



Canada Report

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Sustainable Governance Indicators 2018

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Executive Summary

Canada has been performing well economically, unemployment rates are at their lowest since 2008 and the government's fiscal situation is strengthening. Two years into their mandate, the Liberals under Prime Minister Justin Trudeau continue to implement an ambitious policy agenda involving additional tax dollars for innovation and infrastructure, pension reform and tax reductions for the middle classes, and support for oil projects balanced against action on climate change. With respect to SGI criteria, Canada continues to receive high scores on economy, taxes and budgets. The government continued to focus on fiscal stimulus, which seems to be having the desired effect. Stephen Poloz, governor of the Bank of Canada, recently credited the newly introduced Canada Child Benefit program with the country's strong economic performance, which in turn has helped to keep budget deficits below projected levels.

The Comprehensive Economic and Trade Agreement between the European Union and Canada came into effect in 2017, and Canada has been renegotiating the terms of NAFTA since August 2017. The government has also revised national security laws to reign in the powers of security agencies and create an oversight committee to improve accountability. Balancing the needs of the country's oil and gas sector against concerns for the environment, Prime Minister Trudeau worked with the provinces to establish a pan-Canadian framework for carbon pricing, energy efficiency and renewable energy strategies, while at the same time approving two highly contentious crude oil pipelines and expressing support for Keystone XL. The Liberals have also delivered on their promise to strengthen evidence-based policymaking. The government has consulted with experts, making ample use of advisory boards for policymaking, and created new departmental positions designed to incorporate evidence into the policymaking process.

Some glaring gaps between what the Liberals pledged and what they have accomplished since taking power in 2015 remain, however. The largely rookie government started out with a host of new initiatives and bold reforms, but quickly learned that structural reforms often run into organizational and administrative obstacles, do not happen overnight, and in any event tend to develop a life of their own. In early 2017, after months of public consultations, the Liberals abandoned one of their central election promises, namely

changing the first-past-the-post electoral system. Shortly after, they had to back down on parliamentary reform. Most recently, their planned overhaul of corporate taxation has encountered fierce opposition from small businesses and professionals, and may yet be abandoned.

Although the Trudeau government tried to distance itself from the previous Conservative government in terms of transparency and accountability, little headway has been made. Access to information requests have piled up and processing continues to be slow. A first attempt at revamping access to information laws met with harsh criticism. Although the legislation would give the information commissioner the power to order the release of records, the reforms do not apply to the Prime Minister's Office or other ministerial offices. The government also limited the powers of the Parliamentary Budget Officer to perform audits requested by members of parliament, a mechanism frequently used by opposition members of parliament to hold the government to account on policy decisions. This restriction has put the public's ability to properly scrutinize policy proposals in jeopardy. The SGI indicators on accountability reflect this and will further decline in years to come if the Liberals remain on this path.

On the positive side, since its election, the government has renewed efforts to mend relationships between First Nations and indigenous groups. Canada finally adopted the United Nations Declaration on the Rights of Indigenous People. Following a recommendation of the Royal Commission on Aboriginal Peoples report (1996), the ministry responsible for indigenous affairs was split into one department focused on facilitating a nation-to-nation relationship, and a second dedicated to providing quality public services to indigenous people across the country. These changes have been widely praised, but in view of the continued challenges experienced by Canada's indigenous groups, indigenous leaders and scholars have called for more meaningful change rather than symbolic gestures.

Halfway through their term, there is no doubt that the Liberals have made progress in several critical areas of sustainable governance. The vast majority of this progress came during 2016, their first year in office, when there were notable gains in policy performance and executive capacity. Meanwhile, 2017 saw very little movement in the SGI indicators, as many of the Liberals' planned structural reforms have stalled or been abandoned. Instead, the government seems to be shifting gear toward policies that deliver more immediate results.

Key Challenges

In its latest (October 2017) economic outlook, the IMF estimated that Canada's GDP will grow 3 percentage points in 2017, the highest of the G7 countries. Projections for 2018 are somewhat lower. Yet, at 2.1%, the IMF's 2018 growth forecast for Canada is topped only by its forecast for the United States. Justin Trudeau and his cabinet can thus expect a solid economy for the second half of their term in office. Whether the situation south of the border is detrimental or beneficial to Canada has yet to be determined. On the one hand, trade with the United States will be negatively impacted if NAFTA renegotiations fail. On the other hand, a number of initiatives proposed by the Trudeau government, which are designed to attract investment and simplify the hiring of high-skilled foreign labor, will likely benefit from the Trump administration's protectionist stance. The country's ability to absorb people from diverse cultures will help mitigate the growing gap in the prime working-age population, although it is important to note that recent immigrants do not fare as well in Canada's job market as Canadian-born workers.

Many items on the government's policy agenda are still pending and some may face serious obstacles. Two of the government's signature projects, the Canada Infrastructure Bank and the Invest Canada Hub, are not yet up and running. The Canada Infrastructure Bank, which aims to attract private investment for public infrastructure, has been criticized for a lack of transparency and concerns were raised that it has the potential to increase overall costs to taxpayers while privatizing the most high-return, low-risk infrastructure assets. There have been very few details released on the Invest in Canada Hub, but some worry it may not be able to attract substantial investment under excessive regulatory provisions.

NAFTA talks are currently at an impasse and delays are expected due to what senior officials have called "significant conceptual gaps." President Trump threatened to scrap NAFTA in the event that a deal is not reached. With the United States as Canada's largest trading partner, a lot is at stake.

Bill C-59 is the Liberals' response to the controversial Bill C-51 passed by the Conservatives. However, civil rights organizations have voiced their concerns about the excessive powers of security agencies and information sharing that will remain. It is unclear if the government is planning to revise the bill, but if the issues are not addressed the legislation is likely to be challenged as unconstitutional.

One of the aspects that set Trudeau apart from his predecessor in the election campaign was Trudeau's pledge to lead a more open, transparent and accountable government. However, despite significant changes in the day-to-day transparency of the Prime Minister's Office and departmental mandates, the issue remains fundamentally unresolved. Planned legislation to reform access to information (Bill C-58) has been heavily criticized as "a step backward" and may undermine the government's credibility regarding key issues. Similarly, after the Liberals formally abandoned electoral reform, advocacy groups called on the Ethics Commissioner of Canada to rule on whether Prime Minister Trudeau's decision violated ethics codes. A formal investigation into the matter would be damaging to the government's image and public trust.

Improving the well-being of First Nations in Canada remains a major challenge for the government. The Liberals reinstated previously frozen funding for First Nations, but it will be years before the effects of this are measurable. Many of the government's promises remain unfulfilled, such as ending the boil water advisories on reserves by providing clean water within five years. Implementing the U.N. declaration will require substantial restructuring of departmental mandates to ensure that policymaking respects indigenous rights, which may not be desirable from the perspective of bureaucrats.

