

SGI

Sustainable
Governance
Indicators

2015 Canada Report

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Executive Summary

A case can be made that the trend of declining governance quality since the Conservative government won a majority in 2011 continued in 2014.

With its 2014 budget bill, the Conservative government once again resorted to the use of omnibus legislation to implement a large number of measures unrelated to the budget, affecting everything from union rights and Supreme Court appointments to employment insurance, workplace safety, veterans' affairs and immigration policy. The use of omnibus bills arguably represents an abuse of process, and demonstrates contempt for Parliament by jeopardizing its ability to scrutinize the legislation effectively and hold the government accountable. At the time of writing, the government had tabled a new 458-page budget bill, which again contained a host of issues unrelated to the budget, including measures broadening the scope of the national DNA bank, tightening rules for the temporary-foreign-workers program, restricting the ability of refugee applicants to access social assistance, and changing the rules governing federal transfer payments to provinces for social programs.

After first winning power in 2006, the Conservatives passed the 2006 Accountability Act, which among its other provisions created the Parliamentary Budget Office (PBO), an independent watchdog to oversee the government's stewardship of public funds. However, following a series of unfavorable reports, the government developed a stance of open hostility toward the PBO. In 2013, it decided to not renew the term of outspoken Parliamentary Budget Officer Kevin Page, the first to hold this position, and instead filled the position with Jean-Denis Fréchette, a longtime employee of the Library of Parliament who had little experience working with government budgets. This was widely regarded as an effort to mute PBO assessments, although the Office's reports have continued to be fairly critical.

As in previous years, the Canadian government pursued a number of policies during the May 2013 – November 2014 period that many observers regard as being based on ideology or political calculations rather than sound reasoning and evidence. One particularly controversial measure was the Fair Elections Act bill, which was seen by many, including Canada's chief electoral officer, as undermining its stated purpose and damaging the quality of Canadian democracy. Another case in point is the recently announced Family Tax Cut,

which implements a limited form of income splitting and is targeted toward the Conservatives' political base (presumably with an eye toward the 2015 elections), but was criticized by economists on both equity and efficiency grounds. Similarly controversial is the proposed "anti-union" bill, which would require unions to publicly disclose any spending of CAD 5,000 or more, and is seen by experts as unconstitutional. The government also continued to pursue its tough-on-crime agenda despite a strong downward trend in the crime rate. This has resulted in a sharp rise in Canada's inmate population and produced overcrowding in the prisons, according to a 2014 Auditor General report.

Evidence-based decision-making requires high-quality data. However, the Conservative government cancelled the 2011 mandatory long-form census and replaced it with the voluntary National Household Survey (NHS). The May 2013 release of the NHS results confirmed what critics had feared; not only did the cost of conducting the survey increase, as more households had to be reached to ensure adequate responses, but the data was highly unreliable (response rates dropped from 94% to 68%), and more than 25% of Canadian communities were missing altogether as an insufficient number of households had filled out the form. Despite the documented increased cost and detrimental effects on data quality, the Conservative government affirmed in April 2014 that the voluntary NHS will again be distributed in 2016.

Environmental policy is another area in which a negative trend has persisted over the past five years, as the government has remained skeptical toward global warming and has seemed unwilling to provide an effective strategy for the reduction of greenhouse-gas emissions. Canada's Environment Commissioner recently warned that Canada will exceed its Copenhagen Accord commitment for emission reductions by 2020 by 20%, due in part to the government's failure to regulate the booming oil and gas sector, and the lack of a coherent plan on how to meet the target. Environment Canada currently plans to reduce its budget by 30% over the next three years, with significant cuts to the department's climate-change and clear-air programs. Significant portions of the planned cuts are coming from programs that are winding down, and are not expected to be renewed under a Conservative government.

Despite the examples of poor governance outlined above, the government has introduced a number of measures that are consistent with good governance, particularly in economic policy. The Conservatives have eliminated a tax on capital income for a majority of Canadians by introducing or widening the scope of a number of tax-efficient savings vehicles. Following 10 years of negotiations, the government signed the Comprehensive Economic and Trade

Agreement (CETA) with the European Union in September 2014. This is Canada's most significant bilateral trade agreement since the North American Free Trade Agreement. If approved by the European Council and the European Parliament, the agreement will come into effect sometime after 2016. Canada also ratified the Canada-China Foreign Investment Promotion and Protection Agreement in October 2014, which is aimed at fostering Chinese investment by setting non-discriminatory standards and guaranteeing the rule of law in the event of disputes.

Key Challenges

The outlook for the improvement of sustainable governance outcomes in Canada is uncertain. The current government's resistance to evidence-based policymaking in certain policy areas and the lack of interest in high-quality data bodes poorly. The next federal election will be held in the second half of 2015. A change of the political party in power after the next election might significantly change this outlook.

In April 2013, a landslide election saw the Liberal Party of Canada elect a new leader, Justin Trudeau, son of the former Prime Minister Pierre E. Trudeau. The younger Trudeau is charismatic, but is relatively inexperienced. Under his as-yet-untested leadership, the Liberal Party has surged in popularity, and as of the time of writing led both the Conservatives and the New Democratic Party (NDP) in the polls. Whether this situation will endure to the next election and result in a change of government is of course unknown.

Whatever the outcome of the 2015 federal election, the challenges facing Canada in terms of sustainable governance indicators will remain. A case can be made that the biggest challenge lies in finding the appropriate balance between environmental protection and resource development. The proposed Northern Gateway pipeline, which would transport energy products from Alberta to the Pacific through northern British Columbia, represents an excellent example of this policy dilemma. An optimist might think that regulatory regimes could be developed that minimized the risk of any environmental damage yet permitted the development and marketing of oil and gas resources that could contribute significantly to income and government-revenue growth. But given the importance attached by some to the precautionary principle under which any environmental risk is unacceptable, successful resolution of disputes between the environmental camp and those favoring resource development may be difficult.

In terms of addressing the issue of greenhouse-gas emissions, the failure of the federal government to adopt the idea of a carbon tax has been a major disappointment. Experts concur that market-based solutions, preferably a carbon tax, are needed to reduce greenhouse-gas emissions. Given the importance of economic development for employment, it is understandable that the federal government promotes the environmentally sound development of the oil sands, despite the negative image of this “dirty oil” abroad. But the oil sands would likely raise less ire outside of the country if Canada were seen as a constructive player in international climate-change discussions.

In terms of economic issues, Canada’s weak business-sector labor productivity growth and the growing productivity gap with the United States is paramount. The government is well aware of this situation, but is perplexed as to how to address it. For many years, the government has followed the advice of the business community in this area. It has cut taxes, deregulated economic sectors, invested in postsecondary education and subsidized R&D, all to little effect. Many now feel that the business-sector productivity malaise is not related to inappropriate government policies, but rather is due to the underlying behavior of business in terms of inadequate levels of investment in machinery and equipment, particularly information and communications technologies, R&D and employee training. Given that existing policy regimes are largely supportive of productivity growth, the additional impact of public policy on business productivity may be limited. Rather, government should address productivity issues in the non-business sector; that is, in the areas of education, health and especially public administration, where there is often great potential for productivity gains.

The federal government’s perspective on relations with the provinces has evolved in an interesting manner over time. Initially the government accorded considerable respect to provincial jurisdictional lines, and was happy to remove itself from certain policy areas that it felt were better served by the provinces. But with the passage of time, the central government has realized that provinces do not always run effective programs, and that they do not necessarily design these programs effectively from a national perspective. An example is labor-market training; here, the federal government initially devolved the task to the provinces, but later acted to limit provincial discretion on the issue.

The Senate is a political institution unloved by Canadians, and Senate reform or abolition is a perennial topic for debate. The 2013 scandal over the expenses of certain senators, and the involvement of the prime minister’s chief of staff in the affair, focused public attention on the institution in a negative manner and led to calls for major changes. Following a Supreme Court ruling in April

2014 that any change would require the approval of the provinces, the government has all but abandoned the idea of Senate reform until after the next election.

Policy Performance

I. Economic Policies

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. 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. In the 2014 federal budget, the federal government continued its ongoing austerity campaign by reducing direct program spending by roughly 5%, determined to balance the budget by 2015. In light of the relatively weak international economic climate and the prevailing low interest rates, the potentially negative macroeconomic impacts of a contractionary fiscal policy drew some criticism.

