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The message of Stephen Harper’s July 15 cabinet shuffle was one of continuity and change. PMO photo
In 2011, the wireless sector generated an overall economic benefit of $50.2B.

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Welcome to our issue featuring a cover thematic on the second session of Canada’s 41st Parliament. For the prime minister and his government, the Speech from the Throne represents an opportunity to turn the page on the most querulous parliamentary session in memory and to define an agenda for the second half of their majority mandate, one that would take them into the next election in the fall of 2015.

The throne speech follows a major cabinet shuffle in July, one that signified both continuity and change. On the continuity side, senior ministers such as Jim Flaherty in Finance and John Baird in Foreign Affairs, remained in the same portfolios. As for generational change, Harper promoted eight young faces from the Conservative back bench, four of them women. The cabinet boasts – at 12 – the largest number of women of any in Canadian history.

Our chief political writer, Robin Sears, notes that the shuffle and throne speech represent not only Harper’s quest for a new agenda, but the shaping of his political legacy. But in management terms, Sears observes that Harper also needs to make major changes to the Prime Minister’s Office, a place where grown-ups are in short supply. As he writes: “This PMO cannot function without more seasoned talent at the helm.”

Contributing Writer Geoff Norquay, who has worked on several throne speeches, explains why an SFT galvanizes the bureaucracy as does no other event. Looking ahead to this throne speech, he notes that the government’s top priority remains balancing the budget by 2015, and that there won’t be a lot of money to pay for new initiatives. What Stephen Harper’s writers are looking for is innovative ideas that don’t cost much.

Former Harper policy adviser Bruce Carson looks at one challenging political file, aboriginal issues, and proposes a First Nations agenda for the throne speech. While there’s no shortage of positive rhetoric on First Nations issues, notably housing and education, there have been few positive outcomes. Carson proposes an ambitious eight-point aboriginal issues agenda.

Opposition Leader Tom Mulcair proposes an NDP agenda for the new session, also suggesting he will hold the government to account for the promises of the throne speech. Mulcair writes that Harper will “have to back up the ceremony of a throne speech with substantive action.”

Income inequality may not be a subject for the throne speech, but it’s increasingly an important topic on the global public policy agenda. Contributing Writer Kevin Lynch and his BMO Financial Group colleague Karen Miske write that for citizens in many countries, “rising income inequality and declining personal expectations appear to be part and parcel of the new global reality.” They look across the OECD economies and assess where Canada comes out on this issue.

This is an interesting time in our federation, but then as Daniel Gagnier observes, creative tensions aren’t new, beginning with the division of powers in the Constitution. Energy is the latest national conversation, and he commends the premiers for “achieving the degree of consensus they did for their progress report” towards a Canadian energy strategy in July.

For her part, Velma McColl, our lead writer on clean energy and the environment, agrees. “We are moving towards common ground on what the elements of a strategy might be,” she writes, but adds it’s time to step up the ambition and political brokering.

Also in this issue, we feature a personal reflection by Alberta Premier Alison Redford on what she saw at the floods that ravaged her province in June. Apart from the unprecedented scale of the disaster, she writes “the second thing that struck me and will stay with me forever is the overwhelming strength and resolve of Albertans, coupled with the incredible generosity of Canadians.”

Canada’s political pollsters had another bad spring when they completely missed Christy Clark’s surge down the home stretch of the BC election in which her Liberals defeated the heavily favoured NDP. Martin Goldfarb, the dean of Canadian pollsters, offers his take on why the polls and media have been getting it wrong. Not surprisingly, methodology plays no small part.

Veteran political observer Patrick Gossage reflects on the sorry state of Canada’s political morality, from the Senate expenses scandal in Ottawa, to the gas plants cancellation costs in Ontario, to the parade of disgraced mayors in Quebec. He writes: “It is axiomatic that the longer and stronger your enjoyment of power, the weaker your moral compass—and, the stronger your belief in your infallibility.”

From the Arab Spring to the Arab Summer, Tom Axworthy decries an absence of tolerance in a sectarian age. “Excessive devotion to the doctrines of a religion, sect or group,” he writes, “threatens peace and order both within and between states.”

Finally, Gary Rackcliffe, head of smart grid development at ABB North America, offers a tutorial on this leading-edge technology that is helping Canada’s electricity industry achieve higher margins while leading the way in reducing greenhouse gas emissions.
Harper’s Quest for a New Agenda and a Legacy

Robin V. Sears

The July cabinet shuffle was long on cosmetics and short on strategic import, and was accompanied by the leak of the “enemies list” memo. Next comes a throne speech fraught with intensely tangled expectations, positive and negative. Before the next election, this new Harper team needs to pull off the European trade deal, the Keystone XL pipeline and some important changes to and the bizarre mismatch between Canada’s human capital and the continuing serious skill shortages in key industries and regions. Whether they, and the Prime Minister, succeed will determine his chances for re-election and of an enduring legacy that matters to Canadians.

Cabinet shuffles, like nostalgia, ain’t what they used to be. Old-timers like to bore young politicos with their tales of big shuffles back in the day, “When ministers mattered!” But as with nostalgia about every golden era, aging memory and the mists of history do distort.

With the retirement of Senator Marjorie LeBreton from cabinet, Jim Flaherty at Finance is the lone minister still serving in the same portfolio as when the Harper government took office in 2006. The next longest serving minister in the same role is Gerry Ritz, who has been at Agriculture since August 2007. Flaherty also assumes LeBreton’s former role as vice-chair of the cabinet’s Planning and Priorities
Committee (P&P). It’s also true that the shuffles that moved the inner core of any cabinet – Finance, Foreign Affairs, Treasury Board – in days gone by often signaled big changes in policy, leaders’ retirement plans, and election timing. But the central figures in the senior portfolios all kept their jobs in this one. The changes were the injection of new talent at the more junior portfolio levels – eight new ministers, four men and four women – happy news for them, fun to handicap, but probably not consequential at the strategic level. In terms of gender balance, the 12 women in the new Harper cabinet is the most ever in Ottawa.

In every cabinet since the final Trudeau days, a thread dissected by shuffle analysts has always been future leadership implications. It is a mark of Harper’s solid hold on party loyalty and power that tightening the leash on the potential ankle-biters around him, those seeking to position themselves to succeed at his expense, seems once again not to have been a factor.

This is quite a fascinating dog-that-didn’t-bark element of the Harper era. Think back to the 1993-2003 decade when Jean Chrétien and Paul Martin and their putative allies jabbed and elbowed each other endlessly at the cabinet table. Or Brian Mulroney’s unfortunate attempt to give Kim Campbell a management consultant-like report card form for end-of-term marking, is new. Traditionally, mandate letters – welcoming messages from the PM to a new minister – started out as a cheerleading call for hard work and team solidarity, with a list of priorities that the ministry should consider. Under this government, they have morphed into a highly specific set of instructions, with the caution that freelancing and personal enthusiasms are unwelcome until this homework is successfully completed and turned in. No more, “I had an interesting idea suggested by a business leader last week” discussions at cabinet committee or at the now rare meetings of the full cabinet. Such Mulroney – and Martin-era brainstorming around the cabinet table would earn the hapless newcomer a painful timeout in the corner of this cabinet room – facing the wall.

Harper’s promotion of those loyal to him, balanced by gender, region, and ethnicity are no different from Sir John A.’s challenges nearly 150 years ago. But his focus on a crisp set of must-dos for each minister, delivered with a management consultant-like report card form for end-of-term marking, is new.

In every cabinet since the final Trudeau days, a thread dissected by shuffle analysts has always been future leadership implications. It is a mark of Harper’s solid hold on party loyalty and power that tightening the leash on the potential ankle-biters around him, those seeking to position themselves to succeed at his expense, seems once again not to have been a factor.

This rigorous focus on an incremental, transactional agenda is assailed by critics and allies alike, all decrying the lack of a Big Idea that could mark the Harper decade’s legacy. Cutting taxes on hockey pads and plastic toolboxes from Canadian Tire may have been a good campaign tactic but as a political legacy they are merely fodder for cartoonists. However, like Beliebers’ loyalty to their teen idol – in defiance of a lengthening list of the young singer’s spreading black stains – true-believer Harper fans say we just don’t understand the genius of his method.
Sadly, for them and for this government, that is not the way legacies are made or judged.

One might hope that adding dozens of exemptions to the tax code to reward dieting, homework and avoiding exposing your kin to the well-documented risks of communal daycare with strangers, would congeal into a widely embraced political vision. It doesn’t.

One might hope that adding dozens of exemptions to the tax code to reward dieting, homework and avoiding exposing your kin to the well-documented risks of communal daycare with strangers, would congeal into a widely embraced political vision. It doesn’t. This new Harper team needs to pull off the European trade deal, the Keystone XL pipeline and some important changes to Canada’s bizarre mismatch between 300,000 immigrants and refugees per year, the highest post-secondary graduate rate in the world after South Korea, and continuing serious skill shortages in key industries and regions. Jobs without people, as has been noted, and people without jobs.

Failure to deliver on at least two of the three will leave the Harper legacy in the same category as John Diefenbaker’s or R.B. Bennett’s – irrelevant to most Canadians, quickly erased by successors, and a disappointment to all but the most uncritical of his aging, shrinking fan base.

A political scientist might argue that this is unfair, and minimizes the long-term impact of such achievements as the Americanization of the justice system with more fixed prison terms, more inflexibility for judges and prosecutors, and a consequent bump up in Canada’s incarceration rate.

Others might point to the streamlining of the environmental safety processes in assessing major projects, and claim that future pipeline successes are its reward. More likely, pipeline leaks and disasters such as Lac-Mégantic will be laid at the feet of the cutback in regulatory oversight and environmental assessment rules. But Harper understands that these, like the government’s steady eviceration of the external sources of policy counsel to the government – from the gutting of Statistics Canada’s independence to the slow strangulation of the Rights & Democracy Institute – are insider concerns, not ballot-question decisions for voters.

Indeed, the elevation of Pierre Poilievre, probably among the most disliked members of the 41st Parliament, and the retaining of Peter Van Loan as House Leader, are the Prime Minister’s raised middle finger to all those critical of the thuggish tone of communications this government has been proud of from the day of its first Cabinet swearing-in ceremony. Clearly, the increasingly tight circle of loyalists around Harper believe that a touch of the lash is all that is required for the increasingly restive caucus.

When things begin to go sideways – as they do without exception for every long-term government – it is not good enough to be feared to survive. To be respected, even loved, is a far better protection in hard times than a brandished bullwhip.

The deliberate leak, on the government’s very renewal day of shining fresh cabinet ministers beaming at their elevation, of a memo calling for each minister’s office to create an enemies list for their incoming boss, is some proof that further punishment of dissent may not be a prudent strategy for a government coming to the end of its term after nearly a decade in power. That was a knife blow delivered by an unhappy insider.

That one of those staffers apparently sabotaged the government’s best day in months is perhaps proof of old-timers’ persistent caution to the PM that when things begin to go sideways – as they do without exception for every long-term government – it is not good enough to be feared to survive. To be respected, even loved, is a far better protection in hard times than a brandished bullwhip.

Four ministers originally came into cabinet in this government with any public profile or independent status – John Baird, Jim Flaherty, Peter MacKay and Jim Prentice. Three remain, but MacKay has been moved into the far lower profile role of Justice from Defence, although in terms of a post-political career, he could one day as a former justice minister practise law in any Canadian province. Baird was determined to remain at Foreign Affairs and his service as this PM’s go-to guy, from one portfolio to the next, meant that he could not be moved.

The rumour mill in Ottawa and Toronto had Flaherty leaving in this shuffle, as a result of his recent health challenges, permitting a new minister to get established before the budget next spring. Now the rumours are that he may step down next summer, retiring to Bay Street, as a hundred years of Canadian finance ministers have done. Yet he says he looks forward to budgetary balance by 2015, which would prove to be his political legacy should he decide not to run again.

Smart and capable newcomers like Chris Alexander at Citizenship and Immigration and Kellie Leitch at Labour will quickly come to understand that there is little ministerial independence from this command and control PMO.

The repercussions of the sad departure of Harper’s former chief of staff Nigel Wright, one of the few adults in PMO, are still being felt across the government.

Still, this PMO-driven government cannot function without more seasoned talent at the helm, and like Kremlinologists of old, Langevin observers are wondering whether the PM has the wisdom to reach outside his own circle to get him through this difficult period of the Senate expenses scandal, which became the headline of the spring sitting.

It is fair to say that Trudeau might not have survived far beyond his 1972 near-death minority experience if he had not brought in Jim Coutts as his principal secretary after regaining a majority in 1974. Derek Burney, a civil servant from Foreign Affairs, of all unlikely places, played a similarly transformational role in a troubled Mulroney PMO from 1987 to 1989. Is there someone of that stature in the Conservative orbit, a grown-up who can bring gravitas and maturity to the PMO, someone to shape and shepherd a throne speech that will give the Conservatives a new agenda for the second half of their mandate?
Few throne speeches will have had to endure such cruel expectations as this next outline of the Harper vision for Canada. If it is well received and defended in the opening of the fall session, Conservatives can breathe a little easier about the coming winter. It is, however, hard to see what magical ingredients could be added to this government’s increasingly tired political menu to achieve such a victory.

Crime is a thoroughly beaten political horse. Further public whipping of civil servants is useful sport only for the most dedicated angry partisans. As for “Canada’s Economic Action Plan” and its multi-million dollar promotion campaign this summer, the government’s own research revealed it had the lowest recall in public memory of any program ever studied.

Being seen to have met deficit targets is one of those political lines in the sand where the outcomes can be to the downside. If you fail, your opponents sneer. If you deliver, many citizens shrug – you’ve just done your job. Squeezing spending in defence, as the government has conceded it is doing as part of its deficit drive, angers as many possible Tory voters as it might entice.

The government’s three big policy goals for the second half of their majority each appear to be on an uphill course. If they are able to overcome the resistance of Canadian beef farmers to making the concessions to the European Union that a Canada-EU trade deal will require, it will come at a considerable cost. Saskatchewan Premier Brad Wall and Alberta Premier Alison Redford have signaled they will be loud and tough in their response. Quebec and Ontario will snarl about higher drug and infrastructure costs. The opposition will say that they would have delivered a better deal. Achieving the trade deal will be a serious political battle from its initialing ceremony through to its finalization in enabling legislation before the next election.

The government’s second big goal, new pipeline access for Canadian oil and gas to the US and Asia, faces serious political obstacles in both the US and Canada. In an interview with the New York Times on July 27, President Barack Obama pointedly said Canada “could potentially be doing more” to mitigate emissions from what he called the “tar sands” rather than the oil sands, and he even questioned the number of jobs the project would create during the construction period. Obama told the Times: “The most reliable estimate is that this might create 2,000 jobs during the construction of the pipeline – which might take a year or two, and after that we are talking about somewhere between 50 and 100 jobs in an economy of 150 million working people.”