Although the Liberals under Trudeau have moved forward in several areas of sustainable governance, there is still plenty of room for improvement as well as the potential to regress. Initiatives that address overdue institutional reforms, which were once praised, have resulted in inadequate legislation or have been abandoned. Success will depend on whether economic policy ideas (particularly with respect to infrastructure investment and innovation) have the desired effect and whether the government can revisit institutional change without getting caught up in controversies over minor policy proposals. With two years left before the next election and the economy humming along strongly, the Liberals should have enough time and resources to deliver on their more ambitious projects.

Policy Performance

I. Economic Policies

Economy

Economic Policy
Score: 9

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 continues to be quite weak. There are still areas where Canada's economic framework is not as conducive as it might be to productivity growth. One factor is the country's dependence on natural resources, which account for roughly 20% of GDP. Falling oil prices, for instance, significantly reduced the country's export revenue and contributed to a decline in economic activity in 2015.

Following years of slow or stagnating economic growth, Canada's economy has recently gained speed. The Bank of Canada, in its Fall 2017 Monetary Policy Report, projected real GDP growth of 3.1% in 2017, up from 1.5% in 2016. Real GDI growth was projected to be even higher at 4.0% in 2017, up from 0.8% in 2016, because of improved terms of trade. Yet, it is unclear how much of this upturn can be attributed to the Liberal government's policy of increased government spending on infrastructure and other programs to stimulate the economy. While these policy initiatives were praised by both the IMF and the OECD, fiscal stimuli cannot be expected to foster economic development in the long run.

Other weaknesses in Canada's regulatory framework from a competitiveness perspective include interprovincial barriers to trade and labor mobility, and marketing boards, which have the right to control output through production quotas. These issues were not highlighted in the policy agenda of either the current Liberal government or the previous Conservative government.

Household debt remains high. The current ratio of household debt to disposable income in Canada is above 167% and continues to increase in part due to rising mortgages. Although the federal government has repeatedly tightened mortgage lending rules over recent years and provincial governments enacted legislation to curb foreign real estate investment, housing markets in Canada's largest cities, Vancouver and Toronto, remain unbalanced. A possible correction in the housing market would pose a significant risk, and there appears to be ample room for additional measures to mitigate speculative investment activity, and improve coordination between federal and provincial regulators.

A final concern is a lack of talent and innovative ability. In the World Economic Forum's most recent Global Competitiveness Report, Canada ranks below many of its OECD peers for quantity of education, technological readiness, business sophistication and capacity to innovate. The extent to which the federal government can address these issues, however, is limited. Education policy is under provincial jurisdiction and, historically, government-led attempts to actively promote technological innovation have largely been unsuccessful.

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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 intra-provincially, is generally high.

Specific labor market programs are available to increase the workforce participation of Indigenous Canadians, whose employment rates are persistently below those of non-Indigenous Canadians. Thus far, however, these programs seem to be ineffective; the unemployment rate for Indigenous Canadians,

particularly for Inuit and members of First Nations living on reserves, remains very high, with little 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 is around 6% after having declined over the past year to reach a new low since 2008. In 2017, job creation exceeded the expectations of forecasters and is projected to continue to rise over the next year. The long-term unemployment rate shot up during the 2008 to 2009 recession and has remained high since, but is low by international standards.

The federal government has recognized both the need to improve the economic environment such that businesses hire new workers and the need for more effective workplace training, but many of its measures did not have the desired effect. Despite a decade of job losses, Canadian manufacturing firms still indicate that skills shortages and lack of policies around market access to the United States remain an issue.

The 2016 budget reduced taxes for middle-income earners. There have also been changes to unemployment insurance, particularly for those in regions most affected by the declining oil and gas sector. There is discussion of changing the previously controversial temporary-foreign-worker program, which may relieve labor shortages in particular industries, including fisheries and manufacturing.

Overall, the Canadian labor market is very flexible, particularly for a developed country. According to the 2017-2018 Global Competitiveness Report, out of 137 countries, Canada ranked seventh for labor market efficiency and third for efficient use of talent.

Citation:

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Tax Policy
Score: 8

Taxes

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.

The income-tax system is reasonably progressive and continues to be useful in equalizing after-tax incomes in the lower income brackets. Some experts have argued that the multitude of overlapping tax expenditures benefit high income individuals at the expense of low-income households. According to the Conference Board of Canada, there are now almost 200 tax breaks for federal income-taxpayers, resulting in an estimated CAD 100 billion of foregone tax revenue annually. In an effort to create a more equitable tax system, the 2016 budget increased the federal marginal tax rate for top earners, decreased taxes for middle-income earners, and eliminated the Family Tax Credit, an income splitting regime introduced by the former Conservative government. For individuals with earnings above CAD 200,000 annually, the combined federal/provincial marginal tax rate now exceeds 50% in more than half the provinces but is still well below the top income-tax bracket in similar countries (notably the United States).

There is no double taxation at both the corporate 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 G7 countries and below the OECD average. Capital taxes have been largely eliminated.

In July 2017, continuing its “tax fairness agenda,” the government introduced plans to increase the effective small business tax rate. The aim is to target high-income earners who shift their income to a Canadian-controlled Private Corporation (CPCC) to take advantage of a lower tax rate and incentives intended for small businesses. The proposed policy proved very controversial due to its potentially negative effect on small business growth and entrepreneurship, and was largely withdrawn. The federal government actually lowered the statutory tax rate for small businesses in the fall of 2017.

Citation:

The Conference Board of Canada, “Reinventing the Canadian Tax System: The Case for Comprehensive Tax Reform.” March 23, 2012.

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Budgets

Budgetary Policy
Score: 8

Canada's government is in a relatively strong fiscal position. Its budget deficit as a proportion of GDP is low by international standards, as is its (net) public debt to GDP ratio, which is projected to remain stable over the next five years at around 31%. The fiscal situation is somewhat weaker in certain provinces, where debt ratios range from roughly 3% in Alberta to over 40% in Quebec. and Newfoundland and Labrador.

The Liberal government elected in 2015 had to abandon its campaign pledge to limit spending with "modest short-term deficits" and instead shifted its main fiscal objective to keeping the debt-to-GDP ratio on a downward trajectory.

The government's first (2016) budget outlined five consecutive years of deficits totaling more than CAD 113 billion, with a CAD 29.4 billion deficit in the 2016-2017 fiscal year. Though the actual deficit for 2016-2017 was below that figure, at about CAD 18 billion, due to a stronger than predicted economy. The 2017-2018 projected fiscal gap of CAD 28.5 billion is poised to be below target by a similar magnitude. Indeed, the 2017 Fiscal Sustainability Report from the Parliamentary Budget Office estimates that due to strong economic growth in 2017, the government could permanently increase spending by CAD 24.5 billion and still maintain fiscal sustainability. Based on the current trajectory, federal net debt would be eliminated in just over 40 years, down from 50 years in the 2016 estimate.

