

## Are Interprovincial Relations Becoming More Important Than Federal-Provincial Ones

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A longer version of this article will appear in the 2011 edition of the State of the Federation (Queen's University).

There is little discussion of relations between the provinces in Canada. When the newspapers mention the topic, it is typically in terms of implausibility or dysfunctionality. At the end of the 1990s, for example, the rapprochement between the governments of Lucien Bouchard and Mike Harris garnered considerable media coverage, but less to inform readers about the policies on which the two governments were cooperating than to discredit the “paradoxical” relationship between a social-democrat sovereignist government and a right-wing federalist government. The media coverage of the Council of the Federation, created in 2003 to encourage interprovincial cooperation, is no less negative. While the mandate of the Council is very wide, including the production of analyses in support of interprovincial cooperation, journalists only report on the difficulties that the provinces have in reaching common positions for negotiations with the federal government. Also, relations between the federal government and the provinces are generally more interesting to the media than relations between the provinces.

However, interprovincial relations are far from being uninteresting, implausible, or dysfunctional. In fact, as I will show in this article, they have a growing importance, and their intensity has passed that between the federal and provincial governments today. Interprovincial relations have gained such importance that no-one could provide a satisfactory evaluation of Canadian federalism without taking them into account. Furthermore, all indications suggest that interprovincial relations are more functional than federal-provincial relations.

### Judging Canadian federalism

In evaluating Canadian federalism, there are major disagreements regarding the weight to assign various criteria. Québec political observers, for example, judge Canadian federalism harshly because they place great importance on the recognition of a special responsibility for Québec in language and culture.<sup>1</sup> Less attached to the symbolic aspects of Canadian federalism, others are interested in its functioning, focusing on intergovernmental relations and their consequence on the development of public policy.<sup>2</sup> Their analyses remain relatively harsh, however, often emphasizing the dysfunctions caused by the

This newsletter is published by



A Quebec Think tank on Federalism

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<sup>1</sup> Guy Laforest, *Trudeau et la fin d'un rêve canadien*. (Sillery: Septentrion, 1992).

<sup>2</sup> J. Stephan Dupré, “Reflections on the Workability of Executive Federalism”, in *Perspectives on Canadian Federalism* (Scarborough: Prentice-Hall, 1988), 233-256.

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interdependence between Ottawa and the provinces.<sup>3</sup> To my knowledge, however, interprovincial relations are rarely taken into account in evaluating Canadian federalism. This seems surprising because Canadian federalism is by no means limited to the relations between the federal government and the provincial governments. On the contrary, interprovincial relations are numerically greater, perhaps even too much so to be studied as systematically as federal-provincial relations.

This neglect of interprovincial relations is no doubt benign since it means a particularly functional aspect of Canadian federalism is left alone. In effect, relations between the provinces are more focused on finding solutions to the problems of citizens than the relations between the federal and provincial governments. While the relations between governments may generally have the intention of responding to specific concerns of the population, relations with the federal government are regularly diverted into intergovernmental struggles to enlarge or protect the authority of the different orders of government in various areas of jurisdiction. However, jurisdictional concerns are absent in interprovincial relations. Research shows an absence of any interprovincial competition that would have the effect of weakening public policy.<sup>4</sup> Hence interprovincial relations deal exclusively with the respective experiences of the provinces with governmental programs and policies. Also, many researchers have noted that the interest of federalism lies in the possibility of exchanges between the federated entities, and the experimentation and mutual assistance that helps to improve public policies.<sup>5</sup> It is also interesting to note that elsewhere, notably in the United States, more positive appreciations of federalism are based largely on the relations between the federated states.<sup>6</sup>

The neglect of interprovincial relations in evaluations of Canadian federalism to which I have alluded could be attributable to the difficulty of studying them systematically. Until now, researchers have not had any tool that would allow them to take a measure of these relations that are both numerous and informal.