Which does not bode well for Keystone. And all the Canadian domestic pipeline projects, to the West and East coasts alike, face significant hurdles that come down to two words – social license from provinces, communities and First Nations along the proposed routes. The Harper government’s most recent effort at legacy creation, major reform of the Canadian labour market through a new skills training, immigration and productivity agenda, stalled badly mid-summer when it was summarily dismissed by the premiers.

This government, one that had started so well, one that had started off being especially respectful about the prerogatives of the provinces, waded into that most dangerous ancient swamp of Canadian politics, federal/provincial jurisdiction. By unilaterally, without consultation, attempting to elbow the provinces out of the driver’s seat on as sensitive a constitutional issue as training and education, they stepped into the quicksand that has been the demise of several governments before them. Adding the gratuitous threat of a complete shutdown in federal funds for any non-compliant provincial government was a step too far for even dependable allies such as premiers Redford and Wall. Given the angry rhetoric from some premiers on the subject, it is hard to see how Ottawa can retrieve a political win on this third file, either. This is Jason Kenney’s daunting task as, effectively, minister of Jobs.

The most successful Canadian federal governments get a decade or so before being dismissed. In the Trudeau/Turner, Mulroney/Campbell and Chrétien/Martin cases, the dismissal was sudden and the verdict was swift: be gone. The Harper government has probably been more fearless, and imprudent, in its enthusiasm for antagonizing its opponents – extending bizarrely this summer to the leaked memo on Nixon-style enemies lists.

Even more foolishly it has begun to alienate its own base. The deflection of a disgruntled MP is not usually a regime-shaking event. But first the Senate expense scandals and then the sharp denunciation of the Conservative way of doing things by departing MP Brent Rathgeber were signs of something more serious than personal pique or end of term fatigue.

Rathgeber’s condemnation that the Harper government had become the very thing that most of its zealots had come to Ottawa to kill – an arrogant, entitled regime – was repeated over and over with worried nods. Tory caucus members reported getting an earful from unhappy supporters at summer barbecues.

Stephen Harper is a political lifer. Like his now badly shrunk inner circle of staffers, he has little experience of the outside world, unless you count his curious brief chapter as a libertarian lobbyist at the National Citizen’s Coalition.

He is famously focused and intensely disciplined about political war games, however, and fights them with a sullen passion. If anyone can pull off his required political trifecta – trade deals, pipelines, and productivity reform – Stephen Harper’s odds of making it into a second decade of power are better than most of his predecessors.

In the often bitterly unfair life of politics at the top, however, he may suffer the same fate as the three majority prime ministers before him, Trudeau, Mulroney and Chrétien. Their legacy achievements – the Charter, free trade and balancing the budget after decades of deficits – were all widely heralded signature achievements.

But only in their political obits, years after they’d left office.

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The Making of the Speech From the Throne

Geoff Norquay

The Speech from the Throne is a critical element of the British parliamentary tradition; it contains the agenda of the government for a new session of Parliament – the priorities, the issues and the directions – in other words, the narrative of governing. At the beginning of a newly-elected government, it outlines a set of departures from the previous government’s agenda. In the middle of a mandate, it can also rejuvenate a tired or flagging agenda, and help put a “new face on the old crowd.” And, overall, an SFT galvanizes the bureaucracy more than any other event. Except of course, for an actual change in government.
tions with ministers and their policy staff to find the right content and nuance as the speech developed. Successive drafts bounced back and forth between PMO and the various groups in the Privy Council Office (PCO) and the Federal-Provincial Relations Office for their expert advice, and every few days, the latest draft would go up to the PM for his input and direction. Mulroney is a gifted writer, and he took this seriously; he constantly challenged us to say it more elegantly, more completely, more accurately. He worried over every word.

The drafting process for the 1986 SFT was no different, except that my colleague L. Ian MacDonald, from the PMO communications group had the pen, and so far, I had not really been that intimately involved. So here I was with the PM in the Challenger, reading the speech for the final time, page by page, paragraph by paragraph, word by word, checking flow, phrasing, meaning and tone. At a certain point, I began to get the uneasy feeling that perhaps I had missed something, so I went back a few pages to revisit the earlier text.

In the months leading up to the fall of 1986, we had promised to provide new directions to regional development in Canada, and had decided to create new economic development agencies for both Atlantic and Western Canada. Through successive drafts of the speech, I had seen that various folks throughout the system had tried their hand at naming the new agencies and that the names kept changing with each new draft. I hadn’t really paid it that much attention until the uneasiness struck that day on the plane.

I found the paragraph, and here is what it said:

“As a first step in achieving improved results from this sustained national approach, an Atlantic Canada Development Corporation will be constituted to facilitate and coordinate all federal development initiatives in the area.”

Staring at the words, it finally struck me. We were about to announce a new agency and the obvious acronym by which it would instantly be known was “AC-DC”. This carried certain sexual undertones that would have instantly made us the laughingstock of the western world. I underlined the four letters and passed the page across to the PM. A huge laugh resulted.

I never did find out who it was that got to name the new agency, but I do know that that is how the Atlantic Canada Opportunities Agency – ACOA – was born.

Throne speeches are a critical element of the British parliamentary tradition; they contain the agenda of the government for a new session of Parliament – the priorities, the issues and the directions – in other words, the narrative of governing.

Since the key challenges of public policy are broadly known, the trick is always to find the right balance between the major objectives the government has already been pursuing and the new directions it wishes to take. In positioning new directions as logical outcomes of well-worn paths, governments tend to step on their own message. As a result, throne speeches are usually proclaimed to be a disappointment by the media: “Nothing much new here; no surprises; no grand vision for the future; no radical departures; business as usual.”

As a government at mid-term, the Harper Conservatives have established some hallmarks through which they have become known: competent economic management, trade expansion, a more independent and robust foreign policy, re-equipping the armed forces, and many “tough on crime” initiatives. At the same time, however, many of the priorities outlined in their first majority government SFT have already been achieved, or are in the hands of others; the Canada-Europe Comprehensive Economic and Trade Agreement (CETA) and the Keystone XL Pipeline are two prominent examples. So what might be the content of a renewal narrative? What are the key issues we can expect the throne speech to address?

Despite the political challenges faced by Stephen Harper in May and June, summer polls confirmed that he still retained a solid lead over his two opposition rivals in the public’s rating of capability on economic issues. Harper still stands at
40 per cent approval on the economy, while Liberal Leader Justin Trudeau trails at 21 per cent, with NDP Leader Tom Mulcair at 14 per cent.

We should therefore expect a throne speech that is long on fiscal prudence and economic management, because the government’s imperative remains to return to budget balance by 2015. This is the key to satisfying Harper’s base, many of whom felt queasy about the deficit-creating stimulus package adopted to combat the financial crisis and global recession of 2008-09. Budget balance is also essential to meeting some important carry-over Conservative commitments from the 2011 election, such as income splitting up to $50,000 for families with children under 18. The imperative of returning to budget balance also means that the SFT will not be throwing much new money around. Moreover, the government faces an unknown but hefty price tag for the costs of the southern Alberta floods and the railway disaster at Lac-Mégantic.

Steps to facilitate economic growth and job creation will be the next major economically-oriented throne speech theme. Trade will continue to have pride of place in the government’s economic agenda. If the government has concluded the CETA negotiations with Europe by September-October, the SFT will contain a commitment to implement CETA, which will involve significant legislation. If the agreement has not yet been finalized, yet another pledge will be made to bring the negotiations to a successful conclusion. After that, it is on to the negotiations towards the Trans-Pacific Partnership, and the continuation of the ongoing trade talks with India and Japan, among other bilaterals under negotiations.

On the jobs front, the July cabinet shuffle signaled a continuation of the government’s extensive efforts to remake the Canadian labour market. In moving Jason Kenney from Citizenship and Immigration to the newly-named Department of Employment and Social Development, the Prime Minister effectively made Kenney “Minister of Jobs.” In addition to completing the controversial employment insurance reforms begun by his predecessor Diane Finley, Kenney now inherits the all-important skills file. He must make the new Canada Job Grant program work with the provinces, and continue efforts to encourage the provinces to take down professional credentials barriers that stifle inter-provincial mobility and keep skilled immigrants driving taxis.

Kenney now inherits the all-important skills file. He must make the new Canada Job Grant program work with the provinces, and continue efforts to encourage the provinces to take down professional credentials barriers that stifle inter-provincial mobility and keep skilled immigrants driving taxis.

The throne speech will likely address the long-promised federal greenhouse gas regulations for the oil and gas sector. If they are already out by then, expect the federal government to signal its desire to seek equivalency agreements with provinces wherever practical. Canada’s GHG policies have been in lock-step with the US for the last few years and, depending on new policies from the Obama administration, the government will likely continue this approach, although any US linkage between Canada’s GHG policies and approval of Keystone will prove tricky.

Whether we are talking about pipelines or mining development, one of the most challenging natural resource issues to be resolved is revenue sharing, without which it is difficult to see how resource development can meet the promise of durable economic participation for First Nations communities and jobs on reserves as well as in non-native remote and northern communities. The provinces and territories hold most of the cards, since resource revenues belong to them. It will be interesting to see if the throne speech signals federal efforts to resolve this issue.
There are a variety of smoldering aboriginal files, including First Nations land tenure, the need for increased federal funding for education on reserves along with a governance structure, and a way forward on comprehensive claims and treaty implementation. Expect most or all of these to be addressed in the SFT, in one way or another.

And then there’s defence procurement and aerospace.

This has proven to be a nine-alarm catastrophe for the government, with cost over-runs, huge delays and too many “reset buttons” to count. In response to the David Emerson Aerospace Review and Tom Jenkins’ report “Leveraging Defence Procurement Through Key Industrial Capabilities,” the government is likely to promise changes to the organization, decision-making and management of procurement in the space, aerospace and defence sectors. Anything proposed is likely to be welcomed as an improvement in this disaster zone.

A refreshed Science and Technology Strategy to continue driving the innovation agenda is a strong likelihood in the SFT. The government considers innovation and the commercialization of research to be critical in increasing Canadian competitiveness and productivity. (The former minister of state conducted quiet consultations aimed at updating the current strategy in recent months.)

The throne speech will very likely promise a significant Elections Act reform initiative that will address the “robocalls” fiasco as well as the many other challenges facing Elections Canada, and attempt to restore the credibility of the electoral process in Canada.

The SFT will follow up on the 2013 federal budget’s commitment to implement the long-term infrastructure plan, which begins April 1, 2014 and which will involve some $56 billion in federal spending and transfers to provinces and territories over the next ten years.

The Prime Minister has sent a reference to the Supreme Court on the future of the Senate, concerning both method of appointment and possible abolition. Given that the Supreme Court will not release its response until the end of the year or early 2014, it is hard to guess what the SFT can definitively promise. The best way forward to abolition would likely be the calling of a referendum, but that is hard to do while the issue is still before the court. Expect stirring commitments to solve the Senate conundrum once and for all, but few details in the throne speech.

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The importance of this fall’s Speech from the Throne (SFT) to the second half of the Harper Government’s mandate and to its fortunes in the 2015 federal election cannot be overstated. Other than its continual emphasis on the economy, which is recovering but not with great enthusiasm, the government has presented few new policy ideas to grab the imagination of the Canadian people. This SFT has to set out both in tone and content a government knowing where it wants to go, engaged on issues that need to be addressed and it has to explain how addressing them over the next five years will enhance the lives of all Canadians, especially those who are directly affected by the proposals contained in the SFT.

As the Prime Minister searches for subjects for the SFT, he need look no further than the panoply of matters affecting Aboriginal Peoples in Canada. This would include First Nations, Métis and Inuit as well as non-status Indians living off reserve in communities across this country.

The Harper government has at best an uneven record of addressing these is-

A First Nations Agenda for the Throne Speech

Bruce Carson

The high-water mark of relations between the Harper government and First Nations occurred in early 2009, following the Residential Schools apology, when the Prime Minister met with aboriginal groups in his Langevin Block Office. The promise of that moment was squandered, Idle No More was formed, and another moment of promise was produced in January, 2013 when a high-level working group was formed, led by then-PMO Chief of Staff Nigel Wright and Privy Council Clerk Wayne Wouters. Again, distractions have sidelined the file and drift has set in. The Speech from the Throne is an opportunity to re-set the relationship and make legitimate, lasting progress.
sues. It got off to a good start dealing first with the Residential Schools Settlement which appeared on its plate shortly after forming government in 2006. This putative settlement had not been approved by the Martin Cabinet and was left for Stephen Harper and Jim Prentice, then minister of Indian Affairs and Northern Development, to review, adopt and implement, including the establishment of the Truth and Reconciliation Commission. While the government was not going to implement the Kelowna Accord, it did want to engage with Phil Fontaine, then National Chief of the Assembly of First Nations (AFN) to establish a menu of concrete actions on infrastructure, clean water and housing. This was to be the Harper way of approaching First Nations issues. Set a target, put together a budget and get the work done. The government also recognized that, in addition to these specific measures, there would be no progress from either the government’s or Aboriginal Peoples’ points of view unless both education and economic opportunity were tackled through all parties working together. In addition, there were the matters of health care and safe communities that had to be part of the agenda.

While there have been two major meetings in the last two years involving First Nations Chiefs and the federal government, little has been accomplished. And for the most part, the reason for this lack of progress can be laid at the feet of the federal government.

Work progressed on all of these fronts, perhaps not as quickly or as effectively as all parties wanted. In the summer of 2007, the government and the AFN established a Joint Task Force to develop a new, quicker method for resolving Specific Claims. The Task Force was chaired jointly by Shawn Atleo, now AFN National Chief and myself and it arrived at conclusions and recommendations that were implemented through federal legislation supported by the AFN. Continuing on this positive track in June, 2008, the Prime Minister in the House of Commons delivered an apology on behalf of the Government of Canada to the Aboriginal Peoples of Canada for the abuses suffered by those who had been residents in the Residential Schools established by the government of Canada.

This apology, written principally by the Prime Minister himself, should have represented the beginning of renewal of the relationship between the federal government and Canada’s Aboriginal Peoples. It was perhaps his finest moment in the House of Commons. Another positive note occurred at the beginning of 2009, when the Prime Minister met with leaders of the main aboriginal groups in his Langevin Block office to discuss the upcoming stimulus budget and what it could mean with regard to addressing infrastructure needs. These leaders were also invited to meet with first ministers on the evening before the January 2009 First Ministers Meeting to discuss issues of mutual concern. This represented the high water mark of relations between the Harper Government and Canada’s Aboriginal Peoples.

If the five years since the apology had followed by action based on a common, shared agenda developed jointly, the dire situation facing the government on this front would not have developed.

