



CITIZENS, GOVERNMENT, DEMOCRACY: A NEW DEAL?



Jocelyne Bourgon

Good government is much more than reform and modernization of government and their public sectors, Jocelyne Bourgon, President of the Canadian Centre for Management, recently told an audience at SIPP's Outreach Program. "It requires both modern and efficient instruments of democracy as well as a modern and efficient professional public service," she said. The former Clerk of the Privy Council and past head of the Public Service of Canada claimed that the reforms have been concerned with the quality and produc-

tivity of its service delivery.

While reforms to date have made a useful contribution, she said, they have had some serious shortcomings. They have paid little attention to the impact of globalization and information technology on our concept of citizenship or on our system of representative democracy - the foundation of good government. Good government cannot be achieved by merely improving the quality of the existing range of services. It requires that tough decisions be made about the role of government in society. Good government is good policies and the ability to anticipate change and forge a better future.

In the face of fiscal pressures and changing public expectations, governments are redefining their role in society and in the process a new division of labour is emerging. This debate refers to the division of labour between the family, the community, the voluntary sector and the state. This is a debate about Ca-

nadian Citizenship, she noted. People are not just satisfied to vote every five years. They want to have a say in forging the policies that will affect them. They want to partner with government in shaping their future, to have access to their democratic institutions, on their terms, in accordance with their needs.

In our system, elected officials must build coalitions within government and between government and Parliament. The needs of a local constituency must be balanced against those of other constituencies with very different circumstances. Much can be done to modernize our democratic institutions.

Governments have learned that for the collective interest to be well served they do not need to do it all. They have learned to rely on the strength of others 'The best way forward,' she concluded, 'may be to go back to basics - to modernize our concept of citizenship and our system of representative democracy.'

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LEADING ACADEMICS DEBATE SUFA

Perspectives and Directions: The Social Union Framework Agreement

On February 3rd & 4th, 2000, SIPP, in partnership with the Institute for Research on Public Policy, the School of Policy Studies and Institute of Intergovernmental Relations at Queen's University, the University of Regina, the University of Saskatchewan and the Community-University Institute for Social Research at the

U. of S., hosted its first major national policy conference.

Attended by over 200 academics, policy analysts, stakeholder representatives and government officials from across the country, the Forum marked the first anniversary of the signing of the Social Union Framework Agreement (SUFA) by the federal government and nine provincial governments. The SUFA is an agreement between the signatories designed to lead to increased collaboration between

governments in setting the priorities for, and governing, their respective social policy agendas.

The Forum speakers included some of Canada's best-known academic policy analysts and commentators on social policy issues, including Frances Abele, Keith Banting, David Cameron, Tom Courchene, Jane Jenson and Alain Noel. In addition, IRPP President Hugh Segal addressed the Forum Dinner on

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DIRECTOR'S NOTES

Shortly after I arrived in Regina from Mount Allison University to become the director of the Saskatchewan Institute of Public Policy, I found myself at the wrong end of an inquisition in a local taxi.

It did not take the cab driver long, of course, to figure out that I was a recent arrival to his fair city.

'What are you doing here?' he asked.

'I'm at the University,' I said.

'Doing what?' he fired back.

'I work at a research institute,' I replied, but he wanted to know more. I knew then that I should have said that I taught Canadian history. In rapid succession he hurled several more ques-

tions in my direction. I told him finally that I was with the Saskatchewan Institute of Public Policy. It studied issues of public policy.



Raymond Blake

He turned, glared at me over his glasses, and with a single word left me speechless. 'Why?' he asked, with great sincerity.

Even after a gruelling interview for the position, even after meeting the Institute's Board, after meeting the senior officials of the University, and after telling so many people about the challenging position in Regina, I should have been prepared for what now seems such a simple question. Over the last several months, I have talked to many people about public policy and what the Saskatchewan Institute of Public Policy can and will do but I was not at all prepared for the question that the taxi driver posed.

I knew I was caught flat-footed. Still, I soldiered on. 'The Institute is interested in investigating issues that are important to the well-being of our society,' I said. 'We hope to generate discussion and present ideas and information that will help us as citizens understand the issues that confront us.' I paused for just a second before I was to expound on the virtues of the Institute. However, before I could enlighten him further, he turned towards me yet again, even more incredulous.

