

SGI Sustainable Governance Indicators 2011

Canada report

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Executive Summary

Canada is currently sending a contradictory set of messages to the world in terms of its political and economic profile. On the one hand, the performance of the Canadian economy and financial system has been good compared with that of other developed countries, and this situation has been recognized throughout the world. On the other hand, Canada is out of step with many, if not most, countries in terms of the number of positions it takes and policies it advocates in international forums. One can make a case that the recent positive economic performance record represents the legacy of previous governments, particularly the Jean Chretien-headed Liberal governments of 1993 to 2003, while the less prepossessing profile Canada is developing in today's international arena largely reflects the decisions of the current government.

The recessions of the early 1980s and early 1990s were more severe in Canada than in the United States, the benchmark country against which all Canadian economic statistics are assessed. In contrast, the 2008 – 2009 downturn was less severe in Canada. While the unemployment rate is currently around 10% in the United States (May 2010), it is 8% in Canada, a 2 percentage point gap in Canada's favor. In the 1980s and 1990s, the unemployment gap was reversed, with Canada at times experiencing an unemployment rate 4 percentage points higher. Equally, the fiscal position is much less dire in Canada. The deficit/GDP ratio is around 3% in Canada, compared to over 10% in the United States and the United Kingdom (and Greece). Canada's public debt/GDP ratio is very low by international standards, and while rising, will soon peak at a modest level.

The reasons for Canada's superior economic performance are subject to vigorous debate, but one key factor on which all observers agree has been the strength of the financial system. Again, in stark contrast to the United States, no financial institution has gone bankrupt and required a government bail-out. Many argue that this situation reflects the country's relatively more effective regulation of the financial system (possibly combined with the more conservative and less innovative nature of the leading financial corporations), which did not allow a housing bubble to emerge, and rejected proposals for mergers among the so-called Big Five banks in the 1990s.

Canada's superior fiscal performance also reflected the government decisions taken in the 1990s to eliminate the deficit and reduce the

debt/GDP ratio. Because of these prudent fiscal policies, Canada entered the recession in excellent fiscal shape. Indeed, without the current government's decision to reduce the Goods and Services Tax (GST) from 7% to 5%, Canada's fiscal position would even be better, although possibly at a cost in terms of output and employment growth, since the GST cut did provide fiscal stimulus. Of course, not all aspects of Canada's economic performance have been strong. Productivity growth in particular represents the country's Achilles heel. From 2000 to 2009, output per hour in the business sector advanced at an anemic 0.7% annual rate, compared to 2.7% in the United States. This productivity growth gap has resulted in Canada's productivity level falling to 70% of the U.S. level, the lowest in the history of the time series, which began in 1947. While productivity growth is in the long run the primary driver of growth in living standards – indeed, in many senses it represents a country's economic destiny – in the 2000s, improved terms of trade and a rising employment rate contributed significantly to income growth in Canada. Indeed, per capita real income growth in Canada in the 2000-2008 period exceeded that in the United States (Ross and Murray, 2010: Table 10)

Mainstream economists make the case that market-oriented economic policies are needed for productivity growth. But such policies are a necessary condition, not a sufficient condition. Since the 1980s, successive Canadian governments have pursued a market-oriented economic agenda. Indeed, the Fraser Institute (Gwartney and Lawson, 2009) ranked Canada eighth out of 141 countries in its 2009 Economic Freedom Index, with respect to the friendliness of public policy to business. Yet increased market orientation has paradoxically coexisted with a deteriorating productivity performance (Sharpe, 2008). This suggests that changes in public policy are not a panacea for productivity. Rather, though its investment in human capital, innovation, and machinery and equipment, it is the business sector itself that determines business sector productivity performance. Canada's poor productivity appears to be more a failure of business to innovate and invest than a failure of public policy to provide the appropriate macro- and microeconomic framework for business decisions.

In contrast to the kudos that Canada has recently received in the area of economic, fiscal and financial performance, the country's international reputation in the political arena has been less than stellar. A case can be made that Canada's international image has been tarnished by a number of Canadian government initiatives. These include, among others, the sincerity (or lack thereof) of

Canada's commitment to climate-change mitigation policies, opposition to the international drive to establish taxes on banks and the refusal to ban the sale of asbestos on world markets. In terms of domestic issues, the government's commitment to evidence-based policy development is often questioned. The most egregious example lies in government's determination to stiffen crime policies by increasing the severity of punishment of criminals. This seems to ignore evidence built up by criminologists over many decades showing that more stringent punishments fail to ensure a safer society and in fact can significantly increase costs (Jackson and Stewart, 2010).

Despite what some might characterize as strong ideological positions on certain issues, the government has in the past two years exhibited a high degree of flexibility and willingness to improvise. Up to the fall of 2008, deficits were a dirty word in Canada. But with the onset of economic crisis, the government proved willing to recognize the importance of short-term stimulus, and abandoned the objective of a balanced budget at least in the short-to-medium term. Equally, the government provided financial assistance to sectors such as the auto industry that had been hard hit by the crisis, a very unlikely pre-crisis scenario. Probably the greatest political turnaround was in regional economic development policy. Historically, the prime minister has never been a big fan of the regional development agencies. But once in power, rather than dismantling existing agencies, the Harper government actually created new ones, for Southern Ontario and the North. To conclude, the measures that Canadian governments have enacted over the years (e. g., the Charter of Rights, social policies such as the child tax credit, party financing reform, the institutionalization of fiscal prudence, and financial sector policy) have given Canada a deservedly strong reputation for good governance. Given the long legacy of past good policies, Canada still remains a leader in many governance areas.

