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Collaboration and Unilateral Action

Recent Intergovernmental Relations in Canada

**Robert Schertzer, Andrew McDougall and
Grace Skogstad**

The norms and institutions of intergovernmental relations allow governments to design policy that furthers pan-Canadian objectives, while addressing the needs of individual provinces and territories.

Les normes et les institutions régissant les relations intergouvernementales permettent aux gouvernements d'élaborer des politiques qui appuyent les objectifs de l'ensemble du pays tout en répondant aux besoins de chaque province et territoire.



**CANADA'S CHANGING
FEDERAL COMMUNITY**

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Summary

Federalism requires that in virtually all policy areas governments work together. How effectively they do so has an important impact on policies and programs that matter to citizens. In this study Robert Schertzer, Andrew McDougall and Grace Skogstad explore how key institutional and ideational forces affect the dynamics of intergovernmental relations (IGR) in Canada. They focus on three key policy sectors — agriculture, the labour market and immigration — during Stephen Harper’s tenure as prime minister, between 2006 and 2015.

To map the different approaches to IGR across these three policy sectors, the authors examine the underlying norms, institutions and outputs of IGR in each area. They draw on 17 interviews with senior federal and provincial officials from the three sectors carried out in 2014-16. A key purpose of the mapping was to examine where the interactions fall on a spectrum composed of multilateral collaboration, bilateral negotiation and unilateral action.

The research shows that over the period, both multilateral and unilateral approaches to IGR were adopted. In agriculture, an overarching multilateral framework, combined with elements of bilateralism, was the hallmark of a collaborative approach to cost-shared programs such as the Agricultural Policy Framework. In labour market policy the federal government was unable to impose its preferred policy innovation, the Canada Job Grant, in the face of provincial opposition as well as entrenched intergovernmental institutions and norms of engagement. In the immigration sector, a significant turn toward multilateral collaboration emerged during the period, notably on the selection of economic migrants.

Two key factors explain the differing approaches to IGR: the degree to which multilateral IGR institutions are established, and the strength of norms of shared responsibility. Where IGR institutions and norms of shared federal-provincial responsibility were more developed, multilateral collaboration was largely relied upon to develop and implement policy. Where this was not the case, the federal government took unilateral action.

The study provides a number of lessons that may apply more broadly. First, the norms and institutions of intergovernmental relations matter. They affect how intergovernmental relations are conducted and policy is developed. Second, simply creating multilateral institutions will not lead to collaborative federalism; there must be a shared commitment to make them work effectively. Third, even when an order of government has “broken the rules” in one sector, there will not necessarily be spillover to other policy areas. Fourth, collaborative IGR can entail costs: there are significant resource implications and a risk that policy objectives will be diluted. The upside of the collaborative model is that it allows governments to design policy that furthers pan-Canadian objectives, while also addressing the needs and interests of individual provinces and territories.

Résumé

Le fédéralisme exige que les gouvernements travaillent ensemble dans presque tous les domaines. Et l'efficacité de cette collaboration a d'importantes répercussions sur les programmes et les politiques qui concernent les Canadiens. Robert Schertzer, Andrew McDougall et Grace Skogstad examinent dans cette étude les principales forces institutionnelles et conceptuelles qui agissent sur la dynamique des relations intergouvernementales (RIG). Leur analyse est centrée sur le fonctionnement de trois secteurs clés pendant les années au pouvoir de Stephen Harper (2006-2015) : agriculture, marché du travail et immigration.

Pour cerner les différentes approches des RIG dans ces secteurs, les auteurs examinent les normes, les institutions et les résultats applicables à chacun d'eux. Ils s'appuient également sur 17 entrevues réalisées de 2014 à 2016 avec des hauts fonctionnaires fédéraux et provinciaux des trois secteurs. L'un des principaux buts de l'exercice était de repérer les points d'interaction sur le spectre englobant collaboration multilatérale, négociations bilatérales et action unilatérale.

Leur analyse montre qu'on a adopté des approches à la fois multilatérales et unilatérales pendant la période considérée. C'est ainsi qu'en agriculture, un cadre multilatéral général intégrant des éléments de bilatéralisme a caractérisé l'approche collaborative en matière de programmes à frais partagés, entre autres le Cadre stratégique pour l'agriculture. Du côté du marché du travail, Ottawa n'a toutefois pu imposer la Subvention canadienne pour l'emploi — sa politique de prédilection —, qui s'est heurtée à l'opposition des provinces tout autant qu'à la force des institutions intergouvernementales et des normes d'engagement. Mais en immigration, on a assisté à un tournant significatif vers une collaboration multilatérale, notamment en ce qui touche la sélection des migrants économiques.

Deux facteurs clés expliquent ces différences d'approche : le niveau d'ancrage des institutions régissant les RIG et la rigueur des normes de responsabilité partagée. Plus les normes et les institutions relatives au partage des responsabilités fédérales-provinciales étaient développées, plus on s'est appuyé sur la collaboration multilatérale pour concevoir et mettre en œuvre des politiques. Dans tous les autres cas, Ottawa a agi de façon unilatérale.

L'étude permet de tirer plusieurs leçons, d'une application potentielle plus générale. Premièrement, les normes et les institutions qui régissent les RIG ont une réelle importance, car elles influent sur la conduite des relations intergouvernementales et l'élaboration des politiques. Deuxièmement, la création d'institutions multilatérales n'est pas un gage de fédéralisme collaboratif, puisqu'il faut un engagement partagé pour que celles-ci fonctionnent efficacement. Troisièmement, même si un ordre de gouvernement « transgresse les règles » dans un secteur donné, les autres secteurs n'en subissent pas nécessairement les conséquences. Enfin, les RIG collaboratives peuvent entraîner des coûts, car elles exercent une pression considérable sur les ressources et risquent de diluer les buts poursuivis par une politique. Globalement, l'avantage du modèle collaboratif est de permettre aux gouvernements d'élaborer des politiques en appui aux objectifs de l'ensemble du pays tout en répondant aux besoins et intérêts de chaque province et territoire.

Collaboration and Unilateral Action: Recent Intergovernmental Relations in Canada

Robert Schertzer, Andrew McDougall and Grace Skogstad

Intergovernmental relations (IGR) are a crucial element of politics and public policy in Canada. Federalism requires that in virtually every area of policy, governments work together. The Westminster system of government ensures that federal and provincial executives, usually supported by a majority in the legislature, have considerable power to carry out negotiations and implement the results. Importantly, how the orders of government work together influences both the political context and the resulting policy. It is this combination of factors that has kept IGR in the spotlight for Canadian political scientists (Simeon and Nugent 2012; Simeon 2006).

This study seeks to explain how key institutional and ideational forces affect the dynamics of IGR. We focus on three key sectors between 2006 and 2015: agriculture, labour market policy and immigration. The analyses consider the nature of IGR in these sectors as broadly collaborative (with governments working together) or unilateral (with governments acting independently, even when this affects another's interests). This period is particularly interesting because Prime Minister Stephen Harper, upon assuming power in 2006, announced that he would adopt an approach of "open federalism," whereby the two orders of government would operate within their respective spheres of responsibility and try to keep jurisdictional overlap to a minimum.

In this study, we demonstrate that throughout Harper's tenure, both multilateral and unilateral approaches to IGR were adopted across different sectors to achieve progress on policy initiatives. Two key factors explain this outcome. Where IGR institutions and norms of shared federal-provincial responsibility were more developed, multilateral collaboration was largely relied upon to develop and implement policy. Where IGR institutions and/or norms of shared responsibility were less developed, unilateral actions were taken.

The first section discusses the main approaches to IGR and the key indicators of adherence to a particular approach. The next three sections apply this lens to describe IGR across the agriculture, labour market and immigration sectors. We show how a combination of well-developed IGR institutions and norms of joint federal-provincial ownership pushed and pulled actors to adopt multilateral collaboration to make progress on key initiatives. The study concludes with a few examples of how less-developed IGR institutions or norms can allow unilateralism, as well as reflections on the key lessons that can be taken from these observations.

Scope and Methodology

There are varying perspectives on the drivers of IGR dynamics in Canada (see Broschek and Paquet 2016). External factors are often seen as playing a critical role. For example, globalization and trade liberalization are key factors pushing the two orders of government to work together to compete in a global marketplace (Skogstad 2008). There are those who argue that rational choice calculations and the varying features of Canada's political economy influence

the nature of IGR (Stevenson 2012). There are also accounts of how the foundational institutional structure (Simeon 2006) or underlying social characteristics (Erk 2008) or ideas (Wallner 2014) shape IGR. Of course, politics also plays an important role: party dynamics and electoral calculations can inform the nature and tenor of relations.