Citation:

2014 Federal Budget "The Road to Balance, Creating Jobs and Opportunities", posted at <http://www.budget.gc.ca/2014/docs/plan/pdf/budget2014-eng.pdf>

Labor Markets

Labor Market
Policy
Score: 8

The unemployment rate in Canada is primarily 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. 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 significant of these may be regional employment-insurance benefits that may somewhat reduce the outflow of labor from regions with high unemployment rates, even though labor mobility in Canada, both inter- and intraprovincially, is generally high.

Specific labor-market programs are available to increase the workforce participation of aboriginal Canadians, whose employment rates are persistently below those of non-aboriginal Canadians. Thus far, however, these programs seem to be ineffective; the aboriginal unemployment rate remains almost twice the national average, with no sign of improvement. Many observers have expressed concern that the Canadian labor market is currently experiencing more weakness than is implied by the official unemployment rate, which has steadily fallen in recent years to about 7% in 2014. The long-term unemployment rate shot up during the past recession, and has remained high since. The number of working-age people in the workforce has been shrinking. The federal government has recognized the need to improve the economic environment in order to encourage businesses to hire new workers, as well as the need for more effective workplace training, but its proposals have not been met with much enthusiasm. The proposed small-business job credit aimed at reducing firms' employment-insurance costs, for example, was criticized for a flawed design that experts said would give firms an incentive to fire workers and cut salaries. Similarly, the Canada Job Grant Program, which was provided for in the 2013 and 2014 federal budgets and is aimed at providing financial assistance to businesses interested in upgrading their employees' skills, has triggered a host of complaints from the provinces, whose participation and financial contributions are required. Less than half of the provinces and territories that agreed to implement the grant had finalized their funding agreements with Ottawa by summer 2014. The federal government has also faced controversy over the ballooning temporary-foreign-worker program, under which a growing number of low-skilled temporary foreign workers have entered the workforce, including in regions such as southwestern Ontario, where the labor market has been in steady decline over the last decade.

Overall, the Canadian labor market is very flexible, particularly for a developed country. According to the World Bank's 2010 Doing Business report, Canada ranked 17th out of 180 countries for the ease with which employers could employ workers. The United States ranked first, but all other G-7 countries ranked well below Canada, as follows: United Kingdom (35th), Japan (40th), France (55th), Italy (99th), and Germany (158th).

Citation:

World Bank (2010) Doing Business 2011 http://www.doingbusiness.org/report_s/global-reports/doing-

business-2011/~media/GIAWB/Doing%20Business/Documents/Annual-Reports/English/DB11 - Chapters/DB11-EW.pdf
 World Bank (2009) Doing Business 2010 <http://www.doingbusiness.org/~media/GIAWB/Doing%20Business/Documents/Annual-Reports/English/DB10-FullReport.pdf>
 2014 Federal Budget “The Road to Balance, Creating Jobs and Opportunities”, posted at <http://www.budget.gc.ca/2014/docs/plan/pdf/budget2014-eng.pdf>
 Centre for the Study of Living Standards, Ottawa. Press Release June 20, 2012, Aboriginal Labour Market Performance in Canada Deteriorates Since 2007, <http://www.csls.ca/PressReleaseJune202012.pdf>

Taxes

Tax Policy
 Score: 7

Canada has seen a substantial rise in income inequality over the past few decades. Mirroring trends in the United States and other Western economies, the share of total income going to the top 1% of earners has increased dramatically since 1980. Moreover, there has been a technology- and trade-driven polarization of labor demand, with the earnings of male workers stagnating. Although Canada’s top income-tax bracket is well below that in similar nations (notably the United States), the Canadian tax system largely achieves its objectives in terms of equity. The income-tax system is reasonably progressive, many tax deductions have been converted to tax credits at the lowest tax rates, and tax credits have been introduced to offset regressive consumption taxes for low-income persons. The taxation of dividends has been adjusted to ensure there is no double taxation at both the corporation and individual level. In terms of tax competitiveness, Canada fares well. Statutory corporate-tax rates at the federal level and within the provinces have been reduced significantly in recent years. The marginal effective tax rate on investment has fallen, and is now the lowest among G-7 countries and below the OECD average. Capital taxes have been largely eliminated.

Canada scores high in terms of the generation of sufficient public revenues, and the federal government is currently on track to run a budget surplus in 2014 – 2015. Much of the credit for Canada’s sound financial situation goes to the Conservative government’s former finance minister Jim Flaherty, who received universal acclaim for his handling of the 2008 – 2009 crisis, and for moving toward a balanced budget after the structural deficit created by the Conservative’s 2% reduction in the goods-and-services tax in 2006.

Budgets

Budgetary Policy
 Score: 8

Canada’s government is in a strong fiscal position. Private-sector employment is today above its pre-recession peak, indicating that the economy has recovered from the 2008 recession, although the Canadian labor market is not as strong as it appears by some metrics. Canada’s budget deficit as a proportion of GDP is low by international standards, as is its public debt/GDP

ratio. In the federal budget released in March 2014, the government reaffirmed its commitment to achieving a balanced budget in 2015, with a surplus thereafter following projections of higher revenues as the economy expands. In its latest economic and fiscal outlook, the federal budget office predicts balanced budgets through 2019 – 2020, when it says the federal surplus will reach as high as CAD 11.3 billion. The fiscal situation is somewhat weaker in certain provinces, particularly Ontario, but budgetary balances are moving in the right direction.

Rising health care costs associated with the aging of the population represent a potential challenge to long-run fiscal sustainability. However, the 2014 Fiscal Sustainability Report from the Parliamentary Budget Office suggests that the federal government will be able to meet these demographic challenges with considerable fiscal room to spare. The issue of demographic change has also received much attention from the provincial governments, which are responsible for health care in Canada. These bodies too have been taking measures to reduce the rate of increase in health care spending.

Citation:

Parliamentary Budget Officer, Economic and Fiscal Outlook Update 2014, posted at http://www.pbo-dpb.gc.ca/files/files/EFOU_2014_EN.pdf

Parliamentary Budget Officer, Fiscal Sustainability Report 2014, posted at http://www.pbo-dpb.gc.ca/files/files/FSR_2014.pdf

Research and Innovation

R&I Policy
Score: 7

In May 2013, the federal government's Science, Technology and Innovation Council released its biennial review of the nation's science, technology and innovation (STI) performance, arguing that the country continues to tread water as a mid-level performer in STI. Generous fiscal-incentive programs for business R&D (BERD) are available in Canada both at the national and provincial level, and there is significant government financial support for higher-education-based R&D. Canada's low business expenditure on R&D (BERD) intensity and poor productivity performance are believed to represent 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 further study, including 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 to government lab R&D budgets; the inadequacy of government programs in facilitating technology transfer or persuading small and medium-sized businesses to adopt best-practices techniques; and the relationship, or lack thereof, between increased

rates of higher education participation and business sector R&D and productivity.

The 2014 federal budget provided for additional funding for research and innovation, including the creation of the Canada First Research Excellence fund, which provides CAD 1.5 billion in funding over the next 10 years for certain post-secondary institutions. This also includes funding for four major research councils. Public policy in Canada appears to have been effective in creating a strong research capacity in the academic sector. In September 2012, the Council of Canadian Academies released an assessment of science and technology in Canada that found Canada's scientific research enterprise to be ranked fourth-highest in the world, after that of the United States, the United Kingdom and Germany, in a survey of over 5,000 leading international scientists. With less than 0.5% of the world's population, Canada produces 4.1% of the world's research papers and nearly 5% of the world's most frequently cited papers.

Citation:

Science, Technology and Innovation Council (2013) Canada's Science, Technology and Innovation System: Aspiring to Global Leadership, State of the Nation, 2012, May http://www.stic-csti.ca/eic/site/st-ic-csti.nsf/eng/h_00058.html

Council of Canadian Academies (2012) Expert Panel Report on the State of Science and Technology in Canada, September, http://www.scienceadvice.ca/uploads/eng/assessments%20and%20publications%20and%20news%20releases/sandt_ii/stateofst2012_fullreporten.pdf

Global Financial System

Stabilizing
Global Financial
Markets
Score: 9

The Canadian government, through various departments and agencies, contributes actively to the effective regulation and supervision of the international financial architecture. The Bank of Canada has been particularly prominent in the international arena. Former Bank of Canada Governor Mark Carney, who assumed the position of Governor of the Bank of England on 1 July 2013, chairs the G-20 Financial Stability Board. Other senior Bank of Canada officials have played important roles in other international financial forums. The Office of the Superintendent of Financial Institutions (OSFI) has also been very active internationally.

