



CPRN RCRPP

## Commentary

### Let's Count Our Blessings

As the new year begins, let's count our blessings, set some challenging goals for ourselves, and build the kind of country we want to be in the 21<sup>st</sup> century.

Here are the blessings I count.

First, we have put our economic house in better order. Federal and provincial governments have been paying down their debts, and they are able to withstand the current economic slowdown without the financial panic we experienced in the early 90s. Unemployment rates, inflation, interest rates have recently set lows not seen in decades. And, despite recent layoffs, a high proportion of the working age population is working.

Second, Canadians have shifted confidently into the Internet era in their personal lives and at work. New industries, new businesses, new products and new kinds of jobs have created opportunity for thousands and new wealth for many others. The current shakeout is painful, but there is no question now that that Canada can be a strong player going forward. The dot coms are a new pillar for the economy, one that buttresses our traditional strength in resources.

The third blessing is our social infrastructure. Canada spends less of its GDP on health care and social programs than the United States, yet it has a healthier population, and less inequality. It also has far less domestic and street violence -- most Canadians feel safe in their communities, despite the turbulence in the wider world. There is much to do to update this social infrastructure to suit new family structures, new forms of work, and different community needs but we cannot ignore the effectiveness of what we have in place.

None of these blessings can be taken for granted in a post-September 11 world. And many of the risks are internal ones. We seem to be unsure about the essence of our shared citizenship, and torn by conflicting views about what it will take to make this a great country. Here are three big challenges we face.

What is the strategy for North American integration? Canadians are fully committed to the North American concept. They want the benefits of well-functioning markets. But our leaders have been slow to acknowledge how far the integration has progressed, and even slower to think through how the economic benefits of the wider market should be balanced by strengthening the political, social, and cultural bonds that shape our shared citizenship.

Many ad-hoc decisions to make the border more efficient for trade and for security have been made since September 11. But what were the guiding principles for those changes and what are their long-term consequences? Borders matter profoundly for our political, social, and cultural rights and responsibilities. Do we know what we must defend, no matter what the cost? Do we know where harmonization makes good sense? How do we distinguish the two?

The second challenge is social exclusion. The majority of Canadians are ready, willing, and able to accept market principles. But too many have fallen off the edge of the market and are living in exclusion. Some have used the word apartheid to describe the state of our relationship with Aboriginal peoples. About half of them live in appalling conditions on reserves, but another third live in similar conditions in our major cities! What resources do they need to become self-reliant?

But exclusion goes wider than that. It includes too many of the immigrants who came here in the 1990s. They have had far less success in becoming self-reliant than previous generations have. Most of them are in major cities. It also includes too many Canadians who have missed out on a high school education, have lost their jobs (or never had one) who cannot find an affordable place to live, and whose children are getting a miserable start on life.

The third challenge is to reform the political institutions which currently seem to create more problems than they solve. Western Canada feels threatened by current economic challenges (softwood lumber, the Kyoto accord, the agricultural slump). With one third of the population, this region feels abandoned by the rest of Canada. Health care policy has become a battered political football for federal-provincial scrums. Federal political parties are so obsessed with leadership races that policy gets lost in the fog. Core responsibilities of government – clean water, clean air, an effective military – have suffered.

Canadian citizens take great pride in their political and civil rights, but they are voting less often. Governments have assumed new powers to meet security needs, but citizens are adamantly opposed to a Big Brother state. They pay taxes more or less willingly because they believe that governments can provide services more effectively than they could do on their own, but they expect efficient and responsive government in return.

Canada has made a number of deliberate choices in the last 20 years. It has opted for freer trade and for the efficiency of markets. It has paid a huge price to gain control over public finances. All this required immediate sacrifices in personal well being and in the

overall standard of living. No one should be surprised that GDP per capita has grown more slowly than in the United States. That was the price we paid to get the economic house in order.

Now we must make more choices about the kind of country we wish to be in the 21<sup>st</sup> century. Will we be politically fragmented and socially polarized? Or will we make deliberate choices to use our new confidence, resilience, and economic strength to build a better country for all?

We do have choices.

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