4. OPENING OF THE CONFERENCE

The platform:

- The Honourable Catherine Callbeck, Premier, Province of Prince Edward Island, Canada
- Sir Kenneth Stowe, Chairperson, CAPAM Steering Committee
- Mr Lloyd Palmer, Chair, IPAC Conference Committee
- The Honourable Marcel Massé, President of the Queens Privy Council, Minister of Intergovernmental Affairs and Minister Responsible for Public Service Renewal in the Federal Government of Canada (Keynote Speaker)
- Mr James Beaulieu, IPAC President (Chairperson)

The founding members of the Inaugural Conference of the Commonwealth Association for Public Administration and Management and the participants of the Annual Conference of the Institute of Public Administration of Canada were welcomed by the Honourable Catherine Callbeck, Sir Kenneth Stowe and Mr Lloyd Palmer.

In his welcoming remarks, Sir Kenneth Stowe highlighted the depth of the social and political transitions faced by Commonwealth governments, including those from single- to multi-party systems, from closed to open economies, and in particular from apartheid to democracy. He went on to emphasise the moral base of public service: the responsibility of all public officials, elected and appointed, to seek to improve service within a framework of values. His opening remarks gave the subsequent discussions a very positive steer towards that area where managerial determination meets respect for the public and for democratic processes.

Mr Massé provided a further anchor to the discussions in his keynote address which described the three major themes which form the context to government transitions: globalisation of trade and communication; regionalisation of trading blocs and of military conflicts; and public disappointment in government with the resulting and overwhelming pressure for governments to do better. He cited the case of Canada, reflecting on the fundamental reviews of structures and processes which it had no option but to undertake. Mr Massé noted that its federal structure gave Canada a particular advantage in such an exercise, as federalism provides a daily practical lesson concerning the opportunities for innovation and mutual advantage which follow from the healthy tensions of interdependence.

In taking these views together, the launch of CAPAM offers the possibility to plug some very real gaps. Globalisation and the pressures for improvement in government services are experienced very differently in developed and developing

countries. The three regional trading blocs cover the majority of the world's trade, but far from the majority of its people. They provide a sharp reminder of the divisions that remain between peoples and between expectations at a time of seemingly relentless movement towards strengthened global interconnections. The paradox of globalisation is that while national borders assume less relevance, social divisions within countries and between regions increase.

The role of public administrators and managers is crucial in this fractured and fast-changing environment. Their dual task is to advise on, implement, and subsequently account for services which serve the whole nation while simultaneously seeking opportunities for improving the systems and framework within which they operate. They must find support for their local improvements from global developments, adapting emerging international best practices to national realities. The principal task of CAPAM is to deliver quality services to its members which bridge this gap between international possibilities and practical local action.

The future of government: change, opportunities and comparative perspectives (Canada)

Edited extracts from the keynote address by the Honourable Marcel Massé, President of the Queen's Privy Council, Minister of Intergovernmental Affairs, and Minister Responsible for Public Service Renewal, Canada

The new context

As Minister of Intergovernmental Affairs with special responsibility for Public Service Renewal, I am dealing day-to-day with the need for fundamental reform of our basic institutions and the ways our Government must respond to a citizenry confronting rapid change and uncertainty.

Having spent many years working in the international realm, I have seen that globalisation is not just an abstract or hackneyed concept; it is a reality at every level today: administrative, economic, social, and political.

In 1990, I said that globalisation required that we take a more horizontal approach to problems and their solutions. Four years later, I believe we have all experienced this reality and it continues to be our holy grail.

But now there are also important new realities – governments have persistently over-promised and under-delivered. Policies and programmes have struggled to address debt and deficits and to produce economic growth with jobs. Everywhere citizens are therefore questioning the credibility of governments and their relevance. The result – the need to rethink government in recognition of the narrowing policy choices of government and the limited ability of governments to solve problems on their own.

I believe your job as public administrators is to ensure that government takes advantage of the opportunities of globalisation and responds within the constraints of these new realities. This requires a fundamental reform of government, where its main role is to be a facilitator among many actors and where its priority is to find innovative ways of responding to the legitimate concerns of citizens.