The focus in this study on institutional structures, policy legacies and norms as key mechanisms that shape the dynamics and outcomes of IGR reflects a broadly neoinstitutionalist perspective (see Lecours 2005). Although the approaches mentioned earlier provide compelling explanations for why governments interact in Canada to develop and implement policy, a closer examination of the role IGR institutions and norms play in this interaction should help explain why particular forms of interaction are adopted. In short, we are interested in determining why multilateral collaboration is pursued and in exploring the role that institutional and ideational mechanisms play in pushing actors toward this approach. In a related manner, we are also interested in examining why governments adopt collaborative action when there are external factors (economic or political) creating incentives for independent or unilateral action.

The analysis in this study takes into account that two areas have explicitly shared constitutional jurisdiction (agriculture and immigration) and one area has largely overlapping responsibilities (labour market policy). To demonstrate the structuring power of the institutional and ideational mechanisms, the study relies upon two principal information sources. The first source is 17 semistructured interviews that we carried out with senior federal and provincial officials from the agriculture, immigration and labour market policy sectors between 2014 and 2016. These interviews are especially important in capturing the shared norms of federal and provincial officials. Before we would describe an expected behaviour as a norm, officials from both orders of government had to agree on the basic parameters of the norm and the expected behaviour. The second source is publicly available primary documents, including reports, news releases and speeches from both orders of government, as well as a number of jointly developed federal-provincial-territorial (FPT) communiqués issued following ministerial meetings.

The Varying Approaches to IGR in Canada

There is a strong tendency among Canadian scholars to define the nature of IGR over a span of time: from an initially classical period, up to 1939, when there was little formal interaction between the orders of government; to the cooperative era, from the 1940s to the 1960s, when the rise of the welfare state led to a shared-cost approach to the delivery of national programs; to a more competitive time, in the 1970s and 1980s, when the increased interactions and attempts to amend the Constitution led to considerable conflict; to a more collaborative period, from the mid-1990s onward, during which the recognition of overlapping responsibilities has necessitated that governments work together to deliver results for Canadians (Simeon and Robinson 2004). The contemporary work building on this tradition has largely focused on two related themes: the extent to which IGR has been truly collaborative in the last three decades (Cameron and Simeon 2002; Simmons and Graefe 2013); and whether there was a demonstrable shift in approach following Harper's election (Bickerton 2010; Banting et al. 2006; Dunn 2016).

We are particularly interested in the intersection of collaborative federalism and open federalism, and the extent to which the former constrained the latter. Clearly defining these two broad approaches — and their intersections — is a difficult exercise. As James Bickerton’s assessment of open federalism makes clear (2010), there are many different perspectives on whether it represented a truly “new federalism” and the extent to which internal and external influences block the ability of a new approach to IGR to take hold. Open federalism, however, was never presented as truly new: it was described as a return to a more classical form of federalism in which the autonomy of federal and provincial jurisdictions would be respected by addressing the fiscal imbalance and reducing the use of the federal spending power (Harper 2005; Bickerton 2010, 60-1). These pillars of a more classical approach to federalism are clearly observable in a number of high-profile decisions related to federal transfers made throughout the tenure of the Harper government — notably, the move toward largely unconditional grants and per capita funding models, and the unilateral announcement of changes to health care funding in 2011 (Boessenkool and Speer 2015). Equally indicative of the commitment to this approach was Harper’s aversion to meeting with his provincial counterparts on a multilateral basis (he held only two such meetings between 2006 and 2015).

At the same time, open federalism recognized the need for a measure of intergovernmental collaboration. Harper (2005) clearly expressed from the outset that his vision of federalism included “co-operating with the provinces in the exercise of their legitimate constitutional jurisdiction” and facilitating their input into the formulation of federal policy where it affected provincial interests. This view was reflected in the 2006 and 2007 federal budgets. Both largely focused on the federal-provincial fiscal relationship and were guided by five principles that included respecting not only jurisdiction but also collaboration (Department of Finance Canada 2007, 6-8; Fox 2007). Squaring this circle — unpacking the extent to which relations were actually conducted in line with the more classical approach at the core of open federalism or determining whether they retained and even built upon the collaborative model — requires an in-depth consideration of a number of policy fields, paying attention to the tenor and conduct of IGR.

A categorization of the relationship between the orders of government on a spectrum from generally collaborative to largely independent constitutes a useful descriptive tool (see table 1). This spectrum can apply as a label for the broad nature of IGR over a large span of time. But, as the chapters in Bakvis and Skogstad (2012) show, a systematic, cross-sector perspective can

IGR approach	Distinguishing features (norms, institutions and outputs)
Multilateral collaboration	High level of federal-provincial-territorial engagement based on equality of orders and norms of shared responsibility for a policy field through strong intergovernmental institutions. Outputs show <i>diffuse reciprocity</i> .
Bilateral negotiation	Federal/single-province dynamic with shared responsibility for a policy field, but with recognition of the unique federal-provincial relationship in the area. Outputs show <i>specific reciprocity</i> .
Unilateral action	Strong sense that a government can legitimately act on its own in a policy area without consultation, even if it impacts another government. Outputs show particular interests.

also highlight the many different and complex approaches to IGR that are employed over the same period.

The key indicators of the different approaches to IGR include ideational factors in the form of the norms and principles that govern relations or specify the parameters of a shared responsibility; institutional structures, such as the formal architecture and the more informal processes of relations; and outputs that are the products of negotiation (these three elements are drawn from Cameron and Simeon 2002; Minaeva 2012; and Simmons and Graefe 2013). Demonstrating adherence to a particular approach requires a consideration of the relationship among these factors: how the underlying norms drive the institutional process, and how the process affects the outcomes (Schertzer 2015).

Although distinguished analytically, there is likely to be a reciprocal relationship between norms, IGR structures/processes and outputs in a given policy sector. Norms play a critical role in framing the shared understandings of actors and governments in a policy field, and they can incentivize interaction and institution building to reflect these understandings. However, IGR structures and their outputs are also likely to have important feedback effects on the nature of the norms that develop over time.¹ For example, IGR structures characterized by repeated interactions among FPT officials are likely to strengthen norms of shared responsibility and lead to outputs that show a commitment to diffuse reciprocity. At the same time, IGR structures alone clearly do not dictate the shared understandings (norms) of the individuals involved in these processes.

Applying this analytical framework allows us to identify the key characteristics of a truly collaborative approach. First, collaborative IGR are built upon a set of norms that stresses the equal status of the two orders of government involved in the relevant policy field (Cameron and Simeon 2002, 49, 54; Lazar 2006, 28-9). Critical in this respect is a high level of trust among the actors and a genuine commitment to and acceptance of these norms. Second, the processes and institutions of truly collaborative IGR reflect these norms. Third, the outcomes of policy development and decision-making reflect the underlying norms and institutional process (Simmons and Graefe 2013, 30-2).

Collaborative IGR include a demonstrable commitment to the principle of diffuse reciprocity — that is, to an outcome that will eventually yield a rough equivalency of benefits for all parties over time (Schertzer 2015; Ruggie 1993, 11; Keohane 1985). This commitment to diffuse reciprocity can be expected to yield policy outcomes that, ideally, seek a balance between the pan-Canadian objectives of the federal government and the unique needs of the different provinces involved. At times, this balance and commitment to diffuse reciprocity in the Canadian context requires an agreement structure that includes an overarching multilateral agreement on general principles and standards for a policy field, supplemented by additional bilateral agreements that allow some variations in the design and delivery of the broader initiative. In a number of cases, as we discuss later, this approach is described as building flexibility into multilateral agreements. However, the general form of interaction between governments in this approach is still defined by multilateral strategies of collaborating on a policy issue.

The commitment to diffuse reciprocity in collaborative IGR can be contrasted with the more specific reciprocity that underpins overtly bilateral relations between the federal and the individual provincial governments. Under the bilateralism model, the norms and principles of interaction may still contain a measure of equality between the actors, but they reflect the particular nature of the relationship between the federal and provincial governments involved. Bilateral processes facilitate government-to-government negotiation and cooperation. Their outputs, often stand-alone bilateral agreements, thus tend to focus on the particularities of this relationship, while seeking to realize an immediate equivalency of interests on a *quid pro quo* basis (Schertzer 2015; Ruggie 1993, 11; Keohane 1985). This focus on specific reciprocity can facilitate more regionally tailored or particularistic goals, which can result in a highly decentralized and asymmetrical set of outcomes. The archetypal example is the broad relationship between the government of Canada and the government of Quebec, which tends to run parallel to more multilateral relations across a host of policy areas.

On the other end of the spectrum are instances where governments operate largely independently of one another. Such unilateral action can take two broad forms: governments undertaking the development and implementation of policy in an area understood as largely within their exclusive realm of responsibility (McRoberts 1985); or one order of government taking action on its own, even while recognizing that it will significantly affect the other order of government.

