting today is designed to be a dialogue. Dialogue is a special kind of conversation that draws on a diversity of points of view to develop insight and build common ground.

Debate vs. Dialogue

<u>Debate</u>	<u>Dialogue</u>
Assuming that there is one right answer (and you have it)	Assuming that others have pieces of the answer.
Combative: attempting to prove the other side wrong	Collaborative: attempting to find common understanding
About winning	About finding common ground
Listening to find flaws	Listening to understand
Defending your assumptions	Bringing up your assumptions for inspection and discussion
Criticizing the other side's point of view	Re-examining all points of view
Defending one's views against others	Admitting that others' thinking can improve one's own
Searching for weaknesses and flaws in the other position	Searching for strengths and value in the other position
Seeking an outcome that agrees with your position	Discovering new possibilities and opportunities

GROUND-RULES FOR DIALOGUE

1. The purpose of dialogue is to understand and to learn from one another (you cannot "win" a dialogue).
2. All dialogue participants speak for themselves, not as representatives of special interests.
3. Treat everyone in a dialogue as an equal: leave role, status and stereotypes at the door.
4. Be open and listen to others even when you disagree, and suspend judgment (try not to rush to judgment).
5. Search for assumptions (especially your own).
6. Listen with empathy to the views of others: acknowledge you have heard the other especially when you disagree.
7. Look for common ground.
8. Express disagreement in terms of ideas, not personality or motives.
9. Keep dialogue and decision-making as separate activities (dialogue should always come before decision-making).
10. All points of view deserve respect and all will be recorded (without attribution).

FOUR SCENARIOS

Scenario 1 — Emphasize the market

Introduction

The first scenario is to make Canada more innovative, competitive and productive, providing greater opportunities for Canadians to excel and improve our standard of living. It is a Canada where competition in every sphere keeps prices low and increases consumer choice. In this Canada, taxes are lower and government policies are designed to provide only those services that the market cannot.

Background for Scenario 1

- Although Canada exports more than it imports, our business sector has not matched the gains in productivity in the U.S. For example, in 1980 Canadian output per hour worked in manufacturing was 86% of the U.S. level, but by 1997 this had declined to only 72% of the U.S. level.
- 65% of Canadians agree that Canada should negotiate new trade agreements to expand access markets in other countries and 71% think that Canada benefits from freer trade. 56% think that business taxes should be harmonized with those in the U.S.
- 63% of Canadians say they were personally affected by the decline in the stock market in 2001.
- 54% think that government is doing too many things that are better left to business and individuals, and 84% believe there is a lot of waste to cut out of federal government spending.
- 58% believe that the changing world economy creates opportunities for the Canadian economy. Canadians feel more secure about their economic future. Between 1997 and 2001, those saying they were insecure about their economic future declined from 50% to 33%.
- 79% believe that we would help poor countries more through expanding trade than through giving Aid.
- Real per capita income, after tax, increased by 10% from 1996 to 2001, more than offsetting the decline of 5% that occurred from 1990 to 1996.
- Residences that pay the full cost of their water supply use 70% less water, yet only one in three Canadian residences pays the full cost of their water supply. Canada's per capita consumption of water is twice the OECD average.

SOME KEY ELEMENTS OF SCENARIO 1

Economic Development:

- Programs to support economic development will be designed to reward excellence, wherever it exists in Canada.
- Separate regional development agencies and programs will be dismantled, and people will be encouraged to move to where jobs can be found.

International Development:

- Canada will reduce its trade barriers to imports from the least developed countries.
- Aid will be conditional on countries adopting market reforms, including developing their private sectors, encouraging privatization and private investment.

Poverty and Social Marginalization:

- To increase the supply of jobs, both taxes and minimum wages will be kept low.
- In order to receive social assistance, any able-bodied person will have to be actively seeking work or be in an approved job-training program. The length of time anyone can receive social assistance will be strictly limited, and any additional support by government will be provided only as a last resort.