Strategic Outlook

Most economists expect Canada's economic future to be relatively rosy, at least compared with other major developed countries. The basis for this optimism lies in Canada's rich natural resources, demand for which will increase as the world recovers from the worst downturn since the Great Depression, and as poor countries such as China and India continue to develop. The oil sands alone represent a massive future source of income for Canada. A second basis for optimism, perhaps surprisingly, is the large Canada-United States

productivity gap. Canada and the United States are closely connected by trade and investment flows and transfers of knowledge and technology. The widening of the productivity gap appears inconsistent with these flows and transfers, which have certainly not diminished. This is why the Canada's poor productivity performance is so puzzling. But the gap represents an opportunity. From 1947 to the early 1980s, Canada narrowed its productivity gap with the United States by a considerable amount. This history holds the possibility of repeating itself. Productivity is ultimately about technology. To the degree that Canadian business, with the support of government, can rapidly adopt best-practice techniques developed around the world (but largely in the United States), the country will be able to close this productivity gap. Indeed, closing this gap is the most important economic challenge facing Canadians. However, this is followed closely by an addition challenge imposed by the demographic situation, and most particularly the aging of the Canadian population. The proportion of the population at or above 65 years of age will increase rapidly after 2012, the year the first baby-boom cohort, born in 1947, reaches the age of 65. The key risk associated with aging is the associated rise in health care costs, as health expenditures are on average much higher for those 65 and over, especially for those 80 and over, than for the nonelderly. But the fiscal risks associated with aging can be exaggerated. First, from a very long-term perspective, most of the baby boom generation will no longer be alive by 2050. This fact will carry with it a commensurate fall in health costs. Second, Department of Finance (also known as Finance Canada) projections of aging-related health care cost increases show the public debt/GDP ratio peaking at around 60%, hardly an onerous level from an international or historical perspective. Indeed, many other countries already have public debt/GDP ratios at this level. Third, new technologies and innovative health care policies may dampen the rate of growth in health care cost inflation. Fourth, if Canada can achieve faster productivity growth, GDP will increase, reducing the burden of rising health care costs.

The strategic outlook from the political perspective of course depends on electoral politics. The likelihood of a majority government, given the hold of the Bloc Quebecois on francophone seats in Quebec, appears small. More likely is the continuation of minority government, and if the Liberals take the most seats, a coalition, formal or informal, with the New Democrats. The Conservatives have no natural allies among the current political parties, so they are unlikely to form a coalition government. The prospect of a prolonged period of minority governments is not necessarily negative from a governance

perspective, despite the uncertainty it creates. Minority governments can be very productive, as evidenced by the Pearson governments in the 1960s. On the other hand, it would be easier for a majority government to deal with Canada's emerging fiscal challenges.

From a governance and public policy perspective, it is almost certain that the provinces will assume an increasingly important role in the Canadian federation. First, the current federal government is not a strong centralizer and is comfortable with a shift in influence toward the provinces. Second, education and health are the two areas of spending where there will be the greatest growth, and the provinces carry the bulk of responsibility in these areas. Consequently, their share of total government spending and taxes will rise. Third, the provinces appear to have learned to work together effectively and to take initiatives either bilaterally (e.g., the Trade, Investment and Labor Mobility Agreement (TILMA) pact between Alberta and British Columbia) or through the Council of the Federation (the free trade agreement with the European Union). Fourth, the provinces, or at least certain provinces such as Quebec and Alberta, seem increasingly willing to challenge the federal government, while the government for its part has shown a general sympathy to their situation. The opposition by certain provinces to the federal government's proposal for the establishment of a national securities commission is an example of this unwillingness to accept federal direction. Thus, the increasingly important role of the provinces also raises concerns as to whether Canada will be able in the future to maintain an acceptable level of national services and standards in the key sectors of health care and education.

Status Index

I. Status of democracy

Electoral process

Candidacy
procedures
Score: 10

Canada receives the highest marks with respect to the fairness of procedures for registering candidates and parties. There are virtually no barriers to becoming a candidate for election. Almost all Canadian citizens 18 years or over can present themselves as candidates for federal elections. Exceptions include members of provincial or territorial legislatures, certain judges, election officers, persons who were candidates in a previous election but who did not conform to the expense reporting rules, and persons imprisoned in a correctional institution. There is no cost to being a candidate in a federal election. A \$1,000 deposit is required, but this is reimbursed if the candidate's official agent submits the electoral campaign return after the election within the prescribed time. Administrative procedures are not onerous (a nomination form is required containing signatures by 50 or 100 persons residing in the constituency in which the candidate wants to run, with the number depending on the electoral district's population).

Media access
Score: 9

Canada scores highly in terms of the extent to which candidates and parties have fair access to the media. While national media outlets certainly express political views and manifest political orientations, in general there is fair and balanced coverage of election campaigns and parties. Access to the media is not restricted on any grounds. One key issue is the access given political parties in the televised leaders' debate in federal elections. Historically, only the leaders of parties with seats in the House of Commons have been invited to participate in the debate. Leaders of political parties without seats have been excluded. Not surprisingly, this has been a source of contention for those parties. In the October 2008 federal election, the convention was changed so that the leader of the Green Party, which had no seats but did have significant popular support, could participate in the debate. That measure was aimed at increasing fair access to the media on the part of small political parties.

Voting and
registrations rights
Score: 10

Canada receives the highest marks with respect to the extent to which Canadians have the opportunity to exercise their rights of participation in national elections. All Canadian citizens 18 years and over have the right to vote, including the mentally deficient and

persons living abroad. The only exceptions, according to the Canada Elections Act, are electoral officers and persons who have been imprisoned in a correctional institution for more than two years. The Canada Elections Act provisions covering this latter group were made unenforceable in 2002, when the Supreme Court ruled that prison inmates had the right to vote under the Canadian Charter of Rights and Freedoms.

Procedures for registering to vote and for voting itself are not onerous. Adequate opportunity for casting an advance ballot is provided. Persons can vote by mail if they cannot come to a polling station due to physical incapacity or residency outside the country.

Party financing
Score: 8

Canada receives fairly high marks for transparent and effectively monitored procedures for private and public party financing and electoral campaign financing, and for the ways in which infringements are subject to sanction. The Canada Elections Act requires registered parties or electoral-district associations to issue income tax receipts for contributions, and to make public reports on the state of their finances. Furthermore, the act requires registered parties to report and make public all contributions of more than CAD 5. Elections Canada provides access to the full database online for public use.

A more general issue is whether party financing rules prevent special interests from having undue influence over the political process. In this regard, Canada rates highly. Corporations, trade unions, associations and groups are prohibited from contributing to political parties. Only individuals are allowed to contribute, to a maximum of CAD 1,100 per year to registered parties, a maximum of CAD 1,100 to electoral candidates, and finally an additional maximum of CAD 1,100 to candidates in political party leadership contests. Individuals receive generous tax credits for political donations. Political parties are also funded by the government. Parties receiving more than 2% of the national vote are given CAD 1.75 (adjusted for inflation) per year per vote cast for the party in the last general election, paid out as an allowance on a quarterly basis.

Access to information

Media freedom
Score: 9

Canada scores a 9 out of 10 in the extent to which the media are independent from government. The only publicly owned media organization in Canada at the national level is the Canadian Broadcasting Corporation (CBC), which runs radio and television stations. Its independence from government control is ensured by statute. However, this independence has limits. For example, it is unlikely that Radio-Canada, the Quebec branch of the CBC, would be

permitted to advocate the break up of the country. On the other hand, many feel that Radio-Canada journalists express a pro-Quebec independence position in their work.