II. Social Policies

Education

Education Policy
Score: 8

Education quality in Canada is high. In 2009, Canada ranked fourth worldwide in terms of the quality of secondary education, as evidenced by its Program for International Student Assessment (PISA) scores. Canada has a number of world-class universities and the average quality of its universities is high. Canadian teachers are well-paid by global standards. Equity in access to education in Canada is also impressive. Canada has the highest proportion of the population aged 20 – 64 with some post-secondary education, thanks to the extensive development of community colleges. There are many educational second chances for Canadian youth. The high-school completion rate is also high and rising. Socioeconomic background represents a much lower barrier to post-secondary education in Canada than in most other countries. Because of tight government budgets and the lower priority given to education than to health by the general public, spending on education has been kept under control in Canada in recent years. The level of financial resources allocated to education, largely by provincial governments (as education falls under the provinces' jurisdiction), is reasonable, and resources are in general used efficiently.

Despite the overall strengths of the Canadian education and training system, there are significant weaknesses and challenges. 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. Schools on reserves are funded federally through Aboriginal and Northern Development Canada. A recent evaluation carried out for the ministry found that education opportunities and results are not comparable to those off the reserves, that the comparatively lower quality of teacher instruction and curriculum is affecting student success, and that funding gaps relative to provincially funded regular (off-reserve) schools persist, especially in isolated, low-population communities. Other challenges include the low completion rate for apprenticeship programs, threats to the accessibility of higher education related to large hikes in tuition; the underutilization of recent immigrants' high average skills, low levels of functional literacy in many workplaces, the limited development of the early-childhood education system, a relatively low proportion of PhDs in the overall population, and inadequate levels of employer training. These challenges are well recognized and are being addressed, though with varying degrees of success.

Citation:

Summative Evaluation of the Elementary/Secondary Education Program on Reserve, report prepared for AANDC, June 2012. http://www.aadnc-aandc.gc.ca/DAM/DA_M-INTER-HQ-AEV/STAGING/texte-text/ev_else_1365173418229_eng.pdf

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. A recent Centre for the Study of Living Standards (CSLS) study found that Canada's after-tax income Gini coefficient, which measures inequality after taxes and transfers, was 23.7% lower than the market-income Gini coefficient before taxes and transfers. The study also found that while the market Gini coefficient increased by 19.4% between 1981 and 2010, almost half of the increased market-income inequality was offset by changes in the transfer and tax system, thus providing strong evidence that Canada's redistribution policies reduce market-income inequality to a considerable degree.

However, certain groups, such as recent immigrants and aboriginal Canadians, are to a considerable degree excluded or marginalized from mainstream society. For these groups, social policy has done an inadequate job of preventing social exclusion. For immigrants, social disparities tend to diminish with the second generation. Indeed, second-generation immigrants often outperform the mainstream population on a variety of socioeconomic measures (including education, for example). The same cannot be said of the aboriginal population, where the young generation often performs significantly worse than the mainstream. In 2011, the proportion of aboriginals without a degree or diploma was 28%, more than twice as high as that of other Canadians. Aboriginal children represent almost half of all children in foster care across Canada, even though native people account for just 4.3% of the total population.

Citation:

Andrew Sharpe and Evan Capeluck (2012) "The Impact of Redistribution on Income Inequality in Canada and the Provinces, 1981-2010," CSLS Research Report 2012-08, September. <http://www.csls.ca/reports/csls2012-08.pdf>

Jeffrey G. Reitz, Heather Zhang, and Naoko Hawkins, 2011, "Comparisons of the success of racial minority immigrant offspring in the United States, Canada and Australia," *Social Science Research* 40, 1051-1066.

Statistics Canada (2013), *Aboriginal Peoples in Canada: First Nations People, Métis and Inuit*, National Household Survey 2011 Analytical document 99-011-X

Statistics Canada (2013), *Education in Canada: Attainment, Field of Study and Location of Study*, National Household Survey 2011 Analytical document 99-012-X

Health

Health Policy
Score: 8

Like educational policy, health care is primarily the responsibility of the individual provinces. The quality of the Canadian health system is good, as evidenced by the high level of life expectancy, but is not as high as in comparable European countries. The inclusiveness of the Canadian health system is impressive, with high-quality health care freely provided for virtually the entire population. Lack of income is not a barrier to treatment. One effect of the equity in access to health care services is the small gap in perceived health between the top and bottom income quintiles. The most glaring problem with the Canadian system is timely access to care. Canadians regularly experience long waiting times for certain procedures (largely confined to those that are not life threatening). A recent report from the Health Council of Canada (2013) found only limited progress in reducing these wait times. One additional access issue is presented by the exclusion from Medicare coverage of dental care, vision care and drugs prescribed for use outside of hospitals, resulting in unequal access across income groups to these types of health-care services. Quality of care is also of some concern. Canada has relatively high rates of infant mortality, and according to a 2014 report by the U.S. based Commonwealth Fund that compared health care systems internationally, ranks poorly on some safe-care measures.

In contrast to the equity of access, the cost efficiency of the Canadian health system is not impressive. Canada's health spending as a share of GDP, while well below that of the United States, is above that of many European countries. The rationalization of health-care costs is a major goal of government policy at this time. The Health Council of Canada (2013) reported in 2012 that 57% of Canadian physicians reported using electronic health records. While this proportion is up from 23% in 2006, it is still below the incidence of use in many other countries.

Overall, Canada outperforms the United States but lags significantly behind comparable European countries such as Germany, the United Kingdom, and the Netherlands on the basis of many measures of quality, equity and efficiency of care. The Commonwealth Fund report ranked Canada second to last overall on a comparative score card of 11 health care systems.

Citation:

Health Council of Canada (2013) "Progress Report 2013: Health care renewal in Canada," May. http://www.healthcouncilcanada.ca/r_pt_det.php?id=481

Commonwealth Fund (2014), Mirror Mirror on the Wall - How the Performance of the U.S. Health Care System Compares Internationally, posted at http://www.commonwealthfund.org/~media/files/publications/fund-report/2014/jun/1755_davis_mirror_mirror_2014.pdf

Families

Family Policy
Score: 7

The labor-force participation rate for women with children all under six years of age in Canada is high by international standards, suggesting that policies may have contributed to this situation. One key policy has been the increase in 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 of age 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 terms of fostering labor force participation. Indeed, the average net cost of child care in Canada is among the OECD's five highest, both as a share of the average wage and as a share of the average family income. Canada is below the OECD average in terms of participation rates in formal care and preschool participation rates for children under five years of age. The federal government recently announced an increase in the Universal Child Care Benefit to CAD 160 a month, and unveiled a controversial income-splitting plan for families. These measures appeared likely to become law in early 2015, at a projected cost of CAD 4.6 billion. The income-splitting plan has drawn criticism on both equity and efficiency grounds, as it primarily benefits traditional families in which one spouse is the sole income earner, and raises the marginal tax rate of the secondary earner (the lower-earning of the two spouses in a family unit). As the latter are predominantly women, this measure would likely lead to a drop in female labor-force participation rates, as women either reduce the numbers of hours worked or drop out of the labor force entirely.

Citation:

OECD Family database www.oecd.org/els/social/family/data base

OECD (2011), *Doing Better for Families*, Chapter 4. Reducing barriers to parental employment, <http://www.oecd.org/social/soc/doingbetterforfamilies.htm#publication>

Pension Policy
Score: 8

Pensions

The basic components of Canada's public pension retirement-income system are the demogrant Old Age Security (OAS), the income-tested Guaranteed Income Supplement (GIS) and the contribution-fed, earnings-based Canada/Quebec Pension Plan (CPP/QPP). Other tiers of the pension system include employer pension plans (both defined-benefit and defined-contribution plans) and government incentive programs for individual saving such as Registered Retirement Saving Plan (RRSPs) and Tax-Free Saving Accounts (TFSA).

The effectiveness of the Canadian pension system as a tool to reduce poverty among the elderly depends on the poverty measure used. Using Statistics Canada's Low-Income Cutoff (LICO) measure of poverty, an absolute definition, the poverty rate for persons 65 and over was 5% in 2009, down from 10% in 1995 and 20% in 1981. In contrast, Statistics Canada's Low-Income Measure (LIM), a relative poverty definition, was 12% for the elderly in 2009, up from 4% in 1995.

Intergenerational equity is not a major concern for the Canadian pension system. It is true that the early recipients of CPP benefits in the phase in-period of the plan received considerably more than they contributed from an actuarial perspective. There is now a much closer relationship between contributions and benefits on an individual basis, so intergenerational transfers are much less significant. The combination of the OAS/GIS and the CPP/QPP provides a relatively high base income for low-income earners. At the same time, the CPP/QPP is designed to replace only 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 federal government has recognized this weakness in the pension system and in 2012 responded by creating the Pooled Registered Pension Plan (PRPP) to encourage more employee saving in workplaces without registered pension plans. However, utilization rates for this new program have been very low. Many pension experts believe that expansion of the CPP/QPP, either on a voluntary or mandatory basis, is the most appropriate path for the provision of adequate pensions for all Canadians. 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. 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.

