

Queen's University
SOCIAL UNION PROJECT:

INTERGOVERNMENTAL RELATIONS AND
THE SOCIAL UNION:
BETTER THAN YOU THINK?

Harvey Lazar
Institute of Intergovernmental Relations
School of Policy Studies
Queen's University at Kingston

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QUEEN'S SOCIAL UNION PROJECT

- Launched after CHST
- Provinces looking for changes in workings of social union
- Decided to focus project on the Federal Dimension itself
 - The Nature of the Intergovernmental Relationship

THREE RESEARCH QUESTIONS

- What kind(s) of intergovernmental regimes (intergovernmental relationships) prevail in the social sector? That is, intergovernmental regime or the kind of federalism governments practice is the INDEPENDENT variable.
- What is the impact of regime-type on the public interest?
- For any individual social policy/program, is there an alternative to the existing intergovernmental regime that might better serve the public interest?

STARTING ASSUMPTIONS

- “High politics” versus “sector politics”. That is, the real social union reflects interplay of overarching high politics with a variety of sector practices
- Wide variety of intergovernmental practice from sector to sector, program to program, and over time. That is, there are many kinds of federalism being practiced in the social union.
- Nonetheless, not much is known about the actual practice of intergovernmental relations for individual social programs and policies
- We chose to focus on sector and individual programs and policies more than high politics.

