Innovations in governance in Canada*

Gilles Paquet

“Our Canadianism ... is a baffling, illogical but compulsive athleticism – a fence-leaping which is also, and necessarily, a fence-keeping.”

Malcolm Ross (1954)

To avoid any misunderstanding, let me start with three forewarnings:

First forewarning. Canadians are a people characterized by prudence. Those who have psychoanalyzed Canadians most aptly ascribe this “characteristic prudence” to the fact that “to remain a people at all we have had to think before we speak, even to think before we think.” This is why we are sometimes called “the people of the second thought.”

Second forewarning. In Canada, our “natural mode” is not compromise but irony. Often, what is said is meant to express its opposite. So, despite much denial and much obfuscation by officials, Canada has lived through a change of its governance regime over the last two decades, and this tectonic change has generated innovations in the last five years. But we must guard against “the pretense that every step backward or sideways marks ten steps forward.”

Third forewarning. When trying to communicate effectively a sense of the sort of discontinuity that Canada is slouching through, we must of necessity simplify somewhat a complex back-and-forth process. I have used ideal types to get my point across. Flats and sharps may be added later.

Gilles Paquet is Professor of Economics and Public Management at the Faculty of Administration and Director of the Centre on Governance at the University of Ottawa. He is also Editor-in-Chief of Optimum. He has authored, co-authored or edited some 25 books and written over 250 papers, chapters and books on issues such as the economic history of Canada, regional and industrial development, trade and technology, governance, entrepreneurship and public management. Gilles Paquet is a fellow of the Royal Society of Canada and a member of the Order of Canada.

* This article is based on a paper that was prepared for the Leadership Program of the Public Service Commissioners of Australia (Commonwealth, states and territories) and New Zealand. The paper was delivered by videoconference from Ottawa on June 1, 1999, as part of a session on Processes of Governance. The assistance of Chris Wilson and David Zussman is gratefully acknowledged.
In the next two sections, I give a broad presentation of Canada’s two-stage evolution since 1980 and sketch in stark terms the broad features of what the Canadian governance regime is becoming. I use a few cases to illustrate both the breadth and scope of these changes but also their essential ambiguity. I refer to four types of innovations – mere retooling, interesting restructuring, major reframing and fundamental moral recontracting. All along I underline that all this was accomplished by fits and starts, most inelegantly, and that it was brought forth by a cacophonous forum marred by much cognitive dissonance, an immense amount of disinformation and strong ideological, political and bureaucratic resistance to the new governance.

Canada over the last 7000 days

Canada, like most other advanced economies, has been subjected to a variety of pressures over the last 20 years as a result of dramatic changes in its environment. These pressures have been mainly ascribable to globalization and accelerated technical change. As a result of these changes, the environment has become more complex and more turbulent, and concerns from the private, public and civic sectors have been forced to acquire a greater capacity to transform and to develop a philosophy of continuous improvement and innovation in order to survive. In the face of the “new competition,” these concerns have had to become “learning organizations.”

Learning organizations must be capable of defining new goals and new means as they proceed through tapping knowledge and information that other agents and groups possess, i.e., through cooperation with other stakeholders and social learning. This has triggered a drift in the governance process. The governance pattern evolved from more exclusive, hierarchical and paternalistic forms in the 1970s, toward more inclusive, horizontal, distributed and participative forms in the 1990s, from a pattern where the national leader was in charge to what would appear to be a game without a master.

To be effective, the new distributed governance through social learning requires not only a new regime in its interactions with the rest of the world but also new structures (more modular and network-like), new strategies (based on dynamic efficiency and learning) and new forms of coordination (more decentralized and more dependent on moral contracts).

Canada’s international circumstances

At the international level, this meant a major rethinking of Canada’s role in the world economy and the negotiation of its entry and participation into an evolving economic bloc intended on one day encompassing all of the Americas.

Already by the mid-1980s, it had become clear both for academics and practitioners that globalization could not be resisted but had to be embraced. But Canada did not proceed with the Free Trade Agreement (FTA) with the United States (U.S.) in 1989 and with its expansion to include Mexico in 1993 as a result of a careful, thoughtful and serene debate. It slouched into it despite a vibrant opposition from a nationalist phalanx and a partisan parliament. At a time of growing economic dependence on the U.S. market and of growing fear of unilateral protectionist action from the U.S. government, it was felt that new rules were needed that might protect Canada’s interests somewhat better.

