

P o l i c y M a t t e r s

**Shiftings
Sands:**

Exploring the
Political
Foundations
of SUFA

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Biographical note

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Summary

For some, the Social Union Framework Agreement (SUFA) has heralded a transformation of the Canadian federal system, one that brings a new level of cooperation, civility and citizen engagement to intergovernmental relations. Whether that viewpoint will be reflected in the upcoming SUFA review will depend in part on the initial SUFA coalition hanging together. The prognosis in this respect is at best uncertain for the political circumstances surrounding the emergence of SUFA have changed.

The fiscal imperatives which drove the provincial and territorial governments to seek some constraints on the federal spending power, and which gave Ottawa some incentive to consider such constraints, have eased. SUFA's appeal as a demonstration project for non-constitutional reform of the federation has also eased as nationalist sentiment in Quebec has moderated.

It is unlikely, therefore, that Ottawa will take an expansive stance toward the review process. It is particularly unlikely that the federal government will push for a dispute settlement mechanism, a matter on which little progress has been made to date. The recent federal election demonstrated the appeal of a *unilateral* dispute settlement mechanism in which the federal government alone is the arbiter of how well provincial governments are adhering to national values and national standards. From the perspective of the federal government, therefore, SUFA is the proverbial sleeping dog that should be left to lie, particularly if an economic downturn temporarily blunts Ottawa's interest in an expanded social policy agenda.

It is difficult to detect any greater enthusiasm on the part of many provincial governments. Certainly it is impossible to see Quebec's positive engagement with the SUFA review as an integral part of Bernard Landry's campaign to be the "last premier of Quebec." Nor, for that matter, do recent developments in the West augur well for the spirit of SUFA. There is likely to be a regional drift, although by no means a stampede, toward greater provincial autonomy and thus away from the logic of SUFA. This drift will be reinforced in Alberta by the province's burgeoning prosperity; it is unlikely that Premier Klein would agree again, as he did last year with the Health Accord, to "sign in blood" any document that would provide greater funding for health care in exchange for federal conditions.

British Columbia's new Liberal government will have its hands full with an ambitious and contentious provincial agenda, and it is not clear that the BC Liberals will have the time or energy to devote much attention to the SUFA review. Nor is it clear that SUFA in any form would give the government additional leverage on its own provincial agenda.

In Saskatchewan, the government-in-waiting is the Saskatchewan Party whose leader and members feel bruised by federal indifference to agricultural problems. SUFA, or at least a more robust SUFA, would not appear to be an attractive model. In the West, only Manitoba offers a potentially receptive audience for the review.

The environment outside the West is less easy to assess. The logic of SUFA works for the Atlantic provinces, and thus the review should expect a generally receptive environment. In Ontario, however, intergovernmental battles between Ottawa and Queen's Park are overlaid with intense partisan conflict, and the potential election spoils are huge. As a consequence, it may be difficult to bring an enthusiastic Mike Harris to the SUFA review table.

If Canadian governments appear to lack enthusiasm for the SUFA review, what about citizens? SUFA held out the promise of greater citizen engagement in the construction and assessment of government programs; it promised a less intergovernmental and more citizen-oriented style of federalism. Instead, SUFA delivered a decisive triumph of intergovernmentalism over populism. This, however, has escaped public comment or interest. SUFA has almost no public visibility and therefore no public constituency that would come to its defence should the support of political actors wane; little has been done to convince Canadians that SUFA matters to their lives and aspirations. If SUFA were to die, few Canadians would notice the obituary much less mourn its passing.

Death, however, is unlikely. Given the force of institutional inertia so characteristic of Canadian politics, SUFA will at least survive. The best course may be to let the SUFA review slide past with little serious attention being paid to it. Canadians at large will neither notice nor care, Aboriginal organizations will be relieved, provincial administrations will have more autonomy, the Quebec government will have a smaller target and the Government of Canada will not face the potential constraints of a dispute settlement mechanism. In short, let's recognize SUFA as a modest reshuffling of the intergovernmental deck in Canada, and not see it as a new game.