### **Measuring intergovernmental relations**

When we talk of intergovernmental relations, we instantly think of first ministers' meetings. While this is the visible part of intergovernmental relations, it is far from the most important. The vast majority of intergovernmental relations occur at the level of the public service, and thus involves public servants.<sup>7</sup> These relations are not always formal and planned, and are established spontaneously by telephone or other means of

<sup>3</sup> See for example Richard Simeon and David Cameron, "Intergovernmental Relations and Democracy : An Oxymoron if There Ever Was One?", in *Canadian Federalism: Performance, Effectiveness, and Legitimacy*. (Toronto: Oxford University Press, 2002). Some political scientists are more positive, however. See for example Harvey Lazar, "In Search of a New Mission Statement for Canadian Fiscal Federalism", in *Canada: The State of the Federation: Non-Constitutional Renewal* (Montreal-Kingston: McGill-Queen's University Press, 2000).

<sup>4</sup> Kathryn Harrison, *Racing to the Bottom? Provincial Interdependence in the Canadian Federation* (Vancouver: UBC Press, 2006).

<sup>5</sup> This idea is often attributed to Louis Brandeis, a judge of the US Supreme Court, in a 1932 decision. He confirmed that the American states are laboratories that allow the improvement of policies by experimentation. See Paul Pierson, "Fragmented Welfare States: Federal Institutions and the Development of Social Policy", *Governance: An International Journal of Policy and Administration* 8 (1995): 449-78.

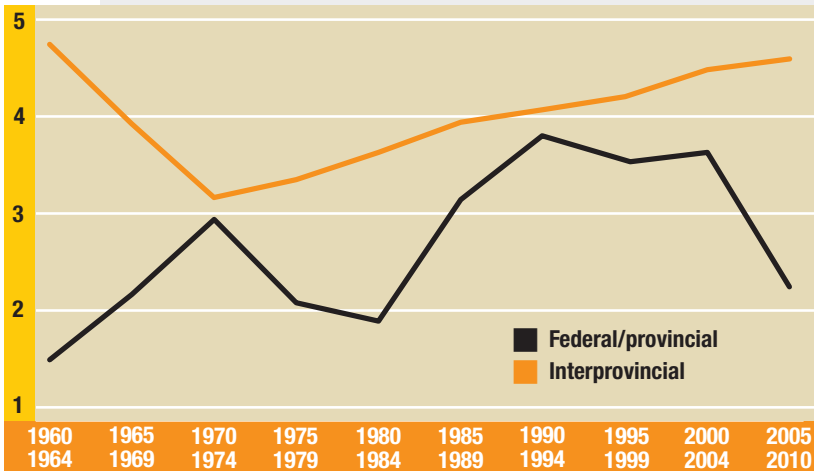
<sup>6</sup> See for example B. Rabe, "Contested Federalism and American Climate Policy", *Publius: The Journal of Federalism* 41, no 3 (2011): 494-521.

<sup>7</sup> Gregory Inwood, J. Carolyn M. Johns, and Patricia L. O'Reilly, *Intergovernmental Policy Capacity in Canada: Inside the Worlds of Finance, Environment, Trade, and Health*. (Montréal: McGill-Queen's University Press., 2011).

communication. This is even more so at the interprovincial level, where formal meetings of ministers and first ministers are relatively rare. To fully measure the importance of interprovincial relations, any measurement tool would have to take into account informal administrative contacts.

Since these informal contacts leave no trace, I have had to turn to an indicator which at first glance seems very far from intergovernmental relations. This is the correlation between the priorities of the governments. The reasoning is as follows: when the priorities of two governments converge, whether two provinces or a province and the federal government, the relations intensify. This is evidently not always the case, but there are important facilitators within a federation such as Canada such that two governments which share similar priorities will enter into relations. Inversely, there are good chances that when two governments intensify their relations, their priorities converge. This does not mean that they agree, but if they enter into relations, chances are that they will be drawn toward similar priorities. This is evidently not a matter of sorting out which of priorities and relations caused what, but simply to understand that it is reasonable to consider the convergence of priorities and the intensification of relations as intimately connected phenomena. Also, priorities are even more interesting as indicators as they help to give a handle on informal relations, as priorities activate the political personnel as well as the public servants.