In the summer of 2009 the AFN Chiefs meeting in Calgary elected Shawn A-in-chut Atleo as their National Chief. This held great promise for both First Nations and the government as Atleo’s style is one of quiet yet intense negotiation, recognizing that little is to be gained by grandstanding or confrontation. He also has a great sense and knowledge of the history of his people. Their relationship to the federal government is set out in the Royal Proclamation of 1763, the Constitution Act, 1982, as well as subsequent attempts to further develop it such as those contained in the 1983 Penner Report on Self Government and the Charlottetown Accord of 1992, which came as close as any document to establishing First Nations as “Third Order of Government” in Canada. All of this taken together builds on the Fiduciary Duty owed by the Federal Crown, the importance of the Treaty Relationship and then branches off into educational opportunities, economic development, health care, infrastructure and the quality of life in strong, sustainable communities.

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The Crown Gathering held on January 24, 2012 attended by the Governor General and the Prime Minister, as well as First Nations chiefs from across the country, detailed Treaty Rights, accountable governance structures, education, sustainable communities, economic development opportunities and the culture of First Nations as matters upon which progress was to take place. The idea was to reconvene the group within the year to report progress on all matters.

Unfortunately, the high expectations of the Crown Gathering were never realized. The follow-up on education through an education task force has not been successful and the government has now cobbled together a bill dealing with First Nations education which is presently opposed by the AFN. Both budget implementation bills in 2012 were opposed by aboriginal groups as rolling back environmental protection at the expense of energy development. One of the main complaints about both budget bills, and with regard to other federal legislative initiatives affecting aboriginal rights, has been lack of consultation with affected groups. Also, First Nations say little progress was made on infrastructure issues such as housing and clean water. Furthermore, throughout 2012 one of the main issues raised by National Chief Atleo was the need for First Nations involvement in decisions which affect the development and distribution of energy and natural resources in Canada. It is through education and involvement in the development of Canada’s energy future that unemployed aboriginal youth, the largest and fastest growing cohort of Canadian youth, will find jobs and some measure of fulfillment. Free, prior, informed consent obtained through open and honest consultations with the energy industry and government is what the National Chief has asked for, so far without result.

All of this frustration boiled over with the creation of the Idle No More movement and the hunger strike by Appawapiskat Chief Theresa Spence. This produced a meeting convened by the Prime Minister on January 11, 2013 in the Langevin Block attended by various ministers and National Chief Atleo, as well as 20 chiefs from all provinces except Ontario and Manitoba. It also marked a break with the leadership of the AFN as some chiefs, notably Derek Nepinak of Manitoba decided to boycott the
meeting wanting instead to meet with the Governor General. The Langevin meeting resulted in a measure of success, including the creation of a high level working group led by then chief of staff Nigel Wright from the Prime Minister’s Office and Privy Council clerk Wayne Wouters. It included First Nations leadership to deal with treaties and their implementation and well as issues regarding the settlement of land claims and self government. The Prime Minister seemed open to tripartite discussions on resource revenue sharing. The promotion of natural resources with the cooperation of First Nations fits well within Harper’s economic agenda and having First Nations participate in these developments fits both within their education and economic agendas. The takeaway from this meeting was that the high level working group would commence its work and there would be a follow up Harper-Atleo meeting in short order.

While the Working Group got off to a good start it has been sidelined as the government dealt with other issues. There was only one Atleo-Harper meeting, but it was in the context of the fifth anniversary of the residential schools apology. To complicate matters further for both Atleo and Harper, Manitoba Chief Nepinak has found traction for the establishment of a new group of treaty based First Nations on the basis that the AFN has no mandate or jurisdiction to address treaty issues. Nepinak argues that treaty issues can only be dealt with nation to nation with the federal government or perhaps the Crown.

All of this provides the backdrop against which an SFT addressing aboriginal issues is to be written. Whatever is crafted should speak to a commitment by the government of transformative change in the lives of Canada’s Aboriginal Peoples. Playing at the margins just won’t cut it either for the Prime Minister or for those both needing and demanding change.

Whatever is crafted should speak to a commitment by the government of transformative change in the lives of Canada’s Aboriginal Peoples. Playing at the margins just won’t cut it either for the Prime Minister or for those both needing and demanding change.

1 The most recent revelation of 1,300 Residential School children being used as human guinea pigs for experiments in starvation and other atrocities must be addressed, an apology delivered and a direction given to Aboriginal Affairs Bernard Valcourt to release all relevant documentation to the Truth and Reconciliation Commission. There should be another direction to Valcourt to effect the orderly release of all documentation required by the Commission that is in the possession of the government.

2 The treaty relationship between First Nations and the Crown should be addressed with recognition of the fact that treaties have not been honoured and that treaty implementation is a priority for this government.

3 In the same way that treaty implementation is a priority so is land claims settlement and the conclusion of self-governing agreements so that the potential of all First Nations members may be unlocked.

4 The development of Canada’s vast wealth in energy and natural resources cannot be developed without the free, prior, informed consent of Canada’s Aboriginal Peoples. The government should establish a tripartite working group to include representatives from government, both federal and provincial, and industry to work with aboriginal leadership to ensure that its priorities and interests are respected and addressed. Opportunities in natural resources are limitless and will begin to address the economic needs of Aboriginal Peoples while respecting the environment. Prior consent obtained through a consultative approach is required if Canada is to obtain its stature of an energy superpower, a goal announced by Harper in his London speech of 2008.

5 There are as many aboriginal young people being incarcerated as are graduating from high school. The government could recognize that only through an education system put in place through joint agreement and action will this situation begin to be addressed. In this spirit, the government should work with First Nations to revise the First Nations Education Bill so that it can support the implementation of an effective education system.

6 The government could recommit to providing funds for infrastructure, housing, clean drinking water and healthcare for First Nations.

7 Regarding the issue of murdered and missing aboriginal women, the government could establish an inquiry under the Public Inquiries Act to get to the bottom of this matter and present recommendations so that nothing like this ever happens again.

In order to accomplish this admittedly ambitious agenda, the clerk of the Privy Council could be asked to assemble a “high level working group” that includes a leader’s representative from the AFN, the Métis, the Inuit, Congress of Aboriginal Peoples and the Native Women’s Association and a senior member of the office of the Prime Minister as well as the clerk of the Privy Council.

8 For over 130 years, the Indian Act has governed the relationship between the federal government and First Nations and their members. It is time to work with First Nations to determine the future of the Indian Act. It is time to move beyond the Indian Act but only with the consent and approval of First Nations. The government should establish in consultation with First Nations leadership a Blue Ribbon Panel to Report to the clerk’s high level working group within a year of the Panel’s establishment on the future of the Indian Act and, where applicable, its repeal.

These commitments to Canada’s Aboriginal Peoples placed in the SFT amount only to words and those words must become the subject of immediate action if the promises of the Royal Proclamation and the Constitution Acts, 1867 and 1982 are to become reality.

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The Speech from the Throne is a most paradoxical event: an opportunity for renewal, steeped in tradition as old as Parliament itself. The Usher of the Black Rod banging on the doors of the House of Commons; the slow procession past portraits of past prime ministers; the lavish confines of the upper chamber. The pomp and ceremony seem almost as though they were designed to help Canadians forget what’s come before. The opulent Senate chamber serving as the perfect media backdrop for a government looking to present a fresh, new face to the voting public. We’ve watched this scene play out the same way, dozens of times. And yet, this time it will be different.

This fall, as Stephen Harper tries desperately to turn the page on the scandal and ethical lapses that have consumed his government, the plush surroundings of the Red Chamber will serve as a counter balance – an indelible reminder of the very missteps and controversies that have engulfed his party, his government and, indeed, his own office.

The Senate expense scandal has rattled the Harper Conservatives. It has shaken their government to its core. And the Prime Minister is well aware that it will take more than a good show to distract Canadians from the onslaught of allegations facing his government. If Harper is to have any hope of convincing Canadians that he’s embarked on a new course, he’ll have to back up the ceremony of a throne speech with substantive action. He’ll have to address not only his government’s ethical failings, but also the day-to-day priorities that hit Canadians closest to home.

Speech From the Throne: Harper Can Run But He Can’t Hide

Tom Mulcair

It is a ritual familiar to Canadians for its pageantry and tradition. But this throne speech may also be notable for its irony; delivered in the same Red Chamber that has generated both debate and scandal during Stephen Harper’s tenure. For Opposition leader Tom Mulcair, abolishing the Senate is just the centrepiece of what should be, but likely won’t be, in Stephen Harper’s Speech from the Throne.
We know that Harper is unlikely to suddenly embrace issues like climate change, early childhood education and prescription drug coverage – issues that have gone unaddressed by successive Liberal and Conservative governments alike. Yet, even within the limitations of what one can expect from a Conservative throne speech, there is still room for real action.

If Harper is to have any hope of convincing Canadians that he’s embarked on a new course, he’ll have to back up the ceremony of a throne speech with substantive action. He’ll have to address not only his government’s ethical failings, but also the day-to-day priorities that hit Canadians closest to home.

Since the financial crisis of 2008, the economy has weighed most heavily on the minds of Canadians. We’ve faced a seemingly endless string of economic threats from abroad. The US financial crisis – and the global recession it brought about – have led to a steep decline in demand for Canadian exports. Our recovery has been marred by the uncertainty of debt spirals in Europe and political gridlock in the United States.

Even as those global economic storms subside, Canada now faces a new range of economic threats that spring from waters much closer to home. Today, record household debt is perhaps the most immediate threat to our national economy. Canadian families are caught between a rock and a hard place, struggling to keep up as the cost of living continues to rise. Youth unemployment has been in the double-digits for more than five years, robbing an entire generation of the experience and opportunities they need to build a career. And no longer is it a lack of demand that threatens Canadian energy exports, but rather an American public eschewing Canadian energy imports in response to the repeated failure of Canadian governments to address the impacts of climate change.

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Over the last five years, household debt has escalated to near crisis levels. By 2012, household debt stood at a record high of 167 per cent of disposable income. Mortgage debt alone now stands at over $1 trillion. The Bank of Canada has declared fear of mounting household debt as the single greatest factor preventing it from doing more to stimulate our economy and create jobs. Perhaps most disturbing, Canadian household debt is now within hailing distance of American levels just prior to the crisis of 2008.

In the face of this record debt, Conservatives must do more than tighten mortgage rules and choke off credit. This fall’s throne speech must attack the underlying causes driving our national indebtedness.

The Conservatives should propose new rules to rein in the most abusive practices of credit card companies and other lenders. They should ensure all Canadians with a clean credit record have access to at least one low limit, no frills credit card through their bank or financial institutions. Conservatives should respond to anti-competitive practices in the debit and credit card industries by limiting ATM fees. They should crack down on payday lenders that use deceptive practices and prey on less-informed borrowers to charge interest rates as high as 1,000 per cent.

In short, Conservatives should ensure at least basic protections for Canadian consumers and, in doing so, make life more affordable for Canadian families.

Of course, plans to address borrowing and consumer credit will only balance one side of the affordability ledger. Conservatives must also present a credible plan to create high-paying, quality jobs – jobs that come with decent benefits, a secure pension and enough of a salary for a family to live on. There are concrete actions that can be taken – if the Conservatives are willing to act.

While the current government has done its level best to promote an active image in pursuit of economic growth with “Action Plan” ads, its true tendencies have been more predictably conservative. Again, the throne speech presents an opportunity to change course.

A growing body of research confirms the integral role that cities play as regional hubs of economic activity. It is our cities that bring together the cluster of skills, capital and infrastructure that allow our economy to flourish. As such, a vision for thriving cities should be at the centre of any strategy for jobs and growth. But to succeed, our cities need a federal government that understands the vital role they play in our economic future.

The first step in this government’s new agenda for job creation should be to restore the $6 billion it slashed from community infrastructure funding in the last federal budget.

Canada is among the most entrepreneurial countries in the world. Even through the worst of the recession, Canadian small businesses continued to thrive and multiply. Yet one of the most disturbing trends in Canadian business development is that alarmingly few of those small businesses are growing into medium-sized businesses and beyond.

From 2006 to 2010, Canada actually lost more than 1,500 medium-sized businesses – even as the number of small and large businesses grew. During that period, mid-sized businesses were 10 times as likely to shrink as they grew.

New Democrats have proposed a job creation tax credit for small and medium-sized enterprises. The government should provide targeted tax incentives to businesses that create new jobs and new opportunities for economic growth – not across-the-board corporate tax cuts that benefit only the largest and most profitable companies.

With youth unemployment stubbornly high, it’s vital that we specifically target youth job creation as well. Successive Liberal and Conservative governments have watched as a generation of middle-class jobs has disappeared, but they have done nothing to create the next generation of middle-class jobs. The TD bank recently found that young people graduating into the current job market face such poor job
prospects that entry level wages are down 4-5 per cent and are likely to take up to 17 years to fully recover.

Just as New Democrats have proposed a job creation tax credit for small and medium-sized businesses, we have proposed similar measures to tackle skyrocketing youth unemployment as well.

Conservatives, frankly, don’t seem to understand the life of the modern young worker. This generation is faced not only with a historically tough job market – and the prospect of years spent working part-time, split shifts and contract jobs – but even once a permanent full-time job is found, it’s less and less likely to come with benefits or a pension.

It was with this in mind that many of us took great heart at the finance minister’s announcement last year that he would meet with his provincial counterparts this summer to draw up plans to increase benefits for the next generation of recipients under the Canada Pension Plan. Yet summer has come and gone with no meeting and no plan. If Stephen Harper is to regain the trust of young Canadians, he’ll need to start by renewing that commitment and keeping his government’s promise to strengthen the CPP.

Beyond economic matters, there are issues Conservatives could address that go to the very heart of what kind of country we want to be.

For decades, health, safety and environmental protections have been chipped away at in the name of economic progress. Both Liberal and Conservative governments have dismantled rules meant to protect the public and imposed industry self-regulation instead.

We have seen the legacy of these cuts in a listeriosis outbreak that killed 22 people. We’ve seen it in the largest beef recall in Canadian history. And we’ve seen it in pipeline spills that have grown all too common.

Today, experts from the Transportation Safety Board and Transport Canada are investigating the role that decades of deregulation played in the death of 47 people this summer in Lac-Mégantic, Quebec.

This attack on basic health, safety and environmental protections was sold to the voting public on the promise that it would pave our path to prosperity. In the greatest irony of all, it was exactly this sort of unfettered deregulation that led to the greatest global economic crisis since the Great Depression.

Here in Canada, the failure of both Liberal and Conservative governments to address the impact of climate change now threatens our economic relationship with the United States. So much so that the Obama administration is now under intense pressure to block projects like Keystone XL that would boost production from the Canadian oil sands. Rather than heed the warnings of scientists, economists and First Nations, Conservatives have instead pushed ahead with legislation to gut environmental assessments and eliminate protections for fish habitat and navigable waters.