Shifting Sands: Exploring the Political Foundations of SUFA

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Introduction

The establishment of the Social Union Framework Agreement (SUFA)¹ on February 4, 1999 was greeted by some as a potentially fundamental transformation of the Canadian federal system that would bring an unprecedented level of cooperation, formality and civility to intergovernmental relations. SUFA also promised a new era of citizen involvement in what had theretofore been the shrouded world of intergovernmental relations. Others were less impressed or optimistic, and pointed to Quebec's exclusion from SUFA as a major flaw that would promote a new form of 9-1-1 federalism² and perhaps grease the skids for Quebec sovereignty.³ Then, the signing of the Health Accord in the early fall of 2000 brought Quebec into the SUFA framework, at least in the critically important area of health policy.⁴ The Health Accord moderated concerns about Quebec's exclusion and thus tipped the balance toward a more positive assessment of SUFA. As a consequence, the mandated review of SUFA and its potential extension in 2002 takes on considerable significance.

This is therefore an appropriate time to ask whether SUFA represents a watershed in the evolution of the Canadian federal state. The question is not only of historical interest, for the answer will tell us how much importance we should invest in the upcoming SUFA review. In short, does SUFA matter?

This question is, of course, too large for one author to address satisfactorily. My more limited goal is to assess the political foundations upon which SUFA rests and how they may have shifted since February 1999. This assessment of SUFA's political foundations speaks directly to the prospects for a positive review. At the same time, it brings into play the larger issue of the importance of the agreement. SUFA will be extended or re-energized only if it continues to meet the needs of those driving Canadian intergovernmental relations. It is by no means clear that this will be the case.

The Creation of SUFA

SUFA emerged out of a particular set of political circumstances. In the early stages of negotiations that began in December 1997, provincial and territorial governments sought some formal constraint on the federal government's spending power. This pursuit followed significant cuts in federal transfers that had compounded the fiscal crisis facing provincial and territorial governments in the late 1990s. The cuts fanned a chronic fear that Ottawa would use its spending power to establish new programs and then, in times of duress, reduce its funding and leave the provinces holding an empty financial envelope. It was hoped,

therefore, that SUFA would provide a mechanism that would not preclude federal government involvement in provincial areas of jurisdiction, but would ensure that such involvement would take place within a mutually agreed upon and predictable federal-provincial framework. In short, the spending power would be transformed from a federal government regulatory device into a multi-lateral device designed to meet the contemporary federal realities of fiscal imbalance and policy interdependence.

More generally, and perhaps more importantly, SUFA was promoted as a way to demonstrate that Canadian governments could work together in a productive and civil fashion, and that intergovernmental friction need not impair social programs designed to meet citizens' needs and aspirations. SUFA was meant to convince Canadians that the positive renewal of the federation was possible outside the constitutional arena, a project that fell a bit flat when Quebec refused to play. Nonetheless, SUFA was thought to provide an attractive framework should a nonsovereignist government come to power in Quebec. If a suitable intergovernmental stadium could be built, it was hoped and even assumed that Quebec would eventually come to play.

When the discussions about SUFA initially began, all Canadian governments were facing acute financial constraints. However, as the signing date approached, the fiscal circumstances of the federal government improved dramatically, and Ottawa was able to put cash on the table in exchange for looser constraints on its spending power.⁵ Thus what had begun in large part as a provincial and territorial initiative to bell the federal spending power ended up as a framework to facilitate federal government involvement in provincial programs. Such involvement would no longer be unilateral, but nor would it be curtailed. As Robson and Schwanen conclude: "It is clear that the lure of money swayed the nine provinces that signed the deal away from their unanimous stance in favour of restraining the spending power."⁶

SUFA therefore rested on a broad intergovernmental coalition glued together by financial self-interest. Admittedly, the exclusion of Quebec was a concern, particularly for those who feared that SUFA-without-Quebec would morph into a de facto government for English Canada (or for the "Rest of Canada") and would thereby encourage Quebec independence. Nonetheless, Quebec's exclusion did not raise the alarm bells that would have sounded a decade earlier if the redesign of federal arrangements had been indifferent to Quebec's participation. There was a sense that SUFA constituted a turning point in the evolution of the Canadian federal state, or would *if* its underlying coalition could hold together long enough for new patterns of intergovernmental relations to be locked into place. It is to this *if* that the present discussion is directed.

