

The decentralization in canada politics essay



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Decentralization is about delegating decision making powers from the central body to lower level closer to the public who are governed or served. There are different forms of decentralization- decentralization, de-concentration, privatisation of devolved functions, interest group representation, establishment of parastatals and quangos, and privatization of national functions.[1]

Factors that pressure for decentralization includes:

the replacement of appointment sub-national officials by elected ones,

the owning and carrying out functions at the lower levels that they are more capable and closer to and paying attention to the needs of the locals,

Canadian decentralization has taken a long time but some changes came into effect more spontaneously. In the short term it was about survival and unity, defending the language rights of francophones throughout Canada by making Canada bilingual. This was proposed to diffuse recognising Quebec as the primary base of francophones based on language in Canada. In the long term, devolution was about equally integrating all citizens of Canada. The strategy involved defending individual rights to be superior to the collective rights, renewal of Canadian federalism; thus generating a national identity and equality across all the provinces.

Canada is a federation with legislative powers distributed between the federal government and the 10 provincial and 3 territorial governments. This paper will elaborate of the Canadian levels of government and their functions, roles and relationships between them. It will discuss the extent to

decentralization and the pressures of the decentralization. In conclusion it provide recommendations and reforms that could improve on the status quo.

Although national, provincial and municipal levels of government exist in Canada, only the first 2 have clear powers - the federal and the provincial. Municipal Governments have only those powers that are granted to them by their provincial governments. Decentralization occurs when there is a substantial sharing of power, authority, financial resources and political support among federal, provincial and municipal governments. The less concentrated these resources are in the central government, the more decentralized the system. Decentralization may also mean a process of shifting power from the federal to provincial governments. The provinces' strength may make Canada the world's most decentralized federal country, and that Canada has resisted economic and social forces which increased centralization elsewhere.

Table 1: Functions at various levels within the Canadian government

Level of Government

Examples of Functions

Federal: Controls exclusively 23 functions

Public Debt, Unemployment insurance, Taxation, Postal Service, Statistics, Defense,

Provincial: "The provincial government controls 'all matters of merely local or private nature' in the province." (7th Edition 2007 Hague and Harrop).

Controls exclusively 12 functions.

Health (devolution), Education (de-concentration), Welfare, Local Government Direct Taxation within Province, Sale of Public Lands belonging to Province

Shared: Areas of government which have become priorities over the years - are not specifically identified and assigned to one or both orders of governments.

Old age pensions, Immigration (interest group representation), Agriculture, Environment and Health

Municipal: Municipal government is not a constitutional order of government and is established by the provincial legislatures which delegate some of their powers.

Water, sewage, waste collection (privatization of devolved function), public transit, land use planning, emergency services, economic development.

Relationship between Federal and Provincial governments

The tone and style of federal-provincial relations have fluctuated over time.

The increasing autonomy of the provincial government stressed the miscellany of the regional interests. If the optimum distribution of power between the levels of the government were reached a politically and economically stable government would emerge and be more aligned with the provincial socioeconomic realities. Contrastingly, excessive decentralization

weakens Canada's economy and Canada's influence in the world. The centralization of government functions would reduce the miscellany of the provinces, increasing commonalities amongst provinces and thus merge as a unified and stronger nation.

The relationships between Canada's federal and provincial governments are complex and versatile networks of influence. These relationships have become a central element of Canadian government and policymaking, and a fundamental characteristic of Canadian federalism. They are a result of the pervasive interdependence existing between the provincial and federal government. Both government activities are intertwined in a pattern of shared and overlapping responsibilities, shared authority and shared funding in many areas of public policy

Intergovernmental fiscal arrangements are conducted primarily through "Executive Federalism". Transfer levels and conditions are normally set by the federal government, following consultations, or by agreement, with the provincial and territorial governments, and approved by the federal Parliament as supply measures. Through federal-provincial relations the federal government is deeply involved in fields largely within provincial jurisdiction; and provinces have increasingly sought to influence federal policies in areas such as foreign trade and transportation. Thus federal-provincial relations have grown primarily in response to the changing roles of government within Canadian federalism. These intergovernmental fiscal arrangements are several including:

1) Tax Collection agreements and revenue sources: Eg in 1991, the federal government replace the manufactures sales tax with a more broadly based Goods and Services Tax (GST) and to harmonize with the Provincial Sales Tax (PST). Quebec kept both the GST and the PST but the federal government provided federal subsidies to some of the provinces for to compensate them for lost revenue and to maintain the sales tax at a lowered percent.

2) Grants and Programs: Instead of transferring taxing powers or tax room, governments may make direct annual payments (or cash transfers) to each other. Several types of transfers exist:

Conditional grants require that certain criteria or conditions decided by the donor government be met by the recipient government

Unconditional grants require no particular commitment by the recipient government

Block grants may be conditional, but, as the name implies, the amount of the transfer is fixed independently of the purpose to which the funds are put.