Integration

Integration Policy
Score: 9

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, including language training and orientation courses, support the integration of immigrants. To promote integration, Canada allows immigrants to become citizens after three years of residency, one of the shortest residency requirements in the world. The high educational attainment of immigrants – the highest in the world, in fact, with around half of immigrants having university educations – also facilitates integration.

Nevertheless, these policies do appear to have weaknesses, as seen by the relatively poor labor-market performance of recent immigrants, as well as immigrants' high rate of return to their countries of origin. A recent CSLS study found that in 2012, very recent immigrants to Canada (those with less than five years of residence) had an unemployment rate of 19.6%, an employment rate of 92%, and hourly wages that averaged just 79% of wages accruing to those born in Canada. The integration of immigrants is impeded by a number of factors, including 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 immigrants are few in number experience much better labor-market outcomes); the language problems encountered by many immigrants; and according to some, the lower quality of education received by immigrants from developing countries.

In 2014, the federal government passed changes to the Citizenship Act with the aim of reducing processing time for applications, better protecting the citizenship program from abuse, and making it easier for the Canadian government to revoke a person's rights on the basis of security concerns, violations of human or international rights, or participation in organized-crime activities.

Citation:

Andrew Sharpe, Erik Johnson and Evan Capeluck (2013) "Labour Market Performance of Immigrants in Canada, 2006-2012," CSLS Research Report, (Ottawa: Centre for the Study of Living Standards, to be published in June

Safe Living

Safe Living
Conditions
Score: 8

Canada's internal security policy has been quite effective in protecting citizens against security risks. Canada has experienced no terror attacks mounted from

outside the country, which suggests that the Canadian intelligence services are doing excellent work. However, two separate attacks by native Canadians in 2014, resulting in the deaths of two soldiers, have raised concerns about police forces' ability to prevent terrorist attacks and the security measures in place at federal and provincial legislatures. Following the incidents, the government announced plans to introduce new anti-terror measures and expand the powers of Canada's spy agency.

Crime rates in Canada are low from an international perspective and continue to fall. Canadians in general have a high degree of confidence and trust in the police. However, this is not true to the same extent within the aboriginal community. The Assembly of First Nations, the Metis National Council, the Inuit Tapiriit Kanatami and the Native Women's Association of Canada have made repeated calls for a national public investigation into the unsolved cases of the murder or disappearance of about 600 aboriginal women and girls across the country. The U.N. Human Rights Council's recent Universal Periodic Review of Canada expressed concerns about violence against indigenous women and girls and Canada's perceived failure to address the problem.

Citation:

UN Human Rights Council (2013). Universal Periodic Review: Canada. Report available at <http://www.ohchr.org/EN/HRBodies/UPR/Pages/CASession16.aspx>

Global Inequalities

Global Social
Policy
Score: 7

Canada's government has a long history of supporting international efforts to promote socioeconomic opportunities in developing countries, and has shown leadership on critical issues such as nutrition and child health. However, Canada recently cut its foreign aid budget by 8.2%, reducing Canada's share of official development assistance as a percentage of gross national income to 0.27%, a relatively low level for an OECD country. Furthermore, a recent North-South Institute study makes the case that Canada's current framework guiding foreign-aid efforts – that is, the focus on improving aid effectiveness and accountability – is insufficient as an overarching framework guiding the country's approach to development. This is because the focus on aid effectiveness captures only a small part of Canada's engagement with the developing world. A broader vision that includes aid and non-aid policies is needed in order for Canada to improve the coherence of its development policy and be an effective actor in the international development sphere. In principle, Canada promotes a fair global trading system. In practice, domestic interests are often paramount. For example, the government vigorously defends Canada's agricultural marketing boards in trade negotiations, even

though the removal of the trade barriers related to these boards would give developing countries better access to the Canadian market.

Citation:

Millennium Development Goals Database, United Nations Statistics Division. Net ODA as percentage of OECD/DAC donors GNI data obtainable at <http://data.un.org/Data.aspx?d=MDG&f=seriesRowID:568#MDG>

Anni-Claudine Bulles and Sghannon Kindornay (2013) "Beyond Aid: A Plan for Canadian International Cooperation" North-South Institute, May. http://www.nsi-ins.ca/wp-content/uploads/2013/05/BuellesKindornay.2013_CNDPolicyCoherenceEN.pdf

III. Environmental Policies

Environment

Environmental
Policy
Score: 5

Canada's environmental-protection and sustainable-development record has been on the decline over the past years. A bill (No. C-38) passed in 2012 eliminated the Canadian Environmental Assessment Act, lowering the stringency of the federal environmental-assessment process and limiting the scope for public involvement. Environmentalists argue that the bill is part of a general pattern in which habitat-protection measures that often existed in law for years are removed in order to enable the development of energy projects and pipelines.

Bill C-38 had a number of implications for renewable water resources, forests, and biodiversity. Federal protection of over 95% of Canada's lakes and rivers was eliminated under the new Navigable Waters Protection Act, and pipelines and power lines were exempted from the provisions of the act. Amendments to the Species at Risk Act relieved the National Energy Board of the duty to impose critical-habitat-protection conditions on projects it approves. In addition, companies no longer have to renew permits periodically for projects that threaten critical habitats. As part of the government's 2012 – 2014 austerity budgets, Parks Canada suffered significant cuts in its budget, losing 30% of its full- and part-time positions nationally in 2012 – 2013, with more cuts expected in 2014 – 2015 despite additional funds promised by the government to address critical infrastructure needs. In other areas, however, some progress is being made. The 2014 Fall Report of the Commissioner of the Environment and Sustainable Development (a branch of the Auditor General of Canada) found that the federal government has laid the groundwork for more comprehensive monitoring of the environmental effects of the oil-sands development in the province of Alberta.

Climate-change policy has been extremely controversial in Canada. Many observers argue that the federal government has not seriously addressed the issue of global warming and greenhouse-gas emissions. Unlike the government of British Columbia, the federal government has not introduced a carbon tax, and unlike the government of Ontario, it has not developed a comprehensive strategy for renewable energy. Bill C-38 included a repeal of the Kyoto Protocol Implementation Act. The 2014 Commissioner of the Environment and Sustainable Development report concluded that Canada is all but certain to miss its target for the Copenhagen Accord, which the government signed in lieu of participating in the Kyoto Protocol. Under the Accord, greenhouse-gas production was to be cut to 17% below 2005 levels by 2020. Using Environment Canada data, the commissioner estimated that by 2020, greenhouse-gas production in the oil and gas sector will be 27 megatons higher than it was in 2012.

Citation:

Office of the Auditor General of Canada, 2014 Fall Report of the Commissioner of the Environment and Sustainable Development, posted at http://www.oag-bvg.gc.ca/internet/English/parl_cesd_201410_00_e_39847.html.

Theresa McClenaghan (2012) "Bill C-38: Federal Budget Bill 2012 Implications for Federal Environmental Law" Canadian Environmental Law Association, June. <http://www.cela.ca/sites/cela.ca/files/Bill-C-38-Federal-Budget-Bill-Review-and-Implications.pdf>

Global Environmental Protection

Global
Environmental
Policy
Score: 4

The government of Canada in principle supports the design and advancement of global environmental-protection regimes. In practice, the current government has demonstrated little if any commitment to this objective, as seen for example by its repeal of the Kyoto Accord. Canada's approach to environmental policy has in the past to a large degree followed that of the United States, given the close economic relations between the two countries. Under the Obama administration, the United States has taken a lead with its Global Climate Change Initiative; however, this did not appear to raise Canada's interest in this area. According to a 2014 report by Germanwatch, a sustainable-development advocacy group, "Canada still shows no intention [of] moving forward with climate policy and therefore remains the worst performer of all industrialized countries."