'Why?' he deadpanned. He did not wait for a response. 'What purpose will that serve, what good is that going to do me?' he wanted to know. 'And,' he continued, 'who is going to listen to you anyway? Everybody knows what the problem is. Why do you need to study public policy?' he said, finally, not as a question anymore but as an answer. We sat quietly for a moment. When he

turned off the meter, he looked to me and said – "you know what I think?" I listened to him for another five minutes and then escaped from his car, thinking all-the-while that the growing desire to promote citizen engagement is really misguided. Citizens are already engaged but those in positions of power have rarely listened. The taxi driver's simple, but pointed questions have made me ponder the whole notion of public policy institutes. The Saskatchewan Institute of Public Policy is only one of many across this country. I will not hazard to guess the millions – even billions of dollars that governments at all levels – have invested in studying public policy issues over the past five decades alone. If we were to take rural Canada as just one example – an issue which is important to this Institute – there are probably enough public policy reports and position papers that laid end-to-end could span Canada along the entire length of the TransCanada Highway. Still, we have rural Canada mired in crisis, exemplified most recently by the turmoil in Prairie agriculture and the devastation of the Atlantic fishing communities. Those crises have prompted the funding agencies to direct even more research dollars into public policy institutes to investigate rural Canada. Many other issues have been studied endlessly by public policy institutes across Canada, unfortunately, without much significant improvement to Canadians like the Regina taxi driver. Perhaps, all of us—like he—should be asking ourselves more often why we are engaged in public policy research.

We must produce relevant work that is disseminated widely. We must offer practical advice that will help to inform the public debate. If we can do that, then perhaps governments will more often make decisions for the right reasons. If we strive to be relevant in all we do, and remember the taxi's driver simple but profound question — why? — we will make a difference.

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SIPP is a non-profit institute devoted to stimulating public policy debate and providing multidisciplinary expertise, experience, research and analysis on social, economic, fiscal, environmental, educational and administrative issues related to public policy.

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PUBLIC POLICY AND PUBLIC ENTERPRISE

I want to talk about Saskatchewan's crown corporations, how they have evolved over the years and how conditions in the business and political environment are affecting their future. Crown Corporations and public enterprise have played, and continue to play, an important role in the development of Saskatchewan. Today, however, globalization is forcing businesses to concentrate on those areas where they can best compete. It is also forcing change in some of the traditional roles played by government in the economy.

Governments are being advised to move away from the role of interventionist via public enterprise toward the role purely of regulator—and to restrict their regulator role to only those areas where market competition cannot be assured. Under these policies, governments are encouraged to focus their operations on core public services, such as health care, education, justice, and social services, while leaving other areas such as utility services to the private sector.

In the wake of these new policies, government-owned corporations are being sold off as they move from monopoly to competitive market environments. Indeed in more recent times, governments are even beginning to withdraw from traditional areas of public service infrastructure such as roads, airports, water treatment, etc. to allow private financing to replace the traditional role of government.

Saskatchewan, and much of Canada, appears to have been left behind in these trends. Crown corporations in Saskatchewan have always enjoyed a high level of public support, and still do today, especially in areas where they face the toughest market competition. Sask-Tel for example, still holds over 92% of the Saskatchewan long distance market.

While our crown corporations have been quite successful, even in the face of tough competition, questions are often raised about the merits of continued

government ownership of Saskatchewan's crown corporations. Our apparently strong commitment to public enterprise seems to beg the question: "Is Saskatchewan truly unique or simply at the back end of a trend that will inevitably catch on here as well?" If we are to consider other ownership options, what are they and what impact would they have on Saskatchewan?

The extensive benefit to Saskatchewan through these crown corporations is unmistakable. Universal access to services would not have been possible in Saskatchewan without the public enterprise monopolies that enabled extensive cross subsidization. In the vast majority of circumstances, Saskatchewan's crown corporations have provided effective services and have done so at commercial standard performance—typical of any good business enterprise.

"Is Saskatchewan truly unique or simply at the back end of a trend that will inevitably catch on?"

