

FROM THE EDITOR'S DESKTOP/ LE MOT DU RÉDACTEUR

William Watson



Big, beautiful country seeks growth

Several of the items published in this issue of *Policy Options* originated in “Creating Canada’s Advantage in an Information Age,” a three-day conference that the IRPP and the Canadian Employment Research Forum sponsored jointly in early May in Ottawa. Most of the conference papers are available in their full versions on the IRPP’s website at www.irpp.org/events/index.htm.

(I’m never sure whether to mention this, for fear of discouraging hard-copy sales, but *Policy Options* is also available on the website, though at a one-month lag. A recent *New Yorker* article argued that even in a digital age, books will always be with us, since the book “portable, intuitive to use, is an almost perfect technology.” I hope the same is true of magazines.)

The conference’s reference to “an information age” naturally makes one think of the 21st century. In fact, the first mention of “an information age” in *Policy Options* occurred in 1980, in an article by founding editor Tom Kent, and I’m sure he wouldn’t claim to have coined the phrase. So the data are already partly in on how Canada is doing in the information age. The answer is: “Not very well.” We managed to hold our own in the 1980s, when we had among the highest growth rates in the OECD, but the 1990s were a different story. Statistics Canada announced in June of this year that in 1998 average family disposable income (at \$49,626) had finally exceeded the peak it had reached in 1989 (\$48,807). For Canada, the 1990s were something of a lost decade.

The conference’s opening address, which appears here as our lead article, was given by IRPP Senior Scholar Tom Courchene. Without wanting to put words in his mouth, I’d argue that Courchene believes our laggard performance in the 1990s was partly due to our ambivalence about the information age and the globalization that goes with it. (In fact, he marries them both in an acronym: GIR, for “globalization and the information revolution.”) The source of our ambivalence is concern that the idea of Canada that has taken hold in the last few decades may be lost as we embrace our neighbours—and particularly our One Big Neighbour—ever more closely.

Courchene’s response is that the Canadian idea is cer-

tainly worth retaining, but that the means for doing so may change from generation to generation. As he will elaborate in his forthcoming IRPP book, *A State of Minds: Towards a Human Capital Future for Canadians*, some of the policies we have associated with this idea of Canada—medicare, for instance—must be seen as instruments, rather than ends in themselves. In the new circumstances in which we find ourselves, these instruments may no longer be the most effective way of getting where we want to go. What is? His mission statement for Canada (which, in this summer of *Mi:2*, a remake of the old television series, “Mission Impossible,” all Canadians hope is feasible) is to focus on education.

There are other aspects of Canadianness that could also be targeted, of course. R. Brian Howe and Katherine Covell suggest that, in a policy style favoured more in the 1960s than lately, the federal government take the lead in establishing a nationwide school lunch programme. This may or may not be a good idea, but in fact, nothing in globalization or the information revolution likely excludes it.

Then there is the (alas!) time-honoured question of the internal market. In his first piece for *Policy Options* since joining the IRPP, Daniel Schwanen focuses on, not globalization of the Canadian market, but Canadianization of our various provincial markets. In a fifth anniversary retrospective on the *Agreement on Internal Trade*, he concludes that the AIT has made quite a useful contribution, especially in the area of government procurement. More needs to be done, however, to extend this modest, if promising success.

As for medicare, David Gratzner, who contributed a piece to our May symposium on “How I’d fix health care,” takes up the health care challenge again in his remarks accepting the second annual Donner Prize for the best book (in this case 1999’s) on Canadian public policy. This continues—and I hope fixes—a Canadian tradition in which the summer issue of *Policy Options* carries the Prize-winner’s remarks. Last year’s winner, of course, was Tom Courchene.

Canadian income growth has been quite dismal in the 1990s, but one place that has made us look especially dim is Ireland. In a piece I commissioned from him after seeing a

letter of his in the *OECD Observer*, Professor Dermot McAleese of Trinity College Dublin provides a concise review of Ireland's recent economic miracle and the prospects for its continuance. His country's experience in the 1990s was the polar opposite of Canada's. Between 1994 and 1998, real economic growth averaged fully 8.6 per cent per year. Yes, eight point six per cent. In 1985, Ireland had a per capita GDP half the OECD average. In just 15 years, that gap has been essentially closed. What accounts for this astonishing development (in all senses of "development")? As is often the case in economics, an embarrassment of explanations offers itself: A big push in education. Women's entry into paid work. Generous grants from the European Union. The EU's single market project. The Greenspan boom. And so on. McAleese gives each its due, but in the end judges that a tough new anti-tax, anti-deficit, anti-debt fiscal policy adopted in the late 1980s is what provided the spark for it all.

