

by Anne McLellan

MODERNIZING CANADA'S SOCIAL UNION: A NEW PARTNERSHIP AMONG GOVERN- MENTS AND CITIZENS

Les discussions en cours sur l'union sociale canadienne portent sur le renforcement du partenariat social entre les gouvernements, d'une part, et entre les gouvernements et les citoyens, d'autre part. Le gouvernement du Canada est d'avis que tout nouveau partenariat devrait avoir trois objectifs : la promotion de l'égalité des chances pour tous les Canadiens; une meilleure collaboration entre les divers gouvernements pour mieux servir les Canadiens; une plus grande imputabilité envers les citoyens du pays quant aux résultats obtenus. La ministre soutient que toute entente sur l'union sociale doit pouvoir répondre aux trois interrogations fondamentales suivantes : L'union proposée améliorera-t-elle le bien-être des Canadiens ? Respecte-t-elle la constitution ? Favorisera-t-elle une meilleure coopération entre les gouvernements?

Canada's social programs reflect and give expression to our fundamental beliefs and values and help define us as a country. They have contributed immeasurably to providing Canadians with a quality of life that is envied by the rest of the world.

Canadians are deeply attached to their social programs. Now that the federal and provincial governments have achieved considerable success in putting their fiscal houses in order, Canadians are looking to them to work together to modernize and strengthen our social programs to ensure that they will be there for them and their families in the future.

This is what the current efforts by the Government of Canada and provincial and territorial governments to develop a "social union framework agreement" are about — strengthening the social partnership *among* governments in Canada and *between* governments and citizens.

The Government of Canada believes a new partnership should have three objectives: promoting equality of opportunity for Canadians, wherever they live or move within Canada; improving collaboration among governments to serve Canadians better; and enhancing accountability to Canadians for the results achieved.

Equality of opportunity

Ultimately, our social union is about ensuring that all Canadians have *equal opportunities* to participate fully in the social and economic life of the country. This overarching principle is a constitutional responsibility placed on all governments in Canada and one which is of special concern for the federal government given its unique Canada-wide responsibilities.

Equality of opportunity means ensuring access for all Canadians to reasonably comparable levels of services to meet their basic needs. It means that all Canadians, wherever they live or move in Canada, will know that quality health care will be available where and when they need it; that they can count on a first-rate education for their children; that they will get help if they are unable to work or lose their job; and that pensions and benefits will be available to help secure their quality of life when they get old.

Equality of opportunity also means respecting Canada's great diversity. It means ensuring flexibility to meet the diverse needs of Canadians due to cultural, linguistic, geographic or other circumstances and personal characteristics. It means governments working together with Canada's Aboriginal Peoples to address their particular needs and circumstances. It means, as provincial Premiers have stated in the Calgary Declaration, recognizing that the equality of status of provinces is consistent with acknowledging the special needs that arise in Quebec, notably due to its French-language majority, unique culture and civil law tradition.

Equality of opportunity also means ensuring the *mobility* of Canadians, the freedom to move anywhere in Canada without barriers based on residency or fear of loss of access to social benefits.

A strengthened partnership

The notion of social union captures our solidarity with one another, our understanding that we are stronger together. It recognizes that when Canadians in one part of Canada are in need, Canadians from all parts of Canada are prepared to help.

This in turn entails greater collaboration among governments in Canada, learning to manage their interdependence to ensure the most effective and efficient service to Canadians.

In this era of globalization and an increasingly competitive world economy, it is no longer possible — if it ever was — to segregate public policy into neat, air-tight compartments between social and economic policy, between federal and provincial or territorial responsibilities, or even between domestic and international considerations. The actions of one government increasingly affect other governments.

Canadians want their governments to work together to modernize our social programs to face the challenges ahead, to help individuals and regions adapt to the new knowledge-based global economy and to ensure that social programs work and are affordable and sustainable.

Our federal system enables Canadians to “have the best of both worlds” in social policy. Each province or territory is able to respond to the needs, circumstances and aspirations of its residents and can innovate and experiment.

At the same time, our federal system allows us to pursue common goals and objectives. It means we can pool risk and take advantage of economies of scale, redistributing resources across regions and among individuals. It means we can “export” innovation and new ideas across the country, making them available to all Canadians.

That, for example, is how we developed a national Medicare system, building on the ground-breaking work of the province of Saskatchewan. It is how we are putting in place a new National Child Benefit system, building on innovations in British Columbia and other provinces.

Our Constitution gives responsibilities in the social policy area to *both* the federal and provincial governments. A social union framework agreement must set out *how* governments in Canada should work together, respecting each others' constitutional jurisdictions and powers, for the benefit of Canadians.