Beyond the provision of basic services such as energy, telecommunications, insurance and the like, public enterprise has also been used to achieve other industrial development in Saskatchewan. In most of these areas, public enterprise was relied upon to fill a gap in the market place because: a) the private sector had either failed to step in and provide adequate service or take advantage of the opportunity or; [and] b) government ownership was required to extract a reasonable share of the benefits for the province. In essence, governments are guided by pragmatism when they establish new public enterprises.

The forces of change are establishing new rules and paradigms affecting the future of both existing and new forms of public enterprise. In 1996, the Saskatchewan Government undertook a comprehensive review of Saskatchewan's CIC-governed crown corporations. The findings concluded that the crowns were generally well positioned to compete. Indeed, in most areas the crowns were found to be quite efficient when benchmarked against their peers. The public consultation process revealed no strong

preference to the change of ownership but signaled that the ability of the crowns to compete should be regularly monitored. The public also expressed a strong desire that the crowns be managed like any other business enterprise with decisions based on good and prudent management policies.

The 1996 review also concluded that Saskatchewan crown corporations had largely achieved the original public-policy purposes for which they were first established—to provide universal access for basic services across the province. As such, a new public-policy framework was established for Saskatchewan's crowns which has become known as the Crown Sector Strategic Plan.

In 1999, a follow-up review of the crowns was undertaken. The review concluded that the crowns have remained competitive and were performing well relative to their industry peers. It also flagged potential developments that may present a risk to the crowns in the future. Overall, the review noted that increasing competition would continue to affect most of Saskatchewan's crowns. This further challenged the crowns to grow and diversify their operations outside the province. Just as original decisions to establish the crowns were largely pragmatic, so too will any decision to alter the ownership or general business strategies of any crown corporation or crown investment.

Future decisions with regard to the crowns must consider not only the financial impacts of a specific transaction but also the longer-term implications for the province.

Frank Hart is President and CEO of Crown Investments Corporation (CIC), the holding company for Saskatchewan's Crown Corporations.



Frank Hart



SLAYING THE DEFICIT DRAGON

In May 1999, Dr. Paul Boothe—now Deputy Minister of Finance, Saskatchewan—led a SIPP Armchair Seminar on the deficit-reduction strategies used during the nineties by Saskatchewan, Alberta and British Columbia. The periods covered were 1992-93 to 1995-96 in the case of Saskatchewan and British Columbia, and 1993-94 to 1996-97 for Alberta. These over-lapping four-year periods, during which the provinces faced similar external macro-economic conditions, provided, in effect, a naturally occurring experiment that lent itself to an assessment of the relative importance of political ideology and economic necessity in shaping the fiscal strategies adopted. More specifically, Boothe's objective was to document and evaluate the success of the fiscal actions taken by the three provinces during the period when deficit reduction was a primary economic objective.

In common with other inter-temporal and inter-governmental comparisons of fiscal data, Boothe observed that his analysis was hampered by inconsistencies in the underlying data. Accounting changes were a complication, as were differences in the degree of consolidation of provincial public accounts. To minimise such effects, he conducted his analysis utilising both Statistics Canada's Financial Management System (FMS) data and the consolidated statements provided in each province's Public Accounts (PA), but relied primarily on the former.

During the period of deficit elimination, Boothe notes that broadly defined government (*i.e.*, including Crown corporations, government boards and agencies) declined substantially in Saskatchewan (11%) and Alberta (8%), but actually grew in British Columbia (3%); in consequence, British Columbia replaced Saskatchewan as the province with the largest government sector.

In examining the changes in revenues and expenditures over the four-year periods, Boothe found that, for Alberta and British Columbia, both the FMS and Public Accounts data present approxi-

mately the same picture: revenues grew strongly in Alberta, and very strongly in British Columbia. For Saskatchewan, the Public Accounts data showed a cumulative revenue increase of 31%, while the FMS data indicate a more modest increase of 8%. He conjectured that this disparity may be due to increased intra-governmental transfers that are reflected in the Public Accounts series. In the case of expenditures, both data series indicate a significant cumulative expenditure decline for Alberta (16%, FMS), and an increase for British Columbia (26%). Again, for Saskatchewan the data yield a contradictory picture: on an FMS basis, there was a cumulative decline in expenditures of 20%, while the Public Accounts data show a cumulative increase of 5%.