Unilateral action is underpinned by a normative position that stresses the importance and value of the formally exclusive and autonomous nature of each government's jurisdiction. This approach to IGR can also reflect, on the federal side, a hierarchical understanding of the federation whereby the government of Canada has a role to develop and implement pan-Canadian policy even if doing so impacts provincial autonomy (through mechanisms such as the spending power or invoking the concept of federal paramountcy). A provincial government's unilateral action can reflect its commitment to protecting the interests and values of its provincial community within the federal system.

The actual processes of unilateral action within IGR are clearly identifiable: announcements, programs, policy or legislation directed by a single government and undertaken without clear regard for how the action will affect the interests of other governments. Nevertheless, at times, unilateral action can lead to intergovernmental interactions that are defined by circumspect bilateral or multilateral consultation between the orders of government that establishes the basis for subsequent bilateral or multilateral initiatives.²

As indicated, these three approaches to IGR fall on a spectrum, with multilateral collaboration on one end, bilateral negotiation in the middle and unilateral action on the other end. There is nevertheless a measure of overlap between the approaches in practice, with elements of each employed across and within sectors at the same time. As we discuss later, elements of different approaches can be combined and used by an order of government to realize its policy objectives. Nevertheless, by analytically separating these approaches — and by tracing the different norms, institutions and outputs of IGR in a policy sector — we can better describe the particular forms of interaction adopted.

Identifying norms, institutions and outcomes can provide more than a simple mapping of IGR as multilateral collaboration, bilateral negotiation or unilateral action. It can also provide insights into the causes, and consequences, of these different IGR approaches. Beginning with the causes, the expressed normative positions of the actors involved can provide a window into their motivations. For example, determining the extent to which norms of shared responsibility are integrated into the design and functioning of IGR institutions can allow us to study why actors have chosen to adopt a multilateral approach. Focusing on IGR institutions — on how they are structured and how they change and operate over a given period — can also help us understand their influence on the general approach to IGR in a sector. Most importantly, considering how the underlying norms are integrated into the institutions of IGR in a policy area can show how the related outcomes are driven by both norms and IGR institutions.

Outcomes provide some insight into the potential consequences of the different approaches to IGR. The nature of IGR is important in and of itself. The critical role that federalism and IGR play in Canadian politics means that the tenor and conduct of relations can have far-reaching effects on the political system, particularly on the legitimacy of governing institutions. IGR matters, principally, to the extent that it affects the development and implementation of public policy: it is a means to an end. Accordingly, an analysis of the different approaches to IGR should include a consideration of the impact on policy development. Resulting policies can reinforce particular federal values, such as a pan-Canadian/centralist vision, a decentralist vision of constituent governments with equal powers or a more asymmetrical multinational vision (on these federal visions, see Rocher and Smith 2003; on their link to the conduct of IGR as multilateral, bilateral or unilateral, see Schertzer 2015, 389-90, 404-6; Noel 2009).

Agriculture: Well-Established Norms and Institutions of Collaboration

IGR in the Canadian agriculture and food (agri-food) sector, particularly with respect to policies to support Canadian farm incomes, show considerable adherence to a model of collaborative federalism that combines multilateralism with elements of bilateralism. The most important foundation of this two-dimensional model of IGR is the 1867 constitutional allocation of jurisdiction for agriculture to both orders of government, with federal paramountcy if a provincial law conflicts with a federal law.³ From this constitutional foundation has emerged a dense structure of IGR institutions that operate in line with shared norms. One important norm is the shared responsibility of the two orders of government to support the development of the agriculture and food industry. Shared responsibility applies to programs to support food production and processing, as well as farm incomes. Over the past decade, this institutional and normative context enabled the two orders of government to agree on new shared goals and new policy instruments. These goals and instruments were largely focused on farm income risk management programs that shifted the agri-food sector in a more market-oriented direction.

The Canadian government has a long history, dating back to the Great Depression, of supporting and stabilizing farm incomes. The entry of provinces into farm income support/stabilization, in pursuit of goals of economic development and/or in response to farm income crises, resulted by the mid-1980s in a series of ad hoc and uncoordinated federal and provincial programs. From the late 1980s onward, the federal and provincial governments made

concerted efforts to coordinate and stabilize their farm income support programs. The reasons were to mitigate inequity across provinces in terms of producers' benefits, to render government programs congruent with the terms of international trade agreements and — on the part of the government of Canada, in particular — to shift a greater portion of the funding burden to provinces and farmers. These efforts, particularly those to curb government costs, were not entirely successful. In an extended period of plummeting farm incomes in the late 1990s and early 2000s, supplementary ad hoc disaster assistance programs increased farm income support program costs quite dramatically.

Nonetheless, this decade-long period of policy experimentation yielded important legacies by the early twenty-first century. One institutional legacy was structures of more or less continuous FPT interaction for joint program planning and negotiation. The outcomes were formalized initially in three-year agreements and then, beginning with the Agricultural Policy Framework (2003-08), in five-year FPT agreements. These framework agreements incorporated a number of norms. One was the principle of shared federal and provincial/territorial government responsibility for programs to mitigate farm income risks. Another was a 60/40 federal-provincial/territorial funding ratio for farm income risk management programs. Although there remained considerable controversy about how to reconcile them, two other norms were also evident by the time the Harper Conservative government assumed office. They were the principle of national programs, characterized by common goals and instruments across provinces/territories, that treat Canadian farmers in all provinces equitably; and the principle of provincial flexibility with respect to how and when to achieve objectives in framework agreements.⁴

In its negotiation of two FPT framework agreements — Growing Forward (2008-13) and its successor, Growing Forward 2 (2013-18) — the Harper Conservative government and its minister for agriculture, Gerry Ritz (August 2007 to November 2015),⁵ sought goals that were very similar to those pursued by agriculture ministers in previous Liberal governments. One such goal was to shift agriculture to a more market-oriented direction by requiring farmers to rely more on market returns and less on government support (Skogstad 2008, chap. 3). As already noted, Liberal governments in Ottawa had not succeeded in this quest, derailed as they had been by income crises in the sector. Another equally significant goal was to strengthen the competitiveness of the agri-food sector. Toward this end, the Conservative government made innovation and market development high priorities. It also focused on sustainability, environmental stewardship, food safety, and animal and plant health — all issues of importance to domestic and international food consumers. The move toward a more market-based approach in agriculture required shifting government funding from programs to support farm incomes to programs to enhance the sector's competitiveness.

Federal government goals have overlapped to a considerable degree with those of most provinces. Provinces, too, have been keen to curtail their spending obligations for agriculture in order to enhance the competitiveness of their agri-food sectors and to get onside with international trade agreements by, for example, avoiding trade-distorting support programs. And it is the provinces that have often been the leaders in initiatives to enhance the environmental sustainability of agriculture.

Nonetheless, provincial and federal goals are not fully consistent. Provincial and federal goals to curtail spending come into conflict if one order of government can achieve this only at the expense of the other. More substantive conflicts are rooted in the differences, often substantial, between provincial agricultural economies in terms of the major commodities produced, the extent of commodity specialization versus diversification, the significance of the processing sector and the dependence on domestic versus international markets. Although national programs may treat the producers and the sector the same way in every province — for example, when it comes to programs to help farms manage their income risks — they can fail to take into account interprovincial differences in the economic vulnerability of farms. Structural differences across provincial agricultural economies also result in differences among governments regarding how to increase the global competitiveness of the agri-food sector, and how to do so within the parameters of international trade agreements such as the World Trade Organization’s Agreement on Agriculture.

The test of IGR in agriculture has thus been to reach agreement on how to promote the goals shared by governments while still allowing provinces the scope to tailor national programs to the distinct needs and goals of their local agri-food sectors. The agreed-upon formula, which does not differ from the one used prior to the formation of the Harper government, consists of an overarching multilateral framework supplemented by bilateral arrangements, with clear commitments to the principle of diffuse reciprocity. The multilateralism component sees federal and provincial governments agreeing to a set of goals and programs for the sector and a formula for sharing program costs. The most prominent programs subject to multilateralism are the cost-shared farm business risk management (BRM) programs that apply to all provinces and territories. Through common objectives and a common approach, the multilateral framework agreement also stipulates the principle of provincial and territorial flexibility — that is, “flexibility in approaches, program design, implementation, and in the management of the framework, to facilitate governments’ efforts to adapt to new priorities and respond better to provincial and territorial needs” (Government of Canada 2011, 3).

The principle of flexibility is operationalized through a series of bilateral agreements and is most prominent in the shared-cost strategic initiatives that fall outside the BRM programs. Flexibility and bilateralism are not, however, absent from BRM programs. Notwithstanding the concern of the government of Canada that provincial top-up risk management programs are vulnerable to trade retaliation, both Ontario and Quebec have retained provincial risk management programs that coexist with the national BRM programs.

This model of collaborative federalism — combining multilateralism with bilateralism — has enabled FPT governments to agree on how to advance their shared goals for agriculture, including a more market-oriented sector in which government funding tilts toward strategic initiatives to enhance competitiveness and away from farm income support. It has also allowed provinces/territories the scope to tailor programs and spending to their local needs.