Before assessing the durability of the SUFA coalition, I would like to address a potential misinterpretation of my position. I am not arguing that SUFA rests *only* upon a particular combination of political circumstances and interests. As I have argued elsewhere,⁷ the logic of SUFA fits better with the emerging world of e-government and e-democracy than does a conventional understanding of Canadian federalism. In a world where silos of any description – territorial or jurisdictional – are under assault by information and communications technologies and citizens will soon have single electronic portals to all branches and levels of government, SUFA is very much in step with the times. It fits into a world where boundaries are increasingly blurred, where jurisdictional lines on maps seem obsolete and where managing interdependence is *the* challenge for contemporary governments. SUFA also addresses the perennial problems with the federal spending power and the equally perennial desire on the part of citizens for greater civility in intergovernmental relations. It therefore connects to a political universe that is larger than that circumscribed by intergovernmental relations.

At the same time, SUFA is only shallowly implanted in the soil of Canadian federalism. It has almost no public visibility and therefore no public constituency that would come to its defence should the support by the political actors wane. SUFA lacks an audience, much less champions outside the intergovernmental arena. If SUFA were to die, few Canadians would notice the obituary, much less mourn its passing. Therefore, until it acquires deeper roots, the shifting intergovernmental sands upon which it rests are of great importance to the prospects for a successful review.

Shifting Political Dynamics

Both SUFA and the Health Accord were products of their times, the results of a particular set of political circumstances confronting the federal and provincial/territorial governments. Many of those circumstances have now changed, in some cases quite dramatically. The question, then, is whether the SUFA edifice can remain standing on these shifting political sands. In asking this question, we are not assuming a negative answer, for we know that political institutions, once created, often demonstrate remarkable staying power even when faced with political circumstances that are very different from those that attended their birth. (The Canadian Senate springs to mind.) Institutional inertia is difficult to overcome. Nonetheless, it is important to explore how the incentives and disincentives have changed for the parties participating in SUFA. Given that its foundations have only had two years to set, the matter of stability is not a minor one.

The Government of Canada

Although SUFA did not originate with the federal government, it was initially attractive to Ottawa as a project to demonstrate the nonconstitutional renewal of federalism. In this respect, it has been a modest success, even though its public profile has been very low. It has brought governments together in a generally productive and civil environment, and it has provided a vehicle for federal involvement in provincial program areas without overly constraining the spending power. Although this pattern of intergovernmental relations is by no means new, it has been reinforced and, to a degree, institutionalized by SUFA. If it has fallen short as a transformative step, it must still be judged a success from the federal government's perspective. It has hinted at the potential for nonconstitutional renewal of federalism, while at the same time keeping the federal government fully in play with respect to provincial social programs. The question now is whether there are incentives for the federal government to adopt an aggressive "go forward" strategy for the SUFA review. Should it seek to expand or consolidate the Agreement?

The incentives for adopting a "go forward" strategy at first glance appear to be weak. SUFA originally arose from the desire of the provinces to bring the federal spending power under federal-provincial control, and thus prevent a repeat of the financial offloading that had slammed provincial budgets in the mid-1990s. There was never much enthusiasm for this on the federal side, and now there will be even less. The 2000 election can be interpreted as an endorsement of an activist stance by the federal government with respect to provincial areas of jurisdiction such as health care. The fragmentation of the opposition voice in Parliament and the collapse of the Canadian Alliance have also removed any immediate electoral threat to an entrenched Liberal hegemony. An assertive stance toward the use of the spending power therefore carries no electoral risk beyond that which provincial governments might be able to mobilize.

One of the problematic aspects of SUFA from the federal government's perspective was the promise of a dispute settlement mechanism that could be applied to the use of the federal spending power and the interpretation of national standards. The push for a dispute settlement mechanism came from the provinces. Its logic closely follows the argument that provincial governments have made with considerable success in international treaty negotiations and with no success in negotiating a role for themselves in the appointment of justices to the Supreme Court of Canada. There is something odd about referees in federal-provincial disputes being appointed unilaterally by one side, and it is hardly surprising the provinces sought a more balanced dispute settlement mechanism for SUFA.

To date, no progress has been made on this front.⁸ It could be argued, of course, that progress is just a matter of time; after all, it has only been two years since SUFA was put into effect, and two years is but a blink of an eye in federal-provincial relations. However, there is unlikely to be progress in the future. The 2000 federal election demonstrated the appeal to the Government of Canada of a *unilateral* dispute settlement mechanism in which it, and it alone, would be the arbiter of how well provincial governments are adhering to national values and national standards.