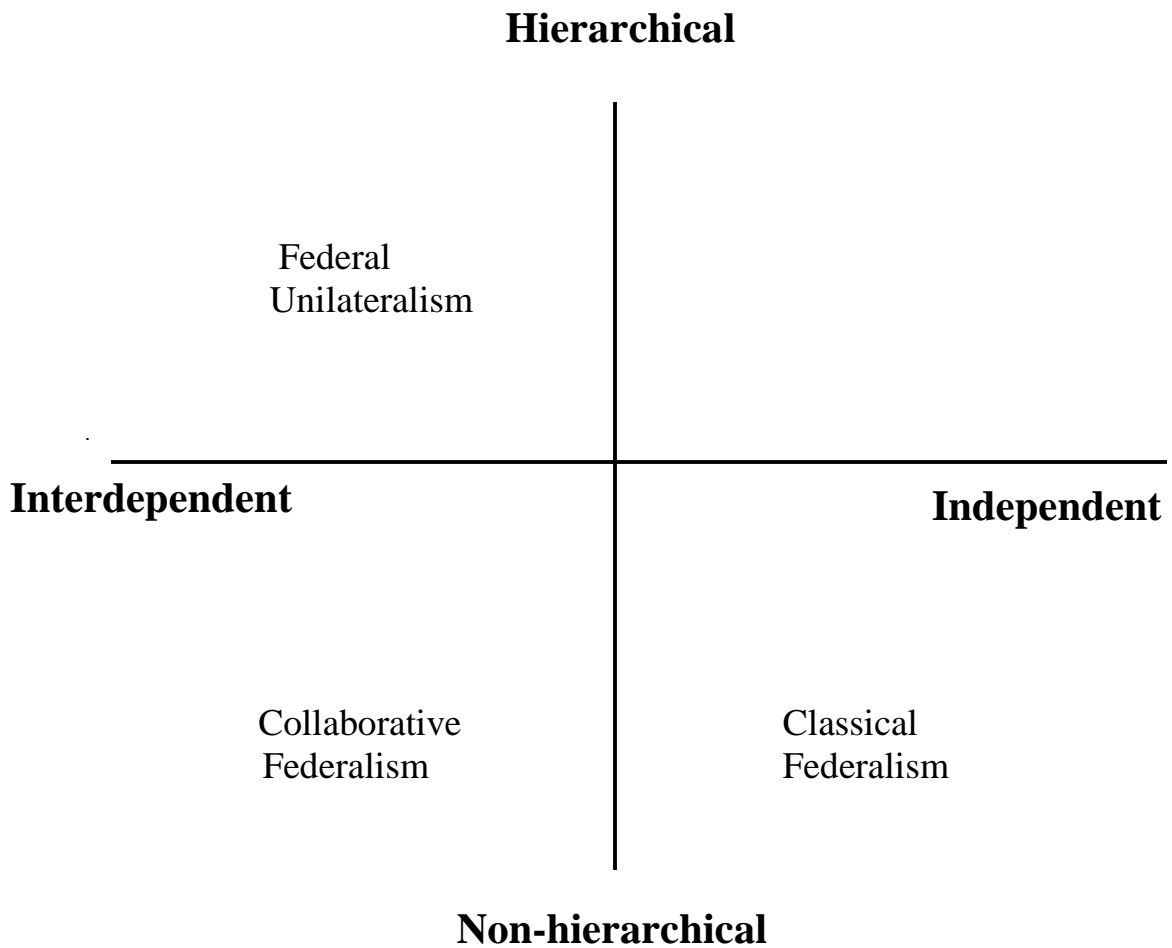
RESEARCH METHODOLOGY

Four Steps

- Typology of regime types
- Determine the prevalence of different regime types through a sample of health and social programs and health and social policy processes
- Assess impact of regime type on the public interest
- Assess whether the public interest could be better served by an alternative regime than the one now in place

METHODOLOGY

Step 1: A Typology of Intergovernmental Regimes



ELABORATING ON TYPOLOGY

- Federalism unilateralism
 - Federal government coerces provinces to accept Ottawa's priorities, e.g. by using spending power to offer provinces matching grants. Unilateral only when province(s) really opposed to federal priorities.

- Classical Federalism
 - Only one order of government active and within its legislative competence under constitutional division of powers.

 - Both orders of government involved with own legislative competence but acting independently of one another.

 - Federal government may also use spending power provided this has no large impact on provincial priorities. Not coercive.

 - Can entail competitive federalism (either horizontal or vertical)

ELABORATING ON TYPOLOGY

- Collaborative Federalism
 - Non-hierarchical
 - Work together (doesn't mean absence of tension)
 - Can include matching grants or other transfers but only if not coercive.
 - Analogy to international agreements
 - Bargaining can be rough and tumble
 - What matters is if result can be seen to advance the goals of both orders of government

- “Beggar Thy Partner” Federalism
 - Began assuming that there would be little action in upper right quadrant

 - But have concluded that there can be cases of one order of government (usually though not always federal, acting independently of the other but having a coercive impact on the other)

COMMENTS ON TYPOLOGY

- No best type of federalism
- Too much hierarchy can be poisonous to federal-provincial relations
- Classical best when externalities few, but may not deliver policy results if reality is interdependence
- Collaborative may be functional but entails transaction costs and can complicate accountability relationships. Often lacks transparency
- Trade-offs need to be weighed

METHODOLOGY

Step 2: Case Studies

Health

1. “Canadian Federalism and the Development of National Health Goals and Objectives”
2. “Cost Containment of Health Care: The Federalism Context”
3. “Federalism and the Health Facility Fees Challenge”
4. “The Role of Federalism in Health Surveillance: A Case Study of the National Health-Surveillance ‘Infostructure’”
5. “Regionalization and Collaborative Government: A New Direction for Health System Governance”

Disability

6. “Reforming the Disability Insurance System: A Collaborative Approach”
7. “Disability Supports and Services in the Social Union”
8. “Governance Regimes in Disability-related Policies and Programs: A Focus on Community Support Systems”

Labour Market

9. “Dis-Covered: EI, Social Assistance and the Growing Gap in Income Support for Unemployed Canadians”
10. “The Federal-Provincial Labour Market Development Agreements: Brave new Model of Collaboration?”
11. “Youth and the Social Union: Intergovernmental Relations, Youth Unemployment and School-to-Work Transitions”