Privately owned media organizations can of course take any political position they wish. The only leverage held by the government over these media is its power to choose where to advertise or where to inform the public of government policies and programs. In theory, if a government does not like the viewpoint of a particular media outlet, it can use the retraction of government advertising as a punishment. This is seldom done by the federal government or provincial governments, but is more common on the part of municipal governments.

Media pluralism
Score: 6

Media ownership in Canada is concentrated, with a small number of Canadian-owned and Canadian-controlled media conglomerates dominating the mainstream print and electronic media. There is strong media concentration in some parts of the country (e.g., the Irving papers in New Brunswick).

A case can be made that this has led to a lack of diversity in views and positions. For example, mainstream media outlets rarely support social democratic political parties. The mainstream print media argue that while their editorials generally express a right-wing or centrist political orientation, they make an effort to seek out contributors with left-wing perspectives. They also note the rise of alternative sources of media information promoting a pluralism of opinions, such as online newspapers and magazines and blogs. The counterargument is that the mainstream media continues to play a crucial role in setting the national agenda, and that the concentration of ownership means that certain opinions are thus not represented to the degree that they are held by the general population.

Access to gvmt.
information
Score: 7

Access to official information is regulated by law, and restrictions such as national security considerations may often be justified. Access is also often complicated by bureaucratic procedures. In general, there is reluctance on the part of political and bureaucratic officials to release information that puts the government in a bad light, and the current system of access to information appears to allow such attitudes to influence the release of information. Although the law does provide for access to much of the Canadian government's documents, there are restrictions in place, such as the censoring of information for national security reasons, that some groups feel have been misapplied by the current government. For instance, a report in 2008 (Tromp, 2008) asserts that Canada fails to conform with many central freedom-of-information recommendations, and that many quasi-governmental entities are not covered under Canada's Access

to Information Act. More recently, the Conservative government was lambasted by the opposition for releasing heavily censored documents on the treatment of detainees in Afghanistan. Many people felt that the heavy censorship was not designed to protect the national security of Canada but rather the self-interest of the Conservative government. However, this censorship is currently undergoing an appeal process to determine what information should be made public.

According to the Treasury Board, the rate of processed access requests granted full disclosure fell from 48.8% in 1999 – 2000 to 22.6% in 2008 – 2009. In contrast, the 2008 rate of successful disclosure requests was 60% in the United Kingdom and 43% in the United States (Gatehouse, 2010:23).

Citation:

Tromp, Stanley (2008) "Fallen Behind: Canada's Access to Information Act in the World Context" September, <http://www3.telus.net/index100/report>

Gatehouse, Jonathan (2010) "500 Ways To Say No" Macleans pp. 22-23, May 17.

Civil rights

Civil rights
Score: 9

The key concern in this area is the protection of Canadian citizens suspected of terrorist activity. The most famous case involves Omar Khadr, a Canadian captured in 2001 by U.S. forces in Afghanistan at the age of 15, and who was subsequently transferred to the Guantanamo prison, where he remains. Many feel that the Canadian government should have been more proactive in demanding his return to Canada.

Political liberties
Score: 9

The major concern in this area is the work of human rights tribunals, which have on certain occasions censured persons for views allegedly promoting hatred of certain groups. Certain right-leaning journalists have encountered problems because of their writing on Islam. For example, one journalist was censured for reprinting the infamous Danish cartoons that some felt denigrated Islam.

Non-discrimination
Score: 9

The Charter of Rights and Freedoms was enacted in 1982, with the aim of preventing all types of overt discrimination based on gender, physical ability, ethnic origin, social status, political view or religion. Today, cases of overt or observable discrimination are extremely rare. The so-called notwithstanding clause contained in the Charter has only rarely served to limit the document's impact. Of course, this does not mean there are not instances of covert or hidden discrimination in Canada reflecting the prejudices of certain individuals. Groups

believing they suffer from the effects of discrimination continue to emerge. Basing their claims on the Charter of Rights and Freedoms, some have taken their cases to the courts, often winning. For example, the weight-challenged have recently demanded that an additional seat be provided them on planes at no cost.

The major tensions in this area are whether rules related to the customs of certain religious groups constitute discrimination. For example, while Sikhs employed by the government can wear a turban, even in the Royal Canadian Mounted Police (RCMP), they are not permitted to carry the ceremonial dagger. Some see this as discrimination, while others consider it to be merely an issue of public safety. In another example, the Quebec government has proposed to restrict the provision of public services to women wearing the niqab, the Muslim headgear that covers the complete face except the eyes. It is believed that to be fully integrated into society one's face must not be covered. This is a very controversial issue, but affects only a very small number of persons. It will likely end up in the Supreme Court.

The Canadian government has established policies such as employment equity and pay equity to protect and promote the rights of disadvantaged groups (often called equity groups) such as women, visible minorities, Aboriginals, and persons with disabilities. These positive discrimination measures are controversial and their effectiveness is a subject of debate.

Rule of law

Legal certainty
Score: 8

Government and administration rarely make unpredictable decisions. Legal regulations are generally consistent, but do sometimes leave scope for discretion. The best known recent example of lack of legal certainty was when the federal government violated its own law on fixed election dates, calling an election before the predetermined date. Many believe that an election was unnecessary, and that the government acted only to gain political advantage. In general, Canadians appeared little troubled by this failure to respect legal certainty. The constitutionality of this early election was unsuccessfully challenged in court, although the issue is pending appeal as of this writing.

Judicial review
Score: 9

There are few examples in Canada where the courts do not ensure that governments act in conformity with the law.

Appointment of
justices

It can be argued that the current process for judicial appointments, which is at the complete discretion of the prime minister, does not

Score: 5

represent good governance, since the appointment needs no approval by any legislative body (either the House of Commons or the Senate). Indeed, potential candidates are not required to appear before a parliamentary committee for questioning on their views. The prime minister has the final say in appointing chief justices at the provincial level, as well for Supreme Court justices. Despite this almost absolute power, prime ministers do consult widely on Supreme Court appointments, although officeholders have clearly sought to put a personal political stamp on the court through their choices. But it is not evident that the current judicial appointment process has compromised judicial independence. Indeed, appointments to the Supreme Court have historically been of high quality.