Environmental and Health Risks:

- Canadian regulatory requirements in areas like food and drugs, vehicle emissions and water quality will be harmonized with those of the United States, in order to increase the choices available to Canadians, promote trade and ensure Canadian companies do not bear heavier regulatory costs than foreign competitors.
- To use the power of the market to manage environmental risks, companies and individuals will have to pay the full cost for the water and other resources they use, and polluters will have to pay based on the amount of pollution they release.

PROS: ARGUMENTS IN FAVOUR OF SCENARIO 1:
EMPHASIZE THE MARKET

- ✓ The only way we can succeed in a more competitive global economy is to become more productive and innovative. Otherwise economic growth will stagnate, our standard of living will fall, and our most energetic and entrepreneurial people will move south.
- ✓ A stronger market economy is the best way to ensure economic growth, unleash the creativity and entrepreneurship of Canadians, increase consumer choice and create the wealth needed to fund our social programs and realize the aspirations of Canadians.

Economic Development

- ✓ To succeed in a more competitive world we need to build on our strengths, wherever they may be located. Experience shows that the best way to promote excellence is to let markets operate freely, so that people and investments move to where they can be most productive.

International Development

- ✓ Trade is the most effective and sustainable form of development assistance. The most successful developing countries (for example in Asia) have been those that have built a market economy, encouraged investment, and focused on trade. The trading relationship that results benefits both Canada and the developing country.

Poverty and Social Marginalization

- ✓ Increasing job opportunities is the best way to overcome poverty and social marginalization. We need to focus on getting people back into the workforce so that they can be productive and independent. The market has proven to be the best way to create large numbers of real jobs.

Environmental and Health Risks

- ✓ Market mechanisms are a better way to promote conservation and reduce environmental and health risks. Lengthy regulatory processes increase costs and reduce access (e.g. access to new drugs). Industry and consumers will change their behavior when there are economic incentives to do so. We need to emulate the best practices of other countries.

**CONS: ARGUMENTS AGAINST SCENARIO 1:
EMPHASIZE THE MARKET**

- ✘ Nothing could be worse for our future than to have blind faith in the ability of markets to self-correct their many abuses and failures. Markets inevitably widen the gap between rich and poor and tempt people to cheat and exploit others.
- ✘ If we emphasize the market, we will become more like Americans, recreating the inequality that plagues their society, and reinforcing a continental economy that will erode and ultimately erase the border.

Economic Development

- ✘ If we rely on the market, then rich regions and people will get richer while the poor will get poorer. That's unfair and not the Canadian way. Canadians should have the opportunity to earn a decent living wherever they are in Canada. Disadvantaged regions need special assistance if they are to prosper and get their fair share of economic growth.

International Development

- ✘ Forcing developing countries to adopt market reforms as a condition for Aid mostly helps the rich in Canada and in those countries at the expense of the poor. It expands the gap between rich and poor, and leaves the Third World poor living in squalor and working for low wages in sweatshop conditions.

Poverty and Social Marginalization

- ✘ Welfare-to-work programs may reduce the size and cost of social programs, but leave far too many of the most vulnerable in society in low wage, dead-end jobs, swelling the ranks of the working poor. That's no solution. The market alone cannot create a high quality of life or vibrant communities.

Environmental and Health Risks

- ✘ Adopting the lowest common denominator standards of other countries, accelerating regulatory approval of drugs and other products, and relying on market mechanisms to change behaviour is a sure way to ensure more water contamination, smog, thalidomide scandals, and worse. As the number of health and environmental threats explodes, protecting the public must be job #1.

Scenario 2 — Emphasize social equity and civil society

Introduction

The second scenario is to make Canada fairer and more equitable, providing greater help to those most in need so that no one is left behind. It is a Canada where we recognize that economic and social success depends on enabling all Canadians to participate and ensuring the benefits of that success are fairly distributed. In this Canada, government plays a social investment role; economic, social and environmental policies are designed to work together to meet the needs of this generation without compromising the needs of future generations.

