

by Dianne Cunningham

ONTARIO'S APPROACH TO IMPROVING CANADA'S SOCIAL UNION

Les Canadiens et leurs gouvernements doivent trouver des moyens de préserver les aspects positifs de notre système fédéral tout en contenant les effets négatifs des actions unilatérales. Selon la ministre, un accord-cadre sur l'union sociale pourrait favoriser l'atteinte de cet objectif. Un cadre qui privilégie la collaboration intergouvernementale et définit un ensemble de règles équitables incitant à un comportement responsable de la part des gouvernements pourrait mener à de meilleurs programmes sociaux, une diminution des conflits fédéraux-provinciaux et un système politique plus responsable et démocratique.

Why these discussions are happening

Governments must work together more effectively to provide all Canadians with better health care and social programs. An intergovernmental framework agreement is necessary to articulate shared values and principles and establish rules about how the federal and

provincial governments should collaborate to deliver programs of high quality in ways that are accountable to Canadians.

The federal system as it operates now contains incentives to unilateral action by one order of government or the other. Blurred responsibilities weaken accountability to the public and encourage attempts to gain credit and visibility with voters. Partisanship can thrive, while programs for people suffer.

Flexibility and adaptability are undeniable assets of a federal system. Good ideas that benefit the public are not the exclusive preserve of the federal government or of the provinces. Constructive competition between governments can make social policy and programs more efficient and more responsive to changing public needs. Dynamism is an advantage that Canadians don't want to lose. The building of the Canadian social union over the last 50 years is proof that fair competition can encourage innovation.

Getting our fiscal house in order has demanded that all governments explore new ways of doing business. For provinces and territories, the challenge of finding better ways to deliver social programs has been compounded by the federal government's unilateral off-loading of the costs of such programs. The federal government's unilateral cuts to the Canada Health and Social Transfer, which have totalled over \$6 billion annually for all provinces since 1994-95, are not an incentive to the needed restructuring or the effective management of health care and social programs. During that same period, the federal government cut its funding for social programs through the CHST by 33 percent, while at the same time it cut spending on its own programs by just six percent.

Provinces were stunned by the suddenness and the depth of the cuts in federal transfers. Only intense pressure from provinces halted the drastic decline in federal transfers; a floor was eventually established. It is clear that equality of opportunity and accessibility to social programs would be improved for all Canadians if federal transfers were adequate, sustained and equitable.

Other recent federal actions have skewed provincial priorities. For example, the federal government has unilaterally announced major programs such as the Millennium Scholarship Fund and the Centres for Innovation without meaningful prior consultation with provinces. These unilateral initiatives fit poorly with and threaten to simply displace, rather than add to, existing provincial student aid and research and development programs. Unilateralism can be wasteful and can undermine relationships of trust.

Canadians and their governments need to find ways to preserve the positive aspects of our federal system and to contain the negative effects of unilateral actions. All governments recognize that a framework agreement on the social union can be an instrument for doing just that. A framework that puts a premium on intergovernmental collaboration and establishes a fair set of rules to encourage responsible action on the part of gov-

ernments could lead to better social programs, less federal-provincial conflict, and a more accountable and democratic political system.

Recent experience has proven that a rational and constructive approach can produce results. When Premiers proposed a National Child Benefit, the federal government worked cooperatively with provinces and together they designed a new Canada-wide program. That experience is proof that governments can work together to improve and expand programs that benefit Canadians. Adopting a framework agreement can build on that success.

Provincial leadership in renewing the social union

A key instrument for moving ahead on the reform of social programs has been the Ministerial Council on Social Policy Renewal. This body of provincial and territorial ministers was created by Premiers at their August 1995 annual conference in St. John's, Newfoundland. It soon took on a role and an importance that few might have predicted.

By December 1995 the Ministerial Council had presented a report to Premiers that charted a path for renewal. It reported that the roles and responsibilities of federal, provincial and territorial governments in the field of social policy should be clarified, that the unilateral use of the federal spending power in areas of provincial jurisdiction did not lead to better social programs, and that a new partnership embodied in a framework agreement on the social union was needed. Three years later, these objectives are at the centre of federal-provincial negotiations.