**Figure 1**  
Difference between Federal-Provincial  
and Interprovincial Correlations



Correlations between government priorities were measured following a systematic content analysis of the 445 speeches from the throne delivered in federal and provincial parliaments between 1960 and 2010. The content analysis method used was that of the Comparative Agenda Project<sup>8</sup>, which consists of associating each sentence or quasi-sentence of the speech with one of 25 public policy subject codes. A total of 116,753 codes were taken into account for this analysis. For each of the speeches a structure of priorities was thus established, expressed as a percentage of the speech. Without entering into the technical details, a coefficient of correlation of the priorities was calculated for each pair of provinces, as well as for each of the provinces with the federal government, per five-year period.

### The cycle of federal-provincial relations

At first glance, one might doubt the validity of a measure of intergovernmental relations that does not rely on direct observation of said relations. Fortunately, however, there is a substantial literature on federal-provincial relations which relies on more direct observations. This makes it possible to validate the correlation of priorities as an indicator of intergovernmental relations by comparing it with these observations. The change in the correlations between provinces and Ottawa corresponds with the black line in Figure 1. The correspondence with the observations found in the literature is striking.

<sup>8</sup> <http://www.comparativeagendas.org/>.

**Respecting the constitutional powers of the provinces, the Harper government has reduced its relations with the provincial governments.**

The literature indicates that federal-provincial relations have been cyclical, oscillating between periods of intense cooperation and periods of greater autonomy between the two levels of government.<sup>9</sup> Intergovernmental relations were first intensified after the end of the Second World War, in the context of the development of the major shared-cost social programs which consolidated the Canadian welfare state.<sup>10</sup> These programs include notably the Canadian health insurance. This phase ended at the end of the 1960s and was followed by a period of lively competition between the two levels of government. In the 1970s the provinces were particularly active in the fields of industry and natural resources, in order to build their own provincial economies, to enhance their relevance in the eyes of their citizens and reduce their dependence on the federal government.<sup>11</sup> At the beginning of the 1980s a period of constitutional politics began, which led to a renewal of federal-provincial relations, even though they were often quite tense. The patriation of the constitution in 1982, the Meech Lake Accord of 1987, its failure in 1990 and the Charlottetown Accord all contributed to increase the intensity of intergovernmental relations. Some authors suggest that this period was followed by a renewal of federal-provincial relations in favour of less coercion and more collaboration.<sup>12</sup> This is the spirit in which the Canadian Social Union agreement of 1999 was negotiated, for example. However, the marks left by the years of constitutional politics reduced the possibilities of collaboration, along with the electoral strength of the federal Liberals. Ironically, with collaborative federalism began a decline of federal-provincial relations. This decline has intensified considerably since the election of a Conservative government at the federal level in 2006. Respecting the constitutional powers of the provinces, the Harper government has reduced its relations with the provincial governments.<sup>13</sup>

The parallel between these observations of federal-provincial relations and the black line in Figure 1 confirms the validity of the correlations of priorities as an indicator of intergovernmental relations. When governmental priorities converge, the intensity of intergovernmental relations increases. The reverse is also true when priorities diverge. I am confident, therefore, that the orange line in Figure 1 offers a valid measure of interprovincial relations. I am even more confident since the calculation of the correlations excludes fields such as defence, in which the federal government acts alone. By excluding these fields, an underestimation of federal-provincial relations compared to interprovincial relations is avoided. Figure 1 is without doubt the first to offer a statistical portrait of intergovernmental relations in Canada, and also allows a comparison between federal-provincial relations and interprovincial relations.

### **The growth of interprovincial relations**

The evolution of interprovincial relations, little studied by political scientists, constitutes the big surprise of Figure 1. They are not only more intense than federal-provincial relations, through almost the entire period studied, but their

<sup>9</sup> Richard Simeon and Ian Robinson, "The Dynamics of Canadian Federalism", in *Canadian Politics*, 5th edition (Toronto: University of Toronto Press, 2009).