Background for Scenario 2

- Health care (89%), child poverty (81%), and unemployment (76%) have been the top priority issues in the minds of Canadians since 1996, ahead of tax levels, debt and deficit.
- 73% of Canadians believe that social programs increase rather than diminish Canada's productivity. Two thirds of Canadians (66%) think that Canada provides greater equality of opportunity than the US.
- Federal government program spending (excluding debt payments) has fallen from 16.4% of GDP in 1993/94 to 11.3% in 2001-02, the lowest level it's been since 1948/49.
- The have-not provinces (all provinces except Ontario and Alberta) receive equalization payments of \$10 billion a year from the federal government to help ensure that people in those provinces have access to comparable services to those in the rest of Canada. 83% of Canadians support federal spending on equalization.
- Canada's bilateral aid directed to the 48 Least Developed Countries declined by close to 50% in the 1990s (to \$267 million), and overall aid has dropped from 0.5% of GDP in 1985 to .25% in 2000. Out of every dollar spent by the Government of Canada in 2000-2001, about 2 cents went to international development assistance. At the same time, Canada is one of the few creditors that has forgiven almost all development assistance debts of countries that belong to the World Bank/IMF debt relief initiative. 79% agree that it is the duty of industrialized countries to provide aid to developing countries.
- Since 1975 the real value of the minimum wage in Canada has declined by about 20% in all provinces except Ontario, where it has fallen by 13%. Employment has grown by 2.5 million for people with a college diploma or university degree, but there are now 1 million *fewer* jobs for people with less than high school education. 71% of Canadians worry that we are moving to a more divided society of haves and have nots.
- Total federal spending on health protection and environmental services, including pollution abatement and control, was \$1.6 billion in 2001-02. Provincial and municipal governments spend even more.

SOME KEY ELEMENTS OF SCENARIO 2

Economic Development:

- Policies will be designed to enable Canadians to earn a living wherever they live. Government spending will be allocated so that each region can have its fair share of economic development and its own centres of excellence. Regional development agencies will be strengthened.
- Government will work in active partnership with industry, communities and educational organizations to promote economic development, and to ensure that everyone, especially the disadvantaged, can participate in that development, and that it is sustainable for future generations.

International Development:

- Development assistance will give priority to helping the least developed countries, addressing humanitarian concerns (starvation, AIDS), ensuring basic human needs are met, forgiving the debts of the poorest countries, and ensuring that development is sustainable for future generations.
- Aid will be delivered when possible through partnerships with voluntary sector organizations in Canada and in the developing world, to build local capacity, reinforce civil society and help people to help themselves.

Poverty and Social Marginalization:

- Social benefits and minimum wages will be raised to better match the cost of living, and more active government social programs (e.g. support for child care, job training, housing subsidies and wage supplements) will be designed to help the disadvantaged escape poverty.
- Government, partnering with the voluntary sector, will focus on removing barriers that keep the disabled, aboriginal peoples, immigrants, and other marginalized groups from participating fully.

Environmental and Health Risks:

- Additional resources will be allocated to develop and enforce standards for public health and the protection of the environment, and also to help municipalities invest in improving their water systems.
- New drugs, technologies and other products that could present health or environmental risks will be approved only after their safety has been fully tested. When there is any doubt, approval will be withheld.

PROS: ARGUMENTS IN FAVOUR OF SCENARIO 2: **EMPHASIZE SOCIAL EQUITY AND CIVIL SOCIETY**

- ✓ Strong communities, fairness, equity and sharing are very important to Canadians. It's part of what makes us different from Americans, and it's why Canada's quality of life is always rated among the highest in the world, even though our income may be a bit lower.
- ✓ The purpose of a strong economy is to support and sustain a strong society, one where people can participate, contribute and flourish. It's essential that the disadvantaged not be left behind, and that the interests of future generations are protected.

