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INTERGOVERNMENTAL RELATIONS AND THE CHALLENGES TO
CANADIAN FEDERALISM

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Preface

The following paper was presented at the 1978



ask where the evolution of intergovernmental relations is taking us, and to assess the effectiveness of the institutions and processes of intergovernmental cooperation. A new government in Ottawa is thinking through its own approach, trying to put flesh on its premise of a new era of cooperation.

has become the main device for national integration.

Thus the problems of intergovernmental relations go far beyond questions of administrative procedure and machinery. They

even more at the heart of the Canadian system - by moving further in the direction of what might be called collaborative federalism, a system in which national policy is jointly made by the federal and provincial governments acting together, truly a government of governments. Or do we instead seek ways to minimize the need for intergovernmental collaboration? That would require adoption of another model - either a move to some kind of "classical federalism" in which each level of government independently exercises a given set of powers, or a return to an earlier Canadian pattern which saw the central government as the primary instrument of national policy - a view reflected in many provisions of the original British North

the tension between the challenges of policy-making on one hand and the

effectiveness of political institutions on the other. Those difficulties become much sharper when more and more areas become subject to government intervention, and when, instead of an expanding pie, we are faced with the politics of scarcity. Both tendencies mean that "who gets what?", or the politics of distribution, becomes much more central and difficult to resolve. In Canada, we think of such

Despite these qualifications, it is clear that the process of intergovernmental relations faces immense challenges and there is

ability to meet them. Intergovernmental relations have become, in some views, at once more highly institutionalized and elaborate and less effective; at once more central as policy-making institutions, and more political, conflictual and unable to agree.

The political challenge to the process lies in the growth of

asserted that they reflect the regional will better than Ottawa can, and that they should engage in developing and implementing their own development strategies. This leads to conflict both with Ottawa and increasingly between regions, as the recent debate between Ontario

a broad range of levers and instruments of policy. There is little agreement on the appropriate division of labour between governments,

The most dramatic indication is the failure of the federal party system. We no longer have a national system; both major parties have become regional ones. So long as that is the case, Ottawa's ability to speak for Canada, to win support for its policies in all regions, and to claim to represent them is in question. It therefore lacks not only control of some of the important levers of

national policy-making, but also the political legitimacy to act decisively. Federal-provincial conferences thus come to play the role of representation and accommodation once played by strong regional leaders in Ottawa.

Along with the failure of representation in Ottawa is the sense that federal policies unfairly benefit some regions and hurt others - that "national" policy is too often a central-Canadian regional policy. Listening to all the grievances one sometimes gets

strengthened. The problem with this is that it is precisely in

The existing ~~provision~~ ~~of~~ ~~the~~ ~~Constitution~~ ~~relating~~ ~~to~~ ~~the~~ ~~provinces~~

the one hand of the growth of provincial power, and on the other hand of growing interdependence - of the extent to which virtually all important areas of contemporary policy cut across jurisdictional lines, of the fact that governments require the cooperation of others to achieve their goals and have great capacity for mutual frustration, of the need

cameras in the singularly appropriate Canadian setting of the old Ottawa railway station, the process has become more open and public. Federal and provincial governments are seen to be debating the great issues of the day. There is a powerful symbolism in seeing the leaders of the federal opposition parties sitting back behind the rope barrier, impotently watching the proceedings along with other observers. High politics in Canada has become federal-provincial

has happened in ... other industrial countries." A related criticism is that intergovernmental competition - as the scramble to appropriate resource rents in the early 70's showed - can grind the private sector

tages to groups.

platform for provinces to debate the whole range of federal policies. The problem here, of course, is that no longer do we agree just what is the proper role for federal or provincial authority. And there is the alternative view, often heard from Quebec, that conferences really represent little more than a cover for an extension of federal power.

After the second conference, Le Devoir observed that: "The leaders recognize the necessity of consultation... They said it a hundred times. But in practice they behave otherwise."