What explains, first, this model of collaborative federalism and, second, its success in procuring an integrated FPT approach to the agri-food sector in terms of policy and program direction over the past decade? Beginning with the first question, the model owes much to the

constitutional allocation of jurisdiction for agriculture to both orders of government and these governments' acceptance of shared responsibility. Both orders of government have incentives to cooperate. Neither is likely to realize its goals without the cooperation of the other. In the case of provinces, collaborative federalism has long been an important mechanism for sharing program costs. For its part, the government of Canada also has incentives to accommodate the concerns of provinces — especially provinces such as Ontario, Quebec and Alberta, which have large agricultural sectors and large purses and are willing to use the latter to act unilaterally. With only one vote at the negotiation table, the government of Canada can usually achieve its goals with respect to national programs only by accepting provincial flexibility via a measure of bilateralism.

Turning to the second question, the success of the collaborative federalism model as a pathway to intergovernmental agreements over the past decade owes much to shared provincial goals for the sector and provinces' fiscal incentives to collaborate. Both *Growing Forward* and *Growing Forward 2* have injected large amounts of cash into the provinces.⁶ Equally important has been the government of Canada's willingness to accept the principle of provincial/territorial flexibility and its companion, a measure of bilateralism. Many provinces perceived the declaration of provincial flexibility in *Growing Forward*, and its retention in *Growing Forward 2*, as a break from the tendency of past multilateral agreements to take an exclusively pan-Canadian program approach. For these provinces, flexibility in designing provincial programs and in the spending of federal money has been a key component in concluding the overarching multilateral agreements.

Tensions between multilateralism (in the form of national programs) and bilateralism (in the form of provincial flexibility) make building the consensus needed for the five-year FPT multilateral framework agreements neither quick nor easy. Disagreements extend the negotiation of multilateral framework agreements over two or three years. The subsequent bilateral agreements, with their very detailed provisions with respect to payments, performance-reporting methods and auditing requirements, can take an additional year to conclude.⁷ Both the substantive provisions of multilateral BRM programs and the design of strategic initiatives display the bargaining power of large provinces. The 2003-08 Agricultural Policy Framework required the signatures of six provinces, accounting for half of Canada's net eligible sales, before it took effect.⁸ This threshold of provincial consent delayed implementation of the 2003-08 and 2013-18 agreements until concessions were made to satisfy Ontario's concerns. More substantively, provinces have sometimes successfully thwarted federal government efforts to reduce government financial obligations for farm risk management.⁹ And, as the example of Ontario and Quebec's retention of their provincial risk management programs illustrates, collaborative federalism and norms of diffuse reciprocity have sometimes required Ottawa to accept more bilateralism than it would like.

In addition to the role of shared objectives, the fiscal incentive of federal transfer funds and the commitment to diffuse reciprocity through the flexibility principle, the largely collaborative approach to IGR in this sector can be attributed to the dense pattern of institutionalized relationships that link FPT officials across the very large number of programs and initiatives they have undertaken. FPT meetings are routine and frequent. Ministers meet at least annually, deputy

ministers meet face-to-face at least twice a year, and assistant deputy ministers meet four to five times a year and converse by phone even more frequently. Their meetings usually entail a formal agenda and presentations. Feeding into this process of collaborative policy development is the work of a plethora of regulatory and policy committees staffed by lower-level/technical FPT officials.

These ongoing consultations, including the annual meetings of ministers and deputy ministers, are described by FPT officials as “absolutely critical” to collaborative relations. They give rise to “a mode of cooperating,” of “trying to solve certain problems together,” especially among officials.¹⁰ Ongoing consultations also enable officials to build trust and respect for one another’s expertise, particularly those who continue in their positions for some time.¹¹ Working with the same officials over an extended period can promote a mutual understanding of positions, which facilitates agreement. Although these collaborative behaviours (norms) on the part of FPT officials do not eliminate intergovernmental conflicts over agriculture, they appear to be indispensable to a collaborative approach premised on provinces as equal partners with Ottawa.

Labour Market Policy: The Constraints of Multilateral Norms and Institutions on Unilateral Action

Unlike agriculture and immigration, labour market policy is not constitutionally defined as a matter of concurrent federal and provincial jurisdiction. With both orders of government able to spend and regulate in pursuit of labour market policy goals, the result can be overlaps and conflicts that undermine effective policy outcomes. Federal and provincial governments are thus motivated to cooperate. As a result, Canada’s labour market is managed through an extensive set of programs and institutions that promote a high level of intergovernmental cooperation. The forms of cooperation reflect a set of expectations and norms that recognize the traditional provincial leadership role in the field; they also demonstrate respect for the importance of Ottawa’s monetary contribution and its responsibility to achieve national objectives. These norms of a shared federal-provincial responsibility for the field have, over time, been codified through a series of structures and agreements.

Given the Harper government’s ideological and political goal of shifting Canada’s labour market policy toward a more liberal, market-based approach, the past decade provides an excellent window into the limitations that this structure of IGR can impose on unilateral action. The best example is Ottawa’s effort to introduce, in 2013, the Canada Job Grant (CJG), a program that ultimately became part of the Canada Job Fund agreements. These agreements have now been signed with every province and territory.

The apex organization in the field is the Forum of Labour Market Ministers (FLMM), an FPT forum that meets periodically on an ad hoc basis. Established in 1983, the FLMM is co-chaired by the federal minister responsible for employment and a provincial/territorial co-chair; the latter rotates every two years. Quebec has been the co-chair of the FLMM since April 2015 (Prince Edward Island was the co-chair in 2014-15). The FLMM’s work is divided into four policy areas: the mobility of workers, employment services, labour information and, most important for this study, workforce development and training (FLMM 2016b). All four areas are richly populated

with working groups and norms related to the role of government collaboration. These groups steer activities and have websites to update Canadians on the work being done and agreements between governments. The policy work is usually long term and collaborative, reinforcing the links between orders of government.

In the area of workforce development, several varieties of agreement have shaped training in Canada.¹² Following a commitment by the federal government to devolve control over aspects of labour market training to the provinces in the context of the 1995 Quebec secession referendum, a series of agreements were struck (see Haddow 2012). The first of these were the Labour Market Development Agreements (LMDAs), which began with an Alberta pact in 1996 before spreading to all provinces. LMDAs were aimed at supporting programs for workers eligible for federal employment insurance (EI) (FLMM 2013, 8). The bilateral approach to negotiating the LMDAs led to considerable asymmetry in their approaches and details. Two broad types emerged between 1996 and 2000: those that facilitated devolution of federal responsibilities, allowing Quebec and six other provinces and territories to control their programs; and those, with five other provinces and territories, that provided for co-management — the federal government maintained a key role in delivering and managing the programs through Human Resources Development Canada (Bakvis and Aucoin 2000, 2; Lazar 2002, 10).¹³ By 2009, LMDAs had been signed with all provinces and territories and had moved closer to the devolution approach (Wood and Hayes 2016, 9). The LMDAs existed alongside the Labour Market Agreements for Persons with Disabilities, introduced in 2004, which were updated versions of the Vocational Rehabilitation of Disabled Persons programs of the early 1960s (later renamed Employability Assistance for Persons with Disabilities).

Although these programs were generally seen as successful, a service-delivery gap existed because they did not cover non-EI-eligible, nondisabled persons. In 2007, the federal budget announced a parallel set of shared-cost agreements with the provinces, this time aimed at training people without regard to EI eligibility (Hayes 2014, 2). These agreements, called Labour Market Agreements (LMAs), began in 2008-09 and lasted until 2014. The federal government contributed roughly \$500 million annually to these agreements (Hayes 2014, 2). Thus, in the year before the CJG was announced, the federal government was contributing a significant amount of money to labour market training: \$1 billion for EI-eligible and \$500 million for non-EI-eligible individuals for the two fiscal years 2009-11 (FLMM 2013, 9).

Critically, as part of the process of developing this contemporary approach to funding labour market training, the federal government acknowledged that the provinces should be the lead players in the field, given local particularities and the need to avoid duplication. To that end, the 2007 federal budget recognized the “primary role and responsibility that provinces and territories have in the design and delivery of training programs” (Department of Finance Canada 2007, 32). Subsequent announcements made additional commitments to further devolve training to the provinces (FLMM 2013). This approach was in keeping with the Harper government’s commitment to open federalism. Although there was a federal role to play (in providing funding), the hands-off attitude of the Harper government (in policy design and delivery) fit with provincial expectations of the federal role.