Boothe next disaggregated the revenue and expenditure changes over the deficit-reduction periods, to identify the contributions made to deficit elimination by particular changes. Looking first at revenue changes, he found that, for Saskatchewan, total revenues increased by \$480 million, but that this was the resultant of tax and other increases of \$1,135 million and a decrease of \$655 million in federal transfers. Alberta, too, had a substantial increase in tax and other revenues (\$3.7 billion) significantly negated by an anomalously large (\$1.0 billion) decline in federal transfers (primarily due to the presence of a major revenue-stabilisation grant in the first year of deficit reduction). Unlike Saskatchewan, which enacted tax increases in virtually all major taxes, Alberta's revenues—apart from increases in Health Care premiums—were largely the result of growth or recovery in the economy. British Columbia experienced a \$6.6 billion or 39% increase in revenues, resulting from tax increases and growth in the economy.

The disaggregated FMS expenditure data showed broadly similar patterns for Saskatchewan and Alberta, with decreases in all but social welfare and debt charges in the former, and in all categories in the latter. In sharp contrast, British Columbia had increases in five of the seven categories, including a 52% in-

crease in debt charges, and an aggregate increase in expenditure of almost \$5 billion.

The Armchair Session was concluded with an evaluation of the dramatically different strategies adopted by the three provinces to eliminate their budgetary deficits. Saskatchewan raised revenues (8%) and cut expenditures (20%) during the first two years of its deficit-reduction period. In the case of Alberta, while the budgets focused on expenditure cuts, the buoyancy of the economy resulted in the major contribution being made by revenue growth (18%). British Columbia attempted to grow out of its deficit, permitting expenditures to grow (26%) much faster than the provincial economy. Massive tax increases in the first two years, together with the revenue-generating effect of a strong economy, resulted in a 39% increase in revenues. Both Saskatchewan and Alberta succeeded in eliminating their deficits, both in fact achieving surpluses, while British Columbia reduced but did not eliminate its deficit.

Boothe concluded by observing that economic necessity, and not political ideology, was clearly the driving force in determining Saskatchewan's response to its budgetary pressures. In the case of Alberta, he argued that economic growth would not have generated sufficient revenue gains to have eliminated the deficit without the expenditure cuts. The reliance on the latter, however, and the absence of explicit tax increases, are certainly compatible with the ideology of a conservative government. And the absence of expenditure cuts in British Columbia may be reconciled with the ideology of a social democratic government. He concluded the data suggest that a government's ideology does not necessarily dominate the choice or ultimate success of its budget strategy. Saskatchewan, for example, was in fact the first province to achieve budgetary balance. Finally, he noted that British Columbia provided an example of how risky was the strategy of relying primarily on growth to solve serious deficit problems.



SMALL SCALE ECONOMIC DEVELOPMENT

Rob Greenwood, Assistant Deputy Minister of Policy with Saskatchewan Economic and Co-operative Development, presented a talk entitled: *Manufacturing Development: Strategies and Structures for Small Scale Manufacturing in Peripheral Regions* to a SIPP outreach audience. His presentation was based on research conducted under the North Atlantic Islands Program (NAIP), a four-year research project administered by the Institute of Island Studies at the University of Prince Edward Island. NAIP combined comparative research of the political economy of small islands with sectoral studies of how small jurisdictions utilize available political powers to foster economic development. The results will be included in a book edited by Godfrey Baldacchino and David Milne, to be published this year by Macmillan.

The research combined a review of global trends in small scale manufacturing, with case studies of 60 firms in Newfoundland, PEI, Iceland and the Isle of Man. Jurisdictional comparisons were made of the development support environment on these islands, plus Ireland, the other Atlantic provinces and two inland jurisdictions, Ontario and Kentucky.