Citation:

Germanwatch, The Climate Change Performance Index 2014, posted at <http://germanwatch.org/en/download/8599.pdf>

Quality of Democracy

Electoral Processes

Candidacy
Procedures
Score: 10

The right to be a candidate in a federal election is laid down in the Canadian Charter of Rights and Freedoms, with the associated procedures and responsibilities specified in the Canada Elections Act. There are virtually no restrictions on becoming a candidate for election. Almost all Canadian citizens 18 years old 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 CAD 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 either 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: 8

While national media outlets do demonstrate political orientations, in general there is fair and balanced coverage of election campaigns and parties. Under sections 335, 339 and 343 of the Canada Elections Act, every broadcaster in Canada is required to make a minimum of 390 minutes of air time during each federal general election available for purchase by registered political parties. The allocation of airtime among the parties is usually based on a formula that takes into account factors such as the party's percentage of seats in the House of Commons, its percentage of the popular vote in the last general election, and the number of candidates it endorsed as a percentage of all candidates. The Canadian system is one of paid political advertising; that is, any broadcasting time used before an election has to be paid for, and there is no free direct access. This sets Canada apart from most European countries, which often have either a prohibition on paid advertising or a mixed system. In this sense, one could argue that parties' or candidates' access to direct broadcasting depends on the state of their campaign finances. However, whether or not this translated into unequal access is unclear, as campaign spending regulations likely impose de facto limits on how much parties can actually spend on televised advertising time.

The Elections Act restricts the amount any outside group can spend on political advertising during a political campaign to CAD 200,001. Under the changes implemented to the act through bill V-23 in 2014, this sum also became the limit on any spending “in relation to an election,” not just during the campaign itself, thus capping total spending on political communications in the four to five years between elections.

Citation:

Parliament of Canada, Bill C-23: An Act to amend the Canada Elections Act and other Acts and to make consequential amendments to certain Acts, posted at

<http://www.parl.gc.ca/HousePublications/Publication.aspx?Language=E&Mode=1&DocId=6684613>.

Voting and
Registrations
Rights
Score: 8

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. 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. Canada has a system of universal voter registration; the government is in charge of registering its citizens to vote as a means of protecting their constitutional right (this stands in contrast with the United States’ system of citizen-initiated opt-in registration). Additionally, Canada allows for election-day registration for those who the universal registration system missed. Procedures for voting 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.

With the passage of the Fair Elections Act (Bill C-23), the year 2014 marked significant changes in Canada’s election law. The act was initially unveiled as implementing a number of recommendations from the chief electoral officer in the wake of the 2011 “robocall scandal,” in which voters in a number of electoral districts received automated phone calls containing misleading information about the location of their polling station. In an effort to crack down on such illegal robocalls, the bill introduced the Voter Contact Registry, imposed prison time for impersonating elections officials, and “increased penalties for deceiving people out of their votes.” According to the chief electoral officer’s own testimony to the House of Commons Standing Committee on Procedure and House Affairs, however, the bill contains other measures that “undermine its stated purpose and will not serve Canadians well.” One particularly controversial provision is the elimination of the use of vouching and Voter Information Cards as a form of ID. In addition, Elections Canada will no longer be able to run advertising campaigns encouraging people to vote.

Party Financing
Score: 8

Citation:

Parliament of Canada, Bill C-23: An Act to amend the Canada Elections Act and other Acts and to make consequential amendments to certain Acts, posted at

<http://www.parl.gc.ca/HousePublications/Publication.aspx?Language=E&Mode=1&DocId=6684613>.

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. Corporations, trade unions, associations and groups are prohibited from contributing to political parties. Only individuals are allowed to contribute, with maximum limits on separate donations to registered parties, electoral candidates, and candidates in political party leadership contests. Individuals receive generous tax credits for political donations. Political parties are also funded by the government. Each registered federal political party that received at least 2% of all valid votes in the last general election, or at least 5% of the valid votes in the electoral districts in which it had a candidate, was given CAD 2.04 per vote received in the 2011 election. However, the current government reduced the subsidy to CAD 1.53 on 1 April 2012. The subsidy is slated to be further reduced on each subsequent April 1, until it is eliminated in 2015. Of the ways in which federal parties are allocated public funding, the per-vote subsidy is largely considered to be the most democratic, so this measure may be seen as negative from the perspective of the fairness of party financing.

In 2014, parliament passed bill C-23, which implemented a number of lesser changes to the rules governing political financing, including a measure increasing annual limits for contributions to registered parties, registered associations, candidates, and nomination and leadership contestants from CAD 1,100 to CAD 1,500 per year, with further increases of CAD 25 per year after the first year. The amount that candidates and leadership contestants may contribute to their own campaigns was respectively raised to CAD 5,000 and CAD 25,000.

Citation:

Parliament of Canada, Bill C-23: An Act to amend the Canada Elections Act and other Acts and to make consequential amendments to certain Acts, posted at

<http://www.parl.gc.ca/HousePublications/Publication.aspx?Language=E&Mode=1&DocId=6684613>.

Popular Decision-
Making
Score: 6

There are few opportunities for Canadians to make binding decisions on matters of importance to them through popular initiatives or referenda on the federal level. On the federal level, it is impossible to circumvent elected representatives. On the provincial level, British Columbia remains the only

jurisdiction in Canada with voter-initiated recall and referendum legislation. It is worth noting that the Royal Commission on Electoral Reform concluded in 1991 that “in Canada, the particular vulnerability of the prime minister and cabinet ministers to the use and abuse of the recall would make this instrument of direct democracy especially detrimental to our system of representative democracy.”

Citation:

Royal Commission on Electoral Reform and Party Financing, *Reforming Electoral Democracy*, Minister of Supply and Services, 1991, p. 247.

Access to Information

Media Freedom
Score: 8

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 French-language division of the CBC, would be permitted to advocate the breakup of the country. Privately owned media organizations can of course take any political position they wish. The only leverage held by the government over these media organizations 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. Electronic media are subject to licensing requirements, but this regulation is performed by an independent body, the Canadian Radio and Television Commission (CRTC), without overt political influence. The federal government does appoint the members of the CRTC, as well as the head of the CBC. Recent cuts in the budget of the CBC have resulted in severe budget shortfalls over the past few years. The CBC has consequently engaged in considerable downsizing, with layoffs of about 25% of its employees projected by 2020.

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 also strong media concentration in some parts of the country (e.g., the Irving newspapers 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 and to provide balanced coverage of issues. 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
Government
Information
Score: 6

Access to official information in Canada is regulated by the Access to Information Act. Access is often impeded by bureaucratic procedures and delays. 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 that some groups feel have been misapplied by the current government, such as the censoring of information for national security reasons. For instance, a 2008 report asserted that the federal government failed 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. The author, Stanley Tromp, argued that while the Canadian Access to Information Act was a progressive piece of legislation when it was introduced in 1982, and could claim to be competitive with the other access laws which existed at the time, the federal government has failed to reform the legislation sufficiently over time to respond to implementation problems and to incorporate new and progressive developments in the sector. In a recent report by Canadian-based The Centre for Law and Democracy in cooperation with the Madrid-based Access Info Europe, Canada's legislation was compared to that of other countries. According to this report, Canada's standing in September 2011 was ranked 40th of 89 countries, but fell to 51st in June of 2012, then to 55th of 93 countries in September 2012, behind Mongolia and Colombia. "While standards around the world have advanced, Canada's access laws have stagnated and sometimes even regressed," the report concluded, noting that Canada was a world leader in 1983 when its federal information law came into force.

Citation:

The Centre for Law and Democracy (2012): Entrenching RTI: An Analysis of Constitutional Protections of the Right to Information, posted at http://rti-rating.org/docs/Const%20Report_final.pdf

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

Civil Rights and Political Liberties

Civil Rights
Score: 9

The state and the courts in general show a high degree of respect for civil

rights and political liberties in Canada. Of course, there is a trade-off between protecting the rights of individuals from government intrusion and ensuring public safety and security from terrorist threats. Two recent security breaches, the shooting of a soldier on ceremonial sentry duty at the Canadian National War Memorial in Ottawa and an attack on military personnel in Saint-Jean-sur-Richelieu, have given new impetus to the government's plans to expand the powers and courtroom anonymity of the Canadian Security Intelligence Service (CSIS), and to introduce new anti-terrorism measures. Given that terrorist threats are real, most Canadians feel the government is striking the appropriate balance.

Political Liberties
Score: 8

There were very few major concerns expressed about infringements of Canadians' political liberties over the 2011 – 2014 period, with the exception of bill C-309, passed in 2013, which makes it a crime punishable by a 10-year prison term to incite a riot while wearing a mask or any face covering, including face paint. Someone who merely participates in a riot or in an "unlawful" assembly with their face covered can be deemed under the new law to have committed an indictable criminal offense and be jailed for up to five years.

Seeking to improve the stability and efficacy of First Nations governments, the federal government passed the First Nations Elections Act in 2014. This act provides a new opt-in election system for individual First Nations, which differs from the regime created under the Indian Act by providing for longer terms of office for chiefs and councilors, among other provisions, while creating the opportunity to withdraw from the Indian Act regime.