The Liberal campaign attack on the Canadian Alliance in the 2000 election, expressed as overt criticism of the Alberta government over alleged transgressions of the Canada Health Act, would not have been possible had a federal-provincial dispute settlement mechanism been in place. The Alberta government could have deflected federal attacks over to the dispute settlement process, which would in turn have taken them off the table during the federal election campaign in much the same way that policy debate can be frozen when a matter is “before the courts.” The federal government may well want to retain the option of picking and choosing when to challenge provincial governments: when to spring into action, as it did in the case of Alberta’s Bill 11, and when to take no action, as it did when faced with the virtually identical response to health care waiting lists in other provinces like Ontario.⁹ Ottawa’s post-election embrace of the national leadership provided by the Alberta government and its premier, and the prime minister’s musings about health care options that were condemned by his party during the election campaign, further demonstrate the desire to be unconstrained by formal federal-provincial agreements.

As a consequence, it is difficult to see how a dispute settlement mechanism will ever appeal to the federal government which, of all parties, has the most to lose. The capacity to be arbitrary, even capricious in the enforcement of national standards, is too great a political asset to surrender. Even more important is the political capital that comes from being the sole arbiter of national values and standards; this is a torch that Ottawa will not pass to some low profile federal-provincial adjudication process that might in any event come up with the “wrong” answer. Thus, in the case of a dispute settlement mechanism, the promise of SUFA has come up short with little prospect of future improvement.

There may be a more general reluctance on behalf of the federal government to formalize anything. With substantial financial capacity and an iron grip on national office, there is little interest in any agreement that might limit its scope of action. The current government has been well served by an institution-

al status quo that favours the concentration of political power in the hands of the prime minister,¹⁰ precludes any effective check on executive power and provides solid majority governments with 40 percent (plus or minus 2 percent) of the national popular vote. A more robust SUFA, particularly one with an effective dispute settlement mechanism, would work against the logic and architecture of power in Ottawa unless, as Noël argues in “Without Quebec,”¹¹ SUFA is seen as a way to increase central control of Canadian social policy. In this context it should also be noted that federal-provincial conflict has been an important electoral asset to the federal Liberals. Battles with provincial governments in Quebec shore up the Liberal Party’s credentials as the country’s best line of defence against the sovereignists, just as battles with Alberta shore up the party’s credentials in Ontario as the country’s best line of defence against the conservative “forces of darkness” oozing north from the United States and east from Alberta. A more institutionalized SUFA, complete with a dispute settlement mechanism, would tie the federal government’s hands.

The review of SUFA will most likely be approached by the federal government with a single, dominant question in mind: will the agreement reinforce rather than threaten the status quo? All of the above suggests that the Government of Canada will display little enthusiasm for an aggressive “go forward” strategy in the review. SUFA is the proverbial sleeping dog that should be left to lie, particularly if an economic downturn temporarily blunts Ottawa’s interest in an expanded social policy agenda. However, there is one consideration that may generate greater enthusiasm. The federal government’s prosperity, innovation and children’s agendas may be difficult to advance without the full involvement of provincial and territorial governments, given that education, training programs, investment incentives and the strengthening of the university research sector all bring provincial and territorial governments into play. For the federal government, the litmus test for SUFA may well be the degree to which it can help move forward these agendas. If it can, then its review may be addressed with greater enthusiasm than the above-mentioned caveats might suggest. Yet this is a big “if,” as the federal government’s capacity for unilateral action even in these policy fields has been demonstrated by initiatives such as the Millennium Scholarship Foundation and the Innovation Fund.

One final concern is how the SUFA review might fold into the federal government’s national unity strategy should the national unity issue once more move to the top of the federal government’s priorities. Will SUFA provide the high ground from which to fight new pressure from Quebec sovereignists or the embers of Western alienation? To address this issue, we must in turn look at how the provincial and territorial governments are likely to address the SUFA review.