There was a national debate, but it was not very illuminating; the academic contributions were not enlightening and the average Canadian citizen was swayed in fact into taking a leap of faith.

Canadians in general have come to the opinion that Canada had to embrace globalization so as not to be left out in the cold in this era of regional blocs, and that, despite the imperfections of these accords, Canada would be in much worse shape today if it had not done so. Nevertheless, a vocal minority still believes that Canada has found itself on the losing end. And ten years after the FTA, the two clans (pro and against) recite very much what they used to say in the mid-1980s. There is most certainly no general philosophy of global governance being distilled in Canada at the present time as is the case in so many other countries.
**A less than orderly transformation of the national governance regime**

At the national level, the opportunity to effect an orderly transformation of the governance regime was offered to Canadians on at least two occasions in 1990 and 1992. But the two accords (Meech, Charlottetown) that would have introduced the possibility of a new decentralized Canada (wider powers to the provinces, distinct status for Quebec, guaranteed regional representation in central institutions, etc.) failed to get the necessary support. So the transition again has proceeded in fits and starts through various confrontations and ad hoc administrative arrangements.

In particular, the fiscally driven Program Review process launched in 1994 and the Alternative Service Delivery Initiative launched in 1995 were instrumental in bringing about a *de facto* transformation in the philosophy of governance. The first one was designed to subject each federal program to some scrutiny by imposing on federal officials the burden of proof in the debates as to whether these programs were still in the public interest and whether they could not be devolved to the private, provincial/local government or the civic sector, or to any partnership arrangements among them. It was clearly based on a philosophy of subsidiarity. The second one was a technocratic adjunct to the Program Review process, borrowed from many experiences in the rest of the Commonwealth and a more indirect and limited route to transform governance. But any analysis of the technology of delivery of services obviously must lead to some questioning of the governance process.

However, at both the international and national levels, there was much improvisation and learning-by-doing on the governance front. Moreover, at both levels, there has been a sort of *valse-hésitation* (pussyfooting) and a constant tension between (1) the neo-liberal forces defending open borders and a massive devolution of powers from the centre of the federation; and (2) those insisting that some protectionism or managed trade and national centralization were necessary to protect the nationals and to fuel the “desired” degree of national redistribution of income and wealth.

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**Slouching toward a new governance**

In a starkly simplified manner, the difference between the former and latter governance regimes in Canada can be stylized as a shift from a somewhat “defensive,” anti-democratic, centralizing, homogenizing and hierarchical former regime ruled by elites toward a more “open,” communitarian, non-centralizing, pluralistic and distributed governance regime in the latter period. When we use the expression “anti-democratic,” we suggest that there was a tendency in the former regime, during the Trudeau years for instance but also in the recent past, for top-down unilateralism to be regarded as legitimate. And the lack of authoritative agencies willing and able to stop the encroachment of one state agency upon the lawful authority of another has also been deplored. This situation – fuelled by the centralized mindset of many governments over the last few decades, but also by the immensely greater bureaucratic power at the disposal of modern Caesars – has been denounced in the U.S. and Canada. There is no clean break between these two regimes: in many ways, the two institutional arrangements overlap and are intermingled. The former regime is still present in our values, ideologies, institutions and policies, and indeed it has been reinforced by the *Canadian Charter of Rights and Freedoms* of April 1982. But the latter regime is making inroads, and the illiberal and federal-encroachment-prone nature of the former regime is being challenged on a variety of fronts, even though it is often done in a low voice.

If we had to put a label on the former governance regime, we might use Stephen Carter’s “the liberal constitutional project.” We could define it as built on the priority “to get the answers right, not to worry too much about the process through which the answers are obtained,” and on a model that holds that “the central government (where decisions on matters of right or wrong are made) is more likely than anybody else to find the answers that are right.”

As for the latter emerging governance regime, we might label it “the distributed governance scenario,” built on a reduced and transformed role of the state, a greater reliance on governance mechanisms from the private and civic sectors and on a scattered and multi-layered distribution of power. The word *scenario* is used to
emphasize the fact that it is still in the process of unfolding, and that it is in no way certain that it will unfold exactly as we suggest.\textsuperscript{14}

**The former governance regime under stress**

The former governance regime is approximated rather well by the hierarchical mode of governance with its top-down enforcement of rules by a governor who claims to represent the will of the people and treats the citizen in an imperial way. The main weaknesses of this brand of centralized governance in good currency in Canada, and in many other advanced socio-economies, have been well-documented.