Citation:

Parliament of Canada, Bill C-9 "First Nations Elections Act", posted at <http://www.parl.gc.ca/HousePublications/Publication.aspx?Language=E&Mode=1&DocId=6540209>

Non-discrimination
Score: 8

Canada's 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. 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. 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. A case in point is the gender-based pay gap. The lack of affordable childcare in Canada forces many women to drop out of the labor force or reduce their working hours during child-rearing years. This has a serious effect on women's earnings levels. Full-time employed women in Canada earn on

average 19% less than men; for women between 25 and 44 with at least one child, the pay gap is 29%, significantly higher than the OECD average (2010 data).

As so often, the experiences of Canada's aboriginal population pose the greatest concern. A 2014 report by the U.N. Special Rapporteur on the Rights of Indigenous Peoples concluded that Canada faces a continuing crisis when it comes to the situation of indigenous peoples: "The well-being gap between aboriginal and non-aboriginal people in Canada has not narrowed over the last several years, treaty and aboriginal claims remain persistently unresolved, indigenous women and girls remain vulnerable to abuse, and overall there appear to be high levels of distrust among indigenous peoples towards government at both the federal and provincial levels." In 2014, Canada was the only U.N. member country to object to the adoption of a document reestablishing protections for the rights of indigenous people, including the U.N. Declaration on the Rights of Indigenous Peoples.

Citation:

UN Human Rights Council, Report of the Special Rapporteur on the rights of indigenous peoples, James Anaya (2014), posted at http://www.ohchr.org/Documents/Issues/IPeoples/SR/A.HRC.27.52.Add.2-MissionCanada_AUV.pdf

OECD (2012), Closing the Gap - Canada, posted at <http://www.oecd.org/canada/Closing%20The%20Gender%20Gap%20-%20Canada%20FINAL.pdf>

Rule of Law

Legal Certainty
Score: 8

Canada's government and administration rarely make unpredictable decisions. Legal regulations are generally consistent, but do sometimes leave scope for discretion. Of course, the government can be expected to be challenged in court if its executive actions are not consistent with the law, which provides an incentive to comply.

Judicial Review
Score: 9

The scope of judicial review was greatly expanded with the enactment of the Canadian Charter of Rights and Freedoms in 1982, which constitutionally entrenched individual rights and freedoms. Today, the courts in Canada pursue their reasoning free from the influence of governments, powerful groups or individuals.

Appointment of
Justices
Score: 5

It can be argued that the current process for judicial appointments in Canada, which is at the complete discretion of the prime minister, does not 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 even 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 as for Supreme Court

justices. Despite this almost absolute power, however, 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. The appointment process is covered by the media. Historically, there was little reason to believe that the current judicial-appointment process compromised judicial independence. This changed somewhat in 2014, when Prime Minister Harper appointed Marc Nadon – a man many observers believed was close to the prime minister’s political heart – to the Supreme Court. As a retired judge, Nadon’s eligibility was questioned early on, and the government even introduced legislative changes in its 2014 budget bill in an effort to make Nadon eligible as a former member of the Quebec bar. In an unprecedented move, the Supreme Court ruled that Nadon could not take his seat, blocking the appointment. Harper and Justice Minister Peter MacKay later publicly suggested that Supreme Court of Canada Chief Justice Beverley McLachlin had acted improperly in seeking to issue a warning about Nadon’s potential eligibility. The prime minister subsequently faced severe criticism for his treatment of the chief justice, both from the Canadian Bar Association and the International Commission of Jurists, who accused the government of intruding on the independence and integrity of Canada’s judiciary.

Citation:

Nadia Verrelli, ed. (2013) *The Democratic Dilemma: Reforming Canada’s Supreme Court* (Montreal: McGill-Queen’s University Press)

International Commission of Jurists (2014), *Response to concerns about interference with integrity and independence of the judiciary in Canada*, posted at <http://icj.wpengine.netdna-cdn.com/wp-content/uploads/2014/07/Canada-JudicialIndependenceAndIntegrity-CIJL-OpenLetter-2014.pdf>

Corruption
Prevention
Score: 8

Canada has historically ranked very high for the extent to which public officeholders are prevented from abusing their position for private interests. To be sure, there have been many instances in recent Canadian history in which officeholders or their associates have benefited from access to influence. Most recently, municipal and provincial government officials accepted bribes in relation to procurement in Quebec, as was revealed by the Charbonneau Commission on corruption in the construction industry in Quebec. The media closely monitor the expense claims of politicians, and great public ire is aroused when perceived abuses are found. There is a strong public perception, rightly or wrongly, that public officeholders abuse their positions for private gain.

Governance

I. Executive Capacity

Strategic Capacity

Strategic
Planning
Score: 8

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 potentially have developed a strategic-planning function. However, this unit has 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 specific program responsibility. Their purpose is to manage politically sensitive files and to plan. Therefore, some argue that the planning capacity of the government of Canada is as strong as that of other Western countries, and in some cases even stronger.

Scholarly Advice
Score: 7

Many government departments and agencies have multiple advisory committees, which can at times have considerable impact but rarely have a dominant influence on policy. 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. In recent years, these positions have often been vacant for long periods. Government departments and agencies often commission experts to organize research projects on high-profile issues. The results of these initiatives have in the past been influential in the course of policy development, but less so in recent years given the government's reduced emphasis on evidence-based

policymaking. 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.

Interministerial 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 to senior levels within the federal public service. Consequently, central-agency staff members are generally highly skilled 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 significant influence within the machinery of government in Ottawa. However, there is ongoing dialogue between central-agency staff and line-department officials. Things tend to be 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.

Ministerial
Bureaucracy
Score: 8

Many policy proposals are coordinated by line ministries with other line ministries. However, due to issues of departmental mandates and authorities, this process is generally not as effective as the central-agency coordination process. On certain issues, the line department may be unwilling to recognize the role or expertise of other line departments, or have fundamental differences of perspectives on the issue, and hence may fail to consult and/or coordinate a

Informal
Coordination
Score: 7

policy proposal with others. The paramount role of central agencies in policy development means that departments have in fact little ability to effectively coordinate policy proposals.

Many, but not most policy proposals are coordinated through informal mechanisms, such as informal meetings with government members or across levels of government.

Evidence-based Instruments

RIA Application
Score: 6

Canada's assessment of the potential socioeconomic impact of draft laws is somewhat irregular, as regulatory impact assessments (RIA) are performed randomly, except in areas such as environmental projects where they are required by statute, or in cases when the Treasury Board's authority and approval are required, as is true of regulatory measures and government projects. In particular, the Treasury Board regulatory development process requires the submission of a regulatory impact analysis statement (RIAS) before the any regulation is drafted. The Office of the Auditor General (OAG) of Canada is formally charged with so-called performance audits, which aim to provide an independent, objective and systematic assessment of whether government programs are being run with due regard for economy, efficiency, and environmental impact. The OAG has considerable discretion regarding which programs it will examine, and takes requests from parliamentary committees, MPs, citizens, civic groups and other parties to conduct audits in specific areas. It conducts between 25 and 30 performance audits each year, and publishes the results in reports.

The current government has faced persistent complaints that it has made explicit efforts to discourage the use of research and science in policymaking through cuts to federal science programs, legislative changes implemented as a part of the recent budget implementation bill, and the muzzling of scientists in government agencies (notably Environment Canada). The replacement of the mandatory long-form census with the voluntary National Household Survey (NHS) is seen by many think tanks, economists and academics as a major impediment to the development of informed and evidence-based policymaking, as it compromises the government's ability to provide an accurate picture of Canada's population.

Citation:

Green, David and Kevin Milligan (2010), "The Importance of the Long Form Census to Canada," *Canadian Public Policy*, Vol. 36, No. 3.

Quality of RIA
Process
Score: 6

The quality of regulatory impact assessment (RIA) in Canada is in general satisfactory. Stakeholder participation in the past has been encouraged, although recent changes in environmental legislation have put limits on such

Sustainability
Check
Score: 7

participation. RIA results are accessible under Freedom of Information provisions. However, there is little evaluation of the quality of RIA by independent bodies.

Canada does not have a formally adopted sustainability strategy. In a sense, this is not surprising, as there are different types of sustainability (environmental, economic, social). There is also no consensus as to what sustainability means or to how it should be measured. To be sure, many RIAs address sustainability issues, but the methodologies used differ widely. RIAs generally try to integrate sustainability checks in order to provide a basis for decision-making, develop an exhaustive set of impact indicators, and analyze both short- and long-term impacts. However, most assessments lack at least one of these criteria in practice.