Greenwood noted that the research focused on value added, non-resource based diversification. The global-trends study revealed that manufacturing was very much part of the "new economy," where successful manufacturers utilized the latest in production and information technology and adopted the latest best practices in management and marketing. The key organizational thrust revealed by this aspect was the firms' focus on their areas of "core competence." Unlike traditional manufacturers, who manufacture a range of products where they could find local or easily accessible markets, core-competent firms focus on what they do best and place a greater emphasis on marketing. To succeed with this focused approach, firms must be flexible in how they apply their core competence, must emphasize quality and be constantly benchmarking themselves

against other firms and sectors.

Related to these trends is the need to enter closer relationships with other firms, which offer complementary production or services. Firms need to manage their place in the supply chain, entering business networks, utilizing quality standards and adopting electronic data interchange and other IT applications to assist with the upstream and downstream relations with other firms. By comparing core-competent with generalist firms in the case studies, the research revealed that core-competent firms sell more, export more and grow faster.

Greenwood noted how different jurisdictions have attempted to promote sector development. Ireland and the Isle of Man were the clear leaders in the development of the manufacturing sector between 1986 to 1996.

At the most macro level, it was clear that a positive business environment, with competitive tax rates, a supportive regulatory system and an educated and flexible workforce supported economic development, regardless of sector. In this regard, the political autonomy of a jurisdiction helps, as it enhances the ability for fiscal and monetary policy to be geared to the needs of the regional economy. A culture that values education is also key. To move to the level of developing a specific sector, the research revealed the need for a coordinated and sustained commitment to sector development. Iceland has demonstrated this in the fishery. Ireland and the Isle of Man have done it with manufacturing. Their governments have worked consistently to advance the range of components required to develop a sector: targeted fiscal measures, infrastructure investments geared to the needs of the sector, human resource development to meet industry needs, and focused trade and export market development and investment prospecting and business development.

Achieving this focus required a strategic approach, based on a systematic evaluation of strengths and weaknesses within the jurisdiction and external op-

portunities and threats. Sustaining and implementing it required partnerships with industry, educators, municipalities and community and regional organizations. Only when the range of stakeholders take ownership in the development of the strategy are they able to hold each other accountable on a sustained basis. All too often, strategies developed by governments in isolation from the partners were simply dropped when the government changed. Producing results in economic development is difficult; and impossible without a sustained and coordinated effort. Wherever successful efforts are achieved, there are inevitably champions within government, industry or the community who drive the networking and partnerships necessary to produce results.

Finally, the research revealed that governments can play a role in providing business supports, including access to capital where there are market gaps, but there are no "silver bullets". Governments need to adapt programs and supports to the realities of emerging best practices, but without the supportive socio-economic environment, a coordinated and sustained commitment to development of the sector, a strategic approach developed and implemented through partnerships, and the presence of champions, there is unlikely to be success in long-term sector development and diversification.

Greenwood noted that each of the jurisdictions studied demonstrated some of the best practices, and the experience in one jurisdiction cannot be expected to be replicated in another. Nonetheless, by understanding the forces at work at the enterprise and jurisdictional levels, public policy can be adapted to local characteristics to advance sector development.



Rob Greenwood



ENVIRONMENTAL POLICY EXAMINED

Canadian environmental policy is at a turning point, Patrick C. Fafard and Kathryn Harrison (eds.) tell us in their new book *Managing the Environmental Union*.

The federal and provincial governments, they argue, have left behind the conflicts that characterised intergovernmental relations concerning the environment in the late 1980s and early 1990s. With the new Canada-wide Accord on Environmental Harmonization, ratified by the federal government and all the provinces except Quebec in 1998, both levels of government promised to enhance environmental protection by providing ongoing mechanisms for intergovernmental coordination and by clarifying and redefining federal and provincial roles.

Ottawa and the provinces share responsibility for environmental protection. As a result, environmental policy is an area that offers some insight into how the two orders of government interact. *Managing the Environmental Union* brings together a diverse set of authors from law, political science, and policy studies to consider how we think about intergovernmental relations and environmental policy, and what drives the two orders of government toward various patterns of cooperation, competition, conflict, and mutual avoidance.

The authors offer insights into the consequences of these patterns for both environmental protection as well as for the broader sweep of intergovernmental relations. They compare Canada to the United States and to other federations, notably Germany and Australia. Man-

aging the Environmental Union offers a detailed account of how, and to a certain extent why, governments interact in the ways they do, demonstrating the merits of moving beyond a simple dichotomy of conflict or cooperation when describing intergovernmental relations.