The failure of both Liberal and Conservative governments to address the impact of climate change now threatens our economic relationship with the United States. So much so that the Obama administration is now under intense pressure to block projects like Keystone XL.

Where governments once took a leadership role in protecting the public interest, now they protect only private interests. In doing so, they have sacrificed our long-term prosperity for their short-sighted political gain. This has to end.

In the Speech from the Throne, the Prime Minister can signal that he intends to change course.

The Prime Minister can call for full and open hearings of the House of Commons Transport committee to investigate rail safety and the impacts of two decades of safety deregulation. The Prime Minister’s party has thus far blocked such hearings.

With youth unemployment stubbornly high, it’s vital that we specifically target youth job creation as well. Successive Liberal and Conservative governments have watched as a generation of middle-class jobs has disappeared, but they have done nothing to create the next generation of middle-class jobs.

That his government will respond to calls from Alberta Premier Allison Redford for a Canadian energy strategy – a strategy that includes a plan for value-added jobs, energy security and tackling the threat posed by climate change.

The Prime Minister can recognize the legitimate grievances of First Nations that have given rise to movements such as Idle No More and agree to meaningful consultation aimed at restoring a rigorous federal system of environment assessments.

Of course, the Prime Minister can also take real action to show Canadians that he is committed to reversing the unethical slide of his eight year old Conservative government.

As it stand now, for the past eight years Stephen Harper stood by the Senate he’s pledged reform. After these eight long years, I believe most Canadians would agree that the state of affairs in the Senate is worse now than ever.

Harper is clinging to an old Conservative dream. He wants to radically change the way our system works. He wants to bring US-style gridlock into Canadian politics – two elected Houses blocking each other’s every move. But, the truth is, for all the noise made by those desperately trying to defend the Red Chamber, the fact is that abolition is in many ways the conservative option for Senate reform.

This country is a democracy. It has been for nearly 150 years. Except on those rare occasions when unelected senators have the audacity to interfere, it is our democratically elected leaders who write our laws. It is, in practice, the House of Commons that governs our affairs.

If Stephen Harper is truly committed to changing course – and changing the culture of entitlement in Ottawa – he should make it official and read the Red Chamber its last rites.
Council of the Federation: Default Mechanism or Relic From the Past?

Daniel Gagnier

The methods of resolving federal-provincial and interprovincial issues have evolved in the past three decades but the practice itself remains a uniquely Canadian combination of art, science and cottage industry. Has the Council of the Federation finally hit on the magic formula? The Niagara-on-the-Lake meeting provided some hope, especially on the energy file. Above all, it proved that cooperation trumps division in this most decentralized federation.

When I first joined the public service of Canada in 1968, Lester B. Pearson had moved on and the Liberal Party of Canada was in full flight to elect a new leader, Pierre Elliott Trudeau. In subsequent years, I moved through international and Ottawa-based assignments, occasionally experiencing that typical Canadian political consultative mechanism, The First Ministers’ Conference (FMC).

In my most senior roles as deputy clerk of the Privy Council for communications, principal secretary to Ontario Premier David Peterson and two stints as chief of staff to Quebec Premier Jean Charest, I sat behind the people sitting at the federal-provincial and provincial-provincial tables often enough to be able to compare the various consultative approaches, from FMCs to more informal First Ministers’ Meetings (FMMs) to the Council of the Federation.

During the 1970s and 1980s, we operated on the sometimes successful but most often frustrating model of FMMs on everything from the economy to free trade to constitutional to aboriginal issues. These were supplemented
by ministerial meetings on health, education and other subject matters of interest. At times it seemed that meetings were a Canadian cottage industry, an employment program for public servants and a national sport for politicians.

With the transition beyond Prime Minister Mulroney’s tenure and in recent years, the mechanism of choice for federal-provincial collaboration or dispute became bilateral agreements and the forum of choice the Councils of Ministers, chaired usually by the federal portfolio minister and his/her counterpart in the province playing host. We are still recovering from an overdose of years of media coverage of multiple, sometimes boring and often stressful disputes among our first ministers.

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The Council of the Federation (COF) is not a new idea. It has been around for some time and sees expression in other regions of the world. It came to fruition when Premier Jean Charest proposed its creation and its founding occurred in December of 2003 in Charlottetown. It first met in September 2004 with Prime Minister Paul Martin to discuss reforms to the Canada Health Act. The 2004 Health Accord saw $41 billion in new federal funding over 10 years to 2014, with growth indexed at 6 per cent per year. Charest was convinced that without a Council we would find it more difficult to share our problems and identify solutions. His experience nationally and on his many forays into the international arena convinced him that the Council would fill not just a need but a void.

I was privileged to be at the 2008 meeting of the Council in Quebec during the 400th Anniversary of the founding of Quebec City. The key topics there were internal trade and labour mobility. Halifax in 2012 was intense and showed that the provinces are not always aligned on energy and infrastructure issues.

As Ontario Premier Kathleen Wynne pointed out, this Council of thirteen now has six women elected to head their provincial governments – a first in the history of the country. The issues were both in keeping with past agendas and included discussions on more topical and recent events such as cyberbullying and necessary changes to the Criminal Code, as well as violence against aboriginal women, public security, helping those in emergencies and the abolition/reform of the Canadian Senate in light of the federal government’s reference to the Supreme Court of Canada. Recent expense claim improprieties by a number of members of the Red Chamber were not on the agenda, although in this age of constant media coverage Ca-
nadians’ imagination was constantly stimulated by faulty moral and ethical judgment on the part of politicians at every level.

Job training, energy and infrastructure, health care funding and innovation, as well as water, inter-provincial/territorial trade rounded out repeat issues. One topic in this line up has incensed the provinces to the point where they are unanimous in their opposition. This is the unilateral move by Ottawa to redefine the Federal Job Training Program.

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The federal government’s response was to offer up its newly responsible minister to explain to premiers the sound basis and the realities underpinning Ottawa’s unilateral decision. As if sophisticated provincial administrations are incapable of measuring the risks and benefits.

When premiers argued on energy and infrastructure issues in Halifax in 2012 you could feel the tension in the room and in the press conferences. I remember thinking how do we hope to meet our needs for energy of all kinds and export to an energy hungry world? How do we do this in an environmentally responsible manner? In light of recent events in Lac-Mégantic and various accidents over the past few years, how do we reassure the public on safety while meeting the country’s need for revenue to pay for the social, educational and health benefits we hold so dear?

In light of recent events in Lac-Mégantic and various accidents over the past few years, how do we reassure the public on safety while meeting the country’s need for revenue to pay for the social, educational and health benefits we hold so dear?

The progress report that premiers reviewed on the Canadian energy strategy and which is available to the public outlines basic principles and justification for moving forward. It focuses on the three areas – conservation and literacy; innovation and moving energy to people (infrastructure) and gives a snapshot of what governments are doing.

The one point on which provinces and territories agree is that they are the primary players on natural resources. Quebec and BC have reserved positions – the one due to traditional positions and lack of involvement in preparing the report and the other due to revenue sharing issues and policy differences. In both cases, bilateral working groups are looking at resolving differences and advancing solutions.

The COF Report pleads for a heightened awareness and a maximization of the value of renewable energy within the Canadian energy mix. Provincial and territorial interconnectivity issues are also raised. These are far from new – Prime Minister Brian Mulroney and Premier Robert Bourassa had these issues in their sights back in the 1980s.

One initiative taken by the premiers since Halifax is the creation of the Canadian Energy Strategy Working Group led by Alberta, Newfoundland and Labrador and Manitoba. They, their ministers responsible for energy and senior officials have done us all a service in framing and articulating the state of play on an energy strategy. In a sense they have given meaning to the research and public policy recommendations that the Energy Policy Institute of Canada provided to governments in late 2012. The plan calls for work to continue over the coming year and a final strategy to be released at the COF meeting of 2014 in Prince Edward Island, a symbolic location as the birthplace of Confederation and also the founding meeting of the Council of the Federation.

Unfortunately, in the days after the COF, the Prime Minister’s Office refused to comment on the provincial work toward a national strategy, despite the federal government’s strong push toward increasing resource production across Canada.

Andrew Coyne in his column of July 27 decried the COF as premiers rather than “attending to matters within their own jurisdiction,” wasting “their time (and our taxes) telling the federal government how to suck eggs”. Coyne then goes on to fashion an agenda of what they could or should have tackled if they were really interested in making things better. His list is not
bad from a policy point of view and much of it is within provincial jurisdiction (interprovincial trade barriers, discriminatory conduct by professional associations, a common accounting system for budgets, etc.).

To quote from his article “Instead, they talk about the feds: what Ottawa should do, how much money it should spend, and on what. On this, let it be said, they have no trouble agreeing... And when they have finished all this – when they are done writing Ottawa’s budget, and amending the Criminal Code, and drafting federal safety regulations, and demanding to be consulted on everything under the sun – the premiers use whatever time they have left to complain about federal interference.”

Canada since its inception has been largely an entity governed by divided jurisdictions with real constitutional powers. We are not a unitary state and our history is fraught with disputes, feelings of inequitable treatment and conversations to try and align multiple governments to work together for the benefit of all. The COF is nothing but the latest expression of a need for a mechanism where our political leaders can have that conversation. It cannot simply be unilateral action when it suits and bilateral negotiations when possible. Ignoring a call by provincial and territorial leaders for participation, at least prior to decisions to revamp a program like job training, is counter-productive.

The three premiers who lead the effort on a Canadian Energy Strategy should be congratulated for achieving the degree of consensus they did for their progress report. Even if it is a vision and principles document it supports the main recommendations of the EPIC 2012 report on market diversification, transportation, infrastructure, energy conservation and innovation. We can decry the slowness of progress but not the direction or the salutary effect it is having on educating Canadians on energy literacy and their choices.

The missing link here is the federal government. It shares many of the objectives but seems to have developed a belief that meeting a la grande table with 13 premiers and one prime minister would accomplish little but a repeat of the massive gang-ups and bitch sessions of the past. There is an element of truth to that, but then being gutted by a hundred knife cuts out of frustration will cause its own problems.

No one who has observed the last 40 years of federal-provincial relations would maintain that Canadians have not tried differing formulas to reach consensus. You would have to be a total cynic to conclude that none of it has worked. The truth lies somewhere in between cynicism and hope.

Our constitutional reality, our history and our democratic values condemn us to not only live together but to argue and discuss how we want to do it. The Council of the Federation is a surrogate, for lack of a better mechanism, to foster collaboration and a reflection of the fact that our lives on a daily level are affected just as much if not more by the municipal, the provincial and territorial governments as by Ottawa. Ottawa is important but on any given day it is farther than the provincial capitals and the seats of municipal governments.

On a macro level, provinces will define their interests on a regional basis (Premiers Clark and Redford have a working group on promoting the export of resources and Premiers Marois and Redford both have officials working the Alberta-Quebec energy issues. The economic and social impacts of an accommodation on the energy file are significant for all.

As we approach our 150th anniversary as a country it may be a clarion call to dedicate ourselves to fulfilling Canada’s potential not so much as an example to the world but for the benefits of our people, our communities and especially for our children. If for no other reason, the Council of the Federation has relevance and value.

The premiers deserve to be heard and to demonstrate to Canadians in every region that co-operation trumps division in this most decentralized of federations. The leadership role of the federal government is paramount and can only be fully realized by staying out with the premiers, no matter how difficult, the pathways to success for this country.

Contributing Writer Daniel Gagnier is President of the Energy Policy Institute of Canada. He is a former chief of Staff to Premier Jean Charest in Quebec, principal secretary to Premier David Peterson in Ontario, and deputy secretary to the Cabinet at the Privy Council in Ottawa. In the private sector, he was senior vice president at Alcan, with global responsibility for corporate affairs, health, safety and environment.
With the federal government focused elsewhere, and increasing demands from the public and major players in the private sector, a somewhat surprising group is stepping into the leadership vacuum on energy policy: Canada’s premiers. Progress has been made to define a Canadian energy strategy over the past few years – but now political capital is needed to broker a credible deal by summer 2014. With a little more ambition and effort to push past traditional intergovernmental lethargy, a plan can be created that works for the regions and for Canada’s economic and environmental future.
standing that there was public interest and demand. Three years ago, an odd array of interests began to ring the bell and call for a Canadian energy strategy. A full range of environmental groups spoke up, as did Canada’s largest think tanks, business leaders and, more recently, strong voices began emerging from First Nations, labour, transportation interests and municipalities. We even saw the creation of a new voice for business – the Energy Policy Institute of Canada (EPIC). And in the face of the long delays on Keystone XL through the US and the public hearings on pipelines, other media and public voices have started echoing the need for greater coherence in Canada’s approach to energy.

The recent and growing conversation began tentatively at first, given the historically charged discussions on energy and climate change over the last 40 years. The dividing lines have been cut and re-cut in many directions – regionally with East vs. West or Ontario vs. Newfoundland or Quebec; philosophically with environmental groups, business interests and First Nations; and, politically with parties traditionally picking a side in the old environment vs. the economy debate based on electoral calculations. More often than not, these divisions have been exploited for short-term political advantage and the complexity of energy trade-offs has been lost.

However, with the new interest-based approach to Canada’s energy challenges, a greater and greater consensus has been emerging, crossing these historic divides. The key themes are energy conservation, innovation, a low-carbon future, diversification of energy supply and energy markets, and carbon pricing. Only a few years ago, we were fighting fiercely over so-called Dutch disease, where eastern manufacturing was suffering from rising energy revenues or the West was disadvantaged by Kyoto climate change policies or Stephane Dion’s Green Shift was a tax on families (actually we’re still fighting a variation of that one). However, today we are moving toward more common ground on what the elements of an energy strategy might be. This makes it less interesting to the media but potentially more constructive for the country.

Today we are moving toward more common ground on what the elements of an energy strategy might be. This makes it less interesting to the media but potentially more constructive for the country.

The three premiers (Redford, Dundra and Selinger) will now work closely with Ontario Premier Kathleen Wynne as current COF Chair to deliver a robust report. For now, BC and Quebec are playing it cool and the Harper government doesn’t like grand strategies and particularly not in areas of provincial jurisdiction. The premiers foresee a future reconciliation across all interests, they may need to re-cast their work as a more flexible energy “framework”.

While three years has moved the dialogue from outside stakeholders to squarely on government agendas, the consensus becomes much more fragile just below the surface. The real work for the COF will be to broker a balanced package of specific measures that will make a difference for the country’s energy future, one that envisions Canada’s participation in global markets for raw energy resources (oil, gas, uranium, electricity to the US) as well as export of clean technologies into both developed and developing countries and deployment of those same technologies in Canada. Broader domestic policies are needed to address a low-carbon future, diversification of our electricity sources and infrastructure, increasing electrification of transportation and urban environments, and better environmental performance in traditional industries such as energy, mining, forestry, manufacturing and aerospace. All of this can be married with an understanding that different regions need a different mix of these options.