Specific-purpose transfers include incentive grants (to stimulate expenditure by the recipient government on particular activities), and matching or shared-cost programs.

3) Equalization payments are payments that the federal government makes to the poorer provinces. The monies come from capital's general revenues and are unconditional transfers that can be spent as the recipient. Their purpose is to reduce the horizontal imbalance among the provinces.

4) Canada Health and Social Transfer (CHST): was a system of block transfer payments from the federal government to provincial governments to pay for health care, post-secondary education and welfare, in place from the 1996-97 fiscal year until the 2004-05 fiscal year. It was split into the Canada Health Transfer (CHT) and Canada Social Transfer (CST) effective April 1, 2004 to provide greater accountability and transparency for federal health funding.

5) Transfer payments are direct payments from governments to other governments or to individuals, a mechanism for providing social security, income support and for alleviating regional disparities. Federal transfer payments to individuals include family allowances, old-age pensions and employment insurance.

Operationally the federal-provincial relations take place in many arenas. While the relationships among governments are often influenced by developments in the wider political setting, and while governments also frequently undertake unilateral actions without extensive consultation with others, the term federal-provincial relations is most often used to refer to exchanges among bureaucrats and ministers, summarized in the descriptive term "executive federalism."

A high degree of co-ordination between the 2 orders of government is essential to effective policymaking, and that many vital programs have been achieved because of it. Other observations made about forums where there are federal-provincial interactions take place

highlight conflict as they compete for resources and popular support.

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disproportionate emphasis on intergovernmental consensus leads to delay and inferior policy making.

highly visible federal-provincial conferences give undue prominence to provincial governments as national policymakers, thus undermining federal authority.

undermines responsible government and legislative sovereignty.

high degree of interaction in financial and policy matters can undermine governmental accountability and rise to corruption

Interprovincial Relationships

In addition to the federal-provincial mechanisms, interprovincial relationships are also important. Annual meetings of premiers have been held to attempt to harmonize provincial policies but also to develop common provincial policies on matters of federal-provincial concern. Despite their importance, federal-provincial relations have arisen in an informal and ad hoc way; they are nowhere mentioned in the constitution. The Meech Lake Accord of 1987 give a constitutional status to the relations, by providing a constitutional requirement for annual meetings of first ministers on the constitution and the economy

Recommendations on the future of Decentralization in Canada

Intergovernmental alignment in preparation of globalisation - The provinces is poorly aligned with the whole country to meet the realities of globalization. Each province promotes their region as unique place of investment and

builds their own relations amongst the international community. It is important that although each province is on their own they portray themselves as united nation. The observation of disparity within Canada to the outside world may be perceived as a lack of unity and worse and unsuitable area for trade, partnerships and investment.

Focus in areas where the federal government has the most influential role- The federal government should decrease its engagement in areas that are the primary responsibility of and have the highest impact on the provincial government. They should gradually shift on items such a common economic policy that have a huge impact on a national level. It should engage in the management, monitoring and protection of the common economic space that will render itself critical in the face of the WTO, NAFTA and globalization.

Voice of Cities: Cities attract immigrants, foreign investment and trade. There should be some mechanism and/or space for engaging cities in decision making process that impact them significantly.

Mechanisms of interprovincial learning: Being decentralized has led each province to be very innovative and creative in all aspect of governments - new health services and policies, education systems, taxation laws, management resources etc. It will be useful to come together to present each of their learning on a regular basis.

Conclusion

Provinces have seen success in light of decentralization. It has allowed provinces to tailor policies to local circumstances, preferences and needs hence becoming relevant and valuable. Nimbleness to address issues,

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identify potential prospects and bring about changes that are sustainable has led to the provincial and federal governments to work together more effectively.

Decentralization has permitted effective coordination of policy development and implantation across many functions such education, health etc. because the areas being tackled the right size and manageable to make changes that are customized and effective. The cyclical effect - decentralization required the provinces to get involved thus giving them a direct influence on the policies that impact them, which in turned made them very supportive of decisions made and hence successfully implemented.

The blurry lines between the federal and provincial governments has be called " networked federalism" (Janice Gross Stein: The Future of Canadian Federalism June 1, 2006) The ability to navigate and flourish given these ever-changing intertwined relations has given each province skills to be prepared for globalization, because as the provinces work and engage with governments of other countries the experience with blurriness become practical advantage.

Decentralization has strengthened national identity in Canada. It has developed amongst Canadian dual identities - provincial/territorial and national. Interestingly, despite 7 of 10 provinces having the sense that their province is treated poorly by and being very critical of the federal government; they feel strong attachment to being Canadian. (Opinion Canada 2003)