Economic Development

- ✓ Canadians should be able to earn a living without being forced to leave their families or communities. Each region should have its fair share of economic development. The market cannot be allowed to operate in ways that exclude the disadvantaged or that despoil the environment.

International Development

- ✓ Development assistance is about helping people to help themselves, especially those who are most in need. We must direct our Aid dollars to helping the poorest, working with voluntary sector organizations closest to the front line, and supporting development projects that will be sustainable for future generations and that will not lead to environmental degradation.

Poverty and Social Marginalization

- ✓ Social programs should provide the training and income support that the disadvantaged need to participate fully in our economy and society, and should ensure that those who work earn a living wage. When everyone can participate fully we all benefit. This is good social policy and good economic policy.

Environmental and Health Risks

- ✓ Protecting citizens is the primary responsibility of governments. Protecting public health, water and our environment cannot take a back seat to commercial or other priorities. Those who protect our environment and public health should have all the necessary resources to do their job properly. This is a fundamental obligation we owe to our children.

**CONS: ARGUMENTS AGAINST SCENARIO 2:
EMPHASIZE SOCIAL EQUITY AND CIVIL SOCIETY**

- ✘ In the past, in Canada and elsewhere, large government-controlled programs, created in the name of ensuring equity, have contributed to high taxes, high deficits, economic stagnation, social dependency and even political corruption. We've been there and don't want to go back.
- ✘ Government bureaucracies and social agencies have their own agendas and interests. It is foolish to think that more taxpayer funds to strengthen these establishments can solve social problems. They have no interest in putting themselves out of business.

Economic Development

- ✘ Trying to force the building of car plants or other enterprises in areas where the market cannot support them has proven to be a huge waste of money. It helps explain why taxes are so high. It subsidizes inefficient industries that are not sustainable, and can lead to favouritism and cronyism.

International Development

- ✘ Too much Aid money that is supposed to help the poorest ends up covering the operating costs of voluntary sector Aid organizations. These programs also tend to create a continuing dependency on Aid. While they make us feel better, and do reduce some of the worst suffering, they do little to help people take the initiative to help themselves.

Poverty and Social Marginalization

- ✘ Increasing the size and cost of social programs, and raising the minimum wage further, will lead to higher taxes and create a drag on the economy, reducing our competitiveness. Canadians pay enough taxes already.

Environmental and Health Risks

- ✘ We could spend our entire budget on health and environmental protection and still not be 100% safe. There is a point of diminishing returns. While it is important to protect public health and the environment, we also want to ensure that Canadians have access to the latest drugs and other products, and that our industries do not face unreasonable regulatory burdens.

Scenario 3 — Emphasize traditional values and accountability

Introduction

The third scenario is to reinforce traditional values and moral standards in Canada, providing greater support and encouragement for people to do the right thing. It is a Canada with a clear conception of right and wrong, where people, especially those in authority, live up to their responsibilities and can be held to account. In this Canada, government focuses on protecting the national interest, providing security, lending a guiding hand to the market, enforcing high ethical standards, and strengthening basic social institutions like the family.

