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**Session 3A) IGR Theme Plenary: The Challenges of Intergovernmental  
Relations**

**INTERGOVERNMENTAL RELATIONS WITHIN FEDERATIONS:  
CONTEXTUAL DIFFERENCES AND UNIVERSAL PRINCIPLES**

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What brings us all together here for three days, in Canada, in Quebec, in Mont-Tremblant, from every continent and from so many different countries, is the conviction that we can learn from one another. The contexts in which we live vary tremendously, but the fact that our intergovernmental relations take place mainly between constitutional partners gives us some common ground. It is a shared experience from which we can learn a great deal.

**1. Differences between federations**

Different we are, indeed. Professor Watts, in the study included in your registration package, notes that there are, currently, 24 federations populated by about two billion people or 40% of the world's population; they encompass about 480 constituent or federated entities. Some of those federations are among the world's wealthiest countries, while others are part of the developing world. Some span an entire continent (Russia, Canada) or bring together immense populations (India), while others are very small in size (Comoros) or population (Saint Kitts and Nevis). Some are well-established federations (the United States, 1789; Switzerland, 1848; Canada, 1867; Australia, 1901), while others are just beginning their experience with federalism.

Our intergovernmental relations take place within different contexts. Let me outline some of the differences using the Canadian federation as an example.

- As a parliamentary system and a first-past-the-post electoral system, the Canadian system tends to produce governments that are formed by a single party that is usually able to pass the legislation it proposes, and so intergovernmental relations are conducted between strong governments. In comparison, federations that combine a presidential system and/or a proportional representation system tend to have intergovernmental relations that are more diffused and that are strongly defined by the balance between the executive and the legislative branches and by party coalitions.

- Another difference between federations is their varying degree of decentralization. Compared to other federations, Canada has few concurrent powers and provinces have extensive legislative powers of their own. As well, over time, provincial fiscal revenues have increased in relation to those of the federal government. The latter does not use its spending power very much and, when it does, applies few conditions. Federal transfers to the provinces are much less conditional today than they were during the 1960s and 1970s. This is very clear, for example, in areas such as health and social assistance. As has been well stated by the former Premier of Quebec, Mr. Jacques Parizeau, on February 28, 1999: [Translation] "Canadian federalism is about the most decentralized in the world, along with Switzerland."
- The upper chamber of the Canadian Parliament is not chosen by the executive branches or the legislatures of the constituent states. In Canada, intergovernmental relations thus take place between executive branches that are clearly distinct and that are not institutionally linked through Parliament.

## **2. Some principles common to all federations**

There are many other differences between our federations. During the course of this century, however, a basic tendency has made them more and more alike: the increase in the role that governments play in citizens' lives. Everywhere, both the federal government and the governments of the constituent entities have seen their responsibilities grow, and as a result, their areas of jurisdiction increasingly touch. They have had to learn to work more closely together, to manage these intense interactions. In Canada, for example, between April 1st, 1998 and March 31st, 1999, 70 federal-provincial-territorial meetings were held: 36 among senior bureaucrats, 33 among ministers and one among First Ministers. And this is not counting the innumerable informal contacts.

But because these interactions take place between constitutional partners, it seems to me that, no matter what the context, there are common principles that ought to guide intergovernmental relations in our federations to ensure that our populations are well served. Let me suggest seven principles that appear to me to be very important.

1. The Constitution must be respected. We must do away with the all-too-convenient excuse that a given governmental initiative responds to a need that is too urgent to be obstructed by issues of "jurisdiction." Infringement of legislative jurisdiction creates confusion which damages the quality of public policy.
2. Cooperation is essential. More often than not, it is necessary to cooperate, because government jurisdictions touch on each other in almost all sectors. I can tell you that, from my position as Minister, there are few policies that the Canadian government can implement alone, without the active cooperation of the provinces.
3. Governments' ability to act must be preserved. We must not let our quest for cooperation leave us with a federation where no government can act without first having to get permission from the others. Autonomous spheres of activity, the

capacity to innovate, initiative, all this must be preserved. We must not fall into what the Europeans call the "joint decision trap."

4. The federation must be flexible. In striving for joint action, we must take into account the diversity of the country. This quest for joint action must reconcile the pursuit of common objectives and citizens' desire for government services of comparable quality throughout the country with the constituent entities' capacity to innovate and establish a healthy emulation among themselves.

5. The federation must be fair. Federations must encourage redistribution among their constituent units, so that even the less wealthy are able to provide their citizens with services of acceptable quality. In Canada, this has been a constitutional principle since 1982. We call it equalization. In Europe, some federations prefer to talk of a solidarity fund. Perhaps we should use the same designation in Canada, because that is what it really is: a national solidarity fund.