Many question the relevance of a Canadian energy strategy, with some suggesting “hands off” – the market will decide. Still others suggest that premiers should just stick to their knitting within their own borders, turning a blind eye to the national or international context. It’s been our modus operandi for years in this country and it’s time to ask objectively how that’s working out for us.

It’s impossible to ignore the national headlines or the delays and controversies on major energy decisions facing us each week: transportation of energy by pipeline (Keystone XL, Gateway, Energy East) or by rail (Kinder Morgan’s proposal through BC, the fall-out from Lac-Mégantic); building of new electricity infrastructure (Maritime Link, Site C Dam in BC, Bipole III in Manitoba); siting of wind energy projects; investments in our resources by state-owned enterprises or multinationals; the development of the Arctic; and the growing desire of First Nations for resource revenue sharing to name but a few. All of these major decisions affect our energy prospects. We appear, by default, to believe these factors require no larger policy coherence and that there is no need to have an informed public that understands the complexity of the trade-offs.
It’s true that domestic and international market imperatives have been the driving force behind the expansion of pipelines, oil by rail, the export of LNG and the modernization of our electricity infrastructure to meet growing population and demand. It’s also true that all these energy decisions at some point turn a corner and meet public imperatives such as community interest, social license to operate, First Nations rights and title, and concerns over environmental impact on land, air and water. To pretend otherwise is to ignore the history of the never-built but much debated MacKenzie Valley pipeline through the North. Or continue the fallacy that Keystone XL will be passed in the US because Canada believes “it’s a no-brainer”. Market imperatives and public policy imperatives must be reconciled at some point or energy advances wither away.

**On Keystone, everyone is reading the tea leaves on what US President Barack Obama will decide later this fall. One thing is certain. He has sent a clear signal that Canada needs to do more to reduce carbon from energy production.**

On Keystone, everyone is reading the tea leaves on what US President Barack Obama will decide later this fall. One thing is certain. He has sent a clear signal that Canada needs to do more to reduce carbon from energy production. Both communicate what Canada is doing (because we do have a story to tell) but also put more in the window, Prime Minister Harper has sent a letter to US President Barack Obama formally proposing “joint action to reduce greenhouse gas emissions in the oil and gas sector”. The politics suggest that if Canada doesn’t meet the US at least part of the way, the project will likely slip into the 2014 pre-election window and could easily be subject to further political delay. Over the next six months, it is anyone’s guess whether Ottawa and Alberta can agree on a plan for the sector and then have the US accept it. The stakes are high for Canada so our Ambassador to the US Gary Doer will have his work cut out for him.

At the same time, we cannot remain blind to the rapidly changing global context for our energy. Global players continue to want Canada’s resources either for export or as investments – though our policy delays are becoming increasingly unattractive. The global market for clean technology will be $3 trillion by 2020. Canada has a sliver of this market now but we could grow our advantage and support SMEs ready to create jobs and support our economic recovery. Domestically, we should envision an increasingly integrated North American electricity market – and build infrastructure that both meets the needs of our consumers at reasonable prices and allows for export. The US doesn’t just need our oil, it needs our clean electricity too.

It’s also time to recognize that, in today’s world, it’s possible to merge economic and environmental outcomes with creative policy and fiscal tools. Alberta, BC and Quebec are leaders with pricing policies on carbon but China, Japan and Europe are all testing economic instruments to drive environmental and, ultimately, economic performance. We need to face the environment and energy divide squarely and with more courage than we’ve shown so far. There is a temptation to make the Canadian energy strategy only about energy production but that ignores at least half the equation – and deflects the issues that the next generation will face.

In essence, the context has changed, the lines are being re-drawn and Canada needs to catch up. Though we are rich in energy resources, services and technology, we are on the verge of squandering economic opportunities by failing to reconcile market and public imperatives or take advantage of innovative policy tools. We need to also watch that the COF and the lethargy of our intergovernmental processes don’t drag the whole initiative down. Energy ministers, their officials and stakeholders have been pushing (some more than others) but they should now be given license to be creative.

COF and the premiers took an important step this summer with the progress report but now it’s time to step up the ambition and political brokering. With a little determination, we can create an energy framework worthy of the country, transforming dysfunction and delay into opportunity at home, in North America and worldwide.

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For citizens in many countries, rising income inequality and declining personal expectations appear to be part and parcel of the new global reality. Underscoring this, President Barack Obama recently observed in a New York Times interview that “years of widening income inequality and the lingering effects of the financial crisis had frayed the country’s social fabric and undermined Americans’ beliefs in opportunity.”

But, while income inequality has been on the rise for three decades, its ascension to political prominence is much more recent; a legacy of the global financial crisis and recession that has informed cultural content and provoked social movements. Income inequality in these troubled times rated a special report in the Economist (“For richer, for poorer”, October, 2012) that asserted that “growing inequality is one of the biggest social, economic, and political challenges of our time.”

Even viewed from the Davos mountain tops, income inequality tops the charts in the World Economic Forum’s 2013 rankings of the most likely global risks over the coming decade.

Bear in mind that these measures of income inequality take into account the redistributive impacts of transfers and taxes. We can also measure the Gini coefficients for income before adjusting for transfers and taxes, essentially “market incomes”. And, by comparing the Gini coefficients calculated before and after accounting for transfers and taxes, we obtain a sometimes surprising perspective on how much these redistribution systems reduce income inequality (see Table 1). Start with the United States. Its transfer and tax system reduces income inequality by 23.8 per cent, one of the smallest reductions in any OECD country. Perhaps no shock there, but Germany, France, and Italy do surprise – they have market income inequality (i.e., incomes before transfers and taxes) that is both unexpectedly high and quite similar to the US However, with very progressive transfer and tax systems which reduce income inequality in the order of 40 per cent, their income inequality after transfers and taxes is not only much less than the US but also below the OECD average.

Canada also surprises. We have much lower income inequality after transfers and taxes than the United States and you might be tempted to attribute this to the redistributive impacts of Canadian transfers and taxes, but you would be wrong to do so. In fact, the reduction in Canadian inequality...
due to our progressive transfer and tax redistribution system is only slightly greater than the US at 28.4 per cent (see Chart 1).

Source: OECD (extracted Aug 1, 2013). 2010 or latest year.
The reason is that there is much lower inequality of “market incomes” in Canada. Indeed, the Canadian Gini coefficient measured on market incomes is in the lower third of all OECD countries, and it is markedly less than any other G7 country (see Chart 2).

While the emphasis on rising income inequality has been recent, the deterioration in a number of countries, including Canada, actually occurred in the 1990s, not during the 2000s as is commonly supposed.

Chart 3 presents the Canadian and American Gini coefficients, measured on incomes after transfers and taxes are taken into account, for the period from 1980 to today. The rise in this measure of Canadian income inequality largely transpired between 1995 and 2000, and today’s levels are little different than then. The American experience again is different: US income inequality increased earlier than Canada, over the 1980s and through the first half of the 1990s, and has continued to drift upwards to this day.

While the emphasis on rising income inequality has been recent, the deterioration in a number of countries, including Canada, actually occurred in the 1990s, not during the 2000s as is commonly supposed.

Emerging markets have also seen movements in income inequality, and not always in the preferred direction. The region that has seen the most progress, albeit starting from very high levels of inequality, is Latin America. The Gini coefficient today for Brazil is roughly 0.55, down impressively from the 1990s. Going in the other direction are India (0.33), China (0.41) and Russia (0.42). South Africa, among the expanded BRICSs, is worrisome at 0.7.

Despite its pedigree, many prefer to compare the “rich to the rest” rather than analyze the movements of Gini coefficients. To do so, two common measures that allow comparisons of inequality within and across countries are the ratio of the disposable income of the top 1 per cent to the disposable income of the bottom 99 per cent, and the ratio of the disposable income of the top 10 per cent to the disposable income of the bottom 10 per cent.

The “1 per cent versus the rest” measure for Canada shows the top 1 per cent taking in 10.6 per cent of national income in 2010 while paying 21.2 per cent of federal and provincial income tax. This is well up from their 7 per cent share of total income in the early 1980s but actually down from a pre-recessions peak of 12.1 per cent.

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al income in 2010 while paying 21.2 per cent of federal and provincial income tax. This is well up from their 7 per cent share of total income in the early 1980s but actually down from a pre-recessions peak of 12.1 per cent. In the US, the top 1 per cent accounted for 8 per cent of national income in the early 1980s and this more than doubled to 17 per cent in 2010 (World Top Incomes Database, Alvaredo et al). Unlike in Canada, today’s share of the top 1 per cent in the US is higher than it was pre-financial crisis and recession.

Looking at the ratio of the disposable income of the top 10 per cent to the bottom 10 per cent, the Canadian and American stories are again rather different (see Chart 4). The 2010 ratio for the US is 15.9 – that is, the average income of someone in the top 10 per cent is 15.9 times greater than the average income of someone in the bottom 10 per cent of the income distribution. This is up strongly from 2000, and is almost double the Canadian ratio. In Canada, the ratio rose in the late 1990s, but today, at 8.9, it is slightly below its 2000 levels.

To provide some broader context for this measure of income inequality, Chart 5 provides comparable measures for all OECD countries in 2010. The ratio for Sweden is 6.1, it is 6.7 for Germany, the Australian ratio is basically the same as Canada, and Chile and Mexico are dizzily above 25.

**Should we be worried about the potential for a negative dynamic among rising income inequality, high unemployment, low growth, and declining expectations in a number of countries? The OECD argues emphatically, yes.**

Should we be worried about the potential for a negative dynamic among rising income inequality, high unemployment, low growth, and declining expectations in a number of countries? The OECD argues emphatically, yes in a recent report (“Divided We Stand: Why Income Inequality Keeps Rising”, 2011). A brief glance at Chart 6, which presents the cumulative changes in real GDP and real median

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**Chart 4: Ratio of Disposable Income: Canada and US Top 10 per cent to Bottom 10 per cent**

![Chart 4](chart4.png)

Source: OECD (data extracted August 1, 2013) (US 1990 data not available so 1989 used)

Ratio represents the ratio of the average income of someone in the top 10% to the average income of someone in the bottom 10%

**Chart 5: Ratio of Disposable Income: Top 10 per cent Versus Bottom 10 per cent 2010 or Latest Year**

![Chart 5](chart5.png)

Source: OECD

**Chart 6: Change in Median Disposable Income and Change in GDP 2000 to 2010, Selected Countries**

![Chart 6](chart6.png)

Sources: OECD, IMF (data extracted Aug 1, 2013)
Incomes over the last decade (2000 to 2010), suggests why.

Despite cumulative real economic growth over the decade of almost 20 per cent in the United States, growth in the median real disposable income was actually negative. Japan, with almost 10 per cent real GDP growth over the decade, had an even larger decline in its median real disposable income. The increase in the median real disposable income was weak and significantly lower than real GDP growth in several important European countries including Germany, Italy and the Netherlands. For all these countries, the wedge between growth in median real disposable incomes and growth in real GDP output over the 2000 to 2010 decade was appreciable.

As the IMF has demonstrated, the 2008 recession was atypically severe and the recovery has been atypically slow in a number of advanced countries. For example, in terms of job losses, this has been the worst downturn and the slowest rebound in the United States since the 1930s (see Chart 7). This, plus declining median real disposable incomes, affects both public confidence and personal expectations. Many European countries are going through their own economic traumas. With youth unemployment rates above 40 per cent in four Eurozone countries, with overall unemployment rates above 25 per cent in several, and with growth slow in all, fraying of the implicit social contract is something European policy makers need worry about.

So what have we learned about the possible causes of this rising income inequality across this broad cross section of countries and over broadly similar timeframes? To be clear, the intent here is not to rehash the longstanding debate about economic growth versus income redistribution, one where the economics profession has generally opted for economic growth provided that income gaps are not so large and so rigid that they themselves become an impediment to sustained growth. Nor is it to venture into the differing societal preferences countries make between equality of opportunity versus equality of outcomes in designing policies. And, it is certainly not to suggest that lower income inequality per se produces better economic results - numerous examples over the postwar period of high-tax, large, and inefficient welfare states with poor track records of economic growth make the counter argument rather persuasively. A reasonable place to begin is the OECD report “Divided We Stand: Why Income Inequality Keeps Rising”. It analyzed a number of potential drivers of increasing income inequality and came to several interesting, and at times non-consensus, results which are worth summarizing.

First and foremost, the OECD research points to technological change as a key driver of income inequality. Just as technological change has increased the demands for, and market incomes of, workers with higher skill levels, it has reduced the demand for workers with low skills and only then at lower wages. And, to the extent public education systems, for a variety of rea-
sons, have not been able to raise skill levels, particularly for disadvantaged groups, these wage gaps have widened further. Some have referred to this dynamic as “the race between education and technology”.

Regulatory reforms to increase competition in labor and product markets have had mixed effects on income inequality – they have increased employment rates, which brought more low skilled workers into paid employment, but they have also widened distribution of wages in these now less regulated labor markets. Similarly, the increase in part-time work arrangements offered more flexible employment options but increased wage dispersion. As well, many countries have reduced the generosity of their benefit systems, often as part of restoring fiscal balance, and relied more heavily on less progressive taxes. The OECD bottom line: “the single most important driver has been greater inequality in wages and salaries.”

Clearly, other factors have also been advanced to explain increasing income inequality, particularly globalization. While the OECD research downplays its role in increasing income equality, others such as Nobel Prize winner Michael Spence believe otherwise, particularly the hollowing out of manufacturing in response to low wage-huge scale competition from emerging economies. Others point to weaker productivity growth, lower intergenerational income mobility, reduced private sector union presence and changes in executive compensation policies and benchmarks. Analytic findings are mixed, but ongoing research and shared experiences across the OECD countries should help in shedding more light on movements in income inequality.

One space to watch carefully is policy reforms in the Nordic countries. Indeed, recent innovations in Sweden are fascinating. The Swedes embrace fiscal balance, corporate income taxes that are lower than the US, a strong public education system, government efficiency rather than government size, innovation as a driver of competitiveness, and reforms to the social safety net. In Denmark, the government understands how technological change is continually changing the marketplace and has opted for a focus on protecting workers not jobs, with a safety net more geared to skills upgrading and retraining for the new jobs, not waiting for the traditional ones to return.

There neither is, nor should there be, one approach that is best suited for every country, but there is much to learn from others about how we might make our systems better. From a Canadian perspective, while we have done relatively well compared to the United States and many other countries in terms of income equality in rapidly changing circumstances, this is no reason for complacency.