The normative congruence of roles and responsibilities resulted in the provinces taking the lead in designing and managing programs for skills development with federal help. The LMAs were negotiated on a province-by-province basis with the FLMM providing a forum for discussion, coordinating the various provincial and federal actors, and acting as a body through which provincial governments could speak collectively. For the most part, these agreements injected a sense of predictability into the management of labour market policy. Of particular importance was the commitment of all actors to flexibility — the recognition that, despite all of the actors' shared goals and responsibilities, the challenges in the field varied considerably by province and the broad suite of programs in each province should be tailored to that province's needs. There was no expectation that the federal government would upset these understandings built upon a mutual commitment to diffuse reciprocity in the management of the field.

It was in this context that the federal government unilaterally announced the Canada Job Grant in the 2013 federal budget. This initiative sought to transform the old LMAs into a new, employer-driven model for training. According to the CJG's original vision, the provinces and territories would have been responsible for matching the federal and employer contributions of \$5,000 per grant, and federal money would no longer have gone to programs previously designed to support literacy, employability and similar goals (Hayes 2014, 3). The initiative diverted approximately \$500 million a year from the old LMAs (money that had been earmarked for those not eligible for EI) (Hayes 2014, 1).

This unilateral announcement ran counter to provincial expectations on several fronts. First, it was completely unanticipated. "We began hearing nuggets about it in the media," one Ontario civil servant recounted. The federal press release simply stated, without evidence, that "training in Canada is not sufficiently aligned to the skills employers need or to the jobs that are actually available" (Department of Finance Canada 2013; Hayes 2014, 2). The new director of the FLMM secretariat admitted that to the provinces and territories, "it definitely was a surprise. The old LMAs were bound to finish in 2014, so it was expected that some kind of negotiations would occur. But most expected a renewal of the old agreement. The LMA indicators were those of good programs, good results in every province."¹⁴ The lack of notice about the new program violated the expectations of collaboration that existed for developing shared-cost programs. In addition, as initially presented, the program was to be national in scope and the same across the country — features that provinces perceived as violating the norms of their leadership role in the sector and the principle of flexibility.

From an ideological and political point of view, the CJG seemed to undermine the value of the old LMA programs. The programs funded through the LMAs were designed largely to facilitate the participation of groups in the workforce that traditionally struggle to find jobs, particularly youth and Indigenous people. Until the CJG, the programs did not have a significant private sector component; they targeted general skills development so that job seekers would be more attractive when they searched for work. The CJG, with its focus on the private sector, appeared more suited to helping those *less* in need of government assistance. Since the private sector was put in the driver's seat when it came to applicant selection, the likely rationale was that business would be incentivized to choose experienced, midcareer

talent from groups that were relatively privileged in the workforce. Thus, the CJG seemed to undermine entirely the point of the LMA programs.

The provinces quickly issued a joint document through the FLMM in which they defended what they had been doing with the money under the LMAs and criticized Ottawa for failing to collaborate in developing a new approach. The document showcased a number of provincial successes in assisting people to find work (FLMM 2013). It also highlighted the different challenges provinces face in delivering programs.

The provinces wielded considerable power to stop the CJG from being implemented. Historically, Ottawa has relied on provincial governments to deliver shared-cost programs. In attempting to launch a national program with identical standards, Ottawa overlooked its inability to unilaterally implement the CJG program. Not only could the provinces withhold money, but they could also decline to implement a program they genuinely wanted stopped. Nevertheless, they could not oust Ottawa entirely from the policy field; the interdependence of the two orders of government means that provinces rely heavily on Ottawa to fund program delivery in labour market training. Without federal monetary assistance, the provinces would not be able to pursue their own agenda.

The IGR norms, institutions and administrative realities eventually compelled Ottawa to back down from its initial plan. This began with the appointment of Jason Kenney as the minister of employment and social development, signalling a more flexible approach (Hayes 2014, 3). What resulted was a related series of broader Canada Job Fund agreements. These agreements have a common overarching framework, but they also allow for variation from province to province (Government of Canada 2015a). The money from Ottawa now flows in three streams: the CJG, the employer-sponsored training stream and the employment services and supports stream.

The first two streams are employer-driven, in that a business is responsible for selecting a person to hire and train. The CJG gives employers who contribute \$5,000 for training up to \$10,000 from the province or territory; the money comes from the Canada Job Fund and other sources. The employer-sponsored training stream was designed to lessen the financial impact on the provinces by letting them fund existing employer-led schemes, such as apprenticeship programs, as part of the agreement. The third stream allows the provinces to preserve some of the programs that were in the old LMAs (Hayes 2014, 5-6). The provinces can spend on any of the streams so long as they meet certain targets for employer-driven spending and, by year four, spend 60 percent of the total budget specified in the agreement on employer-driven streams. Provinces/territories can also use LMDA money to meet commitments. If they do not meet spending targets, they must return any remaining federal money to Ottawa (Hayes 2014, 4).

Thus, the provinces saved some programs funded under the LMAs and were able, under the Canada Job Fund agreements, to broaden the sources from which they could fund their commitments. Furthermore, Ottawa agreed to a review of the programs carried out under the auspices of the

FLMM two years after they were introduced (FLMM 2016a).¹⁵ Many provinces remained unhappy, however, as the agreements still reduced funding for programs they thought successful. But the final outcome shows at least a partial return to a commitment of diffuse reciprocity on all sides; there were indications of flexibility and the recognition that each province had different needs within a pan-Canadian program focused on labour market training.

It is also important to note that within this new approach, Quebec's arrangement with Ottawa stands out. No new agreement was negotiated with the province; instead, Quebec maintained a measure of bilateralism through a continuation of its old LMA, although it was rebranded. The province was also given the authority to distribute the money under this program as it saw fit. This arrangement with Quebec likely reflects Quebec's unique status in the federation. It is consistent with asymmetries that were in IGR agreements in the labour market sector and the way control over training was devolved to Quebec following the 1995 referendum.

However, these are only partial explanations for Quebec's difference. Quebec programs were already structured in such a way that there was heavy employer involvement through partnerships arranged by the Commission des partenaires du marché du travail, an apex organization that brings together labour market stakeholders in order to coordinate activities. This unique form of partnership between the government and the private sector is more common in Quebec, and is unique in Canada. But since this model is closely aligned with Ottawa's objective of increasing the employer role in labour market training, Ottawa had no problem keeping the old agreement. Overall, the CJG experience shows the potential of, as well as the limits to, truly unilateral action in Canada in policy areas with well-developed norms of collaboration. Although it is possible for a government to strike out on its own, the structuring power of norms, institutions and policy legacies can make it nearly impossible to ignore completely the other order of government when it is responsible for so much of the implementation and funding in a program area.

Immigration: Emerging Multilateral Collaboration

Along with agriculture — and, since 1951, pensions — the *Constitution Act, 1867* explicitly recognizes immigration as an area of shared federal-provincial jurisdiction.¹⁶ Despite having constitutional authority, concerted provincial involvement in immigration is nevertheless relatively recent (Vineberg 2011). Quebec has led provincial engagement in the field, negotiating a series of federal-provincial agreements beginning in 1971 and ultimately achieving the greater autonomy in immigrant selection and settlement it sought in the 1991 *Canada-Quebec Accord* (Kostov 2008). Following Quebec's lead, from the mid-1990s the other provinces have increasingly engaged in the field (Paquet 2014).

The growing provincial role in immigration rests upon three related pillars (Schertzer 2015, 390-1; Paquet 2014). First, bilateral framework agreements define the roles and responsibilities of the federal and provincial governments in the area of immigration (Seidle 2010b). Second, provinces have obtained the ability to directly select permanent economic immigrants. Quebec does this through the powers granted to it by the Accord, and the other provinces select immigrants through the Provincial Nominee Program (PNP). There were 90,000 provincially selected

immigrants to Canada in 2014 (CIC 2015).¹⁷ Third, two provinces (British Columbia and Manitoba) administered federally funded settlement services from the late 1990s to 2012, and other provincial governments developed management models covered by agreements with the federal immigration department.¹⁸ The result from the 1990s forward was an increased provincial role in the selection and settlement of economic immigrants.

Throughout the tenure of the Harper government — and particularly during Jason Kenney's time as minister of citizenship and immigration, between 2008 and 2013 — an aggressive reform agenda was pursued. Among the key actions were, first, changes to the funding and management of immigrant settlement services. This included an initial infusion of cash into the system, followed by a repatriation of the management of settlement services from British Columbia and Manitoba in 2012. Second, there was a general realignment of selection policy to privilege economic migration. This entailed increasing the proportion of economic migrants, targeting specific skill sets in federal streams, refocusing the PNPs on economic immigration, raising language requirements for nominees and introducing a new selection approach through Express Entry (which we will discuss later).

Focusing on IGR as they pertain to economic immigration over this period, we see that the process and outputs related to the reform of economic immigrant selection occurred largely through multilateral collaboration, where norms of shared federal-provincial responsibility and multilateral institutions prevailed.