The Provincial and Territorial Governments

SUFA evolved from being a provincial and territorial initiative to become a federal-provincial-territorial agreement in part because it provided a postreferendum opportunity to demonstrate to federalists in Quebec that nonconstitutional renewal of the federal system was possible. (How this was to be done, given Quebec's exclusion, remains somewhat of a mystery to analysts outside Quebec.) It makes sense, then, to begin with Quebec. It is difficult and unwise for a Quebec outsider to attempt to assess what the replacement of Lucien Bouchard with Bernard Landry has meant for Quebec's attitude toward SUFA. Nonetheless, it is impossible to see a positive engagement with the SUFA review in Quebec as an integral part of Landry's campaign to be the "last premier of Quebec." Everything about Mr. Landry's style and beliefs to date underscores hostility to the spirit of SUFA. This would suggest that the 2000 Health Accord should not be seen as lasting step toward Quebec's inclusion in SUFA; the Accord looks more and more like a one-off agreement keyed to the 2000 federal election campaign.

Pending the next provincial election, the PQ government is unlikely to endorse the extension or expansion of SUFA to Quebec. Given that there are no financial consequences to being outside SUFA, it is more likely that Quebec will seize upon any moves in that direction as yet another affront. At the same time, however, SUFA's very low public profile reduces the chances that an intergovernmental imbroglio over its renewal would have much electoral resonance. If Ottawa lets the sleeping dog of SUFA lie, it will be difficult for the Quebec government to awaken the beast.

Recent political developments in the West also do not augur well for the spirit of SUFA. There is likely to be a drift, although by no means a stampede, toward greater provincial autonomy and thus away from the logic of SUFA. This drift will stem in large part from the collapse of the "West-wants-in strategy" epitomized at one time by the then Reform Party of Canada. For several decades Western Canadians have pushed this strategy on many fronts: Senate reform, support for the Mulroney Conservatives, the creation of Reform and then the morphing of Reform into the Canadian Alliance. However, the strategy died in the wake of the 2000 federal election. The prospects for a Western-based or even Western-led political party winning national office are remote, and there is little interest on the part of the larger political community in institutional reform. Greater provincial autonomy became the default option, although not one that was passionately embraced, once the "West wants in" strategy was abandoned.

The drift toward greater provincial autonomy will be reinforced in Alberta by the province's burgeoning prosperity. It is difficult to believe that Alberta's

improved fiscal circumstances will do anything other than undercut its government's enthusiasm for SUFA. Alberta posted a provincial surplus of more than \$7 billion for 2000, a good part of which is a structural surplus stemming from a rapidly diminishing provincial debt and thus shrinking debt servicing costs. Within two years Alberta will be debt-free and, quite literally, will have more money than it knows what to do with. It is therefore unlikely that Premier Klein would agree again to "sign in blood" any document that would provide greater federal government contributions to health care in exchange for federal conditions. Given the provincial surplus and growing political pressure from the Alberta wing of the National Citizens Coalition and the "Firewall Six,"¹² Premier Klein is more likely to forego federal health care funding than he is to accept greater conditionality.¹³

Although Alberta's political and fiscal circumstances are not representative of those of all Western provinces, the differences between them should not be exaggerated. British Columbia's new Liberal government will have its hands full with a very ambitious and contentious provincial agenda that includes a referendum on the treaty process and a fundamental restructuring of labour relations in the province. As the government seeks to overcome a decade of poor economic performance and at best indifferent fiscal management, it is not clear that the BC Liberals will have the time or the energy to devote much attention to the SUFA review. Nor is it clear that SUFA in any form would give the government additional leverage on its own provincial agenda. In Saskatchewan both the NPD/Liberal coalition government and the government-in-waiting, the Saskatchewan Party, feel bruised by federal indifference to agricultural problems in the province. SUFA, or at least a more robust SUFA, does not appear to be an attractive model for the Saskatchewan Party. In the West, only Manitoba offers a potentially receptive political climate and government audience for the SUFA review.

Faced with a manifest inability to increase their influence in national affairs and armed with economic prosperity, Western Canadians in general and Albertans in particular will likely turn to protecting and perhaps enhancing the powers of their provincial governments. This may not be an optimal strategy given the strong national identities of most Western Canadians, but it is the only game in town. Part of SUFA's appeal is that it recognizes the interdependence of contemporary governments and tries to structure that interdependence in a positive way. However, if the federal partner is seen as indifferent or even hostile to regional aspirations, interdependence might be a threat. What remains to be seen is whether the prime minister and his government can repair relationships with the West to the point where some degree of enthusiasm for the SUFA review can be generated. This is by no means impossible, but the odds remain long.