What emerges clearly and strongly is that a strong public education system, managed for outcomes, rewarding excellence and willing to innovate, is essential in a world where the pace of technological change is relentless. The Internet 4.0 will transform again how we work, what we produce at work, and where we work and yet we are barely embarking on Public Education 2.0 in Canada.

But change is needed in more than education for Canadian workers to prosper in the decades ahead. Skilled workers need skilled jobs, and we need them here in Canada. This will require more entrepreneurship to create the growing and striving firms that create these jobs. It will also demand more innovation so that we are continually moving up the value added curve in every sector and industry. In a profoundly changing and knowledge-intensive global economy, productivity and innovation go hand-in-hand with competitive, high wage economies.

For governments, the issue is less about their size and more about their efficiency; more about whether they will better target social safety nets; more about whether they will reshape entitlement programs such as pensions to make them inter-generationally sustainable; and, more about whether they will make the reforms and investments in public education needed to improve both employment opportunities and income equality. In short, good government and good government policy still matter, greatly.

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What We Saw at the Floods: Albertan Resiliency and Canadian Solidarity

Alison Redford

As an Albertan, Alison Redford wasn’t in need of a lesson on the awesome power of nature. And witnessing the toll of the disastrous floods that struck the province in June is not an experience she hopes to repeat as premier or private citizen. But the floods also revealed the breathtaking resiliency of her fellow Albertans and the selfless generosity of Canadians in the province and elsewhere who gave their time, expertise and donations toward the recovery effort. In the face of such devastation, communities across the province and the country rose to the occasion. As premier of Alberta, Redford has implemented a range of pre-emptive and mitigation policies to do the same.

I was in New York, having finished an address to the Foreign Policy Association, and was at my hotel preparing for my return flight to Alberta. It was another normal day in my life as premier of Alberta. Then the phone calls and emails started coming from my staff back home: southern Alberta was being hit by an enormous amount of rain and there was extensive flooding. People all across the southern part of the province were being ordered to leave their homes. I had to return home as quickly as possible. It was bad. Very bad.

My plane landed in Calgary in the early morning hours of June 21. By this point, it was being reported that some 100,000 Albertans had been forced to leave their homes in High River, Calgary and surrounding communities. Disaster had struck and it was only going to get worse: the flood waters were making their way down to Medicine Hat, Lethbridge and other communities that had little time to prepare.

Straight from the airport, I went to the Emergency Operations Center in Calgary for a de-brief and a quick night-time survey of some of the affected parts of Calgary. I have to tell
you: standing on a bridge in the dark with all the power out, listening to the roar of the rapidly rising river, was terrifying.

After a couple of hours of restless sleep, I was back out in my constituency of Calgary-Elbow to visit with residents evacuated to the Centre Street Church evacuation center and to thank the many volunteers who were supporting them.

I made the decision to get to the affected areas as quickly as I could to see the impact first hand and to ensure proper resources were going into the recovery and rebuilding process. The next few days were a whirlwind of stops at evacuation centres all over southern Alberta to meet with displaced families. I also met with local officials to ensure they had the resources they needed. And I wanted to thank the volunteers, local and provincial officials and staff, health care professionals, members of the military and all who selflessly offered their time to assist those in need.

In the early days of the flood, two things stood out above the rest: The scale of the disaster was nothing like we had ever experienced before, and the Alberta government would have to mount an unprecedented response.

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A nd Canadians rallied to support our province in so many ways: Red Cross volunteers from Newfoundland, social workers from Guelph, public health workers from all across the Prairies who came to support our citizens, the tremendous amount of personal and corporate donations to the Red Cross... it was amazing. I have never been more grateful and proud to be a part of the Canadian community than I was in the days following the flooding.

I was also grateful for the tremendous leadership shown by other levels of government. Mayors and local officials in affected communities were
rock solid pillars of support for their citizens. Calgary Mayor Naheed Nenshi was a tireless worker for his city. Prime Minister Stephen Harper and many federal ministers were on scene in Alberta quickly – to survey the damage, and to offer support.

**Canadians rallied to support our province in so many ways:** Red Cross volunteers from Newfoundland, social workers from Guelph, public health workers from all across the Prairies who came to support our citizens, the tremendous amount of personal and corporate donations to the Red Cross... it was amazing. I have never been more grateful and proud to be a part of the Canadian community than I was in the days following the flooding.

In late August, my government provided a status report on the flood that showed the tremendous progress made on many fronts, including more than 8,000 applications processed under the Disaster Recovery Program, with 1,400 payments made already of nearly $7 million. More than 830 kilometers of flood-damaged provincial roads have already been repaired. The herculean effort of Albertans to accomplish this much, this quickly, has been inspiring.

But we still have much more to do. Some 2,700 Albertans were still out of their homes and living in temporary neighborhoods, in hotels or with friends and family at the end of August. And there is still a tremendous amount of work that needs to be done in High River as home inspections continue and determinations are made as to whether homes can be repaired and remediated.

We have made policy decisions to mitigate the effects of future floods. Homeowners currently living in the floodway in impacted communities are being offered a buyout. If they stay, they will not qualify for future disaster support. Albertans living in the flood fringe will be required to mitigate against future flood damage in order to receive future disaster assistance. And an expert panel has been established to look at community mitigation options.

We are working with communities to ensure that there are appropriate mitigation measures in place to guard against a future “one-in-a-hundred-years” flood. We are working with the real estate sector to provide information on floodways to prospective buyers. A “DRP notice” will be placed on title for those homeowners who access Disaster Recovery Program funding but remain in the floodway, as well as for those in the flood fringe who access DRP funding but do not undertake the minimum mitigation measures.

These were not easy decisions to make. But they are the right decisions for Alberta and Albertans.

The floods of 2013 have changed Alberta – and Albertans – forever. But with the support of each other and from all of Canada, we will get through this, stronger than ever. We are resilient. We are strong. We are Albertans. P

_Alison Redford is Premier of Alberta._
Getting it Right:
The Art and Science of Competent Polling

Martin Goldfarb

In the past two years, a parade of high-profile, breathtakingly inaccurate pre-election polls has brought doubt and derision to the public opinion surveying industry as a whole. In polling, as in so many things, you get what you pay for. Some pollsters have traded the brand-building lure of the spotlight for cheap techniques swallowed whole by media who don’t know enough about the field to question what they’re being promised in the quest for a game-changing headline. Meanwhile, serious polling is alive and well in the hands of practitioners who know that the science, well executed, is sound and that the art is the exciting part.

In the wake of the British Columbia and Alberta elections, as well as the 2011 federal election, criticism of election polling has been rampant. That criticism, as well as the doomsaying for the future of polling and commercial market research is, to my mind, largely unwarranted.

Indeed, for all their criticism of pollsters, the pundits are still reluctant to prognosticate without using a poll as a crutch. The same people who criticize the pollsters for getting it wrong have themselves been getting it wrong.

Media polling, political party polling and commercial research all have their legitimate and distinctive roles and goals, summarized as follows:

- Media: Create news,
- Political party: Riding projection and, more importantly, persuasion,
- Commercial: Market assessment and persuasion.

Media polling problems of the kind that were apparent in those three key elections have been generalized to the
Let’s begin with election polling. For the most part, polls that are cited as being inaccurate reflect an inappropriate use of polling techniques to project voter intentions and the number of seats each party could win.

industry. Media polls need improvement; however, the scientific underpinnings of public opinion research continue to produce excellent results in political party and commercial research.

Let’s begin with election polling. For the most part, polls that are cited as being inaccurate reflect an inappropriate use of polling techniques to project voter intentions and the number of seats each party could win.

For a study to be useful, it must be both reliable and valid. Reliability and validity are well defined by the research website Explorable.com: “Reliability, in simple terms, describes the repeatability and consistency of a test. Validity defines the strength of the final results and whether they can be regarded as accurately describing the real world.”

A reliable study presupposes a random sample – that is, any member of a population has an equal and random chance of being selected to participate. It is random sampling that ensures reliability; based on the premise that surveys provide accurate measurement and a census is not required every time you need to determine what the population thinks.

To ensure a true random sample appropriate for political polling, the techniques used must ensure that those with landlines only, cell phones only, ethnic voters, those with limited English are all included. The science of polling is sound, providing a truly random sample is selected.

The techniques used are driven by costs; more robust techniques cost more. The media who retained the pollsters to do these polls are not prepared to pay what is required to do proper polling. In some cases, media outlets don’t pay anything, as pollsters use the earned media coverage to build their brands.

The impact of robocalls, on-line panels, and people who refuse to answer must be considered when assessing reliability. The issues include:

- Do those who answer reflect the intentions of those who do not answer?
- When using panels, does the fact that respondents are self-selected, generally self-selected, generally rich, younger and more comfortable in English or French skew results?
- When using robocalls, how is randomness within a household assured? How can respondents correct a wrong answer?

Validity is a whole separate issue. Both questionnaire design and inappropriate questions influence results. How and in what order attitudinal questions are included in the poll can affect results. For instance, if you ask a series of questions about who could best manage the economy or on a specific issue such as whether one agrees or disagrees with a proposed pipeline project, and follow that series of attitudinal questions with a voter preference question, the result of the voter preference question can be affected by the attitudinal questions.

Understanding that anxiety is part of the election ethos and dealing with it in questionnaire design may mean the difference between a validly projectable poll and one that is not. In every election there is the fear of the unknown. For example, in B.C. the anxiety or fear of the NDP may be a reason to vote for the other parties. This has been the case in B.C. since Social Credit was the default choice to stop “the socialist hordes.” The Liberals, first under Gordon Campbell and now under Christy Clark, have become the party of the anti-socialist coalition.

If one party is making promises that create anxieties amongst a large swath of the population, even though many people may be sympathetic to that party, they may, in the end, decide to vote against that party – and often that decision takes place at the last moment. Thus, in B.C., the “10 second Socreds” have become “10 second Liberals”.

Percentage of Popular Vote – B.C. Provincial Election 2013

<table>
<thead>
<tr>
<th>Party</th>
<th>Projected</th>
<th>Realized</th>
</tr>
</thead>
<tbody>
<tr>
<td>B.C. NDP</td>
<td>46.0%</td>
<td>39.7%</td>
</tr>
<tr>
<td>B.C. Liberal</td>
<td>37.7%</td>
<td>44.1%</td>
</tr>
</tbody>
</table>

Source: ThreeHundredEight.com
The polls in B.C. certainly missed that. ThreeHundredEight.com, an aggregate poll-of-polls website, projected the NDP winning 46 per cent of the vote on May 16, with the Liberals at 37.7 per cent, the Greens at 7.8 per cent, and the Conservatives at 5.2 per cent. ThreeHundredEight.com projected an NDP majority government with 48 seats, to 35 for the Liberals and one independent.

The popular vote and seat projections couldn’t have been more wrong. The Liberals obtained 44.1 per cent of the vote against 39.7 per cent for the NDP, 8.1 per cent for the Greens and only 4.8 per cent for the Conservatives. Premier Clark formed a majority government with 49 seats to 34 for the NDP.

As the website’s Eric Grenier wrote on his blog: “As in the Alberta election, the polls showed the opposite of what actually occurred.”

In the Alberta election of April 2012, ThreeHundredEight.com projected the Wildrose with 38.4 per cent of the vote to 35.8 per cent for the Progressive Conservatives, 11.4 per cent for the NDP and 11.4 per cent for the Liberals. The website’s seat projection was 43 seats for Wildrose, 39 for the PCs, and five for the NDP.

Again, both projections couldn’t have been more wrong. The PCs under Alison Redford won 44 per cent of the vote against 34.3 per cent for Wildrose under Danielle Smith. The Liberals won 9.9 per cent of the vote and the NDP took 9.8 per cent. Redford’s winning margin of nearly 10 points translated into a big majority government, with 61 PCs, 17 Wildrose, five Liberals and four NDP in the Alberta legislature.

As Grenier wrote at the time: “Every public poll released in the last week of the campaign gave Wildrose a lead, at times a sizable one.”

The public polls for the media failed to capture Redford’s surge in the closing 10 days of the campaign, just as they failed to capture Clark’s momentum shift in the closing period of the B.C. election. Both were better campaigners, and better messengers, than their opponents. Campaigns matter. They really do.

It also happened that both Redford and Clark knew they were winning,
because their own pollsters told them so. And the difference between them and the media polls is simple – both Greg Lyle for Redford and Dimitri Pantazopoulos for Clark were in the field every night, interviewing voters by telephone, not on the Internet.

People’s fears and anxieties in an election have a great deal to do with whom they end up voting for. Questions need to take fears into account, and they do not easily do so. This requires sophisticated design and analysis, too often lacking in media polls.

In previous work, we found that in some circumstances roughly 20 per cent of voters make up their mind in the polling station. There is a difference between voter stated intentions and voter behaviour. How often and in how many different ways is voting intention asked? Three or four permutations are required to be able to project seat count. Of course, having a large enough sample by riding is expensive. Key ridings have to be chosen with care and may include special interest ridings – e.g. ridings that have a skew in the population like a university riding, star candidate ridings, swing ridings and ridings that never change, and bellweather ridings. These ridings need unique analysis and these results need to be built into a model that will predict seats. When all is said and done no pollster is always right in projecting the number of seats. Things happen that interfere with their models. The challenge is to build the most robust model possible which takes insight, diligence, experience and, not least, money.

The number of dependent variables has increased in the last few years. In the past, traditional media had influence. Today the mainstream media are one of many information sources and for many people, not the most important or the most trusted. Social media – Facebook, Twitter, advertising campaigns, positive and negative – all have an impact as well.

Voter intention models must take into account a potpourri of variables in assessing how people might vote in a context where up to 20 per cent make up their minds at the last second. Analysis requires sophisticated modeling rather than prima facie reporting of results. Good models are both time consuming and expensive to develop and are continuously refined between and during elections.

A well designed questionnaire and a vigorous random sample are not enough. As part of statistical modeling (and therefore also of questionnaire design) it is necessary to design a series of filter questions to determine who is most likely to vote, who is not likely to vote and use all these sources of data into a predictor model. While predictor models have existed for a long time, the polls that got it wrong in Alberta and B.C. did not appear to employ one.

And with these polls the media got what they paid for. Their objective is to create excitement in the election or a race – a reason to read or to watch or to listen but they rarely spend enough money to purchase high quality predictive polls. And, they often lack the expertise to understand what they’ve bought and what its limitations are.

Commercial buyers of research for the most part are qualified, capable professionals who focus on research standards. Often the media buyers are not. Journalists need to understand more than the basics about market research and of statistics.