Rising health care costs associated with an aging population represent a potential challenge to long-run fiscal sustainability. The 2016 Fiscal Sustainability Report from the Parliamentary Budget Office suggested that while the growth in health care spending had slowed, subnational governments, which are responsible for the lion's share of spending, cannot meet the challenges of population aging under the current policy. A recent study by the Centre for the Study of Living Standards (Drummond and Capeluck, 2015) reached a similar conclusion.

Citation:

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Research and Innovation

R&I Policy
Score: 7

Overall, Canada’s economic conditions and general policy environment are conducive to innovation and investments in productivity growth. The country benefits from stable macroeconomic policies, well-developed regulations that ensure competition, largely open trade in goods and capital, and an educated population.

At the same time, a 2015 report from the federal government’s Science, Technology and Innovation (STI) Council found that the country continues to tread water as a mid-level performer in STI, for years lagging behind other countries when it comes to key innovation measures like filing patents and corporate spending on research and development. In the 2017 budget, the government introduced CAD 950 million to support “innovation superclusters” similar to those in Silicon Valley to help drive innovation, R&D and economic growth. How effective government policy is in encouraging R&D investment and productivity gains remains contentious, however. Questions exist about 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) and the impact of budget cuts for government R&D labs. Critics have also pointed to the inadequacy of government programs to facilitate technology transfers, and persuade small and medium-sized businesses to adopt best practices. Finally, increased rates of higher education participation have failed to yield increased business sector R&D and productivity.

Public policy in Canada continues to encourage 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, based on a survey of over 5,000 leading international scientists, that found the country’s scientific research enterprise to be ranked fourth-highest in the world, after that of the United States, the United Kingdom and Germany.

Citation:

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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 in 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. The country has a number of world-class universities and the average quality of its universities is high. Canadian teachers are well-paid by global standards. The most recent (2016) Program for

International Student Assessment (PISA) report gave the country scores well above the OECD average in Reading (third of 72 countries), Science (seventh), and Mathematics (tenth).

Equity in access to education is impressive. Canada has the highest proportion of the population aged 20 to 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.

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. The federal government has recently increased grant money for students from low- and middle-income families by 50%, making post-secondary education more accessible for these students.

Despite the overall strengths of the Canadian education and training system, there are challenges. Probably the biggest deficiency in education policy has been the failure to reduce the gap in educational attainment between the indigenous and non-indigenous populations. Schools on reserves are funded federally through Indigenous and Northern Affairs 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. A recent study has documented the large potential economic benefits of closing the educational gap between Indigenous and non-indigenous Canadians (Calver, 2015). The 2016 federal budget included CAD 2.6 billion for First Nations schooling, grades primary to twelve, in an effort to narrow the education gap. However, the largest portion of this spending will not be allocated until the 2020-2021 fiscal year, leaving the immediate benefits unclear.

Citation:

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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 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 Indigenous 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). However, the same cannot be said of the indigenous population, where young Indigenous Canadians often perform significantly worse than young non-indigenous Canadians. Indigenous children are more than twice as likely to live in poverty than non-indigenous children. The situation is particularly severe for Indigenous Canadians living on reserves. Over 60% of First Nation children living on reserves live below the poverty line, and these rates worsened between 2005 and 2010.

Citation:

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Health

Health Policy
Score: 8

Like educational policy, health care is primarily the responsibility of the individual provinces. Canadians are generally in good health, as evidenced by the high and rising level of life expectancy.

The most glaring problem with the Canadian system is timely access to care. The number of practicing doctors and hospital beds per 1,000 inhabitants is well below the OECD average, as is the number of MRI and CT units per million (OECD, *Health at a Glance* 2015). In a recent study by the Commonwealth Fund surveying 11 high-income countries, Canada ranked last for providing timely access to care. Canadians regularly experience long waiting times for medical care, including access to family doctors, specialists and emergency services. The Canadian Institute for Health Information reported in 2017 that over the last several years waiting times for elective or less urgent procedures have increased, despite efforts to reduce the waiting times. However, for more urgent procedures there has been an increase in the number of patients receiving care within the medically acceptable benchmark, albeit with considerable variation across the provinces.

Inefficiencies in the system have led to patients traveling abroad to receive medical treatment and increased demand for domestic for-profit clinics, which endangers Canada's otherwise impressive record of equity in health care. A recent report by the Fraser Institute estimated that over 63,000 Canadians received non-emergency medical treatment outside Canada in 2016. Lack of income, on the other hand, is not a barrier to treatment, with high-quality care freely provided for virtually the entire population. One effect of equity in access to health care services is the small gap in perceived health between the top and bottom income quintiles. However, since dental care, eye care and drugs prescribed for use outside of hospitals are excluded from general coverage, not all income groups have equal access to these types of health care services – low-income Canadians are far more likely to decline prescriptions or skip dental visits.

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.

Overall, Canada's health care system outperforms the United States but trails behind that of comparable European countries (e.g., Germany, the United Kingdom and the Netherlands). The Commonwealth Fund report ranked Canada third to last overall on a comparative score card of 11 health care systems.

Citation:

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Families

Family Policy
Score: 8

The labor-force participation rate for women with children all under six years of age in Canada is high by international standards. According to Statistics Canada, the number of two-income families nearly doubled over the past decades: in 2015, 69% of couples with a child under 16 years of age have two working parents, up from 36% in the 1970s. In recent years, 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 benefits, there is now less disincentive to leave welfare and enter the labor market. In 2016, the federal government significantly increased the level of child benefits and in 2017 indexed benefits to inflation.

Canada does not have a universal childcare system, although some provinces have taken steps to implement their own, such as Nova Scotia's pre-primary education system and most notably Quebec's CAD 7 per day daycare scheme. The absence of a universal childcare system may make it more difficult for some women to combine parenting and employment. The average net cost of childcare in Canada is among the OECD's 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. Development of a national strategy for childcare and early childhood education that incorporates the federal, provincial and territorial governments, as well as indigenous peoples will commence over the next few years.

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>

Statistics Canada. 2016. "The rise of the dual-earner family with children." The Daily. Statistics Canada catalogue no. 11-630-X. Accessed October 11, 2017 at <http://www.statcan.gc.ca/pub/11-630-x/11-630-x2016005-eng.htm>

Pensions

Pension Policy
Score: 8

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 Canadian pension system seems to be relatively effective as a tool to reduce poverty among the elderly. For individuals over 70 years of age in the lowest quintile of the earnings distribution, the proportion of working income "replaced" by retirement income is nearly 100%. Since 1995, elderly incomes at the bottom have been growing, but not as quickly as the incomes of the rest of the population.