The provincial political environment outside the West is more difficult to assess. The logic of SUFA works for the Atlantic provinces, and the federal Liberals used the 2000 election effectively to rebuild their political base in the region. The SUFA review therefore begins there with a generally positive and receptive environment. The situation in Ontario is different, perhaps dramatically so. The inter-governmental battles between the federal government and the Ontario Conservatives are overlaid with intense partisan conflict in a province where the potential election spoils are huge. In no other region are federal and provincial partisan conflicts so conflated. As a consequence, it may be difficult to bring an enthusiastic Mike Harris to the SUFA review. In addition, the federal Liberal caucus from Ontario will not support any SUFA agreement that might reflect well on the Harris government. All in all, it is hard to imagine a more difficult political terrain: Western Canada looks like a cakewalk by comparison.

None of these situations either precludes or guarantees a successful SUFA review. Nonetheless, the provincial scene does suggest that enthusiasm for a “go forward” strategy is limited. None of the large provinces – Ontario, Quebec, British Columbia or Alberta – appears to be poised to lead the SUFA charge. While there may be support for a more positive response to the review from some of the smaller provinces, there is limited interest from the federal government upon which to build. It would appear unlikely, therefore, that the SUFA review will be seized by government players as an opportunity to move the agreement forward in new directions.

Aboriginal Peoples

The federal, provincial and territorial governments may not be the only players in the SUFA review; at some point, Aboriginal voices will also want to be heard. If they are not, then it would become difficult to argue that First Nations governments are governments like other orders of government in Canada; their exclusion from the SUFA process would suggest instead that they are analogous to municipal governments, which are also bystanders to the SUFA process. This could be seen as a further retreat from the 1992 high-water mark of Aboriginal influence, when the text of the Charlottetown Accord wove a significant Aboriginal presence into virtually every institutional warp and woof of the Canadian federal state. There is a legitimate concern, therefore, that the review and potential reinvigoration of SUFA could further marginalize Aboriginal peoples. Not only would this marginalization be symbolically important, but it could also have more immediate and practical effects if SUFA shapes the evolution of Canadian social policy.

While this is an important concern, it is also important to note that we are not even close to constructing an effective interface between Aboriginal peoples and federal institutions.¹⁴ In the case of SUFA, the construction of such an interface is rendered exceedingly difficult by the complexities on both sides. The SUFA process includes literally dozens of working groups, tables and ministerial committees. It is even difficult for the smaller provinces to participate effectively across the whole range of SUFA, and for the much larger number of much smaller First Nation governments the task is all but impossible. For those segments of the Aboriginal population such as the Métis, who do not have functional governments, the intergovernmental maze of SUFA is impossible to navigate.

What is required as a minimal condition for effective Aboriginal participation in intergovernmental affairs is an Aboriginal peak organization, or perhaps a small handful of peak organizations representing the constitutionally recognized categories of Aboriginal peoples.¹⁵ Ideally, these organizations would be able to speak with authority on behalf of their constituent governments and would ensure that bargains struck at the SUFA tables were kept. They would be able to provide an ongoing and effective intergovernmental presence, thereby ensuring an Aboriginal voice was heard. However, we are probably a generation or more away from the creation of such Aboriginal peak organizations. The primary focus of Aboriginal political activity at present is either at the band or First Nations levels or in the courts. There is no interest in surrendering even a portion of hard-won community autonomy to a peak organization. Thus we confront a fundamental structural dilemma that will preclude effective Aboriginal participation in the SUFA process.

This is not a fatal flaw for SUFA, which could work quite well for the non-Aboriginal governments representing the vast bulk of the Canadian population and intergovernmental community. Nonetheless, it is a weakness that should be recognized even if it cannot be readily corrected. The symbolic aspects of Aboriginal exclusion could be reinforced by the federal government's decision to launch a legislative review of the Indian Act at the same time that the SUFA review will be moving forward. This decision, which is already attracting a great deal of critical commentary from First Nations, could inflict some collateral damage on the SUFA review process.