There is an old expression: if you want publicity, buy it. Publicity can be dangerous, especially if it’s free. Many
pollsters who conducted media polls were looking for free publicity and in the process took risks that didn’t pan out. They cut corners and engaged in methodologies that they ought to have known would not give the media outlets what they need. Driven by their desire for publicity, and the desire to become part of a headline story, the pollsters have themselves become media personalities.

The science of polling is not in question. Research conducted correctly – that is reliable and valid – works. Publishing sample size and margin of error does not mean the research is well done and, if it is not, the results will not be what the media and the pollsters have promised.

I believe there are times when journalists try to influence voter behaviour by attempting to create a wave in favour of one party or another through polling with questions that are designed to produce a particular result. This, to my mind, is inappropriate and not an ethical way of using polls as public information.

Creating news – commissioning a poll on a Canadian election for Canadian consumption is fundamentally different than reporting on an election here or elsewhere. If you are creating news there is a responsibility to ensure you are right.

By allowing themselves to compromise on polling standards, journalists have compromised their credibility and have done themselves a great disservice. Similarly, at a time when “do-it-yourself” research techniques are proliferating, these pollsters have provided more ammunition for those who dismiss market research professionals.

**Political parties spend hundreds of thousands of dollars on election polling. And polls done for political parties are not often wrong. Party pollsters look for patterns of behaviour and often ethnographic research results in innovative policy or advertising campaigns.**

Polling for a political party is fundamentally not trying to predict the vote but is geared to determining how to lock in the “undecideds” and how to persuade the three to four per cent of the population whose persuasion can result in massive victory.

**Commercial buyers of research for the most part are qualified, capable professionals who focus on research standards. Often the media buyers are not. Journalists need to understand more than the basics about market research and of statistics.**

The art of political polling is mostly about creating affinity. In a national poll, a swing going from 36 per cent support to 39-40 per cent is the difference between a minority and a majority government, as we saw in 2011. That’s what pollsters who poll for political parties are supposed to do. As my mentor Senator Keith Davey said, over and over again, “You find out how people vote on election night for free. Help me persuade them to vote for us.”

In 1974, Prime Minister Trudeau told me not to tell him that people didn’t want bilingualism or French on their cereal boxes. What he said was that your task is to tell me how to convince Canadians that bilingualism is an appropriate strategy. We conducted a series of ethnographic studies across the country and we learned that we could convince much of the population to accept bilingualism through multiculturalism. The strategy that was implemented was to support ethnic media outlets all across the country and they supported the concept of bilingualism through multiculturalism. Who in the country today challenges bilingualism? It is official government policy. This is what pollsters are supposed to do; not just find out what the whim of the day is but also to transform fundamental ideas into implementable policy. For me, the science was pretty standard, the art was exciting. The ability to read the public mood and then act on it was what made polling exciting.

Rarely does commercial research require plus or minus two or three per cent accuracy in decision making. Market share is data driven, not polling driven. Decisions are often made on qualitative research where sample size is irrelevant but where patterns of response are relevant.

No car company would develop a new model where the costs are $2 billion plus and not do effective market re-
The Sorry State of Our Political Morality

Patrick Gossage

At the provincial level in Ontario, at the municipal level in Ontario and Quebec, and certainly at the federal level, Canadian politics recently has been a parade of nasty disclosures, stunning revelations and gobsmacking plot twists. From the gas plants cover-up to the crack cocaine video to the Senate expense scandal to the resignation marches of mayor after mayor, calling it a crisis of political morality would seem an understatement. Veteran political observer and longtime Pierre Trudeau adviser Patrick Gossage surmises that the insulation and isolation of long-term power contribute to the moral disorientation behind the headlines.

I t’s finally happened. I have joined the Canadian mainstream and am starting to believe that most of our politicians are motivated by greed and power, whatever their images may present to the contrary. Too easily after gaining power, they lose their moral compass. I crossed this threshold on Monday, October 15, 2012. That day, Ontario’s “Premier Dad”, the upstanding Dalton McGuinty, announced he was leaving the Premier’s office and proroguing the legislature. His conciliatory, province-building record was in tatters after a year of deep scandals, highlighted by the outrageous waste of tax payers’ dollars in cancelling two half-built gas plants during the last election to ensure the victory of one Liberal candidate – as dismal a piece of political expediency as has been seen for many years anywhere in Canada. That, and the government’s down and dirty battle with the very teachers’ unions who had underwritten earlier electoral success, had started to leave a bad taste in many of our mouths about the political ethics of our premier. But his proroguing the legisla-
ture and cutting off democratic debate during a period when the government was under siege was the crassest move of all.

I watched the self-righteous performance of McGuinty, a man I had believed in and helped, with a sense of deep betrayal. Like many Ontarians I had bought into his style of leadership – caring, father-like, honest to a fault, entirely dedicated to family concerns about education and health care. But I started to see a different McGuinty in the election whose strategy of claiming his government had slayed the recession strained credibility. Critics dubbed the campaign bus the “bragging bus”. Robin Sears called the endless boasting a textbook case of “arrogance in power.” After winning only a minority, Liberal bragging soon turned to shamefaced denial over dramatic examples of out of control spending on air ambulances, e-health, and of course the cancelled gas plants and the cover up of their true cost.

In all this McGuinty acted as if he possessed the divine right of a king – a sense that he had and continued to improve the lives of Ontarians, and that nothing was amiss.

In his only real public appearance since resigning his seat – his second appearance before the all-party legislative committee probing the gas plants fiasco – he remained blind to his tarnished legacy. An appalled Christie Blatchford wrote in the National Post: “If possible, McGuinty the private citizen is more arrogant, less forthcoming and more hypocritical than the politician McGuinty.” He accused the committee of partisanship, said it was only out to “destroy” the government and refused to admit any wrongdoing in the wholesale destruction of e-mails that might have cast light on his office’s role in the affair. I practically choked on McGuinty’s final proud statement on quitting as an MPP: “I leave politics with my idealism intact…”!

It is axiomatic that the longer and stronger your enjoyment of power the weaker your moral compass – and, the stronger your belief in your infallibility.

What happened to this family man from a fine line of Ottawa politicians? Was he rankled by being denied a third majority and forced by the recession to stop spending and start cutting? Or does the remarkable inattention he showed, even denial of the obvious shortcomings of his government, demonstrate that, as with every politician, the absolute power prestige of office after so many years isolated him from indigestible realities?

I would argue that longevity in power in our system almost guarantees a belief that the leader can do no wrong and is above the moral and ethical demands placed on ordinary people. This syndrome, and I’ve witnessed it often, is exacerbated by the first wave of loyal aides leaving and new staff being brought in who are far more likely to cater to the leader, less likely to speak truth to power. It is axiomatic that the longer and stronger your enjoyment of power the weaker your moral compass – and, the stronger your belief in your infallibility.
Meanwhile, the Charbonneau Commission into Quebec’s construction industry has exposed a shocking degree of collusion and corruption at the municipal level, where donations to political parties were directly linked to contracts. In Montreal, Mayor Gérald Tremblay resigned last November in the wake of testimony at the commission. Barely six months later, his interim successor, Michael Applebaum, was arrested and charged with 14 counts of corruption on two real estate deals in his borough. He has pleaded not guilty. The former chair of the city’s executive committee, Frank Zampino, has been charged with fraud, conspiracy and breach of trust. Appearing before the commission, he said that it was okay to accept gifts provided they didn’t influence decisions. No wonder that at Montreal City Hall, the question concerning officials isn’t who was on the take, but who wasn’t. Public servants were widely plied with hockey tickets, cases of wine and even winter trips on the yacht of construction magnate Tony Accurso. Not to be outdone by Montreal, the neighbouring suburb of Laval has also lost two mayors in recent months. The first, Gilles Vaillancourt, has been charged with gangsterism. His replacement Alexandre Duplessis, resigned after being solicited by a prostitute.

And in Toronto, where civic politics used to be taken seriously, the Ford brothers have turned City Hall into a gong show. The credulity -stretching least that can be said is that Mayor Rob Ford has had his picture taken with some of the wrong people.

So what is the current state of political morality in Ottawa? The Senate expense scandal now, as is breathlessly reported, “reaches right into the Prime Minister’s Office” with the $90,000 buyout of Senator Mike Duffy’s ill-gotten benefits. The RCMP sees criminal code violations, potentially involving double-dipping, as well as ineligible travel and per diem expense claims. The auditor-general has been called in. Deloitte has done a report for the Senate Board of Internal Economy. Nowhere in any of this has Stephen Harper accepted any responsibility for behavior by senators he appointed himself, or by the conduct of his own office and his former chief of staff, Nigel Wright. It seems almost impossible to believe the PM did not know about the personal cheque Wright wrote to Duffy so he could to repay the $90,000 he owed the Senate on ineligible expenses. A preliminary report from the RCMP in July indicated Wright’s lawyers told them three other members of PMO senior staff were aware of the cheque.

Certainly the ability of political as distinct from business leaders to escape anything beyond the voters’ retribution is notable in these and so many examples of profligacy, partisan influence peddling, misuse of tax payers’ dollars for partisan purposes, and lack of accountability.

The private sector generally is forced by the market and regulators to act more ethically. Both exercise tight constraints on how private businesses (especially publicly traded ones) spend their revenues and there are strict ethical standards expected of heavily scrutinized business leaders. Even in terms of accountability to shareholders. If a corporation cancelled its AGM, as Harper prorogued Parliament to avoid defeat in 2008, there would be serious consequences. And when there is fraudulent or improper use of funds, those responsible are brought before a court of law or the securities regulator, facts are established and the guilty punished. A CEO of a publicly traded company is responsible to his board and answerable to his shareholders on an annual basis.

Not so in the public sector. Of course, public servants have been fined or jailed as they were in the sponsorship scandal. And the RCMP may yet charge Duffy, and maybe even the generous former PMO chief of staff, Nigel Wright, who bailed him out. But nobody will ever take responsibility for, let alone be held accountable for, the $600 million and counting in cancelling two gas plants to get one Liberal elected in the last Ontario provincial election.

I believe that most leaders over time lose their moral authority, even as I suspect they don’t know it. The same isolation that leads to moral disorientation precludes any awareness that it’s happening.

No politician suffered seriously from the millions misspent and misused in the sponsorship scandal. And there is no public recourse for the clearly partisan (and misleading) million-dollar advertising campaigns of the current federal government, or for unauthorized misspending surrounding the G8 summit in Muskoka in 2010. The summit was held in the riding of Tony Clement, then-industry minister and now president of the Treasury Board, responsible, ironically, for how tax dollars are spent.

This is what makes the public so cynical. In fact I believe that most leaders over time lose their moral authority, even as I suspect they don’t know it. The same isolation that leads to moral disorientation precludes any awareness that it’s happening. In the recent parade of Canadian politics, the syndrome would seem epidemic. At a time when we’re all compelled to reflect on the moral power of a Nelson Mandela, we are increasingly alienated by the moral laxity of our own politicians.

Patrick Gossage is the founder and now chair of Media Profile, a Toronto-based Communications consulting and public affairs company. Previously he was press secretary to Prime Minister Trudeau from 1979 to 1983 and later head of the Public Affairs Division of the Canadian Embassy in Washington.

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A Shortage of Tolerance In a Sectarian Age

Thomas S. Axworthy

Egypt’s pro-democracy revolution has devolved into a power struggle over sectarian vs. secular government. In Syria, the brutal civil war is fueled by sectarian divisions previously kept in check by years of autocracy. Elsewhere in the region, the same tensions play out in less spectacular but regular ways as the chronic grind between the desire for rights and democratic principles and religious governance, frequently leading to civil unrest and outright violence. At a time of disruptive change and previously unseen power struggles, tolerance has become a scarce commodity. In the restive Middle East, it has never been needed more.

We live in a sectarian age. Excessive devotion to the doctrines of a religion, sect, or group is a phenomenon of our time as it has been in previous eras and as such, threatens peace and order both within and between states. Sectarian violence plagues countries such as Myanmar, Nigeria, and Pakistan, but is most evident today in the Middle East. In Egypt, Mohammed Morsi of the Muslim Brotherhood, after winning the presidential election in 2012, did not govern in an inclusive way – going so far as to appoint as governor of Luxor a member of the hardline Islamist group associated with the terrorists who killed 58 tourists there in 1997. Only a year after Morsi’s election, Salafists, secularists, and Christian Copts demonstrated against the Brotherhood in such numbers that the unrest boiled over into a protest-fueled military coup whose long-term implications are still playing out.

In Syria, the “Arab Spring” revolt against an authoritarian regime became a war of Sunni versus Shia, horrible in itself for the citizens of that country, and exceedingly dangerous because of its potential for engulfing Lebanon, Jordan, and Iraq. Because of Syria, writes Geneive Abdo, “The Shi’a-Sunni divide is well on its way to displacing the broader conflict between Muslims and the West as the primary challenge facing the Islamic societies..."
of the Middle East for the foreseeable future.”

Tolerance is defined by Andrew Murphy as an attitude or “a willingness to admit the possible validity of seemingly contradictory viewpoints.” It is a virtue based on the recognition, as Voltaire writes in his Philosophical Dictionary, that “discord is the great ill of mankind, and tolerance is the only remedy for it.” Tolerance, on the other hand, is a set of practices: it denotes, according to Murphy, “forbearance from imposing punitive sanctions for dissent from prevailing norms.”

Tolerance, however, does not mean that one must tolerate everything. It is a practical, not an absolute, virtue which requires balance of judgment. Karl Popper, in The Open Society, claims that it is a paradox of tolerance “not to tolerate the intolerant.” Unlimited tolerance could lead to the disappearance of tolerance if action is not taken against extremists such as Hitler, who used the rules of democracy to gain the power to end democracy. “Some things are intolerable, even – or especially – for a tolerant person,” writes André Comte-Sponville.

If tolerance is an individual attitude or virtue, subject to education, personal persuasion, and mutual learning, toleration is a set of practices that deliberately chooses not to interfere with the conduct of others. Tolerating regimes are practical accommodations to achieve peaceful co-existence, which may or may not have much to do with the advance of tolerance. In combating sectarianism, one needs both a program to change individual attitudes and another to make institutional accommodation work.

Tolerating regimes depend on the principle of non-intervention, which has been a rule of international law since the Treaty of Westphalia in 1648. The Friendly Relations Declaration of the UN General Assembly in 1970, states: “No State or group of States has the right to intervene, directly or indirectly, for any reason whatever, in the internal or external affairs of any other State. Consequently, armed intervention and all other forms of interference or attempted threats against the personality of the state or against its political, economic and cultural elements, are in violation of international law.” This rule is superseded, however, if the Security Council decides that state actions threaten peace and security. In recent years the “responsibility to protect” doctrine has also chippered away at the supremacy of state sovereignty above all.