The overall crisis of this governance regime since the late 1960s has been analyzed historically as a two-stage process:

- it evolved first as a crisis in the economic realm: coordination failures became more and more important in advanced market type economies, thereby creating a demand for intervention and regulation by the state, and the economic crisis was therefore shifted to the state;

- the state crisis developed as the legitimation deficit grew: the state was failing to mobilize the requisite commitment of citizens to be able to do the job; in desperation the state attempted to obtain a “blank cheque” from the citizenry.

The argument was that since the management problems were so technically complex, the citizenry should pay its taxes and let the professional managerial experts do their job. This stratagem has not worked and it has not succeeded in suppressing the autonomous power of the community to grant or withhold legitimacy.\textsuperscript{15} Trust in government has declined. The polls have recorded this story line.

In a more and more globalized context, the Canadian private sector also made ever greater demands on public institutions for protection and regulation at a time when the capacity to supply services from the public sphere could not expand further. This limitation on the capability of the public sphere was due to the fact that participation, trust and creative interaction (on which politics and the public sphere are built) had all but disappeared, as had the sense of community that underpinned civil society and the collective/private ways of meeting the needs of strangers.\textsuperscript{16}

In this world of rugged individualism where most citizens were strangely unaware that the government had been the prime mover in the postwar period of prosperity, private enterprise at public expense became the rule. The lack of commitment of emotional, intellectual and financial resources to refurbish the public infrastructure could only lead to demand overload, and the frustration generated by the policy failures of the 1970s set the stage for citizens to suggest that the best way to strengthen both democracy and the economy was to weaken government.

**The emerging scenario: distributed governance and the strategic state**

At the core of the latter or new regime is a new philosophy of public intervention. It is emerging as a two-stage process: first, a growing recognition that there is a need for a new rationale for the new collective institutions; second, the development of the design principles that are likely to underpin the social architecture of this new strategic and distributed learning governance regime.\textsuperscript{17}

- **Recognize the need for a new rationale for the new collective institutions.** This calls not for the least constraining public philosophy but for one that would be the choice of citizens if they had “the fullest attainable understanding of the experience resulting from that choice and its most relevant alternatives.”\textsuperscript{18} The challenge is to bring about that sort of “fullest understanding” in the population. It means that government can no longer operate in a top-down mode but has a duty to institute a continuing dialogue with the citizenry. This requires a language of common citizenship, deeply rooted in civil society: the citizens have commitment and values that the state must take into account, and they want an active role in the making of policies supposedly generated to respond to their presumed needs. Only through a rich forum and institutions that enhance citizens’ communication competence is an enlightened understanding likely to prevail – both as a result of, and as the basis for, a reasonable armistice between the state and the citizenry.
The state, in the past, has played housekeeping roles and offsetting functions. These functions required minimal input from the citizenry. The state in complex advanced capitalist socio-economies must now play new central roles that go much beyond these mechanical interventions. It must become involved as a broker, as an *driving force* and as a *partner* in participatory planning, if the requisite amount of *organizational learning*, co-evolution and cooperation between the economy and society is to materialize. This paves the way to a *participation-society* (where freedom and efficacy come from the fact that the individual has a recognized voice in the forum on matters of substance and procedures in the public realm and more importantly an *obligation to participate* in the definition of such matters). The citizen refuses to be confined to living in a “rights society” where the dignity of individuals resides exclusively in the fact that they have claims. The citizen becomes a co-producer of governance.

- **Develop the design principles.** The design principles for a social architecture in keeping with the guiding values mentioned above are clear. First is the principle of *subsidiarity*, according to which “power should devolve on the lowest, most local level at which decisions can reasonably be made, with the function of the larger unit being to support and assist the local body in carrying out its tasks.”¹⁹ The rationale for this principle is that the institutions closer to the citizen are those likely to be the closest approximation to organic institutions, i.e., to institutions that are likely to emerge *undesigned*, to emerge from the sheer pressure of well-articulated needs and likely to require minimal yearly redesigning. Subsidiarity reduces the vertical hierarchical power and increases in a meaningful way the potential for participation.

The second design principle is that of *effective citizen-based evaluation feedback* to ensure that the services produced, financed or regulated by the public realm meet with the required standards of efficiency, economy and effectiveness, and are consonant with the spirit of the agreed standards or norms. This is a central cybernetic loop feature in the refurbished governance. It is essential if organizational learning is to proceed as quickly as possible.