Using Statistics Canada's Low-Income Cutoff (LICO) measure of poverty, an absolute definition, the poverty rate for people 65 and over was 3.9% in 2014, the lowest rate ever recorded in the history of the series and down from 29.6% in 1976, the first year for which data are available. In contrast, Statistics Canada's Low-Income Measure (LIM), a relative poverty definition, while falling from 30.6% in 1976 to 3.9% in 1995, has since increased, reaching 12.9% in 2008 and 12.5% in 2014.

Intergenerational equity is not a major concern for the Canadian pension system as there is a close relationship between contributions and benefits on an individual basis. 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 currently designed to replace only a quarter of the average wage up to CAD 55,300. This means that middle- and upper-income workers with no employer pension plan or private savings may encounter problems in replacing a sufficient proportion of their pre-retirement earnings. In the private sector, this issue affects three in four workers. In June 2016, the Liberal government reached an agreement with the provincial governments to expand CPP to replace one-third of the average wage starting in 2019. There will also be increases to the CPP's disability benefit and survivor's pension. The expansion is set to benefit middle-to-high earners, who will eventually see a substantial increase in their CPP payments, paid for by higher CPP premiums when they are working.

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.

Citation:

Milligan, K. and T. Schirle, Simulated Replacements Rates for CPP Reform Options, School of Public Policy Research Paper, Volume 7(7), University of Calgary, 2014.

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 CSLS study (Greenspon, 2017) found that in 2015, very recent immigrants to Canada (those with less than five years of residence) had hourly wages that averaged just 74% of wages accruing to those born in Canada, down from 83% in 2006. The figures for university educated very recent immigrants was even worse, 66% in 2015, down from 70% in 2006. The labor market 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 (e.g., Toronto, Vancouver and Montreal) and language barriers.

Canada has seen an increase in the number of refugees and asylum-seekers over the last two years. As of January 2017, more than 40,000 Syrian refugees have been resettled in Canada. This policy was widely seen as a manifestation of the willingness of Canadians to be inclusive. However, the government is struggling to provide enough support to help these families integrate quickly into Canadian society. After President Donald Trump signed the January 2017 executive order on immigration, there was an increase in asylum-seekers arriving at the

Manitoba and Quebec border crossings. The 2017 budget contained provisions for legal aid services for asylum-seekers and refugees entering Canada, but it will be many years before their outcomes can be measured.

Citation:

Jacob Greenspon (2017) "Labour Market Performance of Immigrants in Canada, 2006-2016," CSLS Research Report 2017-02, February (Ottawa: Centre for the Study of Living Standards).

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, prompted the previous government to introduce a number of bills to bolster security and the power of agencies (notably Bill C-44 and Bill C-51). These laws increased the powers of Canada's spy agency (the Canadian Security Intelligence Service, CSIS) to share information and operate internationally, criminalized the promotion of terrorism, and provided the Royal Canadian Mounted Police (RCMP) with new preventative arrest powers. The current government has established an all-party national security oversight committee with the power to review the intelligence and security operations of any government 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 indigenous community. A report released by the RCMP (2014) stated that between 1980 and 2013, 1,181 indigenous women were reported murdered or missing. The U.N. Human Rights Council's Universal Periodic Review of Canada previously expressed concerns about violence against indigenous women and girls and Canada's perceived failure to address the problem. The government has launched the National Inquiry into Missing and Murdered Indigenous Women and Girls in an effort to uncover the reason(s) for this violence. The inquiry has faced substantial criticism over the past year, with several key members stepping down and victims' families calling for a complete restructuring of the program.

Citation:

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

Royal Canadian Mounted Police (2014). Missing and Murdered Aboriginal Women: A National Operational Overview. Report available at <http://www.rcmp-grc.gc.ca/en/missing-and-murdered-aboriginal-women-national-operational-overview>

Global Social
Policy
Score: 7

Global Inequalities

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. Canada's share of official development assistance has declined in relative terms and was only 0.26% of gross national income (GNI) in 2016, ranking 18th in the world. In 2016, the federal government began a review of its existing aid policies, and has now reoriented the majority of international assistance to creating equal opportunities for women and girls in the world's poorest countries. Investments in gender equality are widely considered necessary to meet the Sustainable Development Goals.

A 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:

OECD Data, ODA as a percentage of GNI, data obtainable at <https://data.oecd.org/oda/net-oda.htm>

OECD, "Gender equality and women's rights in the post-2015 agenda: A foundation for sustainable development," posted at <https://www.oecd.org/dac/gender-development/POST-2015%20Gender.pdf>

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: 7

Environmental policy, across the board, is more-or-less balanced in Canada, with some areas performing better than others. Biodiversity in Canada's forests and waterways has reduced over the last several years, although climate change and renewable energy policies have featured prominently in public policymaking over the last year.

A bill (No. C-38) passed in 2012 made substantial changes to Canada's environmental laws. It eliminated the Canadian Environmental Assessment Act, lowering the stringency of the federal environmental-assessment process and limiting the scope for public involvement. The bill also had a number of implications for renewable water resources, forests, and biodiversity, including eliminating federal protection for 95% of Canada's lakes and rivers. 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. A report from the World Wildlife Fund found that half of Canada's species are in decline and the 64 species protected by the Species at Risk Act have seen their populations decline since the legislation was adopted in 2002 – a major policy failure. However, the tide seems to be turning for conservation policy. In 2017, the introduction of bills C-48, a moratorium for large oil tankers accessing ports on British Columbia's north coast, and C-55, which establishes a network of protected marine areas and prohibits certain activities in these areas, indicate an effort to increase conservation of marine resources.

In 2016, Canada ratified the Paris Agreement on Climate Change, committing to a reduction in greenhouse gas emissions by 30% under 2005 levels by 2030, adopting this commitment as a national target. The Pan-Canadian Framework on Clean Growth and Climate Change represents a collaborative effort to ensure the target is met through carbon pricing, investing in energy efficiency and renewable energy strategies. Renewable energy policy is largely the responsibility of the provinces and several have already made significant efforts in the fight against climate change. However, the 2017 Commissioner of the Environment and Sustainable Development report concluded that federal government departments and agencies are “nowhere near being ready to adapt to the impacts of climate change.” Further, in November 2016, the federal

government approved two out of three major oil pipelines, including the controversial Kinder Morgan Trans Mountain pipeline. The Kinder Morgan pipeline would triple the capacity of the existing pipeline, increase greenhouse gas emissions and increase tanker traffic around British Columbia's coast sevenfold. In the coming years, it will be challenging for Canada to fulfill its environmental commitments, while also maintaining an internationally competitive oil sector.

