

June 13, 1996

Working Paper Calls for First Ministers to Rebuild Trust and Renew Federalism

OTTAWA – If Canada is to have a workable social union, First Ministers must begin to create mechanisms for cooperative decision-making and genuine power sharing, according to a working paper, *Building Blocks for Canada's New Social Union*. The Paper was released today by Canadian Policy Research Networks (CPRN).

"Canada lags behind Australia and others in the evolution of effective intergovernmental machinery," says Margaret Biggs, author of the paper. "As a result, the overall workability and cohesion of the federation have suffered. The public has grown increasingly disillusioned."

The paper argues that the introduction of the Canada Health and Social Transfer (CHST) has brought these issues to a head. The CHST ushered in a new era of significantly reduced federal financial contributions and has forced a rethinking of the values and priorities that underlie civil society in Canada. Just when the future unity of the country is being called into question, the social order that has come to personify Canadians' sense of themselves and their country, appears to be unravelling.

The paper sees the CHST as an "opportunity to reconstruct a shared understanding of the country's aspirations," describing it as a "transitional device through which the makings of a new social union can be explored." The upcoming First Ministers' Conference is an opportunity to begin this important process.

Building Blocks for Canada's New Social Union assesses the mechanisms and governing structures for a more decentralized social union. Evidence and insights are drawn from six case studies: three in Canada (the Canada Assistance Plan, education and the Agreement on Internal Trade) and three international (the European Community, Germany and Australia).

A key finding is that the new forum for intergovernmental dialogue and decision making in Australia has succeeded in rebuilding trust and spearheading important policy reforms. This has been accomplished without creating a new layer of government or bureaucracy, or the inflexibility of unanimity-based decision-making.

The case studies also demonstrate how First Ministers have been the driving force behind successful intergovernmental collaboration in Australia as well as education reforms and the Agreement on Internal Trade in Canada.

The study cautions that public participation and democratic accountability must not be sacrificed to the exigencies of intergovernmental decision making. According to the paper, "public engagement and accountability must be the cornerstone of a renewed social union in Canada."

The study builds on an earlier CPRN report "Exploring Canadian Values" by Suzanne Peters, Director of CPRN's Family Network. According to Dr. Peters, "the record of public judgment makes it clear that Canadians care deeply about the social union. They are tired of governments squabbling and want social programs that work and are fair to all Canadians."

Judith Maxwell, President of CPRN, says that "it is the social union that is most central to Canadians' sense of identity and security. It is the social union that has come to personify the 'worst practices' of intergovernmental relations in Canada." She goes on to add that "the social union is important not just for 'feel good' reasons. Skills, knowledge and social cohesion are key to wealth creation in the new global economy."

The paper identifies ten essential building blocks for rebuilding the social union. A key finding is the importance of monitoring performance and progress. Biggs writes that, "early initiative to produce national performance indicators on policy outcomes, and social indicators on social trends, would strengthen the accountability and consistency of government services while allowing local flexibility and innovation."

Another critical building block highlighted in the paper is a set of neutral mechanisms to interpret and/or enforce compliance to agreed upon norms. Such mechanisms are found to be instrumental in securing intergovernmental cooperation and strengthening the integrity of the decision-making process.

"Early action on the social union is needed to signal a break from the past, and a future built on partnership, performance and democratic accountability," says Ms. Biggs. "This breakthrough is within the collective reach of Canadian governments. It would provide Canadians everywhere with a workable and meaningful vision of the country."

- 30 -

CPRN is a national not-for-profit research institute whose mission is to create knowledge and lead public debate on social and economic issues important to the well-being of Canadians, in order to help build a more just, prosperous and caring society.

For more information on the publication, please contact:
Peter Puxley, Director, Public Affairs
Tel: (613) 567-6665 – Fax: (613) 567-7640 – E-mail: ppuxley@cprn.org

To download a free copy of the report visit our home page: <http://www.cprn.org>
A weekly e-mail service, *e-network*, provides short updates on research projects or corporate activities.
To subscribe visit www.e-network.ca

Copies ***Building Blocks for Canada's New Social Union***, are available from Renouf Publishing Company Limited, 5369 Canotek Road, Ottawa, Ontario K1J 9J3 - Tel: (613) 745-2665 - Fax: (613) 745-7660 - Stores: 712 Sparks Street, Ottawa, Ontario Tel: (613) 238-8985 - Fax: (613) 238-6041 - 12 Adelaide Street West, Toronto, Ontario M5H 1L6 - Tel: (416) 363-3171 - Fax: (416) 363-5963 - <http://www.renoufbooks.com>