Background for Scenario 3

- 68% of Canadians believe that the biggest challenge for Canada in the years to come will be to keep Canada independent, with control over its own economy, social policy, and culture. In 2000 and 2001, 62 of the 300 companies in the Toronto Stock Exchange Index disappeared through mergers and acquisitions. Foreign firms, mainly American, bought more than half of them.
- In all provinces except Quebec over 90% feel strongly attached to Canada. In Quebec, 79% feel strongly attached to Canada and 85% feel strongly attached to the province.
- Incidents like the tainted blood scandal, stock market manipulation, Walkerton, and questionable government spending have undermined trust in institutions and heightened demand for greater transparency and accountability. 58% think that the ethical standards of people in business have fallen in the past decade; 54% believe that the ethical standards of the federal government have also slipped dramatically.
- Two thirds (66%) of Canadians believe that we should take a hard line on human rights even if this means losing some trade opportunities. At the Kananaskis G8 Summit, leaders supported the New Partnership for Africa's Development (NEPAD), which will tie Aid, foreign direct investment and other supports provided to African countries to their progress in meeting a set of standards in the areas of political, economic and corporate governance.
- Eligibility rules for social assistance benefits are now based on higher expectations with respect to willingness to work or to undertake training. Lone parent mothers are now expected to work after their youngest child reaches the age of 7 (B.C. and Ontario) or six months (Alberta). 47% believe society would be better off if more women stayed at home with their children (53% disagree).
- 68% think all Canadians should have the same rights.

SOME KEY ELEMENTS OF SCENARIO 3

Economic Development:

- Economic development strategies will encourage business to serve the national interest (for example, protecting Canadian jobs, ensuring energy security, reporting full and accurate information to the public).
- Economic development strategies will be devised and implemented in a more open and transparent manner, to encourage accountability and learning from experience. Regional development agencies will play a key role in the development of strategies and in this public learning process.

International Development:

- Aid and trade policy will be driven by Canadian foreign policy objectives, and also will focus on helping countries that share our basic democratic values.
- Development assistance will be provided through government channels, with a strong emphasis on accountability for results, and on encouraging countries to adopt democratic reforms.

Poverty and Social Marginalization:

- A government safety net will be available to assist those who, through no fault of their own, find themselves in poverty. More emphasis will be placed on providing "second chance" opportunities to those who are motivated to take full responsibility for their future. The tax system will help mothers to stay at home if they wish, and families to take care of both children and grandparents.
- Religious and charitable organizations will provide programs to strengthen the family and to help those who are marginalized to integrate more fully into Canadian society (for example through mentoring, language and job training, opportunities to work on public projects).

Environmental and Health Risks:

- Government will apply the highest standards to ensure the safety of new drugs or other technologies that present health or environmental risks. There will be strict accountability and strong penalties for any withholding of information or negligence by government or by industry.
- In areas such as water quality, food and drugs, and vehicle emissions, we will rely on made-in-Canada standards, and on a more transparent Canadian regulatory process, to ensure public safety is protected.

PROS: ARGUMENTS IN FAVOUR OF SCENARIO 3: **EMPHASIZE TRADITIONAL VALUES & ACCOUNTABILITY**

- ✓ Canada's success, from its earliest pioneer days, has been built by people who shared a clear conception of right and wrong, and the discipline and sense of responsibility to do the right thing. We must strengthen that ethical foundation if we want our success to continue.
- ✓ No society can operate effectively without some basic shared values and trust. Those in authority, in particular, must act in ways that earn trust and respect. That means consistently acting in ways that reflect our highest shared values, and being open and accountable.

Economic Development

- ✓ The market alone will not encourage business to do the right thing for society as a whole. Market incentives reward narrower self-interest. Government needs to set the rules and enforce accountability so that business can also serve the broader national interest.

International Development

- ✓ Our foreign and development assistance policies must reflect basic Canadian values and interests. If we do not have a clear moral aim, then our Aid programs will be rudderless, and end up being reactive, inconsistent and wasteful. Our Aid should reinforce democracy.

Poverty and Social Marginalization

- ✓ Anyone who is willing to make the effort should be given every chance to succeed, but to reward individuals who are unwilling to help themselves is unfair to those who play by the rules. More fundamentally, we must strengthen the family, schools and other basic social institutions that teach and renew our fundamental values.

Environmental and Health Risks

- ✓ The mission of government is to protect the safety and security of all Canadians. Protecting public health, water and our environment is a basic trust that must not be betrayed. We must apply the highest standards and not rely on those of other countries. And the way we do this must be transparent for all to see, and subject to the strictest accountability.

