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## **Resolving the “Fiscal Imbalance” – What Citizens Have to Say**

The citizens’ perspective on how our governments should share public funds is surprisingly free of jurisdictional jealousies. Citizens argue that a vision of what we are trying to achieve *as a country*, not governments’ fiscal capacity, must be the starting point.

That’s a key finding of *Strengthening the Federation: Citizens’ Dialogue on Sharing Public Funds for a Better Canada*, by Judy Watling, Judith Nolté and Mary Pat MacKinnon, a new report from CPRN’s Public Involvement Network. It presents the results of a series of intensive citizens’ dialogues in major cities across the country. CPRN conducted the dialogues on behalf of the Advisory Panel on Fiscal Imbalance, established by The Council of the Federation led by Canada’s Premiers.

The citizens, representative of all regions and walks of life, reached a consensus on the values and principles decision-makers should observe when they negotiate terms for sharing public funds:

- *Fairness* – Promote shared national standards/goals to ensure the “same acceptable standards” for all Canadians.
- *Access* – Canadians deserve access to the same acceptable level of service across the country. Support mobility of people across the country.
- *Transparency and Accountability* – Promote greater trust in governments, measure progress and report to Canadians, improve accountability between governments and to citizens, and institute a process to ensure citizen input.
- *Sustainability* – Embrace a long-term vision for Canada, provide continuity of services across changes in government, and ensure affordability.
- *Efficiency* – Collaborate to avoid duplication, reduce waste and share best practices. Coordinate services across provinces, remove inter-provincial barriers, enable skilled newcomers to work in their field and improve Canada’s competitiveness.

“There is a very strong Pan-Canadian message here,” says MacKinnon, Director of the Public Involvement Network. “The message to all governments is: collaborate on a citizen-focused approach and a vision of the level of services each Canadian is entitled to, wherever he or she lives. Next, collaborate on ensuring they have access to those services, coast to coast to coast, provided in the most efficient way.”

While citizens see the federal government as responsible for articulating a national vision and national standards in essential services like health and education, they are clear that the vision cannot be developed without the participation of all levels of government, citizens and stakeholders.

Also striking is the strong accent on accountability, a product, perhaps, of the low level of trust citizens accord their governments today.

This leads to a demand for citizen input in all major decisions, a preference for conditional and direct transfers over unconditional transfers and transfer of tax points, and regular reporting on progress toward the standards agreed upon in the national vision.

“Trust and accountability are both part of the problem and part of the solution,” says MacKinnon. “The Council of the Federation is well positioned to exercise leadership in developing a vision and standards. If governments think beyond their borders and work in the interests of all Canadians, they will help rebuild public trust.”

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#### *About the dialogues*

Almost one hundred, randomly chosen Canadians met in intensive one-day regional dialogues in Halifax, Toronto, Montreal, Edmonton and Vancouver in December of 2005. They were asked for their views on how the federal and provincial governments might best share public funds to allow each to provide quality services to citizens, invest in future growth, and improve competitiveness. In a final national dialogue in January, 2006, twenty-one participants from the regional dialogues spent another day exploring issues that emerged from those regional sessions.

Details of the dialogue process are included in the report.

Mary Pat MacKinnon, Director, Public Involvement Network • Tel: (613) 567-7500 ext. 2017 • E-mail: [mmackinnon@cprn.org](mailto:mmackinnon@cprn.org)

Peter Puxley, Director Public Affairs • Tel: (613) 567-7500 ext. 2019 • E-mail: [ppuxley@cprn.org](mailto:ppuxley@cprn.org)