Canadian Citizens

Along with the promise of a dispute settlement mechanism, SUFA held out the promise of greater citizen involvement in the construction and assessment of government programs.¹⁶ While it is not clear that anyone had any idea how to

square citizen involvement with the dense thicket of intergovernmental relations created by SUFA, there was at least the hope that program performance indicators would give citizens a better opportunity to hold governments accountable. SUFA, then, reflected a loosely defined populist impulse that spilled into Canadian politics from the Quebec referenda, the national plebiscite on the Charlottetown Accord and the Reform Party of Canada. The underlying question is whether the initial promise of citizen involvement will ensure that Canadian citizens are at the table, at least in spirit, as the SUFA review begins.

Has a new form of federalism – less intergovernmental, more citizen-oriented – been ushered in by SUFA? The short answer must be no. Indeed, I would argue that SUFA represents the decisive triumph of intergovernmentalism over populism. SUFA has not only constructed a more complex intergovernmental process, but it has effectively drawn a veil across its operations. If anything, transparency has been reduced, as governments meet more often in settings that are less open to public scrutiny or even knowledge. As Alain Noël explains:

For an external observer, it is becoming increasingly difficult to keep track of an evolution that is rapid, multi-faceted and fine-grained. Progress reports list a variety of minute achievements that do not add up easily into a cohesive or meaningful whole. In many instances, the progress seems to lie more in the process than in tangible policy outcomes.¹⁷

Perhaps there are citizen involvement reforms to come, but there are few signs of government leadership or enthusiasm in this respect. Nor, for that matter, does there appear to be much public interest. The populist surge of the 1990s is in retreat. Voter turnout is in decline, and citizens confront a 24/7 world that offers less time for political involvement. Faced with political processes that are increasingly opaque and governments that seem immune to electoral challenge, citizens can be forgiven if they turn their attention elsewhere. Thus while the verdict is still out on whether SUFA and the Health Accord constitute significant milestones in the evolution of the Canadian federal state, a positive verdict is unlikely to stem from the promise of citizen involvement.

This conclusion is not intended to slight the progress that individual governments are making within their own domains to increase citizen participation and government accountability. There has been a good deal of experimentation with performance measures and innovative forms of citizen participation in the policy process. The new Liberal government in British Columbia has even begun

to telecast some cabinet meetings. Rather, the point is that SUFA has done nothing to open up the intergovernmental process to public scrutiny, and at the same time it has made this process more important than ever for governance in the Canadian federal state.¹⁸

Conclusions

It would be an exaggeration to claim that a sea change has occurred in Canadian intergovernmental relations since SUFA was signed in 1999, or since the Health Accord was reached in 2000. However, it would also be premature to conclude that SUFA is in danger of dying as its own performance review has yet to begin. Indeed, given the force of institutional inertia, SUFA is likely to survive. Killing SUFA is fraught with political risks, and so having it lumber along is an attractive alternative. SUFA may have failed to meet some important expectations, but it is difficult to argue that it has inflicted any real damage on intergovernmental relations. Its demise is not in sight.

At the same time, enthusiasm for SUFA among Canadian governments is in decline. Provincial and territorial governments in general, and the Alberta government in particular, enjoy greater financial security and are therefore less attracted by the financial inducements that brokered SUFA. The federal government also enjoys much greater financial capacity, barring a major downturn in the Canadian economy, and therefore has the capacity for unilateral action. In addition, the role of an enforcer able at its own discretion to take provincial transgressors to task is too attractive for the federal government to abandon to a dispute settlement mechanism. On top of all this, Aboriginal organizations are unlikely to approach the SUFA review with anything other than extreme wariness.

Finally, what about Canadians at large? Will they help sustain and perhaps reinvigorate SUFA? This too looks unlikely. SUFA has a very low public profile, and little is being done to raise that profile and convince Canadians that SUFA matters to their lives and aspirations. The upside of this is that Canadian voters are unlikely to hold governments accountable for failing to meet expectations of which they are unaware. The downside is that the rhetoric of citizen involvement rings hollow. SUFA is a still somewhat shaky monument to intergovernmentalism, and intergovernmentalism has never been a favourite child of the Canadian public.

SUFA was meant to demonstrate that nonconstitutional reform of the Canadian federal state was possible. The danger with this strategy was that such

reform might proceed without Quebec, and would therefore further isolate the province. That concern has been moderated, and the “exclusion” of Quebec has not significantly damaged the fabric of national unity. However, given the generally antagonistic stance of the Landry government to things federal, and given, therefore, that any progress over the next two years will necessarily be without Quebec, it may be that the best course is to let the SUFA review slide past with little serious attention being paid to it. Canadians at large will neither notice nor care, Aboriginal organizations will be relieved, provincial administrations will have more autonomy, the Quebec government will have a smaller target and the Government of Canada will not face the potential constraints of a dispute settlement mechanism. In short, let’s recognize SUFA as a modest reshuffling of the intergovernmental deck in Canada and not a new game.