The prime minister does not typically take a strong interest in other judicial appointments. In addition, advisory committees have been established to review candidates and make recommendations. A candidate cannot make it to the list to be considered for a judicial appointment unless he or she is approved by the committee.

A recent bill passed by the House of Commons, and awaiting approval of the Senate as of this writing, would require that future persons appointed to the Supreme Court be fluently bilingual. If passed, this would be the first instance in which nongeographic restrictions (three of the nine judges must come from Quebec) would limit the pool of those eligible for the court. This bill is extremely controversial. Some argue that it drastically reduces the pool of potential appointees. Others reply that bilingualism is an essential requirement for the court, as judges must be able to hear testimony in both official languages.

Corruption
prevention
Score: 9

Canada ranks very high on the extent to which public officeholders are prevented from abusing their position for private interests. To be sure, there have been many examples in recent Canadian history in which officeholders and their associates have benefited from access to influence. In the Chretien era, these include the sponsorship scandal in Quebec, which resulted in the Gomery Commission, and the Karlheinz Schreiber affair, in which CAD 200,000 in cash was delivered to recently retired Prime Minister Brian Mulroney, with no obvious services offered in return. But overall, mechanisms are currently in place that effectively prevent public officeholders from abusing their positions. These mechanisms include: the auditing of state spending; the strict regulation of party financing; accountability provisions for officeholders including asset declarations, conflict of interest rules, and codes of conduct; transparent public procurement systems; and effective prosecution of corruption.

Recently, a deal has been struck to give the Office of the Auditor

General the authority to audit the books of the Parliament, including the expenses of members of the House of Commons and the Senate.

II. Policy-specific performance

A Economy

Economy

Economic policy
Score: 8

Canada has implemented market-oriented economic policies that have enhanced the country's competitiveness and attractiveness as a location to do business. Yet these policies appear not to have had a positive impact on productivity growth, which has been very weak (Sharpe, 2009). There are still areas where Canada's economic framework is not as conducive as it might be to productivity growth. The most egregious of these is the continued presence of marketing boards, which have the right to control output through production quotas. Interprovincial barriers to trade and labor mobility, and the lack of a national securities regulator are other weaknesses in Canada's regulatory framework from a competitiveness perspective.

Citation:

Sharpe, Andrew (2009) "The Paradox of Market-Oriented Public Policy and Poor Productivity Growth in Canada" in Festschrift in Honor of David Dodge (Ottawa: Bank of Canada) posted at http://www.banqueducanada.ca/en/conference/2008/festschrift_08.html.

Labor market

Labor market policy
Score: 8

The unemployment rate in Canada is driven by the business cycle, which reflects aggregate demand conditions. Labor market policies and programs such as unemployment insurance and training programs have limited effect on overall unemployment, although these policies and programs are important for income support and the upgrading of skills. In other words, supply-side labor-market policies can never in themselves ensure that unemployment is not a serious threat. The fall in the unemployment rate to 6% in 2008 reflected the high commodity prices and strong demand conditions of the 2003 – 2008 period rather than effective microeconomic labor market policies, although the latter could potentially have played a minor role. Program evaluations would be needed to document this. Equally, the

rise in the unemployment rate after 2008 reflected the effects of economic crisis, not a failure of labor market policy. Indeed, the expansion of the federal government work-sharing program during the crisis mitigated the rise in the unemployment rate. Overall, labor market regulation in Canada is relatively light, and there are few labor market rigidities that impede the operation of the labor market. The most important may be regional employment insurance benefits that may somewhat reduce the outflow of labor from high unemployment regions, even though labor mobility in Canada, both inter- and intraprovincial, is high. One possible area of weakness is represented by workplace training. Responsibility for this function has been devolved from the federal government to the provinces, and it is unclear whether all provinces have developed effective policies and programs in this area.

Enterprises

It should be noted that innovation, entrepreneurship, competitiveness (best captured by productivity) and investment are determined by many factors, not just government policy, so one cannot necessarily infer the success or failure of enterprise policy from the state of these variables. To be sure, the federal government has many policies designed to promote the success of enterprises, including relatively streamlined procedures for the establishment of a business, generous tax incentives for research and development spending, and corporate tax rates that are on the decline.

Three weaknesses of the Canadian economy are low spending on R&D by the business sector, low investment per worker in information and communications technologies (ICT), and slow productivity growth. Enterprise policies have certainly targeted these areas of weakness, but there has been little improvement. Of course, this continued underperformance does not mean that policies in these areas have had no positive impact (there is no counterfactual), but they certainly have not been highly successful.

Taxes

The most important recent change in tax policy at the federal level in Canada was the cut in the Goods and Services Tax (GST) by two percentage points, from 7% to 5%. This measure contributed to the structural deficit, although it provided a modicum of stimulus to a demand-deficient economy. The decision by the federal government to reduce corporate tax rates and to subsidize the introduction of the

Enterprise policy
Score: 7

Tax policy
Score: 7

Harmonized Sales Tax (HST) in Ontario and British Columbia contributed to a decline in the marginal effective tax rate on investment. This has improved Canada's competitiveness. Two recent tax measures have had positive equity implications. The first was the introduction of the Working Income Tax Benefit (WITB) for low-income wage-earners. The second was the decision not to reduce the GST tax credit for low-income persons despite the overall reduction in the GST rate.

Budgets

Budget policy
Score: 8

Relatively speaking, the government of Canada is in a strong fiscal position. Canada's budget deficit as a proportion of GDP is low by international standards, as is its public debt/GDP ratio. The federal budget released in February 2010 projects a decline in the deficit in coming years as the economy recovers, with the deficit almost completely eliminated by 2014 – 2015. Nevertheless, the goal of fiscal sustainability is threatened by two factors. The first is the deterioration in the structural balance resulting from the two-point cut in the GST-HST. The second is the rising health costs associated with the aging of the population, and the increased share of the population falling into age groups in which health costs are high.

B Social affairs

Health care

Health policy
Score: 8

Canada ranks high in terms of the effectiveness and efficiency of health care policies, as high-quality health care is freely provided for virtually the entire population. But Canada's health spending as a share of GDP, while well below that of the United States, is above that of many European countries, suggesting that health services may be inefficiently oriented. The rationalization of health care costs is a major goal of government policy at this time, as illustrated by provincial governments' moves to reduce payments to pharmacies for drugs.

Social inclusion

Social inclusion
policy
Score: 7

Most social policies, such as income transfers (e.g., child benefits, pensions) and educational policies, support societal inclusion and ensure equal opportunities. But certain groups, such as recent

immigrants and Aboriginal Canadians, are to a considerable degree excluded or marginalized from mainstream society because of difficulties obtaining appropriate employment. For these groups, social policy has done an inadequate job of preventing social exclusion.