If I were to make a pretty safe prediction, I would say that future governments will be smaller, with a focus on shared decision-making and protection of the vulnerable in society.

If you permit me to make one more prediction, it is that, in this new world, the appeals of federalism will become evident – particularly in terms of its flexibility

and its ability to facilitate shared decision-making and to promote fairness in society.

Globalisation

The facts of globalisation are known to all of us. "Globalisation", "interdependence", "a planet without borders", or to use the phrase coined by Marshall McLuhan, "the global village", all these terms describe the world we now live in.

Richard Lipsey, in his Sir Charles Carter lecture at Queen's University, Belfast, described the key elements of the global village succinctly. He said (it) is built around: (1) knowledge-based production; (2) falling costs of transportation and communication; and (3) a communication revolution stemming from lower costs and rising efficiency in the transmission, retrieval and analysis of data.

In this global village, the world is one market-place demonstrated by the rapid expansion of world trade and investment. World trade in merchandise and commercial services is currently valued at nearly $5 trillion. Tariffs, which once averaged 40 per cent on manufactured goods, have fallen to just over four per cent. The nearly five-fold expansion of trade since 1947, the year the GATT was born, dwarfs the mere doubling of global output over the same period.

Multinational firms have proliferated and their investments abroad have grown by leaps and bounds. The 1992 UN World Investment Report shows that by the end of the 1980s, the value of goods and services sold by foreign affiliates totalled an estimated $4.5 trillion, equal in value to world trade. The power and influence of multinational firms now exceeds that of many sovereign states.

What does this all mean for political institutions and processes? In this new world, operations are borderless and transactions instantaneous. The term "domestic economy" is becoming little more than a geographic reference.

"Domestic" politics are as uncontainable as "domestic" capital. States can, however, seek to nurture modern and competitive economies. Most have taken the first step, which is ensuring access to foreign markets through freer trade and investment.

If the decisions, practices and operations of multinationals are to be subject to broad policies developed by political leaders accountable to the people, new alliances and blocks are necessary to develop and enforce such polices. Otherwise, major decisions affecting the environment and labour conditions will be made by business leaders unaccountable to the people at large.

These are the features of globalisation we all know so well, and which already affect our daily activities. Let me try to identify some new trends which have accelerated the pace of change even more.

Peace dividend

The first trend is the peace dividend. When the traditional functions of NATO and the Warsaw Pact disappeared, there was a spillover effect from the international to the domestic. Rethinking in these areas put pressure on governments to start reconsidering their overall functions, or at least to think about reordering their domestic priorities. As an example, let me cite West Germany. With the end of the cold war, it was free to deal with the reintegration of East Germany. This has had a major impact on most aspects of German domestic policy.

Associated with the end of the Cold War era is the increased regionalisation of military conflicts and global solutions to problems. The UN has been increasingly drawn into the role of world police. Now more than ever it enlists the support of UN members, including the United States, as participants in the military settlement of regional disputes. For example, Canada today has troops in 20 trouble-spots around the world.

This notion of partners in world peace is redefining traditional views about the role of the military, foreign policy and diplomacy. And this has repercussions on other activities of the state, a process which is just beginning.

Emergence of the triad

The second trend that is accelerating the pace of change is the emergence of the triad and increasingly bilateral and regional world trade.

The recent conclusion of the Uruguay round of trade negotiations represents a significant step on the path towards a multilateral and increasingly global free trade. It has broadened the world trade agenda to include such matters as services, intellectual property rights, agriculture, and so on. The World Trade Organisation is to be established in 1995.

The ongoing consolidation of bilateral and regional trading blocs, in which Canada has taken part, reinforces these trends.

By creating spheres of free trade, NAFTA and its European and Asian counterparts reflect the emergence of a world triad: three large marketplaces. The triad thereby represents three stepping stones to expanded free trade, encompassing more trading nations and allowing for liberal policies tailor-made to those regions.

Democracy and the information revolution

The third trend that is increasing the pace of change is the impact of the information revolution on democratic processes and governments. For all countries, and especially a vast country like Canada, the convergence of telecommunications, cable, satellite, and fibre optics has altered the way governments and their electorates interact; and the potential for further change is almost unlimited.