Multilateral collaboration on immigration reflects the norms codified in the Joint Federal-Provincial-Territorial Vision for Immigration. This vision was announced in 2012, following nearly a decade of discussion. It calls for a system that “attracts, welcomes and supports newcomers to join in building vibrant communities and a prosperous Canada,” along with a series of high-level objectives related to common economic goals and the desire to share the benefits of immigration across the country (CICS 2002, 2004, 2005, 2012). As a senior provincial official explained, the vision, and the multilateral work required to establish it, created a new “norm of shared jurisdiction” that elaborated “common FPT interests,” particularly in the area of selecting economic migrants.¹⁹ Mark Davidson, the director general of intergovernmental relations at Citizenship and Immigration Canada, framed it as a novel agreement with the provinces (outside Quebec) “on common priorities for where we mutually want the immigration program to go.”²⁰ Taken together, the vision and the perspectives of the actors involved in its creation show congruent norms on the parameters of shared government responsibility for economic immigration.

These norms inform a significant and still developing multilateral institutional structure for IGR. There is a defined multilateral institutional hierarchy whereby a series of formal and ad hoc working groups support committees at the ministerial, deputy-ministerial and assistant-deputy-ministerial levels (Schertzer 2015, 393-5). At the apex is the FPT Forum of Ministers Responsible for Immigration, which held its first meeting in 2002 and has since met fairly regularly (five times between 2006 and 2015). This forum is supported by a highly active committee of deputy ministers (which met 17 times between 2006 and 2015) and one of assistant deputy ministers (which at

times met as frequently as biweekly; it held more than 40 meetings in 2011 and 2012). Each committee within this structure operates under a federal-provincial co-chair model; the provincial seat rotates every two years and is supported by an increasingly professional secretariat.²¹

The main outputs of these multilateral institutions between 2006 and 2015 not only adhered to the broad norms of joint ownership in select areas but also evinced the growing commitment of both provincial and federal governments to the idea of diffuse reciprocity. The outputs included agreements on the very conduct of IGR in the immigration sector and key elements of the federal government's reform agenda.

On the conduct of IGR, the primary output was the Federal-Provincial-Territorial Vision Action Plan (VAP). The VAP is a framework agreement, announced in 2012, that identified three forms of multilateral engagement to be undertaken between 2012 and 2015: immigration-levels planning that would reflect economic demand; development of a system to meet regional and national labour market needs (in particular, an expression-of-interest system called Express Entry); and improvement of settlement and integration outcomes (CICS 2012). The VAP also included a supplementary FPT agreement on "roles, responsibilities and accountabilities to inform work under the Vision Action Plan" (CICS 2012). Discussions with federal and provincial officials indicated that this agreement was a jointly developed guide for how the two orders of government would decide on the specific mode of interaction for work on the various priorities (from joint collaboration and ownership, to cooperation when ultimate decision-making authority rested with one order or the other, to simple consultation).

Together, these multilaterally negotiated framework agreements, as some senior provincial officials noted, laid the groundwork for success in jointly developing policy in the identified areas (particularly Express Entry). This is a view shared by Mark Davidson, who indicated that from the federal perspective, the VAP was a shared agenda of priorities, the mechanism to guide work on these priorities and a means to measure results. In short, these agreements are clear examples of "principles which specify appropriate conduct for a class of actions, without regard to the particularistic interests of the parties" (Ruggie 1993, 11). Collaborative IGR undertaken from 2006 to 2015, beyond yielding agreements to work together multilaterally, produced some key policy outputs that displayed elements of adherence to the principle of diffuse reciprocity. For example, federal-provincial work began in 2010 on developing a pan-Canadian framework for settlement outcomes that would identify a cohesive national understanding of the desired outcomes for integrating migrants while taking into account the different needs and contexts of the provinces.²² This work started with a national survey that measured the existing impact of integration services across the country. Following the survey, the joint development of the framework was pursued under the auspices of the VAP.

One of the clearest examples of a policy outcome that displays adherence to the principle of diffuse reciprocity is the establishment of minimum language requirements for provincial nominees. Provinces, particularly the western ones, have long used the PNP to fill labour market shortages in both high- and low-skilled professions while addressing declining populations through a series of streams that, at times, have overlapped with federal programs and raised program integrity concerns (Pandey and Townsend 2013; CIC 2011; Seidle 2013). A push by the

federal government to refocus the PNP on economic classes and to introduce minimum language requirements was thus understandably met with significant skepticism by provincial officials. Nevertheless, through significant negotiation in a multilateral working group, an agreement was eventually reached that clearly reflected diffuse reciprocity. The federal government was successful in lobbying for a reduction in PNP streams that overlapped with federal programs or had program integrity concerns, while also establishing minimum language requirements. For their part, provinces obtained (relatively small) increases in the nomination limits for their PNPs.²³ They also secured, through bilateral letters of agreement, a tailored approach to how minimum language standards would be applied.

The development of a new selection system for economic immigration (Express Entry, launched in early 2015), and the provincial role in that system, had many of the same characteristics (CIC 2012, 2014). Express Entry is a shift away from accepting — on a first-come, first-served basis — all applications for permanent residency that qualified. The new approach established a pool of applications from candidates who passed a threshold, while creating a more direct role for governments and employers in identifying and selecting individuals. This move from a supply-side to a demand-side approach was largely based on national-level objectives: the pooling of applications ranked for selection involved using a set of criteria related to applicants' ability to meet labour market shortages, their possession of a job offer and their human capital. The key elements of the system were negotiated over a two-year period by a multilateral working group that reported through the institutional hierarchy of FPT tables (as part of the VAP priorities). Stemming in large part from this work, the end product reflects both federal and provincial interests. Express Entry certainly signals a shift toward greater similarity in the particular profile of economic migrants selected by provinces; however, provinces helped to shape the eligibility criteria and retained the ability both to select migrants through their PNPs and to use Express Entry at their discretion (Mas 2014), which also signals that the provincial role in the new system is linked to multilateral work.

These policy outputs provide examples of the scope of federal-provincial collaboration in the immigration sector from 2006 to 2015. They were largely focused on establishing and codifying the provincial role in economic immigration at a time when the federal government was making a significant reform push. These changes, largely led by Kenney, required federal-provincial collaboration to succeed. They also, at times, placed the two orders of government at odds. Although IGR in this period were based upon some foundational institutional structures (for example, concurrent constitutional jurisdiction and a series of bilateral immigration agreements), along with a broad commitment to develop more collaborative multilateral relations, a substantive commitment to multilateral collaboration in the form of clear norms and institution building can be seen as a legacy of the Harper era.

Analysis: Mapping Approaches to IGR, 2006 to 2015

Across the three policy fields surveyed here, there are clear indications that the underlying norms and established institutional structures of IGR shaped the approach and policy outputs of the Harper government between 2006 and 2015. In all three areas, multilateral collaboration was critical to making key policy reforms (see table 2).

Policy area	Approach style	Examples
Agriculture	Multilateral (with bilateral)	Strong national IGR institutions and framework agreements with pan-Canadian initiatives (Growing Forward and Growing Forward 2), but flexible implementation tailored to provincial needs (the strategic initiatives).
Labour market	Unilateral (shaped by multilateral and bilateral)	Unilateral imposition of a program by Ottawa (Canada Job Grant) largely thwarted by provincial opposition, followed by multilateral framework and bilateral agreements (Canada Job Fund).
Immigration	Bilateral toward multilateral	Bilateral agreements with each province recognizing specific needs, but growth of multilateral tables and codification of common norms in key policy areas (economic immigration and Joint Federal-Provincial-Territorial Vision for Immigration).

In agriculture, the constitutional allocation of jurisdiction to both orders of government undoubtedly contributed to the norms of shared ownership. So did a long history of Canadian governments assuming responsibility for supporting farm incomes, particularly through shared-cost programs. The intergovernmental coordination necessary to create these programs, and to do so in concert with farm organizations, has resulted in a highly institutionalized IGR process for designing and implementing shared-cost programs. These institutional structures have helped to foster good working relations among FPT officials and ministers responsible for agriculture. Equally important to policy consensus has been the flexibility afforded provincial governments with respect to program design and disbursement of shared-cost funds. This formula — an overarching multilateralism combined with elements of bilateralism and a commitment to diffuse reciprocity — accounts for collaborative federalism in cost-shared programs for agriculture.

With regard to labour market policy, when we look at the experience of the Canada Job Grant, we see that the federal government was unable to impose fully its preferred policy innovation in the face of provincial opposition and deeply entrenched intergovernmental institutions and norms of engagement. The collaborative framework, which usually led to long-term, predictable agreements for labour market training, checked the ability of Ottawa to act in this unexpected and unwelcome way. What did result was a blend of innovation with aspects of the old regime that all governments could accept.