Families

Family policy
Score: 8

The labor force participation rate for women whose children were all under six years of age in Canada was 70.5% in 2006, up from 69.8% in 2001. This is high by international standards, and suggests that policies may have contributed to this situation. One key policy has been the enrichment of the child tax credit, which has reduced the barriers associated with the so-called welfare wall. In the past, when single parents, mostly women, left welfare, they lost all income benefits for their children. With the integration of the welfare system with the universal, income-tested child tax credit, there is now less disincentive to leave welfare and enter the labor market.

Canada does not have a universal child care system, and the absence of such a system may make it more difficult for some women to combine parenting and employment. As a substitute for such a child care system, the current government introduced the Universal Child Care program, which provides families with children under six years with CAD 100 per month per child on a non-income-tested basis. However, this level of financial support would normally cover only a small proportion of child care expenses, and hence has likely had very little effect in fostering labor force participation.

Two policies that might encourage women to combine parenting with labor force participation are the compulsory proration of employer benefits for part-time workers and the right of a full-time employee to work part-time after a certain duration of employment. The first policy could increase the rate of return to part-time work, while the second policy could realign the preferences of many women for part-time work with available jobs, as it would allow women who did not want to work full time to stay in the labor force. However, neither policy is currently in place in Canada.

Pensions

Pension policy
Score: 9

The basic components of Canada's public pension retirement income system are the demogrant Old Age Security (OAS) and Guaranteed Income Supplement (GIS) and the contribution-fed, earnings-based Canada/Quebec Pension Plan (CPP/QPP). The expansion of these programs has resulted in a massive decline in the poverty rate for

persons 65 and over in Canada. This rate fell from 21.4% in 1980 to 4.8% in 2007 (the most recent year for which data are available), based on after-tax Low-Income Cut Off (LICO) rates, a measure related to the proportion of a family's income expended for basic necessities .

The CPP is currently considered to be actuarially sound and fiscally sustainable at its current rate and benefit structure, due to large increases in contribution rates implemented in the late 1990s (Little, 2008). The fiscal sustainability of the OAS/GIS is tied to the sustainability of the federal government's overall fiscal balance, and is fostered by the indexation of benefits to the CPI rather than to nominal wage increases. With productivity growth, the latter will tend to exceed the former, so CPI indexation gives the CPP (and also OAS/GIS) an extra degree of freedom.

One weakness of the CPP is that it only covers earnings up to 25% of the average wage. This means that middle-income workers with no employer pension plan or private savings may encounter problems in replacing a sufficient proportion of their pre-retirement earnings. The minister of finance has recently launched a public process of consultation on the pension issue. Proposals include both the voluntary and compulsory expansion of the CPP in terms of the proportion of earnings covered.

Citation:

Little, Bruce (2008) *Fixing the future: how Canada's usually fractious governments worked together to rescue the Canada Pension Plan* (Toronto: University of Toronto Press).

Integration

Receiving around 250,000 immigrants per year, Canada has one of the highest annual immigration to population ratios in the world. Cultural, education and social policies support the integration of immigrants, including language training and orientation courses. To promote integration, Canada allows immigrants to become citizens after three years of residency, one of the shortest residency requirements in the world. Nevertheless, these policies appear not always to have been effective, or at least adequate, as seen in the high unemployment rates and low earnings for recent immigrants, and in the high rate of return to the country of origin by immigrants. This situation is exacerbated by difficulties faced by immigrants in having their professional credentials recognized by Canadian authorities; the concentration of immigrants in a small number of major cities such as Toronto, Vancouver and Montreal (immigrants to cities where

Integration policy

Score: 9

immigrants are few in number experience much better labor market outcomes); language problems encountered by many immigrants; and according to some, the lower quality of education received by immigrants from developing countries.

C Security

External security

External security
policy
Score: 9

Canada ranks very high with respect to the effectiveness of external security and defense policy in protecting citizens against security risks and safeguarding the national interest. Between the terrorist attacks on the United States in 2001 and the present, Canada remodeled its security apparatus and created a Public Safety Department, as well as implementing various new measures to monitor border crossings. The country's political leaders recognize the importance of the global fight against Al-Qaeda. It has increased defense spending in recent years and has maintained a strong military presence in Afghanistan since 2001 (the mission is to end in 2011). Nearly 150 Canadians have been killed in Afghanistan.

Internal security

Internal security
policy
Score: 9

Canada's internal security policy has been quite effective in protecting citizens against security risks. There have been no terrorist attacks in Canada, which suggests that the Canadian intelligence services are doing excellent work. Indeed, the 2006 capture of a Toronto-based terrorist cell (the Toronto 18, infiltrated by law-enforcement forces), which had been planning to bomb important national institutions including the Parliament Buildings and Toronto Stock Exchange, offers an example of very effective operational work.

D Resources

Environment

Environmental
policy
Score: 5

A case can be made that the biggest environmental policy failure lies in the area of greenhouse gas emissions, which have continued to rise Canada from a high base. At the national level, a carbon tax does not appear to be in serious consideration at this time. The electorate rejected such a tax when it was put forward by Liberal leader

Stephane Dion during the 2008 federal election. The environmental risks associated with the massive development of the Alberta oil sands have also been ignored, much to Canada's embarrassment on the world stage. A classic example of government neglect of the issue of natural resource sustainability was the depletion of the cod stocks off the coast of Newfoundland, which resulted in a moratorium of cod fishing in 1992, still in effect today.

Research and innovation

Research and
innovation policy
Score: 7

It is important to note that the focus of inquiry in SGI terms is on the government's role in supporting research and innovation specifically. In terms of technological innovation supported by business, Canada's business sector research and development expenditure expressed as a share of GDP (business enterprise research and development, or BERD) is relatively low, as is Canada's total factor productivity growth, which is considered by some to be an indicator of underlying technological progress. In terms of actual policy support, at least in some areas, Canada does well. It offers generous fiscal incentive programs for business R&D, both at the national and provincial level, and provides significant financial support for higher education-based R&D (Canada has the second-highest higher education/GDP intensity among OECD countries).