Citation:

Office of the Auditor General of Canada, 2017 Fall Report of the Commissioner of the Environment and Sustainable Development to the Parliament of Canada, posted at http://www.oag-bvg.gc.ca/internet/English/parl_cesd_201710_00_e_42488.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>

Tasker, John Paul. "Trudeau cabinet approves Trans Mountain, Line 3 pipelines, rejects Northern Gateway." CBC, November 29, 2016. Accessed on September 27, 2017 at <http://www.cbc.ca/news/politics/federal-cabinet-trudeau-pipeline-decisions-1.3872828>

World Wildlife Fund (2017), Living Planet Report Canada: A national look at wildlife loss, posted at <http://www.wwf.ca/newsroom/reports/lprc.cfm>

Global Environmental Protection

Global
Environmental
Policy
Score: 7

The government of Canada in principle supports the design and advancement of global environmental-protection regimes. In the past, Canada's approach to environmental policy has, 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 had little influence on Canada's interest on this issue. Two years into their mandate, the Liberals have generally focused on domestic policy and have rarely led on new international frameworks for environmental protection. At the Paris Climate Conference (COP21) Prime Minister Trudeau announced CAD 30 million for the world's poorest countries to combat climate change, and CAD 300 million to the Green Climate Fund for clean technology innovation.

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, people 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 people 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. 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 211,200 (as of 2017). Under the changes implemented to the act through bill C-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 people who are imprisoned in a correctional facility. The only exceptions are election officers and, following a 2015 Ontario Court of Appeal ruling, non-resident citizens who reside abroad for more than five years. 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. There are four days of advance polling, ending the week before election day. Additionally, people can vote by mail if they cannot attend to a polling station due to physical incapacity or foreign residency.

The previous Conservative government had made some highly controversial changes to Canada's election law with the Fair Elections Act in 2014. In November 2016, the current Liberal government introduced Bill C-33 to repeal the most contentious clauses of this act. Among other things, Voter Information Cards would again be recognized as an acceptable form of identification and Canadians living abroad would again be allowed to vote in federal elections, no matter how long they have been outside the country. Despite receiving widespread support, the government has not prioritized Bill C-33, however, and it has yet to be debated in parliament.

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>.

Parliament of Canada, Bill C-33: An Act to amend the Canada Elections Act and to make consequential amendments to other Acts, posted at <http://www.parl.ca/DocumentViewer/en/42-1/bill/C-33/first-reading>

Party Financing
Score: 8

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 20. 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. The amount that candidates and leadership contestants may contribute to their own campaigns is CAD 5,000 and CAD 25,000, respectively. Individuals receive generous tax credits for political donations. Annual contributions to registered parties, registered associations, electoral candidates, and nomination and leadership contestants are capped at a relatively modest amount of CAD 1,550. However, transparency in political financing is still seen as a problem. Public debate over transparency recently reignited after it was revealed in the press that the prime minister and other senior ministers were raising millions of dollars at private “cash-for-access” fundraisers, giving donors secretive cabinet access. Furthermore, provincial practices and rules regarding political donations vary widely. Fixed contribution limits, for example, range from only CAD 100 per year in Quebec to CAD 6,000 per year in New Brunswick. Yet, in other provinces like British Columbia, any individual, corporation, union or special interest group can make a political contribution of any size to a provincial political party.

In addition to individual donations, political parties are 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 has a candidate, is reimbursed 50% of its national campaign expenses and further “election rebates” for riding-specific expenses. Until 2015, such parties were also given a per-vote subsidy, largely considered to be the most democratic financing regime. A bill passed in 2012 reduced and later eliminated this subsidy, seen as negative from the perspective of fairness in party financing.

Citation:

Elections Canada, Administrative Compliance Policy for Political Financing, retrieved 2015 from http://www.elections.ca/pol/acp/adcom_e.pdf.

Popular Decision-
Making
Score: 7

On the federal level, there are few opportunities for Canadians to make binding decisions on matters of importance to them through popular initiatives or referenda; on this level, it is impossible to circumvent the 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.”

The issue of referenda is also relevant to the current debate on changing the electoral system. The Conservative party argued that such a major change required public approval via a referendum, a view shared by a large proportion

of the population. A recent poll by Forum Research revealed that 65% of the population believe that there should be a referendum on electoral reform before the voting system is changed. In contrast, the Liberals believe that such a change does not require a referendum, because – as they campaigned on the issue and were elected – they have a mandate. After a year of public consultations, the policy has been abandoned and the Liberals are reluctant to hold a referendum claiming the cost to taxpayers would be too high.

Citation:

Forum Research. Media Release July 6, 2016, Two Thirds See Need for Referendum on Electoral Reform, posted at <http://poll.forumresearch.com/post/2547/two-thirds-see-need-for-referendum-on-electoral-reform/>

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. 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.

Citation:

CBC/Radio-Canada, Ottawa. Press Release February 2017, CBC/Radio-Canada shares its Accountability Plan, <http://www.cbc.radio-canada.ca/en/media-centre/2017/02/01/>

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. Whether this is indeed the case is, however, doubtful.

While alternative sources of information such as online newspapers, magazines and social media (e.g., blogs) may help promote a pluralism of opinions, mainstream media likely will continue to play a crucial role in setting the national agenda. In this regard, the concentration of media ownership in Canada means that certain opinions are not represented to the degree that they are held by the general population.

Access to
Government.
Information
Score: 7

Access to official information in Canada is regulated by the Access to Information Act. Access is often impeded by bureaucratic procedures and delays. The 2017 Freedom of Information Audit by News Media assigned an F for disclosure of information, stating that the system for requesting and accessing government documents is slow and inefficient, and that very few requests are granted in a timely manner. Although the law does provide for access to much of the Canadian government's documents, there are grounds to black-out or redact many requests, and many government agencies do not fall under the act. In general, there is reluctance on the part of political and bureaucratic officials to release information that places 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.

In a recent report by the Canadian-based Centre for Law and Democracy and Madrid-based Access Info Europe, Canada's access to information legislation was ranked 49 out of 111 countries. "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. Stanley Tromp argued that the federal government has failed to reform the legislation sufficiently over time to respond to implementation problems, and incorporate new and progressive developments in the sector.

One major campaign promise of Justin Trudeau's Liberal party in the lead-up to the 2015 election was a more open and transparent government, including updating the Access to Information Act and streamlining the process of requesting information. Although the government has eliminated fees related to Access to Information requests, except the CAD 5 application fee, government departments and agencies continue to be reluctant to grant requests. The bill currently before parliament to revamp the Access to Information Act (Bill C-58) has proven to be controversial. On the one hand, it will expand the power of the information commissioner, enabling the officer to order the release of

government documents. On the other hand, the right to information would not apply to the Prime Minister's Office or other ministerial offices, but instead encourage pro-active disclosure. It would also give heads of government institutions the power to decline a request if the request concerns a large number of records, is made in "bad faith" or would interfere with government operations.