This entails a transformation of the audit and evaluation functions in the decision-making process. Instead of being limited to untimely *ex post* efforts at identifying abuses, these functions are becoming part of the *ex ante* strategic decision making in a citizen-centred governance regime. Perfunctory consultation will not do – it requires the creation of “chaordic organizations.”²⁰

### From egalitarianism to subsidiarity

To fix ideas, we might stylize the drift in the governance regime as a movement along a spectrum of institutional orders with one ideal type at each end: the former institutional order rooted in the philosophy of egalitarianism and the new institutional order rooted in the philosophy of subsidiarity.²¹

Egalitarianism is clearly the general thrust of the top-down rights-based philosophy of governance that has underpinned the traditional welfare state. This philosophy argues that equalization of outcomes is a desirable objective and ambitions to provide all citizens, whatever their personal access to resources, with all the required resources necessary to ensure equality. Tocqueville has shown that “democratic peoples … have an ardent, insatiable, eternal, invincible passion for equality; they want equality in freedom, and if they cannot obtain it in freedom, they want it in slavery.”²² Indeed, this egalitarianism that drives democracy is not only an observed fact, it is an ideal, an “imaginary equality.”²³ However, democratic egalitarianism (in society) generates compulsive centralism (in the polity): to redistribute resources, we have to bring them to the centre first and this centralism generates growing shackles on the productive capacity of the economic system. So the welfare state has found itself caught in an vicious circle where it has become ever more expensive in fiscal and centralization terms to effect a redistribution that, instead of reducing frustration, has managed to exacerbate it.

It is only in the 1990s that Canada has been forced by its fiscal crisis to articulate the beginnings of an alternative philosophy of governance. This new compass is a philosophy of subsidiarity built on the centrality of active citizens who have to take primary responsibility for their own welfare and the welfare of their families. The authority of governments to intervene is not based on any rights or...
entitlements ordained from above but stems from the citizens’ demands for help. Thus governments act in a subsidiary way, in the same way a reserve army intervenes in case of need. This new governance system also calls for decisions to be made at the lowest, most local level at which decisions can reasonably be made (starting with the citizen as such). The task of the higher order of government is to assist and support the individual and the local body in carrying out their tasks.

The six questions addressed by the Program Review process to each federal program are about subsidiarity even though the word is never used. They try to establish whether government should get involved at all and whether, if governments should be involved, any lower order agency or strategic alliance of many of them might not do the job better. To these governance questions, the Program Review adds questions of efficiency and affordability. The advantage of a framework of this sort is that it does not allow technological adjustments to be made for the sole purpose of efficiency improvement. The governance and efficiency considerations are dealt with as a whole.

This new philosophy provides a rationale for the construction of a new institutional order which will be of necessity where governance will be based on needs rather than rights and bottom-up rather than top-down; it will also be more distributed and more decentralized than the old governance system.

Four vignettes

Donald Schon has suggested that any system (including the Canadian governance system) is composed of a structure, a technology and a theory. The structure consists of the set of roles and relations among members of the organization. The technology refers to the tools used by members of the organization. The theory is the view held by members about the system – its purposes, environment, future. These dimensions hang together and any change in one affects the others.

The transformation of the Canadian governance system has been a compounding of retooling, restructuring and reframing. And, as Schon suggests, each of these changes has triggered adjustments in the other dimensions.

What was often a modest alteration of the technology of service delivery could not but affect the nature of the program involved and modify the policy that this program was meant to serve. So we should not discard too quickly what might appear to be a modest tinkering with technology. Often it has proved in Canada a roundabout way to effect more fundamental changes that would not have been palatable if they had been tackled directly.

I will give an example of innovations in each of the three directions, but I will also add a fourth vignette pertaining to an event of the winter of 1999, the signature of a covenant between the federal government and the provinces about the Canadian Social Union. This sort of vague and fuzzy statement is more in the nature of a moral contract than of a legal document. I am using it here mainly as a revelation of the degree to which the egalitarianism-subsidiarity remains unfinished and to illustrate the extent to which the centralized mindset is still at work in Canada.

Food inspection agency as retooling

The creation of the Canadian Food Inspection Agency (CFIA) is a good example of what ensued from the alternative service delivery initiative. It was announced in the March 1996 budget as an alternative way (to the traditional departmental model) of delivering certain services that were offered at the time by Agriculture and Agri-Food Canada, Health Canada, and Fisheries and Oceans Canada. It was meant to reduce overlap and duplication, improve service delivery and improve federal-provincial cooperation through the development of harmonized standards and harmonized enforcement.