METHODOLOGY

Step 3: Defining the Public Interest

- Policy
 - Efficiency
 - Horizontal Equity
 - Vertical Equity
 - Human Development
 - etc.
- Democracy
 - Majority will
 - Minority rights
 - Accountability and transparency
 - Role for legislature
 - Public participation
- Federalism
 - Consistency with division of powers
 - Respect for status of other order of government
 - Agreement on dispute resolution

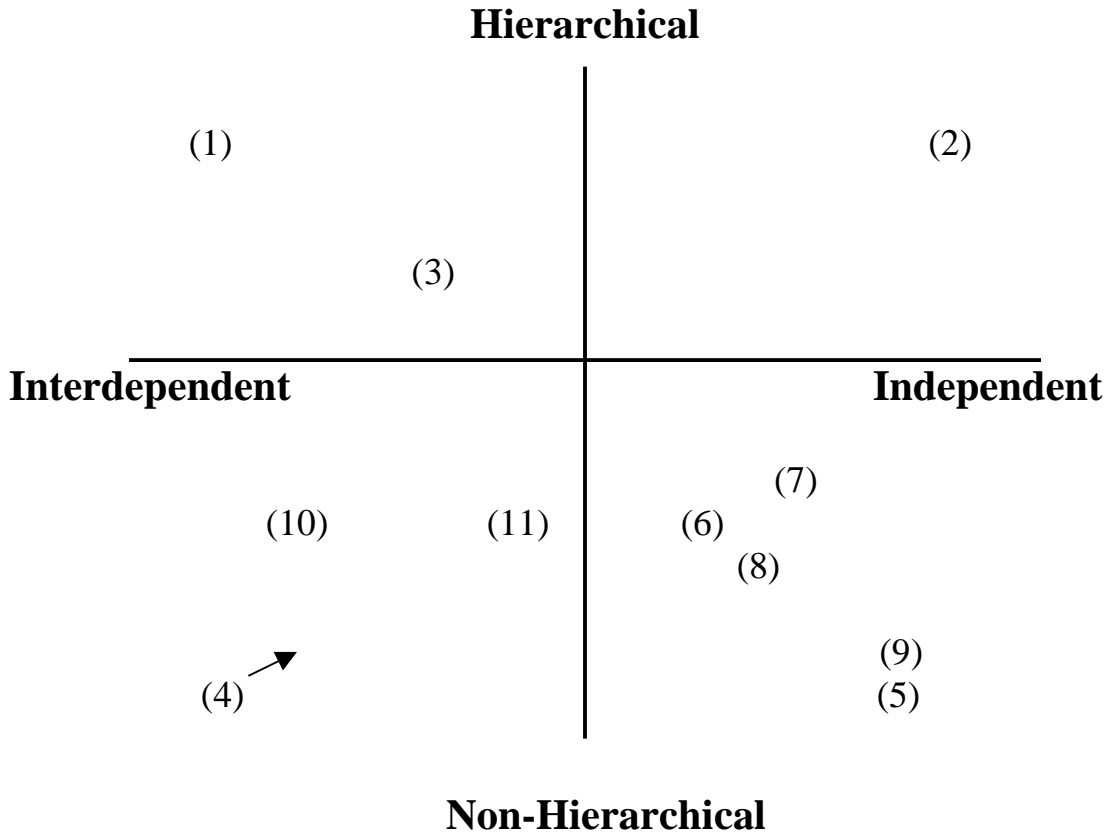
METHODOLOGY

Step 4: Alternative Regimes

- Analysis of whether alternative regime would generate a better mix of policy, democracy and federalism
- Difficult judgment by researchers
- But conclusions have to be supported by reference to same criteria

SO WHAT DID WE FIND?

Regime Analysis



- 8 of 11 cases not hierarchical
- An almost even split between programs entailing interdependence and independence
- 3 of 5 health cases were hierarchical
 - Lack of progress in another (item 4)
- Note that 2 of 3 health cases directly or indirectly related to fiscal disputes

SO WHAT DID WE FIND?

