

The end of complacency

NO ONE, not even his most ardent admirers, would describe Jean Chrétien as an intellectual. The Prime Minister is a practical man. He gets things done, sets achievable goals, goes with the flow of events.

For eight years, Canadians have taken their cue from their national leader. They've ridden the economic boom and managed their own affairs, setting aside big questions about globalization and societal change for another day.

Finally, that day seems to have arrived.

It is not the Prime Minister's doing. His government's Throne Speech, this week, was exactly what he promised it would be: a recapitulation of last fall's stand-pat Liberal election platform.

But Canadians are no longer prepared to nod complacently. In think tanks, lecture halls and conference rooms, they are starting to wrestle with the issues that have transformed — and will continue to transform — the nation.

In the last few months, three of the nation's top economists have produced ambitious analyses of the impact of globalization, technological change and government retrenchment on Canadian society. All three conclude that continuing to go with the flow would be a serious mistake.

Last weekend, some of the country's top thinkers gathered in Ottawa to debate the trade-off between economic growth and rising levels of inequity. Their consensus: Focusing solely on wealth creation is bad social and economic policy.

What is encouraging about all this activity is both its breadth and its originality. Analysts are beginning to look at the whole picture; challenge conventional nostrums; knock down the barriers between right-and left-wing policies.

The first sign of fresh thinking was a lecture delivered to the C.D Howe Research Institute, last October, by British Columbia economist John Helliwell (available at

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www.cdhowe.org).

He rejected the widely-held notion that globalization has stripped small countries such as Canada of their sovereignty and their ability to set national priorities.

Taking direct aim at big business, which insists Canada must chop taxes and slash social spending to keep talented people from fleeing to the United States, Helliwell showed that the much-publicized brain drain is largely a myth. He went on to suggest that Canada's social safety nets are, in many ways, a competitive advantage.

"Better health and education contribute to well-being above and beyond their contributions to potential incomes," Helliwell told an audience of senior corporate executives.

The next contribution was a book by Queen's University economist Thomas Courchene, called *A State of Minds: Toward a Human Capital Future for Canadians* (monograph available at www.irpp.org).

The idea-loaded tome was released last month. Courchene's central argument was that the pre-eminent objective of public policy in the 21st century should be to build and keep a highly skilled workforce. He advocated tax cuts for the nation's most mobile workers, combined with a massive investment in education starting at the pre-school level.

Neither neo-conservatives nor liberals were entirely comfortable with this prescription. "The optimal way to pursue both economic competi-

tiveness and social cohesion, is to pursue them in tandem," Courchene wrote, defiantly straddling the political spectrum.

The third call to action was a discussion paper released nine days ago by Judith Maxwell, president of Canadian Policy Research Networks (available at www.cprn.com).

Her thesis was that free trade, deficit-cutting and the ascendancy of the marketplace have yanked loose the anchors of Canadian citizenship. She urged policymakers to seek a new balance between the market and the state; one built on targeted investments that equip people to succeed while strengthening the economy.

She recommended, for instance, that income support programs be modernized to provide a mix of social protection and incentives to work. She proposed that lifelong learning be treated as a fundamental right of citizenship. And questioned the need for further cuts in personal taxes.

"This does not mean a lurch to the left or a lurch to the right," Maxwell argued. "It means finding the radical middle."

This brainstorming is likely to continue, with or without the Prime Minister's participation. There are several catalysts.

The first is the anti-globalization movement. Unless ways are found to give more Canadians a stake in the new economy, protests are going to intensify and social cleavages are going to grow.

The second is the existence of a federal surplus. With Canada's economic house now in order, there is a growing desire to address some of the social deficits left by the retrenchment of the '90s.

The third is the prospect of an economic slowdown. As markets weaken and uncertainty spreads, the status quo will become less appealing.

The last is pure momentum. Once interesting ideas start ricocheting around, it is hard to stop them. Once people develop a taste for stimulating intellectual debate, it is hard to feed them platitudes.