For example, *The Lobby Digest and Public Affairs* magazine reports that computer networks can be employed to mobilise grassroots movements on issues as varied as advertising, tax policy and foreign aid. Steve Chase, the article's author, says, "In the US some groups have even mastered the art of the electronic petition, in which supporters of a protest can simply add their names to a list through the use of e-mail".

Since Ross Perot began popularising the idea of an electronic democracy, numerous groups have talked about enabling the entire electorate to use touch-tone telephones, remote-control devices or computers to vote on issues. A cable company in Denver is currently developing what it calls a democracy channel as a forum for 24-hour political decision-making.

Direct democracy may be a wonderful thing, but it raises a number of difficult questions: How do we balance this direct democracy against the benefits of representational democracy? Is there a danger that political leaders will pay even more attention to the issue of the moment than they do now, ignoring tough decisions for fear of a bad televote performance?

New realities

Against the backdrop of these new factors in global trends are some of the realities I spoke of earlier, realities which bear on the ability of domestic governments to deliver programmes and services, and to meet the expectations of their citizenry.

I would like to talk about these new realities, with reference to the Canadian case. Like other countries, Canada is adjusting to the whirlwind of change. Fundamental values and principles are being sorely tested. Stability often gives way to insecurity. Technological advances are heightening the need for speedy reactions, and for more effective and efficient management models. Citizens' expectations exceed government's ability to deliver – with a corresponding rise in disenchantment.

Canada is truly a global nation. We are both the world's eighth largest exporter and eighth largest importer. Our share of global trade is close to four per cent, nearly one third of that of the United States.

Canada must therefore define its domestic polices and behaviour in trade, administration, finance, the environment, security and other areas in light of events that are beyond our borders but which inevitably affect us.

In the early part of the decade, Canadians experienced the hardships of economic restructuring, with the manufacturing base of the country in question. Canada's commodity base – its traditional area of comparative advantage – has also suffered from low and variable prices.

Growth has not been accompanied by jobs, as firms position themselves to compete in the global economy. The challenge here is to adapt rapidly, and to compete in a world where knowledge is the real basis for comparative advantage.

Added to this scenario is rapid social and demographic change, characterised by an ageing society, relatively poor income growth, high youth unemployment, and questions about the decline of the middle-income earner.

Canada is no exception to the world-wide reality that, for too long, too many countries have been living beyond their means – promising action that they could not sustain and sustaining action that could not be afforded. Thus, we are in the tough situation of having to choose policy options within severe financial constraints. And we must recognise that the more appropriate role for government is to act as a catalyst and facilitator, rather than as the exclusive "doer".

Shared responsibility for public policy choices is especially important during an era of shrinking resources. The challenge is to maintain and develop "government-to-citizen trust". As Judith Maxwell, has pointed out in a recent article, hard decisions have become necessary, but, she says, " ... Government cannot afford to ... break trust with Canadians". This means that the various elements of society must co-operate to find mutually beneficial solutions to problems. This is essential to good government and to creating government-to-citizen trust.

These realities have led governments in Canada to take seriously the root causes of scepticism and disenchantment. These realities have also forced us to ask some basic questions about the role and purpose of government and the functions of our public administration.

Our approach

As a Government, we have chosen to go back to basics on a number of fronts. First, we have moved to implement measures promoting public trust by delivering on our commitment to "good government" and by opening up the process of Government in Ottawa. We have placed the burden of legitimacy on our Parliament and parliamentarians in an attempt to restore the credibility of the representatives of the people.

The Prime Minister recently appointed the first Ethics Counsellor to oversee and enforce both a strengthened Lobbyists Registration Act and a revised, more comprehensive conflict-of-interest code that replaces the old conflict-of-interest guidelines.

But perhaps more fundamental is the broad re-examination of Government programmes, policies, services and activities we are undertaking. There are several assumptions underlying our approach. In conducting this review, we believe that confidence in government can, in large part, be restored if government is involved in activities that properly belong to it.