Citation:

Liberal Party of Canada (2015), "A Fair and Open Government," retrieved 2015 from <https://www.liberal.ca/files/2015/08/a-fair-and-open-government.pdf>

News Media Canada (2017) 2017 Freedom of Information Audit, posted at <https://nmc-mic.ca/public-affairs/freedom-of-information/2017-freedom-information-audit/>

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

Office of the Information Commissioner, Annual Report, 2016-2017, June 2017, http://www.oic-ci.gc.ca/eng/rapport-annuel-annual-report_2016-2017_1.aspx

Tromp, Stanley (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 introduce new anti-terrorism legislation. In 2015, the government passed the Anti-Terrorism Act (Bill C-51), representing sweeping changes to the Canadian security apparatus. It includes expanded surveillance and intelligence sharing, a remodeling of the Canadian no-fly regime in the style of the United States,' and expanded powers and courtroom anonymity for the Canadian Security Intelligence Service (CSIS). The bill was the subject of intense public debate as many civil libertarians and privacy advocates opposed the bill.

In a 2015 report, the U.N. Human Rights Committee expressed concerns about the bill. Two civil liberty organizations, the Canadian Civil Liberties Association and Canadian Journalists for Free Expression, have since launched a legal challenge to C-51 under the Canadian Charter of Rights and Freedom. Without repealing C-51, the government has introduced Bill C-59, an omnibus bill that would make significant changes to national security policy. However,

the Canadian Civil Liberties Association maintains that the bill stops short of repealing measures in C-51 which threaten civil liberties.

Citation:

Bill C-51, An Act to enact the Security of Canada Information Sharing Act and the Secure Air Travel Act, to amend the Criminal Code, the Canadian Security Intelligence Service Act and the Immigration and Refugee Protection Act and to make related and consequential amendments to other Acts (2015). Retrieved from the Parliament of Canada website <http://www.parl.gc.ca/HousePublications/Publication.aspx?Language=E&Mode=1&DocId=8056977>.

Canadian Civil Liberties Association, “CCLA with Civil Society Groups Issue Joint Letter on Bill C-59 and National Security Law in Canada,” September 19, 2017, posted at <https://ccla.org/ccla-civil-society-groups-issue-joint-letter-bill-c-59-national-security-law-canada/>

United Nations Human Rights Committee, Concluding Observations on Canada’s sixth report in relation to Canada’s compliance with the International Covenant on Civil and Political Rights, August 2015. <http://docstore.ohchr.org/SelfServices/FilesHandler.ashx?enc=6QkG1d%2fPPRiCAqhKb7yhkswUHe1nBHTSwwEsgdxQHJBoKwgsS0jmHCTV%2fFsa7OKzz9yna94OOqLeAavwpMzCD5oTanJ2C2rbU%2f0kxdos%2bXCyn4OFm3xDYg3CouE4uXS>

Political Liberties
Score: 8

There were very few major concerns expressed about infringements of Canadians’ political liberties over the 2011 to 2017 period, with two exceptions. Bill C-309, passed in 2013 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. Another potential challenge to Canadian political liberties was posed by the anti-terrorism legislation Bill C-51, passed in 2015, which contains provisions restricting protest rights and freedom of speech, this has attracted criticism from a number of human rights and civil liberty organizations. In a 2015 report, the U.N. Human Rights Committee voiced concerns about the excessive use of force by law enforcement officers during mass arrests in the context of protests on both the national and provincial levels.

Other developments have been more positive. 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>

United Nations Human Rights Committee, Concluding Observations on Canada’s sixth report in relation to Canada’s compliance with the International Covenant on Civil and Political Rights, August 2015.

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, ethnic minorities, indigenous peoples and people 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 indigenous 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 toward government at both the federal and provincial levels." A subsequent 2015 report from the U.N. Human Rights Committee listed similar issues, including the "potential extinguishment of indigenous land rights and titles," lengthy unresolved land disputes placing financial burdens on indigenous peoples, and the "disproportionately high rate of incarceration of indigenous people, including women, in federal and provincial prisons across Canada."

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>

United Nations Human Rights Committee, Concluding Observations on Canada's sixth report in relation to Canada's compliance with the International Covenant on Civil and Political Rights, August 2015.

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: 6

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. The appointment process is covered by the media.

Despite their almost absolute power regarding judicial appointments, however, prime ministers have consulted widely on Supreme Court nominees, although officeholders have clearly sought to put a personal political stamp on the court through their choices. Historically, therefore, there was little reason to believe that the current judicial-appointment process, in actuality, compromised judicial independence. The current Liberal government has set up an independent, non-partisan advisory board to identify eligible candidates for Supreme Court Justices in an effort to provide a more transparent and inclusive appointment process. The first Supreme Court Judge nominated by Prime Minister Trudeau through this process was Justice Malcolm Rowe of Newfoundland and the second was Sheilah Martin from Alberta. Both appointments were widely praised.

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.wpenetdna-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.

Transparency International's Corruption Perceptions Index ranks Canada among the top 10 least corrupt countries in the world.

In recent years, however, the country saw a number of high profile corruption scandals. Perhaps the most consequential scandal revolves around an investigation (which started in 2012) of wrongful travel and living allowance expense claims made by four members of the Canadian Senate. All four senators were suspended and three of them were criminally charged. As a result, the Auditor General of Canada examined expense claims made by all the other senators, identifying in a 2015 report 30 whose claims were ineligible; of these, nine cases were referred for police investigation. The Senate expense scandal renewed calls to reform the Senate or abolish the upper house entirely. In early 2014, Liberal Party leader Justin Trudeau expelled all 32 Liberal senators to sit as Independents, part of a proposed plan to overhaul Senate appointments to ensure it is a non-partisan body.

Citation:

Report of the Auditor General of Canada to the Senate of Canada—Senators' Expenses, June 4, 2015, posted at http://www.oag-bvg.gc.ca/internet/English/parl_otp_201506_e_40494.html

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. In 1997, Policy Horizons Canada was established under the PCO with a mandate to provide analysis and help the federal public service anticipate emerging policy challenges and opportunities, in order to support medium-term policy development. Its budget is small, however, and this unit has not reported through the PCO since 2007. 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.

The Trudeau government has made ample use of special advisory groups to provide information and consultations on a number of policy areas (e.g., economic growth, cultural policy and issues relating to young people). In theory, discussions in these groups will influence long-term policy. For example, the Prime Minister's Youth Council advises on issues affecting young people, including future energy policy. How influential these groups are in crafting policy, however, is unclear.

Scholarly Advice
Score: 8

There are a number of different ways that Canadian government departments and agencies effectively tap into expertise of academics and other experts outside the government. Many government departments and agencies have multiple advisory committees, which can have considerable influence but rarely dominant policymaking. Government departments and agencies often commission experts to organize research projects on high-profile issues.

In addition, 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. 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.

In September 2017, Mona Nemer was named Canada’s new Chief Science Officer. Nemer’s task is to integrate scientific evidence into government decision-making and make that evidence publicly available.

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 dialog 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 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.