The CFIA has integrated all the federally mandated food inspection and quarantine services, but the responsibility for food safety policy and standards remained with Health Canada. From an accountability point of view, it remains analogous to a department, but from an operational point of view, it is more like a corporation in the sense that:

- It receives 20 percent of its resources from the industry in the form of user fees.
• It has greater financial and human resources flexibilities in order to make it a more efficient deliverer.

• It has the authority to partner with the provincial and local authorities but also to acquire shares or participate in any corporation to implement its mandate.

This agency represents a typical Canadian “adaptation” of the executive agency model to ensure that three important elements are maintained:

• The ministerial accountability is not compromised.

• The role of government is not diminished.

• It cannot be called “decentralization.”

Consequently, it does not have the usual arm’s-length agency relationship with the government that the executive agency model would suggest. The CFIA has been successful because of its hybrid nature and of its effort to balance “flexibility and accountability, innovation and tradition.”

In this delicate matter where health safety is at issue, the crucial problem of accountability was the major bone of contention. So the Minister had to remain clearly the person who would be accountable for the performance of the CFIA. However, subsection 4(2) of the CFIA Act clearly states that “The Minister may delegate to any person any power, duty or function conferred on the Minister under this Act or any Act or provision that the Agency enforces or administers ….” It is therefore clear that the CFIA has the possibility of developing into quite an independent unit. This is the drift to be anticipated if the CFIA’s first years of operation are not marred by important crises. But the agency is not there yet, as its web site indicates.

Airport administration as restructuring

This is a more ambitious initiative through which the Canadian federal government has transferred the operational and management control of airports to locally based transport authorities. These Canadian airport authorities are not-for-profit corporations headed by boards of directors nominated by federal, provincial and municipal governments but also by other participating organizations such as chambers of commerce, boards of trade and consumer and labour groups.

Accountability for the local airport authorities is to the community that the airport serves. The board of the local airport authorities is not only free to use airport revenues to directly support operating costs and capital requirements but to pursue its own broad objectives (to boost trade, tourism, job creation, etc.) as embodied in the business plan for the local airport. The board also has the power to create wholly owned for-profit subsidiaries and these subsidiaries can become holding companies for other investments or concerns.

Transport Canada continues to ensure safety and security at Canadian airports through aviation regulation and airport certification processes, but the local airport authorities are quite clearly independent entities. Many of these local authorities have taken a most aggressive stand and make full use of the many new instruments put in their hands to inject a coefficient of “boosterism” in their operations. The case of the Winnipeg Airport Authorities is most interesting on this front. This restructuring policy began in 1992 when four local airport authorities were put in place in Vancouver, Edmonton, Calgary and Montreal, but all airports are in the process of being shifted to this new management structure.

This is a more dramatic transformation since it clearly changes the accountability process from top-down to bottom-up. Financial and human resources flexibilities are such that (except for the transition period where employees choosing to leave the public service to join the local corporation are assured of employment for two years) the local authorities are unconstrained. So it is clearly an initiative that entails both decentralization and a diminished role for the federal government.

As an experiment in governance, it transforms the roles and relationships of many of the groups involved. It is not clear however to what extent the residual regulatory role of Transport Canada will choose to be intrusive (especially through the airport certification processes) or benign. Similarly, it is not clear, in the long run, whether the decentralization-cum-reduction-of-the-federal-government-role will turn out to be full or hollow. For the time being, it would appear that the restructuring has been effective and the freedom of action of the local airport authorities significant.
Nunavut as reframing

Nunavut is the new name given to the central and eastern portion of what used to be part of the Northwest Territories of Canada. It covers the northernmost portion of the country and became, as of April 1, 1999, the newest official territory of Canada. It is 1,900,000 square kilometres or one-fifth the size of Canada, with a population of some 25,000 of which some 80 percent are Inuit.

This new territory is important much less because of the fact that it redesigns the map of Canada than because it has introduced a new variety of participatory democracy in Canada.

It is well known that the British constitutional law tradition cannot easily deal with diversity. Indeed, Tully uses strong language when he states that “the last three hundred years is a partial forgery. While masquerading as universal, it is imperial.” Canada has lived under the shadow of the British constitutional law tradition and has suffered from the “empire of uniformity” that it casts. Indeed, Trudeau’s Canada has taken the doctrine of uniformity to its limits: citizenship has come to mean an eradication of cultural diversity.