Our assumption is that credibility can be restored if citizens see that fast, efficient and cost-effective services are available to them. We believe that programmes and services must be focused on client needs, not on jurisdictional responsibilities. Our approach for getting from here to there, to the federation and government of the future, is to work co-operatively on improving administrative and regulatory agreements.

We have decided to use an administrative route. The constitutional roadblocks of the past have contributed significantly to Canadians' disenchantment. Negotiations appeared to Canadians to be taking place behind closed doors, and because of this, agreements failed to gain popular support. Our view is that a constitution cannot be written so that every foreseeable and unforeseeable development is carved in stone. This is especially true in a global world. By doing this, you will create a document which lacks flexibility and adaptability to a nation's rapidly changing needs. Thus, the administrative route offers more scope for real tangible results leading to flexible and efficient government.

Working towards this goal, no less than 22 reviews of Government activities are currently underway. Each of these reviews is part of the overall map of change. Let me mention just a few.

Related directly to my mandate is the Programme Review. This is a review of every programme and activity in every federal department. In this Review, fundamental questions form the basis of the exercise: Is this programme still necessary? Is it meeting a real need? Are there alternatives to it? Can it be

administered more effectively and at less cost? Should it be abandoned altogether? Can it be better or more cheaply delivered in partnership? or, Is this an appropriate activity for the Federal Government at all?

The same approach is being used with the initiative to reduce overlap and duplication between levels of government, which we see as key to improving the efficiency of the federation. In one year, we have signed work plans, with explicit timetables, with eight of the provinces and the two territories. The objective is to streamline operations in a range of areas from the environment to tax collection, to help for small business. The end result will be less government, less regulation and red-tape, and more efficient direct service at a lower cost. The same spirit animated our efforts to increase free trade within the country. Last month, at the first Ministers' Meeting, the agreement to reduce inter-provincial trade barriers was the first step in reducing barriers set up over the past 127 years.

The internal trade agreement provides concrete changes, timetables, and a full process to help make Canada a true economic union, with a freer movement of people, capital, goods and services.

Federalism and the Canadian future

Looking into the future, Canada begins with the clear advantage of already being a federation. I believe that our future as a country is secure because a federation is really the form of government best suited to a global world and to the realities of limited choice and the need to develop trust among citizens. The advantages of federalism are not theoretical: they are real and practical.

It is neither surprising, nor is it a coincidence, that the four oldest federations, the United States, Switzerland, Canada and Australia, are among the richest countries in the world. The four oldest federations are also among the most stable societies in the world. Their written constitutions rank with the oldest in the world: the American Constitution of 1789, the Swiss Constitution of 1848, the Canadian Constitution of 1867, and the Australian Constitution of 1901.

The federal form of government not only permits the creation of a large common market with one set of national laws to govern commerce within the union, it also provides for a stronger voice in international negotiations in a highly competitive world. Interdependence is the name of the game and federalism is suited to managing dynamic tensions among groups and regions.

As McGill political scientist Alain G. Gagnon points out, "Federalism is ... seen as an expression of democratic practices encouraging innovation in policy preferences and political choices at the territorial level".

This is not to say that federalism eliminates conflict, as we all know. In Canada, we continually have to balance regional, provincial, cultural and linguistic interests with the national interest, within what I believe is a healthy state of tension. I say healthy because this tension forces its parties to continually seek to meet local needs and still maintain the effectiveness of the central Government. If misfortune hits one region, whether that misfortune be a dust bowl or depletion of fish stocks, the collective wealth of the federation can be used to help the disadvantaged region.

Conclusion

As you may conclude from my remarks, I believe that Canada is ready, willing and able to make the necessary changes to its Government in the face of the challenges of globalisation and the domestic realities constraining governments. The challenges are significant, but I am sure that we are making the right choices in our fundamental re-examination of the role of government; and these choices are being made under an approach that is practical and results-oriented.

Let me end by raising some questions I have. How do we bring the expectations of citizens in line with what government can really offer? How can we best give responsibility back to people and create trust? How do we nurture a caring society that sees a greater role for the community and families caring for individuals? How do we foster an enabling society capable of renewing itself?