Informal
Coordination
Score: 7

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

It is worth noting that Canada's federal system has no formal provisions that deal specifically with federal-provincial coordination. Pressing federal-provincial issues and other matters that require inter-governmental discussions are usually addressed in the First Ministers' Conference, which includes the prime minister, provincial premiers and territorial leaders, along with their officials. These meetings are called by the prime minister and have typically been held annually, but there is no formal schedule. The lack of any requirement for the conference to be held regularly is cause for concern, as it is critical for first ministers and the prime minister to engage in face-to-face discussions or negotiations, given the many policy areas that demand federal-provincial coordination. The previous prime minister, Stephen Harper, called the last First Minister's Conference in 2009, but it was a further six years before Prime Minister Justin Trudeau, following the election in 2015, met with provincial leaders again.

To promote provincial-territorial cooperation and coordinate provincial-territorial relations with the federal government, provincial premiers and territorial leaders have met at the Council of the Federation twice a year since 2003.

Evidence-based Instruments

RIA Application
Score: 7

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, members of parliament, 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.

Although the Liberals promised to strengthen evidence-based policymaking, a rigorous evaluation of proposed policies has frequently been undermined by a lack of data or budget cutbacks. In collaboration with the federal government and the University of Ottawa, Mitacs (a national, not-for-profit research and training organization) recently established the Canadian Science Policy Fellowship, which matches academics with various government departments for a year-long term, so that government departments can consult academic experts.

The Liberal government also pledged to make Statistics Canada fully independent. However, the chief statistician of Statistics Canada resigned in 2016, citing concerns that the required usage of centralized information technology services across all federal agencies compromised Statistics Canada’s ability to fulfill its mandate. Bill C-36, introduced in 2017, is intended to strengthen the independence of Statistics Canada, but does not address the use of Shared Services Canada.

Citation:
Parliament of Canada, Bill C-36: An Act to Amend the Statistics Act, posted at http://www.parl.ca/Content/Bills/421/Government/C-36/C-36_3/C-36_3.PDF

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

Sustainability
Check
Score: 7

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: 8

The departments and agencies of the Canadian government hold many consultations with economic and social actors on public policy issues. These consultations are motivated primarily by the desire to obtain input from Canadians before the government decides on a policy course, not by the desire to sell a particular policy to the population (this is not done through consultations). The most 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 indigenous 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, and was reaffirmed by the Supreme Court of Canada in 2010. 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.

Prime Minister Trudeau promised that the consultation process would be restructured and that various groups, including indigenous groups, would be given greater voice. Trudeau's government organized public consultations and engaged a large number of stakeholders across many policy areas, including innovation, electoral reform, childcare and the renegotiation of NAFTA. Consultation with First Nations remains uneven, though. A recent example is the construction of the Site C dam in British Columbia. Many independent organizations, academics and First Nations groups have argued that the dam would undermine treaty rights and contradict the government's position on indigenous rights.

Citation:

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

Amnesty International (2016). The Point of No Return: The Human Rights of Indigenous Peoples Threatened by the Site C Dam. Available at <http://www.amnesty.ca/sites/amnesty/files/Canada%20Site%20C%20Report.pdf>

Policy Communication

Coherent
Communication
Score: 9

The Liberals under Trudeau have made good on their campaign pledge to adopt a more open communication policy compared to the previous Conservative government under Prime Minister Stephen Harper. The Conservative government's communications were managed top-down and tightly controlled by the Prime Minister's Office. Ministers are now responsible for coordinating communications between their departments, the Prime Minister's Office and the Privy Council Office. A recent paper on the government's communications strategy offers some insight into the strategic media management of both the current and previous governments, and draws on interviews with government officials and internal communications templates. Perhaps not unexpectedly, the author of the paper concluded that considerable efforts are made to spin and frame government information. While the Trudeau government's media relations are more decentralized, the Prime Minister's Office has not fully abandoned control over ministers and departments. The prime minister now conducts a series of town hall meetings, which are open to Canadians across the country. These meetings are a sign of his willingness to engage and obtain feedback.

Citation:

Marland, Alex. (2017). Strategic Management of Media Relations: Communications Centralization and Spin in the Government of Canada. *Canadian Public Policy*. 43(1).

Implementation

Government
Efficiency
Score: 8

As a result of a parliamentary system in which members of Parliament are elected in single-member constituencies through first-past-the-post voting, the Canadian federal government frequently holds an absolute majority in the House of Commons and thus has considerable freedom to pursue its policy objectives unilaterally.

Halfway through its term, the Liberal government has already implemented many of the policies that the party campaigned on in the October 2015 election. In its first year, the Liberal government formed a gender balanced cabinet, reinstated the long-form census, revoked regulations that restricted scientific research, introduced a new child benefit system, and cut taxes for middle-income earners while increasing taxes for high-income earners. The Liberal government continued to implement policies from its electoral platform in its second year, including progressive tax reform, pension reform, approving cross-country pipelines, legalizing marijuana and increasing the independence of Statistics Canada. The public mandate letters given to each

minister will allow the assessment of ministers' performances relative to expectations. Many social problems targeted by public policy, such as persistent education and health care disparities between Canada's indigenous and non-indigenous populations, are complex social phenomena that are only partly amenable to public policy action. In addition, many of the programs funded by Canada's federal government – including health care, post-secondary education, social services and the integration of immigrants – are implemented by provincial governments and requires provincial cooperation to achieve federal policy objectives.

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.

The current Liberal government has, for the first time, made public the mandate letters. The media and the general public are now in a position to better monitor the activities of ministers to assess the degree to which they achieve the tasks set out in the mandate letters.

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

Task Funding
Score: 9

agencies such as the Canadian Broadcasting Corporation (CBC), especially in the area of labor relations.

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 (ETFF) 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.

Last year, the Liberal government indicated that CHT spending will be capped at 3.5%, down from 6% in previous years. Though several provinces negotiated their own deals with the federal government to secure appropriate CHT increases. The federal government is calling for more transparency from provincial and territorial governments on CHT spending, suggesting that subnational governments are not spending health care dollars adequately. Both the CHT and the CST will be reviewed in 2024.

Citation:

Department of Finance, Canada, Federal Support to Provinces and Territories. Retrieved 2016 from <http://www.fin.gc.ca/fedprov/mtp-eng.asp>

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 that have traditionally been 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. The program, which came into effect in 2014, exists under federal authority but is administered by the provinces and covers a significant amount of the training costs associated with each eligible worker.

Even when the federal government has tried to assert its authority in economic areas it believes 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.

In environmental policy, the federal government introduced a national carbon tax for provinces that do not adopt their own carbon reduction strategy by 2018. The policy is meant to encourage provinces and territories to implement their own cap-and-trade or carbon tax policies to ensure Canada reaches the 2030 Paris target.

Adaptability

Domestic
Adaptability
Score: 8

Organizational change is constantly taking place within the federal government and some of this change reflects international developments. However, unlike countries in the European Union, Canada is not a member of a supranational organization that may directly require periodic adjustments in the organizational structure and reporting relationships of the government and its public services. One notable exception has been the many changes over time in agencies relating to 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 to create what is now known as Global Affairs

International
Coordination
Score: 6

Canada. 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 would lead to a less focused and effective foreign-assistance program.