Policy Options isn't exactly beach reading, I realize, but

this issue provides a summer's worth of other interesting policy material. Alice Nakamura, Garnett Picot and Andrew Heisz deliver a contrarian re-consideration of 1990s labour markets. They conclude that most of the epochal changes we thought were taking place in that decade in fact weren't. Once recovery set in, 1990s labour markets behaved very much as 1970s and 1980s labour markets had. David Henderson argues that despite modest progress in recent budgets we badly need further tax cuts. Rick Szostak says that while technology may be today's macroeconomic salvation that hasn't always been true: Past technology cycles have given the economy a hard ride. Randall Morck explains why so many Canadians are heading south. A group of young graduates tells us why they plan to stay—or, in the case of one, go. And to top it all off, there's a book review by Edmund P. Fowler—about voluntary environmentalism.

Just think of it as our small contribution to global information overload.

Beau, grand pays recherche croissance

Plusieurs des articles qu'on lira dans ce numéro d'*Options politiques* sont issus d'un colloque portant sur les meilleures façons de « Maintenir le Canada en tête à l'ère de l'information ». Cette rencontre de trois jours, tenue à Ottawa début mai dernier, a été organisée conjointement par l'IRPP et par le Forum canadien de recherche sur l'emploi. On peut d'ailleurs consulter en version intégrale, sur le site de l'IRPP www.irpp.org/events/index.htm, la plupart des communications présentées à cette occasion.

(De crainte de gêner la vente au comptoir ou par abonnement, j'hésite toujours à rappeler que notre revue peut également être consultée sur Internet — quoique avec un mois de décalage par rapport à la version imprimée. Je passe outre cette inquiétude parce que j'ai lu récemment dans le *New Yorker* que, même à l'ère numérique, le livre — « facilement transportable et d'utilisation intuitive », aura toujours sa place puisqu'il est « une technologie presque parfaite ». Je me suis dit qu'il en allait peut-être de même des revues...)

Avec ses fréquentes références à « l'ère de l'information », le colloque en question nous incite tout naturellement à penser au XXI^e siècle, mais cette association est trompeuse. En fait, l'ère de l'information est commencée depuis belle lurette. D'ailleurs, l'expression fut utilisée dans nos pages dès 1980 par le directeur fondateur Tom Kent, et je doute que celui-ci en revendique la paternité. Nous possédons donc d'ores et déjà plusieurs des données nécessaires pour évaluer la performance du Canada à l'ère de l'information. Malheureusement pour nous, les résultats ne

sont pas très concluants. Nous nous sommes bien tirés d'affaire dans les années 1980, alors que nous jouissions d'un des plus hauts taux de croissance parmi les pays de l'OCDE, mais les choses se sont gâtées dans les années 1990. En juin dernier, Statistique Canada annonçait qu'en 1998 le revenu moyen disponible par ménage se situait à 49 626 \$, dépassant enfin le sommet atteint en 1989, soit 48 807 \$. C'est dire que pendant la décennie 1990-2000, le Canada n'a fait que du sur-place.

L'allocation d'ouverture du colloque fut prononcée par Tom Courchene, chercheur affilié à l'IRPP; nous en avons fait, ce mois-ci, notre article principal. Sans vouloir prêter à Courchene des propos qu'il n'a pas tenus, il m'apparaît qu'il attribue en partie notre piètre rendement des années 1990 à notre ambivalence devant l'ère de l'information et son corollaire, la mondialisation. (Courchene va jusqu'à réunir l'une et l'autre en un acronyme : la MRI, ou « Mondialisation et révolution de l'information »; en anglais GIR, ou « Globalization and the Information Revolution ».) Cette ambivalence prendrait sa source dans notre crainte de perdre une certaine vision du Canada, celle qui a pris racine au cours des dernières décennies, au fur et à mesure que nous lions plus étroitement notre destinée à celle de nos voisins — et particulièrement à celle du plus proche et du plus puissant d'entre eux, les États-Unis. À cela, Courchene répond que cette vision du Canada mérite certes de survivre, mais que les moyens d'assurer cette survivance peuvent évoluer au fil des générations. Ainsi qu'on pourra le lire plus longuement dans un livre