Societal Consultation

Negotiating
Public Support
Score: 7

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 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.

The duty to consult and accommodate Canada's aboriginal peoples as laid down in the Royal Proclamation of 1763 has always been part of the legal and constitutional relationship between Canada and its indigenous population. This duty has been tested and clarified in a number of court cases, the latest of which was the 2010 decision on the Nechako River dam in British Columbia, in which the duty to consult was reaffirmed by the Supreme Court of Canada. However, many First Nations leaders allege that there is a general and persistent lack of genuine consultation at both the federal and the provincial level. They have expressed their frustration with the current federal government's decision to ignore their objections to a set of laws on improving drinking water, financial transparency, education, and property rights for aboriginal women on reserves.

Citation:

Rio Tinto Alcan Inc. v. Carrier Sekani Tribal Council, [2010] S.C.J. No. 43.

Policy Communication

Coherent
Communication
Score: 8

The current government has centralized its communications functions in the Prime Minister's Office (PMO). 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 displaying 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.

Implementation

Government
Efficiency
Score: 8

In its 2011 Speech from the Throne, the federal government laid out its objectives for its new mandate, which included a continued focus on jobs, the economy and balancing the federal budget as top priorities. Other objectives included investing in the country's universal health-care system, supporting communities and families, defending the rights of law-abiding citizens, and promoting Canadian values and interests at home and abroad. It is nearly certain that the budget will be balanced or in a condition of surplus in time for the 2015 elections. As efforts to promote employment, the government has focused on skill training, promoting innovation, and reducing barriers to job mobility. However, while the unemployment rate has steadily dropped over the past years, many economists say the Canadian labor market is weaker than it appears; and at any rate, labor-market conditions are arguably more dependent on the business cycle and international-trade conditions than on most government-policy measures.

The federal government currently holds a majority, and thus has considerable freedom to implement its policy objectives unilaterally. In addition, with the improved state of the country's economy, government revenues have risen, providing financial resources to address policy goals. Nevertheless, some constraints with regard to implementing policy objectives still exist. Many social problems targeted by public policy are in fact complex social phenomena that are only partly amenable to public policy action. For example, the government is seeking to reduce the gap in education attainments between aboriginals and non-aboriginals. However, the government's attempt to improve educational quality on First Nation reserves has not been successful for a number of reasons, including resistance to changes in existing governance structures by First Nations. In addition, many of the programs funded by Canada's federal government – including health care, post-

secondary education, social services and the integration of new Canadians— are implemented by provincial governments, thus requiring provincial cooperation in order to attain federal policy objectives.

Various reports from the Office of the Auditor General provide examples of the government's failure to implement its own policy programs. The latest (spring 2014) report is no exception; in particular, the report highlights the lack of sufficient data for policy evaluation as a result of the elimination of the long-form census. The Parliamentary Budget Office, established by the federal Accountability Act in 2006, has also documented many examples of failed government policy, the most egregious being the cost overruns on the F-15 fighter jet. In large measure because of his criticisms of government policy, Kevin Page, the first parliamentary budget officer, was not reappointed once his five-year term was completed in 2013.

Citation:

2014 Spring Report of the Auditor General of Canada, obtainable at http://www.oag-bvg.gc.ca/internet/English/parl_oag_201405_e_39319.html

Ministerial
Compliance
Score: 10

In the Canadian system, the prime minister, in consultation with political staff, forms the Cabinet and appoints his or her ministers, who serve on a discretionary basis. Any cabinet minister who is not perceived by the Prime Minister's Office (PMO) to be a team player, or is seen as a political liability, 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 a gender and linguistic balance, and so on.

Monitoring
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 departments 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. This procedure results in the PCO continually monitoring line-department activities to ensure they are in line with the mandate letter.

Monitoring
Agencies,
Bureaucracies
Score: 8

Ministry procedures for monitoring operating agencies 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. Recently, the federal government has attempted to play a greater role in the administration of certain agencies such as the Canadian Broadcasting Corporation (CBC), especially in the area of labor relations.

Task Funding
Score: 9

Canada’s central government typically ensures that 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 earmarked for these functions through the Canada Health Transfer (CHT) and the Canada Social Transfer (CST). In addition, Canada has a system of Equalization and Territorial Formula Finance (TFF) payments in place, which are unconditional transfers to the provinces and territories designed to equalize the level of public service provision across provinces and territories. The block-funding structure is intended to give provinces and territories greater flexibility in designing and administering programs.

Canada’s government announced in December 2011 that the CHT will continue to grow at 6% annually until 2016 – 2017 to meet the increasing cost of health care. In addition, the CST will continue to grow at its current rate of 3% annually in 2014 – 2015 and beyond. The CHT and the CST will be reviewed in 2024.

Constitutional
Discretion
Score: 9

Canada’s central government takes substantial steps to ensure subnational self-governments are able to 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. This devolution of powers is not always permanent, however, as has been illustrated by the Canada Job Grant Program, which was introduced in the 2013 federal budget and was finalized in 2014 after several months of intense negotiations between the provinces and the federal government. The program, which exists under federal authority but is administered by the provinces, will cover a significant amount of training cost for each eligible worker. Even 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, and won.

National
Standards
Score: 6

In many areas of provincial jurisdiction, perhaps most notably in education, the federal government does not in principle have the authority to ensure that provinces meet national standards. Contrary to most other advanced countries, Canada has no minimum funding levels, national educational goals or

overarching curriculum. Yet despite the complete control exercised by the provinces, Canada’s educational system is arguably quite successful, and remains similar across the various provinces, which invest in mandatory education at comparable levels and achieve comparable results for their students. Graduation rates are similar, as are the results on pan-Canadian and international tests, such as the Program for International Student Achievement (PISA), operated by the Organization for Economic Cooperation and Development (OECD).

In other areas where the federal government transfers funds to the provinces, it has the leverage to insist on certain standards. Health care is the main area in which this occurs. The Canada Health Act of 1986 requires provinces to meet five principles for health care: 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. Some feel that the federal government should be more aggressive in ensuring that national standards are met in the health area.

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 over time in the structural and reporting relationships between the various departments involved in international matters, which include the Canadian International Development Agency (CIDA), and the Department of Foreign Affairs and International Trade (DFAIT).

In the March 2013 federal budget, CIDA was merged with DFAIT. The rationale provided for this reorganization was that an enhanced alignment of foreign, development, trade and commercial policies and programs will allow the government to achieve greater policy coherence on top-priority issues, and will result in greater overall impact. Development advocates have expressed concern that the reorganization will lead to a less focused and effective foreign-assistance program.

International
Coordination
Score: 5

Canada’s government definitely has the institutional capacity to contribute actively to international efforts to foster the provision of global public goods. Indeed, it has made many contributions in this area throughout its history. However, the political will and the desire for Canada to be seen as a model global citizen appears to have weakened. The classic example is the issue of climate change, where Canada is an outlier and laggard in attempts to reduce

greenhouse gases emissions through international agreement. The Canadian government also quietly pulled out of the U.N. anti-drought convention in 2013, making Canada the only country in the world not to be taking part in the convention. At the first-ever U.N. World Conference on Indigenous Peoples in 2014, Canada was the only U.N. member country to reject a landmark indigenous-rights document.

Organizational Reform

Self-monitoring
Score: 7

Government structures are constantly changing in Canada, for better and for worse. It is not a static system, but there are few procedural structures in place to (self-) monitor whether current arrangements are appropriate or whether changes have resulted in the intended improvements. Instead, changes are initiated by the government in power whenever it deems appropriate, with little or no ex post evaluation. In the case of the recent merger of the Department of Foreign Affairs and International Trade (DFAIT) with the Canadian International Development Agency (CIDA), for example, the government offered no details about the exact nature of the amalgamation as conceived, nor about the cost savings it was intended to realize. Other examples in which comprehensive evaluation following an organizational reform has been lacking include the establishment of Service Canada as a delivery platform for government services in 2000, and the split of Human Resources Development Canada into two departments in 2004 (only to be merged again in 2008).

Citation:
David Zussmann (2013), Mergers and successful transitions, Canadian Government Executive, Volume 19 Issue 5

Institutional
Reform
Score: 6

There is little public evidence that changes in institutional arrangements have significantly improved the strategic-governance capacity of Canada’s federal government. These may have produced marginal improvements. For example, the establishment of Service Canada as a delivery platform for government services was a major organizational change in the 2000s. There has been no comprehensive evaluation of this reform.