Many believe that Canada's low BERD intensity and poor productivity performance represents a failure on the part of the business sector rather than inadequate public policy. Nevertheless, there are a number of issues in the innovation policy area which may be a cause for concern and merit study: the effectiveness of the federal government's Scientific Research & Experimental Development (SR&ED) tax program in increasing business sector R&D (the program has never been formally evaluated); the impact of cuts in government lab R&D budgets; the inadequacy of government programs to facilitate technology transfer or the adoption of best practice techniques by small and medium-sized businesses; and the relationship, or lack thereof, between increased higher education and business sector R&D and productivity.

Education

Education policy
Score: 9

Canada has many strengths in the education area, including: the OECD's highest proportion of the population aged 20-64 with post-secondary education, a number of world-class universities, a high completion rate for high school, and very high PISA scores.

Nevertheless, a number of issues remain outstanding. Probably the biggest deficiency in education policy has been the failure to reduce the gap in educational attainment between the Aboriginal and non-Aboriginal populations (Sharpe et al., 2007 and 2010). Other education and training policy issues include the low completion rate for apprenticeship programs (Sharpe and Gibson, 2006), threats to the accessibility of higher education related to large hikes in tuition; low levels of functional literacy in the workplace; and inadequate levels of employer training.

With education being largely a provincial responsibility, there is growing evidence that the economically stronger provinces have better education systems (e.g., more resources dedicated to students with learning disabilities) than the relatively less wealthy provinces.

Citation:

Sharpe, Andrew and James Gibson (2005) "The Apprenticeship System in Canada: Trends and Issues," CSLS Research Report 2005-04, September, <http://www.csls.ca/reports/csls2005-04.pdf>

Sharpe, Andrew and Jean-Francois Arsenault (2010) "Investing in Aboriginal Education in Canada: An Economic Perspective," CSLS Research Report 2010-03, February Andrew, Jean-Francois Arsenault and Simon Lapointe (2007) "The Potential Contribution of Aboriginal Canadians to Labor Force, Employment, Productivity and Output Growth in Canada, 2001-2017," CSLS Research Report No. 2007-04, November,

Management Index

I. Executive Capacity

A Steering capability

Strategic capacity

Strategic planning
Score: 8

Planning in government is not only possible when there is a unit with the word “planning” attached to it. The last unit with an explicit planning mandate in its name was the Treasury Board’s Planning Secretariat, which was disbanded in the late 1970s. Its ineffectiveness may explain its demise. Neither the Prime Minister’s Office (PMO) nor the Privy Council Office (PCO) has an official planning unit today. The Policy Research Initiative (PRI), established in 1997 under the PCO to promote and organize horizontal research within the federal government, could have potentially developed a strategic planning function. However, this unit had not reported through the PCO since 2007. Given the uncertainties and unpredictability of the modern world, at both the national and international level, many consider long-term strategic planning suspect, or at least not a priority, and hence an inappropriate use of limited resources. Nevertheless, there are thousands of public servants employed by the PCO, the Department of Finance and the Treasury Board (close to 3,000 individuals in all) who have no program responsibility. Their purpose is to manage politically sensitive files and to plan. Therefore, one can argue that the planning capacity of the government of Canada is as strong – and sometimes stronger – as that of other Western countries.

Scholarly advice
Score: 8

Many government departments and agencies have advisory committees, which can have considerable but rarely a dominant influence on policy. For example, in 2008 Finance Canada established a permanent Economic Advisory Council for economic policy, comprised of respected academic economists and business leaders. A number of government departments and agencies appoint academic experts to advisory positions or chairs within the organization for a one to two year period. Examples of this type of position – and hence of the influence of experts on policy – include the Clifford Clark Visiting Economist Chair at the Department of

Finance and the Simon Reisman Visiting Fellowship within the Treasury Board Secretariat. Similar posts exist at the Competition Bureau and the Bank of Canada, among others. Government departments and agencies often commission experts to organize research projects on high-profile issues. The results of these initiatives can be influential in the course of policy development. For example, Finance Canada recently commissioned Jack Mintz, a well-known public finance economist, to produce a report on pension policy for a federal-provincial conference on this issue. Finally, external academic experts are frequently asked to meet with senior government officials, either on a one-on-one basis or as speakers at departmental retreats.

Inter-ministerial coordination

GO expertise
Score: 9

Draft bills are vetted primarily by the Privy Council Office and to a lesser extent by Finance Canada and the Treasury Board. These central agencies are prestigious places to work, and indeed, central agency experience is highly valued (some even say a prerequisite) for advancement within the federal public service. Consequently, central agency staff members are generally of high quality and possess the comprehensive sectoral policy expertise needed for the regular and independent evaluation of draft bills, based on the government's strategic and budgetary priorities.

GO gatekeeping
Score: 9

In general, Canada's government office, the PCO, can both legally and de facto return items to initiating departments on the basis of policy considerations. Indeed, this happens frequently. On the other hand, as one deputy minister in Ottawa once observed, "He who writes the first draft, controls policy." To be sure, central agencies have a heavy hand in the machinery of government in Ottawa. However, there is an ongoing dialogue between central agency staff and line department officials. Things are sorted out before items are "returned" to line departments. Moreover, unless draft legislation has a financial resources component to it, neither Finance nor Treasury Board officials are likely to take a strong interest.

Line ministries
Score: 9

Line departments and central agencies have interrelated or complementary capacities for the coordination of policy proposals, with ultimate authority lying with central agencies. Thus, line ministries in Canada have a relatively high level of responsibility to involve the government office, the PCO, in the preparation of policy proposals. On the other hand, it is well known that line departments are not always forthcoming with information that may cast their departments in a bad light.

Cabinet committees Score: 8	Cabinet committees have both the legal and de facto power to prepare cabinet meetings in such a way as to allow the cabinet to focus on vital issues. The de facto power to sort out issues before they go to cabinet belongs to senior officials in the PMO and PCO, not to cabinet committees. Still, this allows the cabinet to focus on strategic policy issues.
Senior ministry officials Score: 10	Canada's senior ministry officials have a significant and effective role in preparing cabinet meetings. All issues are reviewed, filtered or settled by senior ministry officials before going to cabinet.
Line ministry civil servants Score: 8	Many policy proposals are coordinated by line ministries with other line ministries. However, due to issues of departmental mandates and authority, this process is generally not as effective as the central agency coordination process. On certain issues, a line department may be unwilling to recognize the role or expertise of other line departments, and hence may fail to consult and/or coordinate a policy proposal with these perceived competitors. Given that virtually all policy issues are now horizontal, line departments have very little ability to coordinate policy proposals. This, in turn, explains in part the growing strength of central agencies.
Informal coordination procedures Score: 7	Many, but not most policy proposals are coordinated through informal mechanisms, such as informal meetings with government members or across levels of government.