At a First Ministers' meeting in June 1996, the Ministerial Council's analysis of the state of Canadian federalism was endorsed, and the federal government joined the Council. Provincial/territorial and federal ministers were tasked with recommending solutions to social policy challenges in such areas as health care, services to children and the disabled, student assistance, and income support programs. Ministers on the Council were also instructed to develop a framework agreement that would embody a new federal-provincial partnership in social policy and programs.

Premiers strengthened their leadership role by developing the Calgary Framework in September 1997. It dealt not only with equality, diversity and Quebec's unique character, but also with a new model for federalism:

Canada is a federal system where federal, provincial, and territorial governments work in partnership while respecting each other's jurisdictions. Canadians want

their governments to work cooperatively and with flexibility to ensure the efficiency and effectiveness of the federation. Canadians want their governments to work together particularly in the delivery of their social programs. Provinces and territories renew their commitment to work in partnership with the Government of Canada to best serve the needs of Canadians.

Each province and territory undertook extensive public consultations on the Calgary Framework and encouraged public debate on key concepts such as equality, collaboration and accountability.

Ontario's approach

Ontario's objectives in the framework negotiations are to reduce overlap and duplication in order to make programs more efficient and effective, to increase accountability to the public, to strengthen Canada-wide standards, and to ensure adequate funding for programs that Canadians value. By bringing governments together to strengthen the social union, Ontario seeks to reinforce the bonds that tie Canadians together and strengthen national unity.

Improved programs

The framework negotiations are about improving services to Canadians, not about shifting powers between governments. One of the assumptions behind the negotiations is that the existing jurisdictions of the federal and provincial governments will be respected. The object is to work together more effectively within existing definitions of legislative authority and to impose certain disciplines to encourage greater cooperation. Out of that cooperation will come more efficient programs for Canadians.

Canadians clearly want their governments to take a more cooperative approach to providing social programs. They also support common-sense rules and agreements that encourage constructive behaviour.

Preserving medicare

The framework negotiations are about strengthening the federal-provincial partnership that makes the Canadian medicare system possible, not about weakening the *Canada Health Act*. Ontario supports the principles in the *Canada Health Act* and recognizes the need for Canada-wide standards. Provinces deliver health care and know what programs work best for their population. The greatest need is for adequate and stable federal funding. The system could also be strengthened by greater federal-provincial cooperation in developing, interpreting and enforcing standards in the national system.

By bringing governments together to strengthen the social union, Ontario seeks to reinforce the bonds that tie Canadians together and strengthen national unity.

In Ontario, provincial revenues support more than 90 percent of the health care system. The federal government should be eager to work closely with the provinces to preserve the health care system, but it has not been willing to undertake serious discussions about renewing medicare

Canada-wide social programs

The negotiations are about providing strong foundations for existing and new Canada-wide social programs, not about dismantling them. If both orders of government shared information, consulted each other, and jointly set priorities, they could strengthen the foundations of existing and new programs, as they did with the National Child Benefit.

Unilateral action can lead nowhere. In its *Red Book* of promises in the 1993 election, the federal Liberals made a commitment to implement a national child care program. Without sufficiently consulting with provinces, the federal government made a child care proposal in 1995. The proposal did not fit with existing provincial programs or plans and the federal government retreated from its proposal and its promise. Canadian families were no further ahead.

Social programs should operate on standards that reflect a real partnership between the federal and provincial governments, rather than on standards set by the federal government alone. Those standards should be guaranteed in intergovernmental agreements because the provinces can no longer trust the federal government to maintain its cash contributions to programs.

The role of Canadians

Canadians must be involved in strengthening the social union. A new partnership on the social union will make all governments more accountable to the public. A commitment by each government to measure and report to Canadians on the performance of its programs will increase accountability to the public. When disputes arise between governments, their actions should be liable to public scrutiny in an open and effective process of dispute avoidance and resolution.

National unity

The effectiveness and dependability of health and social programs are important to every Canadian. The social union discussions highlight the shared interests of Canadians in every province and territory. The broad provincial-territorial consensus on the objectives of the

exercise now includes the Quebec Government. The negotiations also demonstrate that Canadians in every province and territory think that we can do better and that a desire for change is widely shared.