6. The exchange of information is essential. Unilateralism and surprises must be avoided. Governments must be notified in advance of any new initiatives that could have a significant impact on their activities. Exchanging information also allows governments to compare their performance, assess their respective initiatives and establish among themselves a healthy emulation.

7. The public must be aware of the respective contributions of the different governments. That's right, the famous visibility. While it would be very bad if visibility were the main motivation driving governments' actions, citizens have the right to know what their governments are there for. They must be able to assess the performance of each one; it's a question of transparency. And governments will agree more readily to work together if they have the assurance that they will receive the credit for their initiatives.

Those are principles which I believe could guide intergovernmental relations within federations. They are certainly important in Canada. I am not saying that we Canadians fully succeed in respecting these principles. I am saying we must try our best.

### **3. Principles in action: federalism in practice**

There is much to gain from good intergovernmental relations within a federation. No other system allows us to reconcile common action and diversity of experience as effectively as does federalism. Certainly, a central government in a unitary country can more easily choose its policies as it sees fit, in accordance with a single plan. But it has less to learn from the diversity of experiences. If it makes a mistake, the whole country makes one. And the detection of these mistakes takes a long time, since government action does not lend itself to comparison when there is only one government. A federation in which the different governments preserve their capacity for innovation and initiative, while working together to achieve common objectives, is better able to identify the best policies adapted to each context.

Certainly, this is not achieved without some difficulty. A degree of creative tension is inherent in the federal system. The perspective of the federal

government is not the same as that of the constituent entities. The federal government, representing all the voters, is naturally concerned with principle 2: the need for cooperation, for pooling resources and talents to achieve national objectives. The governments of constituent entities place greater emphasis on principles 3 and 4: their capacity for autonomous action, for initiative and innovation. For intergovernmental relations to yield positive results, each government must accept the merits of the others' views and they must all respect the other principles: respect for the Constitution, fairness, exchange of information, and transparency.

We, politicians and bureaucrats, practitioners of federalism, who live day to day with all of the ups and downs of intergovernmental relations, must not forget that our fellow citizens, in their great majority, care much less than we do about who does what and how. They want quality public services for their tax dollars. In this respect, they are generally more pragmatic than we are. In Canada, for example, opinion polls show that Canadians everywhere in the country, including Quebec, are in favour of greater collaboration between orders of government rather than in favour of large trends either towards centralization or decentralization.

It is in our interest, in fact, to judge our federations pragmatically, based on their results in terms of the quality of life they provide. It is too easy to be negative and to compile a list of the intergovernmental conflicts and disagreements that exist in the life of a federation, without pointing to the more numerous agreements. In Canada, around 500 intergovernmental agreements have been signed over the last 15 years. They have had a beneficial impact on Canadians. We should say this more often.

Our federations must be judged by the results they achieve, even when it comes to constitutional issues. In Canada, the parliament of my province, Quebec, did not accept the Constitution Act, 1982 and the subsequent constitutional negotiations intended to resolve this disagreement failed. Must we conclude that Canada has failed? The answer is certainly no. The Constitution Act, 1982, while perfectible, must be judged in terms of its results, its impact on citizens' quality of life. Canadians, including Quebecers, appreciate its main elements: a charter of rights and freedoms, better protection for the French language, the inclusion of equalization in the Constitution and the possibility of bilateral constitutional amendments (which finally allowed for the secularization of the Quebec and Newfoundland school systems). In order to continually improve our federations, including their constitutions, we must be fair about them, judge them by their results, without complacency, but also without negativity.

## **Conclusion**

Federalism is more than an effective method of governance. It is also an apprenticeship in negotiation, the art of conflict resolution, an inevitable dimension of life in society. One of the advantages of the federative form of

government is that solutions can be found more easily when disagreements take place out in the open, among constitutional partners, rather than in the ivory towers of huge centralized bureaucracies that weigh down the functioning of unitary countries.

We Canadians are experiencing one of the most difficult debates a federation can have: the possibility of its break-up. Some of my fellow citizens in Quebec, a minority, in my opinion, think that the Canadian federation is not suited to Quebec, and that Quebec must become an independent country. It is important that this difficult debate be conducted with respect for democracy, the rule of law and human dignity. Our long experience with federalism should help us in this respect.

In a federation, governments are well positioned to set an example for their citizens, by proving that it is possible to work together for the good of the whole country, while respecting differences of parties, regions, languages, cultures or ethnic mix. Federalism is the proof that diversity is not a problem, rather a strength for a country. Of course, intergovernmental relations within a federation are often highly complex, but as practitioners of federalism we must never forget that beyond that necessary complexity that is our daily experience, federalism is, first and foremost, a profoundly human undertaking.

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