In certain cases, there may actually be too much organizational change, given that 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 again, with SDC losing its separate identity. In 2013, HRSDC again changed its name, this time to the Employment and Social Development Canada (ESDC), with little if any rationale provided for this change. It is unclear what benefits, if any, arose from this departmental reshuffling. The frequency of departmental

reorganizations has diminished in recent years, which is probably a positive development. Recent changes include the merging of CIDA into DFAIT and the reorientation of the National Research Council from basic to applied research.

II. Executive Accountability

Citizens' Participatory Competence

Policy
Knowledge
Score: 6

Few citizens are well informed about government policies. Indeed, most citizens have only a rudimentary knowledge of key public policy issues, as revealed by public opinion polls. A 2013 comparative study of 10 countries found that Canada is ahead of the United States but lags behind European countries in terms of political knowledge. The same study also found a significant gender gap: Canadian women scored 30% lower on average than did Canadian men when tested on their knowledge of hard-news items. Canada is particularly falling behind with regard to young voters' political literacy. A study by Milner (2007) showed that young Canadians' political knowledge was only slightly higher than that of their American counterparts, and was low compared with that of European youths. It concluded that European nations are better at disseminating the information and skills needed to turn their young people into participating citizens. In a 2011 survey on youth voting by Statistics Canada, 11% of eligible voters between 18 and 24 years of age cited a lack of interest as a reason for not voting, while 12% declared a lack of knowledge as the primary cause for abstaining.

Citation:

Milner, H (2007). Political Knowledge and Participation Among Young Canadians and Americans, Institute for Research on Public Policy working paper No. 2007-1.

Elections Canada (2011), National Youth Survey Report, available at <http://www.elections.ca/content.aspx?section=res&dir=rec/part/nysr&document=index&lang=e>

Curran, James et al. (2013) Gender Matters Globally: An Examination of Gaps in Political Knowledge in a 10-Nation Comparative Study.

Legislative Actors' Resources

Parliamentary
Resources
Score: 6

In principle, parliamentary committees have the right to receive government documents in the course of their deliberations, but these documents often arrive incomplete and redacted because of confidentiality considerations, or too late to enable the committee to make effective use of them. Members of

the House of Commons and the Senate have access to the research services of the staff of the Library of Parliament, and these staffers are responsible for drafting parliamentary committee reports. Parliamentary committees or individual MPs can also request audits from the Auditor General of Canada, although the ultimate decision about what to audit rests with the Auditor General. The Office of the Auditor General is an officer of Parliament that is independent of the government; its mandate is to provide parliament with objective, fact-based information and expert advice on government programs and activities, with the ultimate goal of holding the federal government to account for its handling of public funds. Another important source of information for parliamentarians is the Office of the Parliamentary Budget Officer.

It is unclear how effective this monitoring is in practice, however. The current government has made considerable use of “omnibus” budget bills to legislate in a wide range of policy areas that are not related to the measures announced in the federal budget, effectively subverting parliament’s duty to examine the government’s agenda and hold it to account.

Obtaining
Documents
Score: 8

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.

Summoning
Ministers
Score: 9

Ministers are normally expected to appear before parliamentary committees, but are not legally 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 the right both legally and de facto to summon any expert they choose to provide testimony. In turn, experts have the right to decline the invitation. Committees cannot compel experts to testify.

Task Area
Congruence
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 nearly a one-to-one relationship between the number of House committees and departments. Parliamentary committees are thus largely capable of monitoring departments.

Audit Office
Score: 10

The auditor general is appointed by Parliament on the advice of the prime minister for a 10-year term. Once in place, however, auditor generals have virtually a free hand in deciding who to audit and when. The Office of the Auditor General is accountable to Parliament, and the removal of an auditor general requires the approval of both the House of Commons and Senate. There have been few instances when either Parliament or its Public Accounts Committee were able to direct the work of the Office of the Auditor General.

Ombuds Office
Score: 6

The federal government (unlike some 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 of 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.

Media

Media Reporting
Score: 8

Canada's main TV and radio stations produce a mix of infotainment and high-quality information programs. Public broadcasters, including the CBC and provincial TV channels such as TV Ontario (TVO), provide extensive and often high-quality coverage of politics and news, with a minimum of five to seven hours per week of in-depth information on government decisions, and often more. Examples of such programs include TVO's *The Agenda* and CBC's *The House*. A 2013 study comparing news coverage in 11 countries found that the share of news content as a percentage of total broadcast time was highest in Canada, both for domestic and international news coverage. The Canadian media coverage is further enhanced by international news channels such as CNN, BBC World News and Al Jazeera, which are readily available through cable networks. One caveat is that there is little competition among public broadcasters; on the other hand, private broadcasters (with the exception of the Canadian Parliamentary Access Channel) are generally focused primarily on infotainment. Private broadcasters, especially the Canadian Parliamentary Access Channel (CPAC), also provide analysis of government decisions. Certain print media, such as the *Globe and Mail*, provide comparatively high-quality and comprehensive analysis of public policy. Others, such as *La Presse*, the *National Post* and other Postmedia publications, provide good coverage of public-policy issues.

Citation:

Aalberg et al (2013). International TV News, Foreign Affairs Interest, and Public Knowledge, *Journalism Studies*, 14:3, 387-406.

Parties and Interest Associations

Intra-party
Democracy
Score: 7

There are three major political parties at the federal level in Canada: the Conservatives, the Liberals and the New Democrats.

The Conservative Party is tightly controlled by party leader Stephen Harper. Decisions on policy and electoral strategy are made by a small number of senior officials close to him. Grassroots views and resolutions passed at party conventions provide input into the decisions of the elite, but are not binding. For example, many Conservative party members would like measures taken to restrict abortion, but Stephen Harper refuses to act on this for fear of alienating the general public, which is content with the status quo on the issue.

In April 2013, the Liberal Party of Canada elected a new leader, Justin Trudeau, through a very open voting process that allowed non-members to vote. The policy formation process is relatively open: New ideas are gathered from Liberal members and supporters through associations and clubs, then written up as policy resolutions that are voted on and prioritized first within provincial and territorial associations (PTA) and then at the Liberal Party's biannual conventions. All resolutions passed at the convention become official party policy.

In March 2012, after the death of Jack Layton, the New Democrat Party (NDP) elected a new leader, Thomas Mulcair. Under Layton, the party had made major gains in the 2011 federal election, becoming the official opposition. The most recent NDP policy conference saw diverse views expressed on many issues, but any resolutions passed were not binding on the leadership in its development of a policy program. Unlike the Conservatives or the Liberal Party of Canada, the NDP is integrated with its provincial and territorial parties (except in Nunavut, the Northwest Territories, and Quebec), which means a member cannot support different parties at the federal and provincial levels.

Association
Competence
(Business)
Score: 8

Many business associations, employers groups and trade unions develop policy proposals that identify the causes of problems, 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. Among 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 Labour 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 with the narrower interests of their members if they are to gain traction with the public and policymakers. The most successful associations are those that have mastered this art.

In a disturbing recent case of the impact of poor-quality policy work, the Minister of Finance adopted a proposal to cut employment-insurance premiums originating from the Canadian Association of Independent Business

(CFIB), a small-business lobby group, based largely on the significant number of jobs that the CFIB said would be created. The minister publicly stated that since the CFIB membership had first-hand experience with employment insurance, it was unnecessary for his officials to do further analysis. However, the Parliamentary Budget Officer did an independent analysis of the policy change and concluded it would have effectively no impact on employment. Alan Freeman, a former assistant deputy minister responsible for communications at Finance Canada, now a professor at the University of Ottawa, wrote a very critical op ed article on this government decision, calling the Finance Department a “fact-free zone.”

Citation:

Alan Freeman. “Finance Department Now a Fact-free Zone,” Toronto Star, December 8, 2014

Association
Competence
(Others)
Score: 7

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. A 2011 report prepared for the Canadian Council for International Cooperation (CCIC) found that for many civil-society organizations, broad policy ideas are not always translated into concrete proposals due to a lack of expertise. While some coalitions, such as the Americas Policy Group (APG); the Canadian Biotechnology Action Network (CBAN); the Climate Action Network (CAN); the Policy Working Group on Maternal, Newborn and Child Health; and the Global Call Against Poverty/Making Poverty History, among others, have a strong record with respect to governmental relations (political and legislative), they represent a minority in this regard.

Citation:

A Map of Canadian Civil Society Organization Coalitions’ Governance, Capacity and Agendas: Common Challenges, Shortfalls and their Implications, report prepared for The Canadian Council for International Co-operation (CCIC), 2011.

This country report is part of the Sustainable Governance Indicators 2015 project.

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