Foundations of a new partnership

Since 1995, provincial and territorial governments in the Council of Ministers on Social Policy Renewal have pressed on with their work on a new partnership model. Despite their dissimilarities, provinces and territories managed to create a consensus on the direction for change. In August 1998, when Premiers reaffirmed their commitment to bringing the framework negotiations to a successful conclusion, the Quebec Government became a full participant in the talks.

Provincial leadership in pushing non-constitutional

reform was acknowledged by the federal government in December 1997, when the Prime Minister agreed that formal negotiations on a framework agreement on the social union should be undertaken. He committed the federal government to negotiating a comprehensive framework agreement within a short period of time, and confirmed that commit-

ment in July 1998. Governments aim to have a draft agreement by the end of 1998.

Ontario is committed to a framework agreement that includes all of the elements described by First Ministers at their meeting in December 1997: principles; collaborative approaches to the use of the federal spending power; a dispute settlement mechanism; ground rules for cooperation; and processes for clarifying roles and responsibilities.

A framework agreement on the social union that embodies all of the elements set out by First Ministers presents an opportunity to begin a new era in federal-provincial relations.

The agreement should be based on shared Canadian values expressed in a set of principles.

Health care and social programs can be managed more effectively through collaborative approaches to the design of new national programs. The federal spending power should be used constructively, and provinces should have the flexibility to meet their own particular needs.

The 1996 Throne Speech contained a limited proposal for provincial consent in the use of the federal spending power in shared-cost programs in areas of provincial jurisdiction. While that proposal would have little practical impact because the federal government has unilaterally limited shared-cost programs over the

Equality of opportunity and accessibility to social programs would be improved for all Canadians if federal transfers were adequate, sustained and equitable.

last decade, the proposal at least reopened debate on this important issue.

An agreement among governments on health care and social programs could include requirements for adequate and stable funding. Canadians could then rely on services being there for them.

An important objective in these discussions is to create a more efficient and effective system that significantly reduces duplication and waste. A set of ground rules to guide behaviour would encourage cooperation among governments and open up the process to public scrutiny.

Canadians should be able to hold their governments accountable for the decisions they make. Federalism as it is currently practised has a negative effect on democratic accountability. Canadians lose track of which order of government to hold responsible for specific decisions on spending and cutting. Clearer roles and responsibilities are needed.

An agreement could also create mechanisms where both orders of government would come together to work out differences of opinion on the best course of action. Canada-wide standards in social programs could be reinforced, and federal-provincial squabbling could be reduced.

Conclusion

Reaching agreement on renewing the social union would amount to a rediscovery of the historically proven Canadian genius for adapting our political system to new economic and social realities.

Canadians want to see their country's true potential achieved. They want to ensure that Canada remains the best country in the world to live in. They want the best quality in health and social programs. They want their governments working together in the peoples' best interests. The social union negotiations provide Canadians and their governments with an opportunity to build a strong future together. Canadians cannot afford to miss this opportunity.

The Honourable **Dianne Cunningham** is Minister of Intergovernmental Affairs and Minister with Responsibility for Women's Issues in the Government of Ontario.

by Dave Hancock, in cooperation with officials from Alberta Intergovernmental and Aboriginal Affairs.

DESIGNING A NEW SOCIAL FRAMEWORK FOR CANADIANS

De nouvelles relations fédérales-provinciales-territoriales grâce auxquelles les gouvernements canadiens collaboreraient au lieu de se faire concurrence contribueraient fortement à améliorer les programmes sociaux au Canada. Le ministre considère qu'il importe de définir un nouveau partenariat afin de protéger les programmes sociaux du Canada pour l'avenir. Ce nouveau partenariat implique la clarification des responsabilités et rôles respectifs des gouvernements; l'obligation des gouvernements de rendre compte de leurs actes devant les Canadiens; le respect des compétences des uns et des autres; un soutien financier adéquat pour ces programmes; et enfin, la souplesse des programmes, tant au niveau de la conception que de la prestation, afin qu'ils répondent aux besoins de chaque province. L'union sociale vise précisément à atteindre ces objectifs.