This is a perspective that has been criticized severely over the last few decades and in Canada there has been pressure over the last 20 years to review the way in which the First Nations have been allowed to partake in the governance of the country. A variety of renewed arrangements with the First Nations have been proposed and approved over the last few years, and they are likely to act as an important catalyst in the transformation of our philosophy of governance, especially as it deals with diversity.

The process of accommodation with the First Nations may indeed be the only route that is likely to lead to a rediscovery, a formal recognition of cultural diversity and a more balanced polyarchy, where differences and dissent will be less systematically suppressed. Tully has showed how these debates are likely to create an intercultural common ground, a new lexicon capable of dealing with diversity. This may hold the key to a broader capacity to deal with interculturalism.

In that context, the creation of Nunavut is a particularly important moment of reframing. Not only is Canada recognizing formally the existence of this new territory, but it has condoned an ethnic-based territory and a new “style of governing” – a consensus style of government based on an elaborate system of public engagement, consultation and political trade-offs.

We could easily see this undangerous precedent being used by Quebec as a basis for legal pluralism and probably the basis for a new diverse federalism. Indeed, the tensions that exist in Canada between federal and provincial authorities are still largely resolved either by administrative devices or by political confrontation. It may well be that what Nunavut proposes is another manner of seeing things that may have a significant impact in the longer haul.

Social Union as moral contracting

A central feature of the fiscally driven deficit reduction of the Canadian federal government has been the drastic reduction in the federal transfers to the provinces for health, education and social welfare. These transfer cuts have forced all of the provinces to effect dramatic transformations in those areas.

As the federal government reached a situation of fiscal balance, the pressures have become very strong on the part of the electorate and of the provincial authorities for the federal government to restore in part the fiscal basis on which the provision of these crucial services is built. Given the important message of the federal government that centralization is important (1) as a strong
basis for inter-regional redistribution and (2) as an assurance that Canadians wherever they are will benefit from services meeting national standards in this area, there has been some pressure for the federal government to develop an agreement with the provinces about the way in which the Canadian Social Union can best be managed.

The Prime Minister of Canada was never keen about such an accord, and he made it quite clear that he could easily live without it. In the former governance system, the last resort is always some top-down federal unilateral intervention. There have been suggestions that a Social Union Accord might limit considerably such action. This was not to please the Prime Minister.

On February 4, 1999, the Canadian federal government and the Canadian provinces (except Quebec) signed a new three-year covenant defining the way in which the Canadian Social Union will be managed. It should be remembered that in the Canadian context, social policy is a provincial prerogative. However, in a world in which health and education are prominent “goods” for the citizens, there has been a tendency for the federal government to encroach on provincial jurisdiction in those areas. Indeed, one of the most contentious areas of federal-provincial squabbles has been the social policy field. The Canadian Prime Minister in power has pushed for the unilateral introduction (without any consultation) of specific initiatives in areas which happen to be within provincial jurisdiction (e.g., the Millenium Scholarship Fund) and has used a rhetoric of compulsive centralization requirements in the name of “much needed” redistribution.

In the debates preceding the Social Union Agreement and the new transfers to the provinces for health care purposes, the Prime Minister sounded like Louis XIV when he mused in public that sometime on Monday he felt like giving the provinces more money, and then Tuesday he did not. Very much as in the Trudeau era of the late 1970s, we feel at times that Canada would still appear to be in the throes of a rule by self-righteous elites claiming to know better. However, in parallel with this posturing, there has been a multitude of initiatives that have contributed to building different aspects of the new governance regime such as the devolution of training to the provinces.

The occasion of a broad negotiated social contract was seen as an important gauge of how far Canada has travelled down the road from the centralizing, homogenizing and hierarchical former governance regime toward a more non-centralizing, distributed and associative governance regime.

Many had expected the Social Union document to embody the principles of the new governance, at least to a degree. In fact, the new covenant, if anything, is a step backward. It establishes that the federal government must consult the provinces before it takes any initiatives in the social policy area, and that it must give the provinces some prior notice and offer to seek their advice. But the new accord establishes clearly the authority of the federal government to do so, an authority it did not have until now. The provinces, very pressed for cash, may have sold out their autonomy in these areas for a few billion dollars.34

While such a pragmatic settlement may appear to be a step forward in that it has produced an agreement to legitimize federal intervention, we may also see it as a step backward in that it would appear to slow down the progress toward the new distributed governance. Given the centralized mindset that prevails in certain quarters in Ottawa, it is almost certain that this “new legitimacy” will be used to the fullest extent by a federal government that seeks maximal visibility in the delivery of services to the citizenry.