The record suggests, though, that however messy and drawn-out
the Federal

of coordination on many issues, and can achieve trade-offs between the competing regional and governmental interests. *Can I see?*

That has not been true of negotiations on the constitution

traditional Quebec ~~and~~ substantial transfer of power to it.

the proper institution for identifying, defining and implementing it is
the Federal Government. Thus, while it accepts the desirability of

of national economic policies is vital.

In this Ottawa-centred conception, some would go further and argue Ottawa needs greater economic powers if it is for example to

into federal policies which affect them.

If there is a national interest, it is not an overriding one. And it is to be discovered and implemented by eleven

implications for intergovernmental relations. The federal-provincial conference would become perhaps the central national policy-making body. The government of Canada would be the federal-provincial conference.

there room for a conception of a Canada greater than its parts.
Again pushed to the extreme, there is no independent base for a

in which there is a division of labour between levels of government, each clearly and independently responsible for a given set of activities. This watertight compartments model has many attractions. It would reduce the need for extensive collaboration, and it would suggest we should concentrate on a redefinition of federal and provincial powers to reduce the number of "grey areas", and cut down on duplication - in short we should aim at "disentanglement", getting each government out of the other's hair and reducing the costs of administrative coordination. Some progress has been made at the administrative level. In the most recent fiscal arrangements, there is considerable disentanglement in health policy leading to much concern about the erosion of a national health-care system. Some studies trying to identify, and perhaps eliminate, overlapping and duplication are underway. There is much to be done in this direction and many recent constitutional proposals do try


to parcel out functions neatly between the two levels.

As one who has tried it, I can say it is a frustrating task.

In every federal system in the world the trend is to greater and greater interpenetration of federal and state activities. Policy activities simply change too quickly and are so interconnected that no clear division, certainly not a permanent one, is possible. Moreover, it is very hard to agree on criteria by which such a division is made. There is no consensus on what is a local and what a national problem. The distinction between economic, cultural and social domains is equally unsatisfactory as a basis for constitutional allocation. And we have also seen how each level of government, responding to its own development goals and electoral

The problem is to know how to increase the incentives to agree and to cooperate, given the competing interests and ambitions we have described. And how to reconcile that with the equal need to make hard trade-offs and act decisively. Even more difficult to

Senate. Its central role as a federal-provincial body was blurred. Thus, I think it more helpful to conceive of three sets of institutions of Canadian government. There are the institutions of the provincial governments - their legislatures and cabinets the institutions of the central government - the federal Parliament and cabinet and the institutions of federalism



managing the House or Council would be undertaken by a permanent committee of federal and provincial ministers responsible for intergovernmental relations. It would be served by a small secretariat such as the existing Canadian Intergovernmental

Conference Secretariat responsible for organizing meetings

Peace, Order and Good Government clause. All are so potentially subversive of provincial power that provincial consent is required. The requirement of provincial approval would discipline Ottawa to explore fully its own arsenal of policy tools and consult fully with the provinces. For these, but not for most other debates, a formal set of voting rules would be necessary.

Such a Council would formalize and legitimate the executive process of intergovernmental relations and make it open and comprehensible. It will remain however an executive

more regionally representative, but also strengthening the ties between federal and provincial party systems, increasing mobility between federal and provincial governments and so on. We need to knit the country together in many ways and define goals and issues in non-regional terms. If we could do that - and recent

how?
already

in the long run federal-provincial negotiations might one day become what their present structure and membership best equip them to be - agencies for administrative cooperation.

In the meantime the greatest challenge to the federal-provincial process remains the constitutional debate. While very difficult problems remain, I think it is now possible to reach agreement on many of the outstanding issues, at least those which have divided Ottawa and the mainly English-speaking provinces. Indeed, while they have taken a constitutional form, many of these issues could, in other circumstances, have been dealt with in other ways. Conflicts among regional and national interests, regional and national development strategies, while often intense are well within the bounds of normal political debate and amenable to compromise.

But the basic challenge of national unity and national

the process of intergovernmental relations