In the immigration sector, building on existing institutional structures and broad commitments, a substantive turn toward multilateral collaboration emerged in the 2006 to 2015 period (at least in relation to selecting economic migrants). The FPT vision for immigration and its related VAP helped codify the parameters of the emerging provincial role in the field and defined the constitutionally shared jurisdiction. This codification made it necessary for the federal government to engage with provinces in a lengthy, iterative process of negotiation when it wanted to pursue policy reform, even when it expressed a desire to make changes more independently and faster. (As one senior provincial official noted, at times the federal engagement in multilateral collaboration felt like “reluctant federalism.”²⁴) But, on the other side, the provinces also had to engage in such discussions and seek a mutually agreeable solution, even when they did not concur with the broader agenda.

The commonality in these three examples of multilateral collaboration is a clear commitment to norms of shared responsibility both *between* the orders of government and *among* the provinces. In the agriculture and immigration sectors, the FPT vision statements and related five-year framework agreements for joint action provided the parameters of what is truly shared in the fields. In labour market policy, the four areas of work under the auspices of the FLMM and the established norms of a strong provincial role in the delivery of programs played a similar role.

On a related matter, in the policy areas we surveyed, there was a strong consensus among the provinces on the scope of their role in the field. Within agriculture, the provinces and Ottawa shared the belief that their collaboration on integrated (Canada-wide) and complementary (provincial) policies was key to the profitability of the sector. In the area of immigration, the provinces largely initiated the turn toward multilateral collaboration by coming to a consensus on the economic and demographic objectives of immigration (Council of the Federation 2011, 2012, 2013; for an overview, see Paquet 2014). This shared view, which developed over the last 20 years, was the necessary normative congruence among the provinces that pushed them to engage with the federal government on a collective, multilateral front to pursue their common interest in the area of economic immigration. A similar common position was evident among the provinces in the aftermath of the initial unilateral announcement of the CJG. Here, a provincial bloc formed against the program as initially designed, mainly because it violated the norms of shared federal-provincial responsibility. This bloc and the norms of collaboration pulled the federal government into negotiations on the final form of the CJG.

The integration of these norms into the institutional structures of IGR across all three sectors also points to the important role institutional mechanisms played in the use of multilateral collaboration to effect policy reform. In all three areas, the IGR structures were designed and employed according to the norms of shared policy responsibility. These multilateral forums also produced a series of framework agreements and policy outputs that demonstrated diffuse reciprocity. In agriculture, we see this in the mixture of pan-Canadian objectives and provincial flexibility applied to tailoring programs under the Growing Forward agreements. In the final form of the Canada Job Fund agreements, a similar common framework allowed for provincial variation. The same approach was largely replicated in refocusing the PNPs on economic immigration. In short, the institutional process of multilateral negotiation produced outcomes that balanced the interests of the federal and provincial governments.

We do not mean to imply that IGR during the Harper era were always collaborative or multilateral. Unilateral and exclusively bilateral approaches to IGR were common in many sectors, and even within the sectors discussed here. In immigration, for example, both unilateral and bilateral channels were regularly used. Bilateral negotiations between a province and the federal government led to nine new or updated immigration agreements between 2006 and 2015. As others have argued, IGR in immigration are defined by such bilateralism (Banting 2012; Seidle 2013). And, over this period, although Quebec often attended multilateral meetings (as an observer), it maintained a strong bilateral relationship with the federal government (see, for example, the statement included at the request of the Quebec government in all FPT ministerial

communiqués). The absence of mechanisms of shared responsibility played an important role in the main qualification to the picture of collaborative IGR in the immigration sector between 2006 and 2015.

In the 2012 federal budget, it was announced that CIC would resume the administration of federally funded settlement services in British Columbia and Manitoba (the two provinces outside Quebec that had devolved control). The decision was made without prior consultation with either province and against their wishes. This unilateral action was facilitated by the institutional and normative features of IGR with regard to settlement services. There were no consistent, widely shared norms related to the role of the provinces in managing settlement services. The complex patchwork of settlement models across the country, noted in the previous section, played a critical role in this lack of shared norms. Many provinces called for greater autonomy in managing settlement services and generally indicated a desire for more power, but a clear and consistent position was not forthcoming. Institutional complexity also made it difficult to measure results and make policy innovations. Largely in response to this situation, the federal government shifted its position; instead of offering further devolution, it sought greater accountability for the resources it invested in the area and reasserted its role. Thus, the unilateral action here was facilitated by a lack of consensus among the provinces and between the two orders of government on their respective roles.

Unilateral actions during the Harper period on health and pensions highlight the importance of shared norms — and the integration of these norms into established institutions of IGR — as a force pulling actors into multilateral collaboration. On health, Finance Minister Jim Flaherty's announcement that the federal government's guarantee in the 2004 Health Accord (concluded during Paul Martin's term as prime minister) of a 6 percent annual increase in health care funds would be replaced in 2017 with a 3 percent increase until 2024 was issued without discussion with the provinces and territories (Bailey and Curry 2011).

This unilateral move was made possible by the absence of both shared norms between the orders of government and robust intergovernmental institutions. Health care is among the more conflict-prone areas of IGR. Federal-provincial disagreements are common (Maioni 2012, 170-1). Norms on the roles and responsibilities of the two orders of government in health care are highly contested, particularly given the use of the federal spending power to further policy objectives. There is also often a lack of consensus among provinces on their role and broader policy objectives in health care, which makes multilateral collaboration difficult and opens up space for federal unilateral action. In this example, provinces were split on both dimensions — that is, on the intervention of the federal government and its specific objectives, with some supporting the approach (British Columbia) and others (Ontario) set against it (Bailey and Curry 2011). Reflecting this contestation, the institutional structures of IGR in health care are relatively ad hoc and underdeveloped compared with those in other sectors (Choudhry 2000).

As for pensions, this time it was the Liberal government of Ontario that took unilateral action. It stated its intention in 2014 to develop an enhanced pension plan, citing federal intransigence on expanding the Canada Pension Plan (CPP) (the Harper government considered the CPP to

be a payroll tax [Ontario 2014; Taber 2015]). The *Canada Pension Plan Act* compels the federal and provincial ministers of finance to meet every three years to review the CPP. Any changes to the Act or its regulations that affect the level of benefits and the contribution rates require the agreement of at least two-thirds of the provinces with two-thirds of the Canadian population.²⁵

Premier Kathleen Wynne's failure to garner the needed provincial support allowed the Harper government to avoid engaging on the issue. However, the 2015 election of Justin Trudeau as prime minister brought a new openness on the part of the federal government to enhance the CPP, which had a strong ally in Ontario. Trudeau's June 2016 success in negotiating a multilateral agreement with the provinces for an enhanced CPP demonstrates how a federal government committed to policy reform, working with provinces that share policy goals, can capitalize on the existing norms and institutions of IGR to build agreement among the necessary majority of provinces.²⁶

The pensions example draws attention to the importance of factors other than norms and institutions in shaping IGR — most notably, ideology and partisan politics. The enhancement of public pensions was a heated political issue in the run-up to the 2015 federal election. Ontario's Liberal government and the Conservative federal government differed ideologically on the value of enhancing the pension system. Given this ideological divide — and the fact that Premier Wynne was campaigning hard against then prime minister Harper and for Liberal candidate Justin Trudeau — collaborative IGR, no matter the norms and institutions, were not possible.

In contrast, there was a measure of congruence between the ideological and political preferences of the federal and provincial governments in the three policy sectors surveyed here over the 2006-15 period. In agriculture, the general move toward a more market-oriented approach to supporting farm incomes was shared among governments keen to manage budgetary pressures. And the Conservative federal government had some key allies in this area: the Conservative governments of some provinces with large agricultural sectors. Differing federal-provincial positions on the value of increasing the employer's role in labour market training were still ultimately bridgeable and a critical factor in negotiating the final form of the CJG program. In the area of immigration, the shared view of the federal and provincial governments that economic immigration had to be supported (and even increased) in order to grow Canada's economy and enable Canada to compete in the global market was at the foundation of the Joint Federal-Provincial-Territorial Vision for Immigration.

This final point also indicates the impact of exogenous factors on IGR — such as the imperatives of global competition, international trade and cross-border flows of labour and capital. In a federal system such as Canada's, where responsibility for implementing policies at a local level often requires provincial action, the need for domestic policies to be consistent with international trade agreements (for example, in the agriculture sector) creates incentives for federal-provincial engagement. Similarly, responding to and leveraging global migration flows and ensuring that Canadian businesses can compete require the resources of the federal government and the knowledge and connections of the provincial governments. Both are essential to the development and implementation of labour market and immigration policy.

But beyond the simple need to engage driven by such exogenous factors, there is still considerable leeway in how governments actually conduct IGR. Our review of policy sectors shows that processes are largely driven by the IGR institutions and norms in that area. Ideology, partisan politics and broader global factors do matter in setting the context for IGR in Canada. But within this context, IGR norms and institutional structures are powerful mechanisms that shape policy development and implementation.