RIA

RIA application Score: 6	Canada's assessment of the potential socioeconomic impact of draft laws is somewhat irregular, as regulatory impact assessments (RIA) applied randomly, except in areas such as environmental projects where they are required by statute.
Needs analysis Score: 7	RIAs in Canada lack deep analysis, mentioning the purpose of and need for regulations, but without going into specifics.
Alternative options Score: 5	RIAs in Canada do consider some alternative options, but this task is not a priority.

Societal consultation

Negotiating public support Score: 8	The departments and agencies of the Canadian government hold many consultations with economic and social actors on public policy issues. These consultations are motivated primarily by the desire to obtain input from Canadians before the government decides on a policy course, not by the desire to sell a particular policy to the population (this is not done through consultations). The most
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important consultations relate to the preparation of the annual budget. While the importance of trade unions in the consultation process has fallen significantly in recent years, this is not necessarily the case for other groups.

Policy communication

Coherent
communication
Score: 9

The current government has centralized its communications function in the Prime Minister's Office. All departmental policy communications must be approved by the PMO. This process effectively coordinates the communications (or lack of communications) of ministries, and aligns any departmental message with the government's overall communications strategy. In practice, however, there have been instances when there has been an obvious lack of coordination in managing communications with the media. Media leaks – deliberate or not – are still part of the Ottawa process at both the political and bureaucratic levels.

B Policy implementation

Effective implementation

Government
efficiency
Score: 8

Canada's current government has been partly successful in implementing its policy objectives. Of course, there are important constraints on the ability of any government to achieve its public policy objectives. One is the state of the country's macroeconomic health. For example, the economic crisis reduced government revenues and hence the means to address policy goals. A second constraint is the presence of a minority government, which limits the government's ability to pass legislation and forces compromises. A third constraint is that many policy objectives, such as the elimination of child poverty or the reduction in the education attainment gap between Aboriginals and non-Aboriginals, are complex social phenomena that are only partly amenable to public policy action. In addition, many of the programs funded by Canada's federal government are implemented by provincial governments – among others, health care, post-secondary education, social services, the integration of new Canadians and so on. Nevertheless, the current government has done reasonably well in attaining its policy objectives, aided by its choice of modest objectives or benchmarks. In 2006, it identified five priorities: cleaning up government by passing the Federal Accountability Act; cutting the Goods and Services Tax; cracking down on crime; increasing financial

assistance for parents; and working with the provinces to establish a wait-time guarantee for patients. The government argues that it had achieved these priorities by 2009. However, some have argued that the government does not have a good track record in terms of implementing its own programs (see, among others, various reports by the Office of the Auditor General). One example: One component of the accountability act was the establishment of a Parliamentary Budget Officer. He has proven to be a thorn in the side of the government, through a constant second-guessing of official fiscal forecasts. The government now sets a much lower priority on accountability mechanisms than it did when it was in opposition.

Ministerial
compliance
Score: 10

In the Canadian system, and especially under the current government, the prime minister holds considerable power; indeed, some argue that the current prime minister holds quasi-absolute power over all ministers. A cabinet minister who is not perceived by the PMO as a team player will have a short career. Cabinet ministers are evaluated and hence promoted and demoted on the basis of their ability to deliver on the government's agenda. The prime minister and his office (PMO) have an important role in appointing deputy ministers and chiefs of staff. Deputy ministers are appointed by the prime minister on the advice of the clerk of the Privy Council Office. Deputy ministers are promoted (or less often demoted) for a variety of reasons, including the attempt to match their talents to the requirements of the department, efforts to establish gender and linguistic balance, and so on.

Monitoring line
ministries
Score: 10

When appointed to a portfolio, a minister receives a mandate letter from the prime minister, while a deputy minister receives one from the clerk of the Privy Council. The importance of mandate letters depends on the department, and more importantly on changing political and economic circumstances. In the case of the current government, ministers' mandate letters detail priorities for their department as seen from the center. The minister is subsequently evaluated on his or her success in achieving the objectives set out in the mandate letter. Such a procedure results in the PCO continually monitoring the activities of line department to ensure they are in line with the mandate letter.

Monitoring agencies
Score: 7

The procedure for the monitoring of operating agencies by the ministry in their task area is less formal than the parallel monitoring of line departments by the PCO, in part because operating agencies are generally not responsible for policy formulation. In addition, these agencies may have a degree of autonomy. Nevertheless, ministries do monitor the activities of most operating agencies. More and more, operating agencies look like typical government units, and indeed in some cases have been or are being reintegrated into their home

departments.

Task funding
Score: 8

Canada's central government typically ensures the tasks delegated to subnational self-governments are adequately funded. Education and health care are largely the responsibility of provincial governments, and the federal government transfers funds to this level of government for these functions. These transfers comprise the lion's share of provincial budgets. In the 1990s, as part of its deficit reduction strategy, the federal government cut transfers to the provinces, prompting severe criticism by these governments. The current government has consciously tried to avoid this path. It has been more willing to accede to the provinces' wishes in trying to resolve the so-called fiscal imbalance in the ability of the two levels of government to raise revenues. Consequently, the central government has enabled the provinces to fulfill most of their delegated tasks by means of sufficient transfers. Of course, this does not mean that certain provincial governments such as Ontario are not experiencing very large deficits, primarily attributable to the economic crisis.

Constitutional
discretion
Score: 9

Canada's central government takes substantial steps to ensure subnational self-governments may use their constitutional scope of discretion. Canadian provinces, especially large ones such as Quebec and Alberta, guard their constitutional powers closely and allow the federal government little scope to increase its power. Indeed, certain responsibilities under joint federal-provincial jurisdiction, such as labor market training, have in recent years been decentralized and delegated completely to the provinces. When the federal government has tried to assert its authority in economic areas thought to be under exclusive federal jurisdiction, such as the regulation of securities markets, certain provinces have vociferously objected and taken the federal government to the Supreme Court.

National standards
Score: 8

In areas of provincial jurisdiction such as education, the federal government does not in principle have the authority to ensure that provinces meet national standards. However, in areas where the federal government transfers funds to the provinces, it has the leverage to insist on certain standards. The main area in which this occurs is health care. The Canada Health Act of 1986 requires provinces to meet five principles for health care; thus, care must be available to all eligible residents of Canada, comprehensive in coverage, accessible without financial or other barriers, portable within the country and during travel abroad, and publicly administered. All five principles must be met by the provinces if they are to receive full federal funding. The federal government has challenged certain provinces for failure to meet these standards. However, no funds have been withheld since 1993. The federal government recently announced that it is changing its formula for

transfer payments to the provinces. The formula will not be based on a per capita distribution, which will favor the more heavily populated provinces.