Managing the Environmental Union: Intergovernmental Relations and Environmental Policy in Canada was published jointly by the Saskatchewan Institute of Public Policy and the Institute of Intergovernmental Relations. Copies are available from McGill-Queen's University Press.

Citizens, Government, Democracy

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The following is an excerpt of Ms. Bourgon's remarks:

In an era of globalization, citizenship is once again taking on a new meaning. Citizens are all at once citizens of the world, of their country, of their chosen communities of interest and of their local communities. Many people in the world today dream of being citizens of Canada, and for good reason. Citizenship is of critical importance because it sets boundaries between market and state, between public and private matters. It defines the division of labour between the state, the market and the community.

Citizenship does not evolve quickly and the outcome is never a foregone conclusion. It evolves through public and political debate. But whatever the outcome, it is central to the role of government and it sets the context within which public sector reform takes place. So, my first conclusion is that there is more to public sector reform than improving the quality and productivity of service delivery and, above all, my conclusion is that politics matters.

In Canada, we are served by a system

of democracy. It has served Canadians very well, but the system is under great pressure. In some quarters, a view has started to emerge that representative democracy is a less than adequate expression of the "real thing." There is no doubt that democratic institutions have fallen some degree of disrepute – some 32 per cent of Canadians do not believe that government is a positive force in their lives.

The first step along the journey of modernizing our democratic society could be to remind ourselves of some of the virtues of a representative democratic system. It has served to advance the collective interest by letting people peacefully reject the most extreme positions and furthering those ideas most likely to serve their interests.

Citizens want to have a say in forging the policies that will affect them the most. They want to partner with government in shaping their future. They want to have access to their democratic institutions, on their terms, in accordance with their needs.

Much can be done to modernize our democratic institutions. New technologies can expand the reach of elected officials. New approaches, such as citizen engagement, participative democ-

racy, broad consultations, are promising avenues. Modernizing our institutions will take time, sustained effort and creativity.

There are good reasons to be proud of the progress accomplished right across Canada over the past five years. Deficits have by and large been eliminated, Canada has regained its fiscal sovereignty and it was done peacefully, competently and without the social disruptions experienced by other countries. Through it all, new approaches have started to emerge.

Governments have learned that for the collective interest to be well served they do not need to do it all. They learned to rely on the strength of others. Partnerships between governments and the private sector, the not-for-profit sector, the voluntary organizations are all part of our governance system.

The best way forward may be to go back to basics – to modernize our concept of citizenship and our system of representative democracy. Governments would then be better placed to anticipate and adjust to future needs and to guide further public sector reform. This is an exciting challenge. There is no better place for the idea to begin to take life than here in Saskatchewan.



LAST WORDS

The Social Union is of such importance because it has the potential of being an effective instrument to bridge the principle that all citizens are entitled to the same level of services no matter where they live on the one hand and the application of local needs and preferences and provincial jurisdiction on the other.

This not about the “unity question” per se. Presumably, (even) an independent Quebec, a Commonwealth of Ontario, and an independent Alberta would still want some sort of arrangement on social policy and accrued mobility rights for their respective citizens even after they had used the soon-to-be-enacted Clarity Bill to negotiate their secession from Canada. Modern economic and social pressures, and the specific skill and quality of life profiles that enable people to compete require new instruments of social governance – instruments that are as effective in the interdependent, non-territorially defined world as other, more traditional, instruments were in the territorially-defined world of classical federalism.

The mix of collaboration, consultation, and stabilising processes envisaged by the agreement – or at least glimpsed between the lines – is profoundly imbued with a sense of hope for the future. Sadly, nothing crushes hope like the old politics of “who is king of the castle.” It is not too much to ask that those who crafted the agreement actually invest in trying to make it work.