<sup>10</sup> Keith G. Banting, *The Welfare State and Canadian Federalism*. (Montréal: McGill-Queen's University Press, 1987).

<sup>11</sup> M.L. McMillan and K.H. Norrie, "Province-Building vs. a Rentier Society", *Canadian Public Policy-Analyse de Politiques* 6, special issue (1980): 213-220.

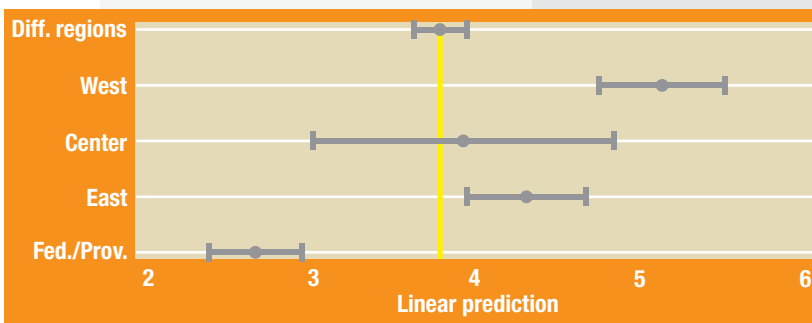
<sup>12</sup> Simeon and Cameron, "Intergovernmental Relations and Democracy : An Oxymoron if There Ever Was One?" This period also saw the establishment of the federal government's "Plan B", which would make it more difficult to hold another Québec referendum. Plan B exacerbated tensions between Québec and Ottawa.

<sup>13</sup> Éric Montpetit, *Le fédéralisme d'ouverture: la recherche d'une légitimité canadienne au Québec*. (Québec: Septentrion, 2007).

trend has been upwards since 1970. Although in 1970-1974 and 1990-1994 interprovincial and federal-provincial correlations were close enough to be within the margin of error, the difference was considerable in 2005-2010. This difference is partly attributable to the Harper government's approach to intergovernmental relations, but also to the constant increase of the provinces' interest in each other since 1970-1974.

If the common interests of the provinces lead them to work together increasingly, concentrations of particularly intense relations should be observable between provinces in the same geographic region. Contiguity not only favours interpersonal contacts between the agents of interprovincial relations; it also increases the probability that the two will have interests in common.<sup>14</sup> This is precisely what Figure 2 shows.

**Figure 2**  
Intensity of Interprovincial Relations  
by Region



This figure was produced by grouping the correlations of government pairs by their geographic connection, rather than by period as in Figure 1. This yields a graph showing the marginal effects, predicted on the basis of a regression and with confidence intervals of 95%, of regional groupings on the correlations. The correlations of pairs of provinces from different regions, for example Québec and Alberta, serve as baseline (vertical line). The

graph shows clearly that the correlations between western provinces and those between eastern provinces are significantly higher than those coming from pairs of provinces from different regions. The correlations between the central provinces, Ontario and Québec, are also higher than those of different provinces, although the margin of error indicates a non-significant difference. Finally, the relevant correlations for federal-provincial relations are significantly weaker than those of interprovincial correlations, whether they are within the same region or from different regions.

### Conclusion

Analyses of Canadian federalism often neglect to take into account interprovincial relations. However, these are numerically greater than federal-provincial relations in the political system of the country. The data presented in this article suggest that interprovincial relations today play an important role in the development of public policy.

This observation is significant because evaluations of Canadian federalism often insist on the dysfunction of federal-provincial relations. Protecting their powers, governments which participate in them may prevent the development of policies that serve the country well. The dynamic would be different, however, at the interprovincial level. Less often initiated by jurisdictional disputes, interprovincial relations rely on a common interest in improving governmental policies and programs that address concrete problems of citizens. Evidently, other research is needed to better understand the nature of interprovincial relations. However, what we already know allows us to believe that assigning greater weight to interprovincial relations should produce more positive appreciations of Canadian federalism.

<sup>14</sup> Regarding commercial fishing, between the Maritime provinces, for example.

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