C Institutional learning

Adaptability

Domestic
adaptability
Score: 8

Organizational change is constantly taking place within the federal government, and much of this change reflects international developments. For example, there have been many changes in the structural and reporting relationships between the various departments involved in international matters, which include the Canadian International Development Agency, the Department of Foreign Affairs and the Department of International Trade.

International
coordination
Score: 8

It is important to note that there is a difference between participation and constructive participation. Canada is noted for the very large number of international forums in which it is active. But it can be argued that in many cases this participation is pro forma. For example, in international trade negotiations, the refusal of Canada to negotiate over the status of its marketing boards reduces the chances of significant breakthrough. In climate change talks, many consider Canada's position a hindrance to the development of a meaningful agreement. On the issue of an international tax on banking activities, proposed for debate at the G-8 and G-20 talks in Canada in June 2010, Canada is out of line with almost all other countries.

Organizational reform capacity

Self-monitoring
Score: 8

Government structures are constantly changing in Canada, for better and for worse. It is not a static system. In certain cases, there may actually be too much organizational change, as such change can be very disruptive and costly. For example, in 2004, Human Resources Development Canada was split into two departments: Human Resources and Skills Development Canada and Social Development Canada (SDC). In 2008, the two departments were merged, with SDC losing its separate identity. It is unclear what benefits, if any, arose from this departmental shuffling.

Institutional reform
Score: 7

There is little evidence that changes in institutional arrangements have significantly improved the strategic capacity of Canada's federal government to govern. It may possibly have helped on the margin.

For example, a major organizational change in the 2000s was the establishment of Service Canada as a delivery platform for government services. There has been no comprehensive evaluation of this reform. In 2008, the Policy Research Initiative, a unit for policy research and potentially for strategic policy formulation that had reported to the PCO, was reorganized and placed instead under Human Resources and Skills Development Canada, which is not a central agency.

II. Executive accountability

D Citizens

Knowledge of government policy

Policy knowledge
Score: 6

Few citizens are well informed about government policies. Indeed, most citizens have only a rudimentary knowledge, as revealed by public opinion polls. On the other hand, governments on both the federal and provincial level make serious attempts to inform citizens about policy issues.

E Legislature

Legislative accountability

Obtaining
documents
Score: 9

In principle, parliamentary committees have the right to receive government documents in the course of their deliberations, but these may arrive incomplete and redacted because of confidentiality considerations, or too late to enable the committee to make effective use of them. However, in recent years, parliamentary committees – particularly in a minority Parliament – have had considerable power or ability to decide what they want to do and who they wish to see.

Summoning
ministers
Score: 9

Ministers are normally expected to appear before parliamentary committees, but they are not legally or de facto required to do so, and sometimes decline for various reasons. In recent years, ministers have all too often sent their deputy ministers to appear before parliamentary committees.

Summoning experts
Score: 10

Parliamentary committees have both legal and de facto rights to summon any expert they chose to provide testimony. In turn, experts

have the right to decline the invitation. Committees cannot compel experts to testify.

Task area
coincidence
Score: 8

There are currently 24 standing or permanent committees of the House of Commons and 18 standing committees of the Senate, as compared to 26 government departments. Consequently, there is more or less a one-to-one relationship between the number of House committees and departments. Parliamentary committees are largely capable of monitoring departments.

Audit office
Score: 9

The auditor general is appointed by Parliament on the advice of the prime minister. Once in place, however, auditor generals have virtually a free hand in deciding who to audit and when. Indeed, in recent years, one senses that the auditor general has considered herself more accountable to the media than to Parliament. There have been few instances when either Parliament or its Public Accounts Committee was able to direct the work of the Office of the Auditor General.

Ombuds office
Score: 6

The federal government (unlike certain provinces such as Ontario) does not have an organization called an ombuds office, but it does have certain organizations that are functional equivalents. These include the Access to Information Office and the office responsible for the protection of whistleblowers. The advocacy role of these organizations is limited, however. Other mechanisms that more informally fulfill an ombuds role include departmental units responsible for investigating appeals to decisions related to social programs such as employment insurance and pensions, and the offices of members of Parliament, which act as champions for the interests of their constituents.

F Intermediary organizations

Media

Media reporting
Score: 8

Canada's main TV and radio stations produce a mix of infotainment and quality information programs. Public broadcasters, including the CBC and provincial TV channels such as TV Ontario (TVO), provide a minimum of five to seven hours per week of in-depth information on government decisions, and often more. Examples of such programs include the TVO's *The Agenda* and CBC's *The House*. Private broadcasters, especially the Canadian Parliamentary Access Channel (CPAC), also provide analysis of government decisions.

Parties and interest associations

Party competence
Score: 7

On the one hand, political parties have become little more than election-day organizations. Policy proposals are developed by party leaders and their close advisors, including a pollster or two. As a general rule, however, the greater the probability of a political party attaining power, the more seriously it takes its electoral program. Incoherent promises can place a party in a straitjacket if elected, and this is best avoided if victory is expected. The electoral programs of major parties such as the Bloc Quebecois, the Greens and the New Democrats, none of which are ever likely to form a government, are the most implausible.

Association
competence
(business)
Score: 8

Many business associations, employers groups and trade unions develop policy proposals that identify problems' causes, make use of scholarly research to support their analysis, propose technically feasible measures to attain policy objectives, take account of long-term interests and anticipate policy effects. Some of the most competent associations in this respect are the Council of Chief Canadian Executives, the Canadian Chamber of Commerce, the Canadian Manufacturers and Exporters Association, the Canadian Labor Congress, and the Canadian Auto Workers. Many of these associations have realized that they must identify their policy proposals with the overall societal interest, rather than solely the narrower interest of their members, if they are to gain traction with the public and policymakers. The most successful are those that have mastered this art.

Association
competence
(others)
Score: 8

Many social interest groups, environmental groups and religious communities develop policy proposals that identify problems' causes, make use of scholarly research to support their analysis, propose technically feasible measures to attain policy objectives, take account of long-term interests, and anticipate policy effects. However, as these groups have fewer resources than economic interest groups, they generally do a somewhat less competent job in proposing reasonable policies. Some of the most competent social and environmental groups are the Canadian Council on Social Development, the Suzuki Foundation and the Pembina Institute.

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