- 1 First Ministers of Canada, "A Framework to Improve the Social Union for Canadians," Ottawa, February 4, 1999.
- 2 First Ministers of Canada, "A New Prescription for Canadian Health Care," Ottawa, September 11, 2000.
- 3 The term 9-1-1 federalism refers to a situation whereby the Government of Canada would meet with the 10 provincial governments minus Quebec (the "9"), and then bargain bilaterally with Quebec. The territorial governments should also be included, in which case the expression would be "12-1-1." See Roger Gibbins, "Taking Stock: Canadian Federalism and its Constitutional Framework," in Leslie Pal (ed.), *How Ottawa Spends, 1999-2000* (Toronto: Oxford University Press, 1999), pp. 216-17.
- 4 Alain Noël provides one of the most comprehensive and damning critiques in "Without Quebec: Collaborative Federatism with a Footnote?", *Policy Matters*, Vol. 1, no. 2 (March 2000).
- 5 Noël accepts the role played by financial inducements but correctly notes that increased federal health care spending was inevitable, with or without SUFA. The provincial concessions with respect to the spending power were not necessary. See "Without Quebec," p. 9.
- 6 William B.P. Robson and Daniel Schwanen, "The Social Union Agreement: Too Flawed to Last," *Backgrounder*, C.D. Howe Institute (February 8, 1999), p. 3.
- 7 Roger Gibbins, "Federalism in a Digital World," *Canadian Journal of Political Science*, Vol. 33, no. 4 (December 2000), p. 684-85.
- 8 Although provinces have undertaken discussions on this issue. See Provincial-Territorial Council on Social Policy Renewal, *Interim Report to Premiers*, no. 5, August 10, 2000, Appendix A.
- 9 John Ibbitson, "Private cancer care raises few objections," *The Globe and Mail*, February 20, 2001, p. A4.
- 10 Donald Savoie, *Governing from the Centre: The Concentration of Power in Canadian Politics* (Toronto: University of Toronto Press, 1999).
- 11 Noël, "Without Quebec."
- 12 The Firewall Six, consisting of Stephen Harper, Tom Flanagan, Ted Morton, Rainer Knopf, Andrew Crook and Ken Boessenkool, wrote an "Open Letter to Ralph Klein." It proposes that Alberta withdraw from the Canada Pension Plan, collect its own tax revenue, prepare for the creation of a provincial police force to replace the RCMP, resume provincial responsibility for health care policy and use Section 88 of the Supreme Court's reference case on the secession of Quebec to put Senate reform back on the national agenda.
- 13 Alberta's fiscal autonomy may increase Ottawa's interest in a dispute settlement mechanism that could be used to bring moral suasion into play when the threat of punitive cuts in federal transfers loses its power. Thanks to David Cameron for pointing this out to me.
- 14 The failure to design such an interface was one of the major shortcomings of the Royal Commission on Aboriginal Peoples.
- 15 The case for Aboriginal peak organizations is made at length in John J. Roslinski, "A Peak Aboriginal Organization: The Need to Integrate Self-Government within Canada," MA thesis, University of Calgary (January 2001). He argues convincingly that such organizations are essential if Aboriginal governments are to be incorporated effectively into the intergovernmental framework of the Canadian federal state.
- 16 In his own comprehensive proposal published just before SUFA was signed, Daniel Schwanen linked citizen involvement and the dispute settlement mechanism by arguing that citizens should

have access to this mechanism with respect to mobility rights and the portability of programs. See "More Than the Sum of Our Parts: Improving the Mechanisms of Canada's Social Union," C.D. Howe Institute, *Commentary* no. 120 (January 1999), pp. 27-28.

- 17 Noël, "Without Quebec," p. 6.
- 18 Ottawa has opened a website at http://www.tbs-sct.gc.ca/rma/account/SUFA_Template.htm?, as an attempt to expand citizen involvement. But it is not a major enough development to alter the line of argument presented here.

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