CONS: ARGUMENTS AGAINST SCENARIO 3: **EMPHASIZE TRADITIONAL VALUES & ACCOUNTABILITY**

- ✘ Old-fashioned values and deference to authority will be of little help in dealing with 21st century challenges. Tolerance for different values and openness to change are central to what it means to be Canadian today, and why we will succeed in the future.
- ✘ No one, and no institution, has a monopoly on truth and human values. In most cases there is not just one right way; everyone needs to have a voice in determining which is the right way to go. That kind of democratic process leads to broader understanding and builds real trust.

Economic Development

- ✘ There is no reason to suppose that government is more ethical, or knows more than business or any other part of society. Government is just more likely to create red tape, new hoops to jump through, and impede economic growth.

International Development

- ✘ Canada has an honourable tradition of reaching out to help those most in need. Confining our Aid to those who think like us, or to countries where we have a strategic interest, is a betrayal of that tradition, and a denial of the basic humanity of others.

Poverty and Social Marginalization

- ✘ The definition of a humane society is one that takes care of the neediest among us. Penalizing the most vulnerable, unless they try to become like us, is too cruel and self-righteous and will not solve our social problems.

Environmental and Health Risks

- ✘ In the name of protecting our health and environment, government limits our access to new drugs, imposes restrictions on how we use water and other natural resources, and increases the cost. Government should not behave like an overprotective parent. Only when risks clearly are too great for individuals to manage should government intervene. Otherwise government should provide full information on any risks and then let responsible citizens make their own decisions.

Scenario 4 — Emphasize diversity and choice

Introduction

The fourth scenario is to build a Canada that is more open and diverse, providing greater scope for individuals and communities to express their own values and choose their own lifestyles. It is a multicultural Canada where different value systems co-exist and grow side-by-side creating an even richer mosaic. In this Canada, government facilitates individual and community self-expression as a way to increase personal choice, create more vibrant cultural communities, and promote social and economic innovation.

Background for Scenario 4

- Among two-parent families, 64% had two earners and 21% had one earner in 1996, almost reversing the trend from 1951 when 60% had one earner and 32% had two. Single parents now account for 15% of all families, up from 9% in 1971. Common-law relationships accounted for 12% of all families in 1996 (over 30% in Quebec), up from 6% in 1981.
- 86% of Canadians approve of the clause in the Constitution that tells judges to interpret the Charter so as to preserve and enhance Canadians' multicultural heritage. 83% think that recent immigrants have made a strong contribution to Canadian culture. 63% say that bilingualism is important to the Canadian identity.
- 63% believe that the federal government should spend about the same or more on Aboriginal peoples
- 69% think that the Charter of Rights and Freedoms should prohibit discrimination against gays and lesbians
- 10% of Canadian Aid goes through voluntary sector organizations.
- When Opportunities 2000 offered training, child care supports, and employment counseling to 1,600 people from 1997 to 2001 to help them escape poverty, 47% reported an increase in income. When Metrofund provided micro loans worth \$1.5 million to 430 people with very low incomes from 1994 to 2000, average profit generated by each micro business was \$1,250 per month.
- In 2001, 3.5 million Canadian households used the Internet to obtain health-related information. As yet there is no system of accreditation or quality assurance for these sites.
- Thanks to Blue Box and other recycling programs, Canadians recycled 25% of all material consumed in 1996, up from 9% in 1988. Reuse of packaging and construction materials has risen from 6% to 46%.

SOME KEY ELEMENTS OF SCENARIO 4

Economic Development:

- Programs to support economic development will focus on investing in people, developing their skills and abilities to innovate, and providing support for individuals and communities to take the initiative.
- Government economic development programs will be responsive to the requirements of individual communities or localities who will take the lead in setting the agenda.

International Development:

- Aid policy will be responsive to the agendas of developing countries, recognizing that each country must find its own path to development consistent with its own culture, history and value system.
- Development programs will be designed to be bottom-up and community-based, building partnerships for development among local communities, donors, and Canadians originally from those countries.