In this latest episode in the saga of Canadian federal-provincial relations, the federal Minister of Health’s opening move was to pounce on Alberta’s proposals on healthcare. Now that Mr. Rock has his own proposal on the table, Alberta, and perhaps even Ontario, may very well see a refusal to participate as a way of settling the score, as it were. In either case, the merits of the policy options being proposed will have been interesting side-shows, but will not necessarily have been relevant to the outcome

of the skirmish. In this environment, the collaborative essence of the Social Union – in whatever institutional form it takes – will always be the unavoidable victim of this game of “one-upmanship.” What we are assessing here is the impact of the Social Union. As of yet, in terms of tangible outcomes, Canadians would most likely be hard pressed to identify improvements. Some might even point to some deterioration. Certainly, with the tensions between fiscal and social priorities at a relatively high pitch, the pre-scripted agenda of both sides will weigh heavily in the debate over the future direction of the Social Union. This will not be, it must be noted, the result of the actual content of the agreement.

A viable economic and social union is the product of many instruments: institutional, constitutional, contractual, and political. Their combined threads constitute the federal fabric. Any weakness left unaddressed could eventually lead to an irreparable tear in that fabric.

It is not unreasonable for taxpayers and citizens to assert their right to have their governments work together on something as essential as healthcare. If the Social Union agreement means anything to the nine provincial and federal governments that signed it, the “high noon at the ok corral” approach reflects a childishness that is simply embarrassing. Those who signed the agreement have a primary duty to respect the spirit of that agreement and the mode of consultation and collaboration it implies. This posturing becomes fuelled by the self-indulgence of narrow ideology – it will not bode well for the future of the Social Union.

If collaboration on healthcare – on issues such as medical education, immigration of professionals, alternative payment systems, organisation of practice and the use of new sources of capital – is to play second fiddle to the gamesmanship of “we know best,” the citizen’s profound anger and disappointment at the lack of progress will be well placed indeed.

Let me offer a suggestion to the Premiers and the federal Minister of Health: do not issue

your “we know best” sermons in TV studios or hotel lobbies. Make your statements in a chronic care ward or emergency department. See how your posturing sounds there.

There are, however, some creative opportunities still before us:

- The provinces could engage the federal Minister of Health and offer to negotiate a new Canada Health Act as well as an accompanying financing regime to reflect both federal and provincial priorities in a changing world.
- Ottawa could give Alberta the benefit of the doubt and embrace the provinces’ right to be different and innovative in matters of application.
- All governments could take a bottom-up look at federal-provincial fiscal arrangements —sooner rather than later—to see if the nature of social spending priorities might better be addressed via an arrangement other than the present structure.

All governments, Ottawa especially, must decide whether the Social Union agreement is about a vertical or a horizontal relationship. If it is a top down mechanism for control and intimidation, it will fail. If it is a horizontal mechanism for co-operation between jurisdictions on social policy, not only may it very well succeed, but the needs of Canadians may be better served. That outcome, however, will not be decided based on the words in the agreement (but rather) by the will and good faith of the governments that signed on to the agreement, and the voters and opposition parties that should hold them accountable for its success or failure.

Hugh Segal, President of the Institute for Research on Public Policy, addressed the Forum banquet attendees as keynote speaker.



Hugh Segal

“Make your statements in a chronic care ward or emergency department. See how your posturing sounds there”



The Saskatchewan Institute of Public Policy is a research institute of University of Regina.



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SIPP Holds SUFA Conference
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the challenges facing intergovernmental collaboration (for an excerpt, please see page 7 – *Last Words*).

The Forum itself included a number of plenary sessions on such issues as federal provincial fiscal relations, national unity and identity, centralization and devolution and the place of aboriginal peoples in a renewed social union. In addition, there were four “sectoral sessions” focussed on more specific policy concerns: labour markets, health policy, post-secondary education and social assistance.

While many commentators lauded the intentions of the agreement, there was an oft-expressed concern about whether the political will still

existed to see the SUFA’s commitments implemented. A number of speakers noted that the SUFA still lacks the agreement of the Quebec government, and that without serious attention paid to engaging citizens on all aspects of social policy renewal the creation of a new Canadian social union may lack legitimacy in the eyes of the public.

A selection of the presentations made at the Forum will be published in the April and May 2000 issues of *Policy Options*, the journal of the IRPP. In addition, SIPP has plans to publish fuller versions of the papers in an edited volume later this year.



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