Comments on Findings

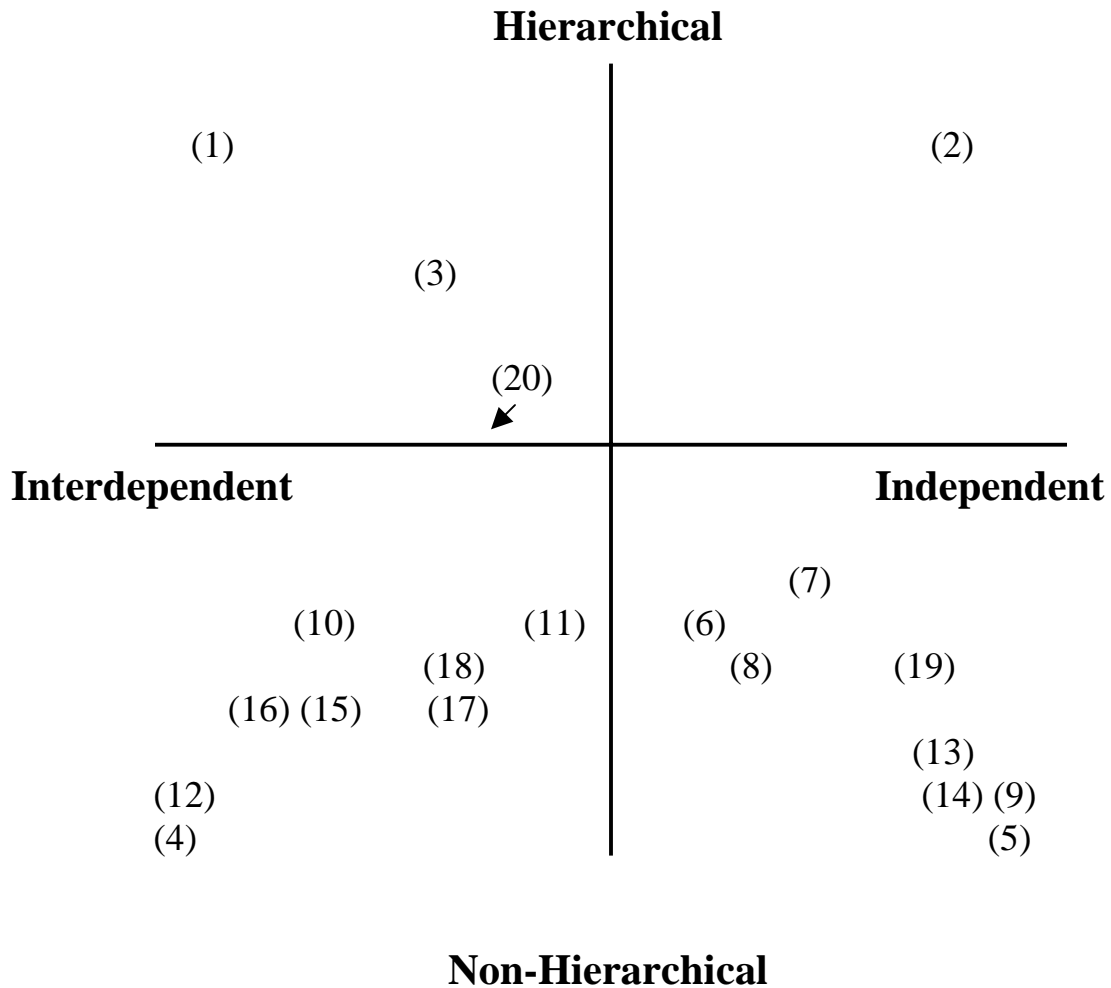
- Report above is static.
- Does not reflect the dynamics – that collaborative arrangements often entail initially independent action by one government.
- Also does not reflect movements back and forth over time (e.g. end of CAP).
- An open question as to whether it is possible (practical) to achieve collaboration without one government initially taking a position.

WHAT HAPPENS WHEN OTHER CASES ADDED?