As was seen in the months leading to the intervention in Libya, however, applying the principles of “non-intervention” versus the “responsibility to protect,” is rarely clear cut. In Syria, for example, there are no good options, only least bad ones. Prime Minister Harper is certainly correct that the al-Assad regime is composed of “thugs” that have committed terrible crimes against their own citizens. But is the Sunni-led opposition any better? An al-Qaeda-run Syria will be no better than an Assad-run Syria. Fifty per cent of Canadians, for example, disagree that Canada should supply Syrian rebels with military aid and it is likely that most western publics agree. Alas, in Syria, it is a Shia-Sunni fight, and there is no good reason that Canada (or anyone else) should pick one religious group over another, a point made forcefully by Derek H. Burney and Fen Osler Hampson, among others. The Harper government’s policy of non-intervention in the Syrian civil war is the right one.

States who give in to the temptation to fuel sectarian passions for their own ends do so at their peril. The Pakistani Inter-Services Intelligence (ISI) organization sponsored the fanatical Taliban as early as 1994, as their agent in Afghanistan. Today, the Taliban are deeply entrenched within Pakistan itself and threaten the integrity of the very state that spawned them.

The Pew Forum on Religion and Public Life commissioned three surveys on the attitudes of today’s Muslims on a host of issues, many of them relevant to the theme of tolerance: “Tolerance and Tension: Islam and Christianity in Sub-Saharan Africa” (2010), “The World’s Muslims: Unity and Diversity” (2012), and “The World’s Muslims: Religion, Politics and Society” (2013). The most recent study in April 2013, for example, released findings for 38,000 interviewees of Muslim belief in 39 countries. The results of the Pew study are mixed. Positive results show that democracy is favoured by Muslim majorities almost everywhere: in 31 of the 37 countries where the question was asked, at least half of Muslims believed a democratic government rather than a leader with a strong hold is best able to address problems: 81 per cent of Lebanese Muslims, 66 per cent of Nigeria’s Muslims, and 55 per cent of Egyptian Muslims favour democracy (only in Afghanistan and Pakistan do majorities not favour the democratic option). Similar results were shown for the principle of religious freedom – Muslims generally say they are free to practice their religion, and most also believe that non-Muslims are free to practice their faiths. And among those who believe non-Muslims are free to practice their faith, the prevailing opinion is that this is a good thing: in Turkey, for example, 78 per cent of Muslims believe they are free to practice their faith. Fifty-eight per cent believe people of other faiths are free to do so, and of those, 89 per cent say it is a good thing.

But support for making Sharia the official law of the land is also very strong (99 per cent in Afghanistan, 84 per cent in Pakistan, 83 per cent in Morocco). In Egypt, for example, 74 per cent say Sharia should apply to all regardless of faith. Sunni-Shia tensions are also evident: 53 per cent of Egyptian Sunnis, for example, say that Shias are not Muslims. Fifty per cent of Egyptian Muslims also believe that Christians are hostile to Muslims, and 35 per cent believe that Muslims are hostile to Christians.

In Syria, for example, there are no good options, only least bad ones. Prime Minister Harper is certainly correct that the al-Assad regime is composed of “thugs” that have committed terrible crimes against their own citizens. But is the Sunni-led opposition any better?

The religious divides evident in the Pew findings have now become a political force of terrifying intensity. When the Arab Spring revolt began in 2011, Iran’s Supreme Leader Ali Khamenei made a pan-Islamic appeal declaring, “It is not an issue of Shia or Sunni. It is the protest of a nation against oppression.” But a scant two years later, Hezbollah leader Hasan Nasrallah declared to his Shia supporters (Hezbollah originally was created by Iran as a Shia proxy in Lebanon), that the Syrian war is “our battle.” This declaration of Shia solidarity, in turn, led to a fatwa by the Qatar-based Sunni spiritual leader, Yusuf Al-Qaradawi,
characterizing the Syrian conflict as an aspect of the ongoing struggle between “100 million Shia” and “1.2 billion [Sunnis] Muslims.” The Shia success in Iraq in 2006-2007 led King Abdullah II of Jordan to warn Sunnis of the coming “Shia Crescent” across the region. Since the Arab Spring, this fear defined in religious terms is now felt by many Shia and other minorities in Syria. The self-perpetuating cycle of fear, reaction and counter-reaction is one of the triumphs of international relations and it is well on its way to destroying today’s Middle East.

To combat the growth of sectarianism, we need to promote the value of tolerance as a basis for broader toleration regimes on the understanding that democracy is about more than the ballot box:

Tolerance
- Focus first on religious leaders and make the case that strong belief is compatible with tolerance for other people’s views. Surveys showing that a majority of Egyptian Muslim Sunnis do not believe Shias to be fellow Muslims, for example, demonstrate the necessity to engage the religious leadership of that critical Muslim country.
- Over time, the Lockes, Spinozas, and Voltaire’s won the war of ideas around toleration and it is necessary for rights-based organizations and governments committed to human rights to be vigilant when standards fall. Human rights are universal, not relative. States must be held to the principles of the UN Universal Declaration of Human Rights.
- It is important to stress the common ethical base of all world religions so that what unites members of different faiths becomes more important than what divides them. In this regard, the InterAction Council initiative of a Universal Declaration of Human Responsibility should be passed by the UN General Assembly as a complementary charter to the UN Universal Declaration of Human Rights. The interfaith dialogue of King Abdullah of Saudi Arabia should equally command wide support.
- Extremism of all kinds is easily accessible on the Internet. UNESCO should take the lead in preparing a popular education program that promotes the common ethical base of all world religions and then ensure that ethics are promoted at least as heavily as fanaticism. The age old strategy of education bringing about tolerance cannot work unless it is tried. This point is brought home by a May 2013 paper, “A Review of Citizenship Education in Arab Nations,” written by Muhammad Fauour, for the Carnegie Middle East Centre. It shows that Arab countries have set ambitious goals for education reform and citizen promotion, such as introducing concepts like democracy and human rights, but in practice “Arab nations have taken very few steps to make these goals a reality and to prepare young people for the transitions ahead.”

Toleration
- States which promote sectarian violence outside their borders should be brought before the UN Security Council for threatening the peace and security of the world system. States which continue to finance terrorism or sectarian violence must be censored. The International Monetary Fund, for example, has criticized Kuwait for doing little to criminalize terrorist financing and for its loose regulatory regime on money laundering. The US Treasury Department has stated that both Kuwait and Qatar have “unfortunately becomemissive environments for extremist fundraising.”
- Human rights may be the ideal, but peaceful co-existence is a necessary step to get there. Where sectarian disputes are evident and there is not sufficient tolerance to enforce a human rights regime, states should work with faith communities to develop rules to ensure peaceful coexistence.
- The world is full of different models to protect minorities and devolve power – federalism, constitutional protection and rights, electoral systems to reduce sectarian disputes, etc. Where sectarian parties exist, one interesting experiment is citizen juries, randomly selected outside of the party framework and constituted to give non-partisan advice to the authorities. In Yemen, for example, a national dialogue of 565 Yemenis drawn from different movements and ideologies has been meeting to write a new constitution.
- While motivated by religious differences, the social and economic roots of sectarianism cannot be ignored. Programs committed to economic and social equality are as critical to reducing extremism and violence as legal guarantees.
- The Hippocratic Oath of “above all do no harm” is an excellent argument for the continued relevance of non-intervention as a general guide to policy makers. Non-intervention is not an absolute. But in a sectarian war like Syria’s, with no good options, what would a military intervention by outsiders achieve? Prudence is a virtue that squares well with tolerance.

Many issues contribute to the strife, division and uncertainty wrought by today’s crises: because faith in the divine is a private matter, religion should not be one of them.  

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While the great Canadian energy debate unfolds over the extraction, transportation and environmental impacts of fossil fuels, the electricity sector has been quietly revolutionized by the introduction of smart grids. While most people identify the term with the new smart meters they may have in their homes, the real implications of sectoral innovation are far more vast and complex. Herewith, a tutorial on what, precisely, smart grids are and how they contribute to what has become a clean energy, Copenhagen-leading success story.

The term “smart grid” emerged approximately eight to 10 years ago, but for many people the term became synonymous with smart meters since these represent the primary touch point between retail power customers and the smart grid. This perception was validated in the US when the largest portion of the Department of Energy Smart Grid Investment Grants went to Advanced Metering Infrastructure projects and in Canada when Ontario implemented smart meters across the province. However, smart grid technologies extend well beyond metering to include a wide range of hardware and software both in high-voltage transmission systems and local distribution networks. The Electric Power Research Institute and the US Depart-
In the policies that govern cost recovery for smart grid investments.

Transmission investments are generally well-defined projects whose costs and benefits can be directly determined and evaluated. Distribution grid management projects, on the other hand, are more difficult. For these projects, implementation costs can exceed utility benefits even though the combination of societal and economic benefits makes the business case strong. For example, investing in automated switching for storm response can reduce the time utility crews spend en route to repair outages. That pays an obvious return to the utility in terms of crew efficiency, but reducing the time customers are without power clearly also has a significant economic benefit. In the case of smart meters, the benefits are even more diverse.

Smart meters are an enabling technology. They support customer engagement, enable price-based demand response programs, and provide infrastructure and data to enable smarter distribution grid operations.

- Enhanced grid control systems and improved sensor technology that enable greater automation of grid operations that improves both reliability and efficiency

One important aspect of these technologies is how they facilitate the integration of renewable generation sources into the transmission system. HVDC can efficiently deliver energy over long distances from remotely located or off-shore renewable generation. FACTS can stabilize AC transmission lines to smooth the inherent variability of wind and solar installations. These capabilities are essential to the long-term viability of renewable power.

Most smart grid projects to date in North America, though, have focused on the distribution level of the grid and with good reason. There are far more assets on distribution grids and most outages occur at a local level while major blackouts remain relatively rare. For utilities, distribution grid management is now a key smart grid investment area that can improve system reliability and efficiency. One area of particular interest lies in combining operational technology (OT) and information technology (IT) to improve the operation of the distribution grid.

At the convergence point of OT/IT is the distribution management system (DMS). The DMS is what local grid operators use to manage the day-to-day operations of their networks. Advanced applications include:

- Outage management to identify faults on the system and manage work crews’ response
- Automated switching to re-connect customers during storms
- Automated controls to optimize the grid in real time to improve reliability, reduce losses, and improve grid efficiency

These and other advanced distribution grid management applications rely on a detailed model of the distribution grid that is extracted from the utility’s geographic information system. This model is also used for load flow analysis in planning expansions and maintenance work. Equally important is a communications network (e.g., wide-area wireless broadband) that is capable of handling the various flows of data between devices in the field and the utility control center. On the OT side, the industry is currently moving from a siloed communications approach to a layered approach where multiple applications can leverage the same communications network.

On the IT side, enterprise applications like asset management systems, meter data management systems and customer information systems all have something to offer the DMS. If the DMS can access the meter data management system, for example, it can notify operators of outages and verify restorations. Enterprise-level integration between the DMS and the customer information system provides account information such as physical addresses and meter IDs. DMS applications such as automated switching can also be decentralized with the applications deployed at substations and other points on the grid.

Investments in distribution technologies are leveraging OT/IT integration, communications, and advanced applications to improve grid reliability and efficiency. But, there are two other areas where utilities are making smart grid investments – utility analytics and distributed energy resources (DERs). The first harnesses the exploitation of meter and grid data that utilities now have from smart metering, communications, and sensor investments. The second includes both renewables like rooftop solar and conventional backup generators. Market analysts forecast utility analytics as the fastest growing smart grid technology area and many utilities have DER pilot programs in place.

There are two main segments to utility analytics – consumer analytics based on analyzing meter data, and grid analytics based on meter data as
well as inputs from monitoring and control systems and sensors in the field. Consumer analytics can facilitate customer engagement programs and predict consumer behavior in response to demand response programs while grid analytics can provide situational awareness for storm response and distribution optimization as well as provide insights for operational process improvements.

Another grid analytics application is asset health management. Utilities today are facing tighter operational and management budgets, aging infrastructure, and a drain of technical expertise as more utility workers qualify for retirement. Asset health management integrates equipment-based operational experience, manufacturing knowledge, maintenance and diagnostics expertise with enterprise-level information technology to enhance the reliability and performance of grid assets. The asset health management process includes sensors and monitoring; the capture and management of data from disparate systems; business intelligence functions to provide trending, alarming, dashboards, and system integration; and the analytics and performance models to drive condition-based maintenance. This last element is particularly valuable in that it allows utilities to perform maintenance based on the actual health of assets, taking into account their criticality to the system and an estimate of total risk of failure, as opposed to simply performing routine procedures at regular intervals whether actually needed or not.

Utility analytics provide persistent, meaningful information to utility engineers that helps them to avoid unplanned outages, especially catastrophic failures. It also provides a tool to measure the impact of maintenance practices and decisions, and to comply with regulatory requirements. In that sense, they are very much central to the utility both figuratively and literally.

DERs are “edge-of-grid” technologies that are connected to the distribution grid or are customer based. These technologies include demand response, distributed generation such as solar PV and back-up generators, distributed energy storage, electric vehicle charging infrastructure, and microgrids, which have received a substantial amount of attention in recent years. Microgrids can help address the variability of renewable generation, increase renewable utilization, and also provide off-grid power for critical loads during outages. They do this using fossil generation, renewable generation, fast-response energy storage (e.g., flywheel energy storage, battery energy storage), or some combination of these elements.

Managing DERs is facilitated by a “smart grid control centre” to create a virtual power plant that, from the utility’s perspective, looks and acts just like a traditional power plant it can dispatch as part of its generation portfolio. DERs can provide “power” that customers use but they can also provide services to the grid to keep the system in balance. There is also an economic optimization component to DERs. The term transactive energy has been defined as extending the same process transmission grid operators use to the distribution level where individual customers and distribution system operators manage DER technologies based on economic value and grid reliability.

While electric vehicles are still in the early stages of adoption, they present an interesting opportunity as DERs in their own right. EVs can already be configured for “smart charging” to take advantage of lower utility rates. They may soon be used to provide the same power and grid services that other DERs like rooftop solar arrays already do. As with all of the technologies we’ve discussed, the barriers have little to do with technical issues and much more to do with policy barriers or murky regulations.

Policy decisions and utility incentives will drive the next wave of utility smart grid investments. These, in turn, will be based on utility cost of implementation and cost recovery models, the expected reliability and efficiency improvements, and the societal benefits of a smarter grid.

Among those benefits is lower greenhouse gas emissions. Among seven economic sectors measured by Environment Canada’s Emissions Trends Report, only the electricity industry is expected to meet the Copenhagen target of reducing GHG emissions to 17 per cent below 2005 levels by 2020. The electricity sector is forecasted to surpass the Copenhagen goal, reducing emissions by 25 per cent by 2020. It’s a clean energy success story in the making.

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