This should include commitments to information-sharing, to joint planning and to joint action where this would provide more cost-effective service to Canadians, and to advance notice and consultation on initiatives

likely to affect the policies and programs of another government or the social union more generally.

An example of this partnership approach is the new National Child Benefit, perhaps the most important new national initiative in social policy in decades.

First Ministers agreed in June 1996 to work together to address child poverty and make it easier for Canadians in low-income families to seek and keep paid employment. Provincial social services Ministers and the federal Minister of Human Resources Development, the Honourable Pierre Pettigrew, created a new system whereby the federal government will significantly increase its income support to all low-income families with children. This will provide a Canada-wide “platform” on which provinces can build by improving or offering new programs and services for children. The federal government will increase its funding by \$1.7 billion over several years, freeing up provincial/territorial funds to be re-invested in complementary programming. Governments will report regularly to Canadians on how public funds are being spent and on the results achieved.

All this was achieved by working collaboratively, respecting each other's responsibilities and strengths and focusing on the goal of helping Canada's children.

This collaborative approach promises to bear fruit as well in other areas, including developing a national children's agenda, programs for persons with disabilities, and youth employment. The Federal-Provincial/Territorial Ministerial Council on Social Policy Reform and Renewal is over-seeing this work, which is being led by the federal and provincial/territorial Ministers in each policy sector.

The Prime Minister and the Minister of Health have also made it clear that renewing Medicare and modernizing Canada's health care system will require cooperation among all governments in Canada.

A social union framework agreement should give effect to a new partnership among governments in the social policy area by setting out a more collaborative approach with respect to the use of the federal spending power.

Every major federation in the world provides for such a power for its national government. The federal spending power has enabled the Government of Canada, working with provinces and territories, to ensure Canadians across the country have access to reasonably comparable benefits and services and to promote equality of opportunity for *all* Canadians. Without it, we clearly would not have Canada-wide social programs such as Medicare. Indeed, we would not have a *Canada-wide* social safety net.

Our federal system allows us to pool risk and take advantage of economies of scale, redistributing resources across regions and among individuals.

While the federal spending power is a vital element of Canada's social union and a constitutionally legitimate instrument, we must ensure that it is used wisely and in a manner that takes into account and is respectful of provinces' important responsibilities in the social policy area.

That is why, in the 1996 Speech from the Throne, the Government of Canada committed itself not to introduce new shared-cost programs — a form of transfer which has significant influence on provincial spending since it offers federal funding while requiring matching provincial expenditures — without the consent of a majority of provinces. Financial compensation will be provided to a non-participating province if it offers an equivalent or comparable program.

Similarly, the legislation establishing the Canada Health and Social Transfer (CHST), which since 1995 has been the primary instrument for federal support to provinces in the social policy area, commits to establishing new principles and objectives through a process of mutual consent.

The Government of Canada has also sought to provide greater predictability of funding for intergovernmental transfers through multiple-year funding commitments, the introduction of a guaranteed cash floor in the CHST and early consultations prior to change or renewal in fiscal arrangements.

Accountability to Canadians

Social policy principles and commitments to collaboration among governments must be put into practice and made effective. A social union framework must include appropriate mechanisms and means to ensure this through *public accountability* and *transparency*.

This means public reporting by all governments, linking expenditures to results for Canadians. It means developing comparable measures and, where appropriate, making use of experts and non-governmental organizations for independent evaluation and social audit. It also means recognizing publicly the roles and contributions of each government, so the public knows who should be held accountable for what. And it means engaging Canadians, providing opportunities for their input into the development of policies and programs and the assessment of their effectiveness.

This will require a significant shift from old-style government-to-government accountability and traditional "bean-counting." The key must be accountability to Canadians for results. This is how a social union framework can be made real and meaningful to citizens and taxpayers.

Conclusion

Our social policies and programs are a defining feature of Canada. They give expression to our most deeply-held values and beliefs. They are essential to ensuring our social and economic future and our quality of life. They give us a comparative advantage on the international stage. And they unite Canadians across geography and diversity of language, culture and particular circumstances.

Canadians have little patience for intergovernmental squabbling. They want their governments to work together to modernize and preserve our social programs for the future.

Any social union framework agreement must meet three fundamental tests.

Does it work for Canadians? Will it

mean better social policies and programs and better service to Canadians? Will it strengthen the bonds of our common citizenship? Will it ensure opportunities for Canadians to have input into program and policy development and to hold governments accountable?

Does it respect the Constitution? A social union framework is about working within the Constitution, respecting existing jurisdictions and powers.

Will it lead to better cooperation among governments? Will it reduce intergovernmental disputes? Will it result in a more effective partnership to meet the needs of Canadians?

The Government of Canada is committed to developing a social union framework agreement that meets these tests and thereby strengthens Canada and benefits all Canadians.

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