Looking Forward: Lessons from the Past Decade of IGR

The review of IGR across these policy sectors between 2006 and 2015 offers a number of lessons that can inform future policy work on the many challenges facing Canada. The first key lesson from this study is that the existing norms, processes and institutions of IGR matter. They affect how IGR will be conducted and how policy will be developed. Where multilateral institutions and norms of joint federal-provincial ownership are established, they constrain the ability of actors to take unilateral action, pulling them toward a collaborative approach. This is what we saw in agriculture and immigration, where both orders of government share constitutional responsibility for managing the field, and each order of government is ultimately stuck with the other. In labour market policy, where the jurisdictional context is less clear, norms and institutions play a critical role in checking unilateral federal action. Across these areas, governments simply cannot intervene unilaterally without buy-in from their partners; attempts to do so will be met with resistance and significant pushback, which can scuttle initiatives.

Second, workable norms for collaborative relations in a policy field cannot be conjured up out of nowhere. Simply creating multilateral processes or institutions will not lead to collaborative federalism. Norms for the roles of governments, policy objectives and how a field should be managed are at least partially dependent on material and political interests. Where these are highly divergent, there is no guarantee there will be a meeting of minds on how to govern a field, notwithstanding formal mechanisms and despite efforts to achieve consensus. Vision statements — which serve to set out principles for a federal-provincial strategy, including government roles, types of funding commitment and forums for intergovernmental collaboration — can be quite effective in facilitating such a meeting of minds.

Yet, collaborative norms tend to emerge from a long process of regular interactions. Despite the shared jurisdiction over immigration, for example, significant interaction between governments is fairly recent. It has developed only in the last couple of decades, and in tandem with new expectations about what immigration policy should achieve and how it should respond to the needs of different parts of Canada. The ongoing interactions in the area of agriculture played a critical role in solidifying the shared norms in the policy field. The same may be said of the labour market, where long-term interactions arising from mutual concerns have produced certain shared norms that cannot be ignored. As we noted in the introduction, there is likely a reciprocal relationship among institution building, interaction between governments and the establishment of norms; but the latter factor — the forging of common understandings among governments about shared roles and objectives — forms a critical foundation for effective and legitimate collaborative IGR.

Third, those who work in IGR appreciate that even when an order of government breaks the rules in one policy area, the disagreement will not necessarily spill over into other areas. The experience of the CJG in the labour field, for example, did not hinder progress in other areas, such as immigration. There are times when a province has tried to shut down its relationship with Ottawa over a jurisdictional spat — the conflict between former Newfoundland and Labrador Premier Danny Williams and former Prime Minister Paul Martin over offshore oil revenues and the Atlantic Accord comes to mind, as does the conflictual relationship between Premier Wynne and Prime Minister Harper near the end of Harper's term. However, such instances are few and far between. Although there are some exceptions to the rule, the containment of disagreements in order to protect the broader interests of all governments involved is an interesting and critical aspect of IGR in Canada.

Finally, collaborative IGR can entail costs. Beyond the expenditure of money and time to set up meetings, establish processes and institutions, prepare for and conduct negotiations and manage relationships, there are intangible costs. Policy goals are diluted due to federal or provincial opposition; policy implementation is delayed when negotiations are under way; policy-makers hesitate to try new approaches if they sense they will encounter strong opposition. At the same time, the upside of the collaborative model is that it allows governments to design policy that furthers pan-Canadian objectives while addressing the needs and interests of individual provinces and territories.

Notes

1. For an overview of the broad IGR institutional structure in place prior to Prime Minister Harper's tenure, see Meekison, Telford and Lazar (2004).
2. At times, unilateral action has been used by an order of government to stimulate IGR activity on a particular policy goal, which is followed up with recognition of the need for subsequent bilateral or multilateral interactions. As discussed in more detail later in the study, this behaviour characterizes discussions on the Canada Job Grant and the decision of the federal government to take back control over the management of federally funded settlement services.
3. Agriculture and immigration are the two policy fields with explicitly concurrent federal-provincial jurisdiction outlined in the *Constitution Act, 1867*. Pensions were added later (in 1951) as a third policy field with concurrent jurisdiction.
4. These norms evolved over time. The 60/40 ratio of federal-provincial/territorial funding was contentious in the negotiation of the 1996-99 federal-provincial safety net policy framework agreement and the 2000-03 framework agreement on agricultural risk management. The 1996-99 framework entailed 10 separate agreements between Canada and each province that gave provinces considerable program flexibility and opportunity to top up some program benefits. The 2000-03 framework agreement gave provinces considerable flexibility — more than Ottawa liked — to design programs to serve the needs of their own producers. Each federal and provincial signatory also had a veto over amendments.
5. Chuck Strahl was minister of agriculture and agri-food from February 2006 to August 2007, when he stepped down for health reasons.
6. Under Growing Forward 2, federal funding for cost-shared programs increased by 50 percent.
7. In an interview with Grace Skogstad on February 19, 2016, a provincial official who negotiated his province's bilateral agreement under Growing Forward 2 stated that its negotiation "proved to be the biggest stumbling block to the whole FPT process."
8. This formula existed for the pre-2003 federal-provincial program to stabilize net farm revenues. Another cofunded federal-provincial program, disaster assistance, could be modified with the approval of the government of Canada and all the signatory provinces.
9. Appearing before the House of Commons Standing Committee on Agriculture and Agri-food (1st session, 41st Parliament, November 15, 2011), Assistant Deputy Minister of Agriculture and Agri-food Canada Greg Meredith acknowledged that the government of Canada had to change its plans when provincial ministers collectively said no to its proposals with respect to Growing Forward 2. Wilson (2012) reports that provinces secured a higher threshold figure to trigger government payments in the event of a farm income drop than that proposed by Ottawa.
10. Officials interviewed for this paper by Grace Skogstad, on conditions of anonymity, observed that collaborative relations at the officials' level are not always matched at the ministerial level, where conflict is common.
11. Others have observed the positive impact of relationships of trust on intergovernmental relations. See Poirier (2015, 153), who references Bakvis, Baier and Brown (2009, chap. 6).
12. For a recent overview and analysis, see Wood and Hayes (2016).
13. For an overview of the agreements, process and shifts in approach, see Bakvis and Aucoin (2000); Lazar (2002); and Wood and Hayes (2016).
14. François Montminy-Munyan (director of the FLMM secretariat), interview with Andrew McDougall, March 23, 2016.
15. This review, now public, found that the CJG had mixed success, and it made a number of recommendations. In particular, the report found that while the CJG was generally meeting the needs of employers, it was not improving labour market attachment for participants. The provinces maintained that to improve the program, more flexibility should be permitted in money allocation and program design.
16. Elements of this section draw on Schertzer (2015).
17. This figure reflects the combined totals of provincial nominees outside Quebec (47,628 individuals) and permanent residents destined for Quebec (50,294 individuals). It includes principal applicants and their spouses and dependants.
18. Before the changes of 2012, discussed later in the study, there were four different models for the management of federally funded settlement services for immigrants: full autonomy for Quebec to manage its programs; devolved control for British Columbia and Manitoba; a federal-provincial comanagement approach for Alberta and Ontario (between 2005 and 2011); and federal control for all other provinces. For an overview of these settlement service models, see Banting (2012) and Seidle (2010a). The devolution of control to British Columbia and Manitoba reflects the fact that when the federal government initially offered to devolve control over settlement to the provinces in the 1990s, they were the only two provinces outside Quebec to accept.
19. Interview with Robert Schertzer, September 25, 2014.
20. Mark Davidson (director general of intergovernmental relations at Citizenship and Immigration Canada), interview with Robert Schertzer, April 23, 2014.
21. This provincial secretariat has grown over time into a stand-alone office reporting to the provincial co-chair, with staff that support and represent all provinces and territories in their multilateral engagement with the federal government (see Schertzer 2015, 395).
22. For more information and an overview of the work done on this framework, including the main findings from the national survey, see Seidle (2015); see also a joint federal-provincial presentation by the co-chairs of the FPT Settlement Working Group (Kumar and Wong 2013).
23. The exact increase in nominations linked to the establishment of minimum language requirements is difficult to identify. Some have put the number at approximately 1,650 (see Seidle 2013, 18). The target for PNP nominations rose from 42,000 to 45,000 (for 2013) to 44,500 to 47,000 (for 2014) (the first increase to the PNP range since 2011). This increase is relatively minor, given the growth of the program in the early 2000s (in 2007, the PNP target range was 13,000 to 14,000).
24. Interview with Robert Schertzer, March 23, 2016.
25. *Canada Pension Plan Act*, R.S.C. 1985, c. C-8.
26. Although Manitoba and British Columbia delayed signing on to the initial agreement in principle, provinces eventually agreed to the changes. The exception was Quebec, which runs its own parallel public pension plan. Following the June 2016 agreement, Ontario indicated that it had dropped its plans for a provincial program (Benzie and Ferguson 2016).

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