
The Field of Dreams

Council of Canadian Unity Annual Meeting - Panel on The Future of Canada

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The title **L'Avenir du Canada** leaves many options. I would like to describe a dream I have for this country.

I will begin with a discussion of what citizens want from their country – and more specifically from their governments. Then I will talk about the poisons that are breaking down our capacity to govern ourselves. All of this is to set the platform from which I can suggest some solutions.

What Do Canadians Want?

In our work, *Exploring Canadian Values*, Suzanne Peters discovered that Canadians still see a robust role for governments in Canada. Canadians place a high value on equal access to health and education. They want to be self-reliant, which means they want to work. They have a strong sense of compassion, leading to collective responsibility. They believe that this collectivity should be investing in people – in children and in adults who need help to become self-reliant. Taken together, these values represent to Canadians their own identity. This is who we are.

Canadians also want governments to be efficient. They assume that governments can work together to deliver these services and to strengthen Canadian identity. Except in Quebec, they do not distinguish between federal and provincial. Even Quebecers, who quite naturally identify most strongly with the National Assembly, still assign an important role to Ottawa.

What Are Governments Doing?

Governments today are moving away from these citizen preferences. They are trimming the social safety net and they have completely lost their ability to collaborate. The main problem is the burden of public debt.

Fiscal restraint is affecting government spending across the board, including the health, education, and social security systems. What is worse, few of them have outlined a vision of what these

systems will look like, once the fiscal problem is solved. (New Brunswick and Saskatchewan are two provinces that are trying to create an alternative vision.)

The accumulation of federal cuts in transfers to the provinces, along with a number of other unilateral adjustments in federal programming, have poisoned the relationship between the two orders of government. Although there are files where good things are happening, governments are losing their capacity to work together.

Because of the research we do, I have frequent contact with federal and provincial officials across the country. The litany of grievances and the alienation is really quite something to behold. Like any family relationship, when suspicion and anger take over from trust and reciprocity, the result can be painful in the extreme.

The key change that has taken place in this family is that the kids have grown up, but they are still living at home. Fifty years ago, the federal government was clearly the dominant force in policy making. Today, provincial governments have the capacity to govern, and, taken together, they outweigh the federal government. What is more their activities are interdependent.

By interdependent, I mean, that the actions of one party influence the ability of the other to meet its objectives. The main problem is that Canada lacks the necessary instruments to manage interdependence.

In this environment, the federal government is faced with two extremes. Either it builds unanimous consent for a policy direction or it acts unilaterally. There is no middle ground. Even first ministers conferences are unilateral. The Prime Minister calls the meetings and he sets the agenda.

Some people expect that the problem can be solved by creating more watertight compartments – clarifying jurisdiction. But that would not eliminate interdependence – it would simply increase the importance of managing interdependence.

Most of the federations in the world have a central coordinating body and some form of decision rules for policy making. This is true for centralized federations like Australia and highly decentralized systems like the European Community.

The Basic Instruments

Now I would like to describe the basic instruments for managing interdependence. All of these instruments can be created through an agreement among governments. (They exist in Australia, without being entrenched in the constitution.) Taken together, they could rebuild the legitimacy of political institutions and permit the federation to begin to solve its own problems. There are three main elements.

1. A framework of principles setting out the common objectives of the partners. This would include values fundamental to the economic and the social union. This framework offers an opportunity to create a renewed "vision" of who we are as Canadians – a vision around which citizens can rally.
2. A statement of the responsibilities of the parties. This includes, but goes beyond the

constitutional division of powers. There are many activities of government which involve both Ottawa and the provinces – immigration, international trade, pension systems, etc. We need agreement on who is responsible for what, but also on how the spillovers will be managed.

3. Rules of procedure on how the partners will manage interdependence. The key issues are:

How will information be shared?

How will activities be coordinated?

How will decisions be made – by consensus? by majority?

How will disputes be settled?

When disputes are not settled, how will sanctions be applied and who will apply them – a tribunal, an expert panel, a group of peers, the federal government?

These are not easy issues to resolve, but there are precedents to build upon. Within Canada, we have seen new developments in the way governments collaborate in education; in the Agreement on Internal Trade; and in the new service agreements which integrate labour market programs like the one announced in Alberta recently. The Report to Premiers on Social Policy Reform and Renewal issued in March also sets out a number of innovative ideas on managing social policy.

There are also valuable lessons to be learned from the evolution of Australian federalism in the 1990s – Australia makes extensive use of Ministerial Councils and a form of regular First Ministers Conference, which is called the Council of Australian Governments (COAG). The European Union and the German federation also offer lessons in harmonizing or integrating government actions.

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These kinds of process changes offer us a new way forward. They are driven by the realities of interdependence. But they offer the potential for a new national deal which could be attractive to all the players. Provinces (including Quebec) can escape from the unilateralism and turf wars of recent times by committing themselves to a new set of rules which recognize the interdependence of jurisdictions. There is also scope for asymmetries, differences in the way programs are designed and delivered which are responsive to the needs of citizens in different parts of the country.

Some of you may remember a book called Field of Dreams, in which a baseball fan, who was a farmer in the American Midwest, built a baseball stadium. Once that baseball stadium existed, he found that a great baseball team came to play.

I think that if we build a federation that works Quebec, and British Columbia, and Alberta, and Newfoundland will want to be players. If we build a federation based on mutual respect and joint problem-solving, we can begin to demonstrate that the country works.

It will also have a much better chance of meeting the needs, hopes and dreams of Canadian citizens.

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