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. The Liberal government has stated that it seeks to return Canada to active participation in international bodies like the United Nations. In September 2016, Prime Minister Trudeau spoke to the U.N. General Assembly and outlined Canada's commitment to global affairs in an effort to win Canada a seat on the U.N. Security Council, a seat not held since 2000. Climate change is among Prime Minister Trudeau's declared priorities, as demonstrated in the formation of recent climate policies needed to meet the Paris target. In addition, to help ease the Syrian refugee crisis, Canada has welcomed over 40,000 refugees as of January 2017.

Organizational Reform

Self-monitoring
Score: 8

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).

The current government, which won the election in part based on the promise of transparency and fairness, has set up a number of independent committees that will monitor certain government processes. One example is the creation of an independent advisory board that will aid in the selection of senators in an effort to reduce partisanship in lawmaking. The political will seems to be

there, but it is too early to gauge their potential impact as few of these committees have been fully formed.

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. In 2008, the two departments were merged again. 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. However, in 2017, the Liberal government announced that Indigenous and Northern Affairs Canada would be split into two departments, the Department of Crown-Indigenous Relations and Northern Affairs, and the Department of Indigenous Services. The two departments will focus on renewing a nation-to-nation relationship and improving the quality of services available, respectively. Although this is a significant change that was called for in 1996 by the Royal Commission on Aboriginal Peoples, it is too early to tell how effective this change will be.

The Phoenix pay system, which centralized the payroll function of the federal government, was introduced by the Conservatives and continued by the Liberals. It has been an unmitigated disaster with many public servants experiencing long delays in receiving their salaries.

Citation:

Indigenous and Northern Affairs Canada. Highlights from the Report of the Royal Commission on Aboriginal Peoples, posted at <http://www.aadnc-aandc.gc.ca/eng/1100100014597/1100100014637>
<https://ipolitics.ca/2017/08/28/indigenous-and-northern-affairs-splitting-into-two-departments/>

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. Like other established democracies, Canada is particularly falling behind with regard to young voters' political literacy: younger people are less politically literate than older people by a margin of 20 to 30 percentage points, as shown in a recent study by Stockemer and Rocher (2017). The authors concluded that this generational political knowledge gap accounts for approximately half of the difference in turnout between voters in their early 20s and voters in their 50s.

Citation:

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

Stockemer, Daniel and Francois Rocher. Age, political knowledge and electoral turnout: a case study of Canada

Commonwealth & Comparative Politics Vol. 55 (1), 2017.

Legislative Actors' Resources

Parliamentary
Resources
Score: 7

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 members of parliament 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 (PBO).

It is unclear how effective this monitoring is in practice, however. In 2013, the PBO took the previous government to court over its refusal to fully comply with almost half of all information requests and access to information requests. Although the court upheld the PBO's right to demand information, a 2014 report from the office stated that it did not have enough data to analyze 40% of government programs.

The Liberal government has indicated its intention to provide more influence, resources and autonomy to parliamentary committees, in contrast to the previous government. A House of Commons committee put forward a number of legislative suggestions that would give more monitoring resources to members of parliament. However, the 2017 budget places new restrictions on the PBO, including restrictions on research requested by members of parliament relating to parliamentary proposals. Limiting the independence of the PBO could limit the quality and quantity of evidence-based policymaking.

Citation:

Gillezeau, Rob. "The PBO will suffer under the Trudeau government's new rules," April 13, 2017. Retrieved October 6, 2017 from <http://www.macleans.ca/politics/ottawa/the-pbo-will-suffer-under-the-trudeau-governments-new-rules/>

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. Parliamentary committees now allow witnesses to appear via Skype, which has increased the pool of experts available.

Task Area Congruence
Score: 8

There are currently 23 standing or permanent committees of the House of Commons and 18 standing committees of the Senate. Committees in the house and Senate frequently have overlapping mandates. The previous Conservative government under Prime Minister Stephen Harper had 39 ministers, while the

cabinet of the current Liberal government under Justin Trudeau only has 31 members. There are more ministries than committees with considerable variation in the number of ministries over time. However, since some cabinet positions (e.g., the leaders in the House of Commons and the Senate as well as the President of The Queen's Privy Council for Canada) have no corresponding department and some ministers (e.g., the Minister for International Cooperation) are heads of agencies under the umbrella of a department run by another minister, the number of government departments is currently 19. There is, therefore, 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. There are two ombuds offices with special mandates, the Office of the Ombudsman for the Department of National Defence and the Canadian Forces, and the Federal Ombudsman for Victims of Crime. 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.

As part of their ambitious agenda, the Liberal government promised to make government more open and transparent by revamping the Access to Information Act. A recent report from the information commissioner criticized the proposed legislative amendment (Bill C-58), arguing that the planned changes would curtail of existing rights and restrict media outlets' ability to provide in-depth political coverage.

Citation:

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

Information Commissioner of Canada, "Failing to Strike the Right Balance for Transparency Recommendations to improve Bill C-58: An Act to Amend the Access to Information Act and the Privacy Act and to Make Consequential Amendments to Other Acts" posted at http://www.ci-oic.gc.ca/eng/rapport-special-c-58_special-report-c-58.aspx

Parties and Interest Associations

Intra-party
Democracy
Score: 7

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

In April 2013, the Liberal Party of Canada elected Justin Trudeau as their new leader, 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. The Liberal Party currently forms the Canadian government, with Justin Trudeau as prime minister. How inclusive his leadership style is remains to be seen, although he promised a "return to government by cabinet."

Until his resignation in the aftermath of the October 2015 election, the Conservative Party was tightly controlled by party leader and then Prime

Minister Stephen Harper. Decisions on policy and electoral strategy were generally made by a small number of senior officials close to him. While grassroots views and resolutions passed at party conventions provide input into the decisions of the elite, they are not binding. For example, many Conservative party members would like measures taken to restrict abortion, but Stephen Harper refused to act on this for fear of alienating the general public, which is content with the status quo on the issue. The Conservative Party of Canada chose Andrew Scheer, former Speaker of the House of Commons, as the new party leader in May 2017.

Unlike the Conservatives or the Liberal Party of Canada, the New Democratic Party 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. In the October 2015 election, the New Democratic Party under Thomas Mulcair finished third and no longer form an official opposition. A wide range of views were expressed at a recent New Democratic Party policy conference, but all policy resolutions passed at the conference were non-binding on the party leadership. At the October 2017 convention, Jagmeet Singh won the leadership on the first ballot with 53.8% of the vote. Singh is the first person with an ethnic minority background to be elected leader of a federal party.

Given their short time in office, it is too soon to evaluate either Scheer or Singh’s leadership styles . Time will tell if they deviate from current party practice.

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.

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.

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