Conclusion

The four types of innovations I have singled out have been used to different degrees in the different sectors. The first two – more in line with the traditional executive agency tradition – may not have been used as boldly in Canada as they have in Australia and New Zealand, but they have been used. It is not clear however at this time if they will trigger permanent governance modifications. The last two are more fuzzy and may have been used more boldly in Canada, because they allowed the changes in the governance process to proceed at a pace that remained very slow even if they dealt with fundamental governance dimensions. It may well turn out that on these last two fronts, Canada may have something to contribute to the transnational debate on governance.
Endnotes


4. Paquet, 1999a, op. cit., Ch. 3.


10. The use of the word “anti-democratic” may generate some unease, so some clarification is in order. Our governance regimes are complex and unstable mixtures of four broths: the democratic tradition anchored in ancient Athens, the republican tradition rooted in imperial Rome and certain medieval Italian cities, the liberal tradition traceable to mediaeval Europe but more clearly to Locke and Montesquieu, and the tradition of the rule of law, together with “the existence of state agencies that are legally empowered – and factually willing and able – to take actions ranging from routine oversight to criminal sanctions or imprisonment in relation to possibly unlawful actions or omissions by other agents or agencies of the state.” Any undue weight given to one or another of these components may corrupt the mixture. “Democracy without liberalism and republicanism would become majority tyranny; liberalism without democracy and republicanism would become plutocracy; and republicanism without liberalism and democracy would degenerate into the pater-nalistic rule of a self-righteous elite.” And without the possibility of redress when there is encroachment by one state agency upon the lawful authority of another, caesarism is near. (G. O’Donnell. “Horizontal Accountabilities in New Democracies,” Journal of Democracy, Vol. 9, No. 3 (1998), pp. 112-126.)

All these forms of corruption have been experienced, and they may, in each case, be the result of either a lack or an excess. For instance, observers have denounced the deleterious effects of the emergence of hyperdemocracy in North America: indeed, democratization and distrust are presented as the twin hallmarks of America’s hyperdemocracy. The insistence on greater exposure and participatory openness in the political environment and the incessant polling “off-the-top-of-the-head” opinions have led to some destructive uses of the tyranny of the majority: a series of disconnected adversarial contests, a general atmosphere of contentiousness, political debate without deliberation, a public that is courted by ‘sound bites’ but not engaged in a meaningful conversation, a world of deepening distrust. A democratic deficit may also be a source of concern. (H. Heclo. Hyperdemocracy,” The Wilson Quarterly, Vol. XXIII, No. 1 (1999), pp. 62-71.)


17. Paquet 1999a, op. cit., Part III.


20. D.W. Hock uses the word chaord (from chaos and order) to refer to “a self-organizing, adaptive, non-linear, complex system, whether physical, biological or social; the behavior of which exhibits characteristics of both order and chaos or, loosely translated to business terminology, cooperation and competition.” (p. 6) As founder of VISA, he has created a company that is “an inside-out holding company” in which the 23,000 financial institutions that create its products are “at one and the same time, its owners, its members, its customers, its subjects and its superiors.” (p. 14) This sort of organization not only embodies subsidiarity as a founding principle but also the principle that the chaordic organization is owned by its members. “No function should be performed by any part of the whole that could reasonably be done by any more peripheral part, and no power vested in any part that might reasonably be exercised by a lesser part.” (p. 15) It must embrace diversity and change, but no individual or institution and no combination of either or both shall be able to dominate the deliberations. To ensure that this is the case, VISA has had to ensure continuous learning through continuous feedback loops. D.W. Hock “The Chaordic Organization,” Perspectives on Business and Global Change, Vol. 9; No. 1 (1995), pp. 5-18.


23. Ibid., p. 189.

25. Paquet and Shepherd, *op. cit.*


29. See http://www.cfia-acia.agr.ca

30. See http://www.waa.ca


33. Much can be learned about the newest Canadian territory and facts concerning its transition to autonomy at http://www.uconn.edu/; please search this web site using the keywords “Arctic Circle” and “Nunavut.”