Poverty and Social Marginalization:

- In order to create the sense of identity and empowerment needed to overcome marginalization, disadvantaged communities will help design and implement programs that will improve their own conditions, express their own culture, and overcome discrimination.
- To increase the choices open to recipients, social benefit payments will be made through the tax system and by providing vouchers for education and other services. Small loans will also be available to help individuals and communities find their own path to a higher income.

Environmental and Health Risks:

- The priority will be to inform Canadians so that they can make their own choices and take their own risks. Full information on the environmental performance of companies, new drugs, vehicle emissions, and potential risks to health and the environment will be provided. Households will also receive regular statements of their own water use patterns compared to best practice.
- Canadians will have access to new products until they are proven beyond a reasonable doubt to be harmful to health or the environment. Even in those cases, products may still be available so long as they are properly labeled (as tobacco is now).

PROS: ARGUMENTS IN FAVOUR OF SCENARIO 4: **EMPHASIZE DIVERSITY AND CHOICE**

- ✓ Canada's multicultural mosaic and reputation for tolerance is a model for others and a key advantage in a more interconnected world. It gives us special access to cultures, economies and societies around the globe, and sets us apart from the American melting pot.
- ✓ In the information age, success depends on the creativity of individuals and their communities. No government has all the answers in this rapidly changing world. Individuals and communities must be able to take the initiative, make their own choices, experiment and learn.

Economic Development

- ✓ In a knowledge-based economy, people really are our most important asset. We must invest in people by developing their skills and providing the specific community support they need to take the initiative and innovate.

International Development

- ✓ Development, to be sustainable, must reflect the values, culture and history of a society. Countries that have followed their own path to development, like Japan or Singapore, have been most successful, while those where Western models have been imposed too often fail.

Poverty and Social Marginalization

- ✓ To break out of the culture of poverty, alienation and dependency, people and communities need two things above all: to develop a stronger sense of their own identity and self worth, and a little seed money they can use to make choices about their future. With these tools they can find their own path to contribute fully to society.

Environmental and Health Risks

- ✓ Adults should be able to make their own choices and take their own risks. The role of government is to provide full and reliable information we can use to make those choices, not to be paternalistic and try to protect us from all risks or from ourselves. This is even more the case when the risks are unproven and the evidence is conflicting.

**CONS: ARGUMENTS AGAINST SCENARIO 4:
EMPHASIZE DIVERSITY AND CHOICE**

- ✘ We have been so busy promoting our multicultural diversity that we have begun to lose sight of what it means to be Canadian. We are not simply the sum of the different cultures that have immigrated to our shores. Canada is more than that or it is nothing at all.
- ✘ In a globalizing world, filled with larger and larger corporations and international agencies, we need more than just creative individuals and communities in order to succeed. We also need stronger government to protect our interests.

Economic Development

- ✘ Not everyone can be a high-tech entrepreneur. We need real jobs for real people. As we've seen in the last couple of years, the "new economy" did not change everything. We need to be less naïve and more practical in developing our economy.

International Development

- ✘ In many places we find the "Asian miracle" is built on cronyism and corruption. In others, respecting local traditions means supporting feudal landlords, rich families, and tribalism. Aid should make sure that the basic values needed for open markets and good governance take hold.

Poverty and Social Marginalization

- ✘ Breaking out of poverty takes a lot more than greater self-esteem and some seed money. It requires lots of hard work, training and discipline, and sometimes support for special needs. Above all it requires holding people accountable for what they do and for how they use whatever resources are made available to them.

Environmental and Health Risks

- ✘ People have their own busy lives and often are not in a position to understand the risks that different products or activities may pose to their health or to the environment. They rely on government to protect them. And when someone makes a choice that harms health, wastes key resources like water, or degrades the environment, we all pay a price. We need government to protect the public interest.