12. CP/QPP
13. OAS/GIS
14. Primary and Secondary Education
15. Children's and Family Policy
16. Child Benefits
17. ECD
18. Social Housing
19. Social Services
20. Homelessness

- My Personal Knowledge
- No Formal Case Studies

WHAT HAPPENS WHEN OTHER CASES ADDED?



- Added additional cases based on personal knowledge
- Being vetted (housing complex)
- Health still stands out as exception
 - Homelessness a flash point (becoming less hierarchical?)
- Much of social union non-hierarchical

IMPACT OF INTERGOVERNMENTAL REGIMES ON PUBLIC INTEREST

CASE STUDIES	APPROPRIATE*
<i>Health</i>	
1. “Canadian Federalism and the Development of National Health Goals and Objectives”	No
2. “Cost Containment of Health Care: The Federalism Context”	Yes
3. “Federalism and the Health Facility Fees Challenge”	Yes
4. “The Role of Federalism in Health Surveillance: A Case Study of the National Health-Surveillance ‘Infostructure’”	Yes
5. “Regionalization and Collaborative Government: A New Direction for Health System Governance”	Yes
<i>Disability</i>	
6. “Reforming the Disability Insurance System: A Collaborative Approach”	No
7. “Disability Supports and Services in the Social Union”	No
8. “Governance Regimes in Disability-related Policies and Programs: A Focus on Community Support Systems”	Yes
<i>Labour Market</i>	
9. “Dis-Covered: EI, Social Assistance and the Growing Gap in Income Support for Unemployed Canadians”	No
10. “The Federal-Provincial Labour Market Development Agreements: Brave new Model of Collaboration?”	Yes
11. “Youth and the Social Union: Intergovernmental Relations, Youth Unemployment and School-to-Work Transitions”	Yes

*Note that “YES” does not mean authors did not have criticisms/suggestions but only that regime broadly appropriate.

REASONS FOR REGIMES BEING INAPPROPRIATE AND PROPOSED ALTERNATIVES

	Main Reasons for Determination in Column I	Preferred Alternative Regime
1. National Health Goals and Objectives	Federal unilateralism dysfunctional from viewpoint of federal principle and in achieving deserved results	Collaborate Federalism
6. Disability Insurance System	Too much vertical and horizontal inequity	Collaborative Federalism
7. Disability Supports and Services	Too much vertical and horizontal inequity	Collaborative Federalism
9. Income Programs for the Unemployed	Insufficient policy coordination	Classical Federalism. But better to have both EI and SA under same government, whether federal or provincial

- In several cases, authors argued that interdependence was real and that a shift in collaborative direction, on balance, desirable, even if not a major change.

CONCLUSIONS

- At any point in time, given the large role that both the provincial state and federal state play in social policy, bound to be some tension.
- Tension may be greater during periods of fiscal cutback.
- Not surprising health policy caught in the headlights since it was largest spending pressure during period of restraint in 1990s.
- Not a lot of social union in upper left quadrant, but big health issues there. Need to shift toward less hierarchical.
 - On dispute resolution, non-binding use of third parties seems a reasonable compromise.
 - Hopeful this occur
- Need to focus more on incentives that affect government willingness to cooperate or engage in conflict
 - Pre-condition to more effective SUFA-style joint planning

CONCLUSIONS

- Fiscal issue toughest. Decided by finance ministers. To reduce hierarchy, need
 - More stability in federal transfers
 - More predictability in federal transfers
 - Based on some FPT understanding about the appropriate financial role for the federal government
 - Without some measure of understanding, the best we can hope for is a series of shortlived ceasefires in ongoing fiscal battle
- If Ottawa lives up to September 2000 financial deal, this is better than Ottawa promising a formula in perpetuity and then renegeing almost every year.
 - But for time being there is a large gap between Ottawa's vision of the appropriate F/P/T fiscal relationship and that of provinces and territories
 - "High" fiscal politics main risk.
- Time also to consider a separate transfer for health. This would reduce confusion about size of federal contribution for health.