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Edmonton Social Planning Council

Will unfettered control strengthen Alberta's role in confederation?

INFO SHEET August 2004

This is ESPC's response to the recently released report and recommendations of the Alberta **MLA Committee on Strengthening Alberta's Role in Confederation**. The entire document is available on the government of Alberta web site: www.gov.ab.ca.

WHAT THEY SAID

The provinces can create a better Canada by: reshaping the institutions that protect regional interests ... and, safeguarding provincial constitutional authority.

The overarching imperative heard by the Committee was that Alberta commit itself to safeguarding its constitutional rights and responsibilities. Maintaining jurisdiction over these responsibilities ensures Albertans' demands and priorities are addressed in ways that work to the benefit of the province and are carried out by an order of government easily kept accountable by voters.

The Committee's guiding principles

- *The Alberta government should manage its existing constitutional responsibilities (which includes health care, education and most social programs) effectively, and firmly defend its right to do so ... Maintaining our rightful jurisdiction over our responsibilities ensures appropriate stewardship by Alberta.*
- *Alberta should work with other provinces, where appropriate, to identify common interests in both federal-provincial and inter-provincial relationships ... The Committee sees provincial flexibility as a key principle in the Canadian federation.*
- *In those areas where responsibilities overlap, Alberta should work with the federal government to ensure Alberta's interests are represented and addressed*

OUR CONCERNS

While the committee's self-titled purpose was to 'strengthen Alberta's role in Canada', its underlying principles and resulting conclusions propose the further curtailing of federal power and influence, while greatly increasing provincial authority. There appears to be little attempt here to strengthen confederation; it seems to be more about strengthening Alberta, not Canada. This perspective is a significant shift away from a belief shared by many Canadians that the federal government has a strong role to play in ensuring the equitable and stable delivery of public services across the country.

The ESPC's primary concerns are around how the Committee's proposals would impact social policy and social programs in Alberta. The federal government has, over the past decade, already surrendered much of its influence and control over national standards for social programs. The Alberta government has taken advantage of that political reality by, for example, keeping welfare rates and the minimum wage amongst the lowest in the country. Should there be even further limiting of federal input into social policy, we fear that social programs in Alberta could fare even worse. If anything, federal roles and responsibilities need to be enhanced once again so that programs for those living in poverty can be returned to levels that Canadians have historically supported.

Even though the Committee ends up with recommendations that, in our view, would weaken the federal role in confederation and in so doing potentially weaken social programs here, there are hints of a commitment to this nation in the Committee's work. In a cover letter introducing the report, the Committee asks: "How will Albertans lead Canada and Canadians towards prosperity and purpose in the next hundred years?" Such a commendable national spirit seems inconsistent with the many proposals by the Committee that would curtail national roles and responsibilities. We believe if this latter question and its spirit had been the starting point for the Committee's deliberations, it may well have come up with ideas that would have been more in tune with a commitment to actually strengthening confederation and not just strengthening Alberta.

WHAT THEY SAID

The Committee recommends that the Alberta government urge the federal government to **end Canada Health Transfer, Canada Social Transfer and Health Reform Transfer payments** in favour of transferring corresponding tax room to the provinces in order to allow provinces to appropriately fund programs within their constitutional responsibility ... In the past, there has been skepticism about the federal government's willingness to replace transfer payments with a transfer of tax room, since it would eliminate the federal government's ability to control the way provinces manage their constitutional areas of responsibility. But ... the Committee believes the time is right to raise this issue on the national agenda.

The Committee recommends that the Alberta government **work with municipalities to find solutions to issues surrounding municipal funding and fiscal flexibility** ... The federal government has outlined a number of new proposals related to municipalities over the past year ... Alberta must ensure the federal government respects the policies and spending priorities of the provinces and their municipal government partners.

Alberta can be the first to offer municipalities a more diverse set of tax tools ... however it is important that any proposed solution ensure that new sources of revenue and tax flexibility are accompanied by an awareness of increased levels of responsibility to voters and taxpayers.

The Committee recommends that the Alberta government reach **a new Tax Collection Agreement with the federal government that addresses Alberta's concerns and provides increased tax policy flexibility.**

OUR CONCERNS

The recommendation for eliminating the federal transfers and their attendant conditions would leave the provinces with unchecked control over health, social, and education programs. While these are areas of provincial constitutional jurisdiction, this does not negate the need for there to be federal standards and influence on provincial social policies and programs. The federal transfers should be the kind of tool whereby the federal government can exercise its constitutional obligation to ensure that all Canadians are provided with "reasonably comparable levels of public services." (Constitution Act 1982) Eliminating the transfers would mean the provinces have no more accountability to nationally agreed upon standards and principles. What is needed is a return to strong federal enforcement of those minimum standards accompanied by an equitable and stable funding system. We believe in the need to protect the social safety net that has been developed for the good of all Canadians.

The sudden provincial interest in addressing the funding shortfall faced by cities is interesting given that it is coming at a time when the cities have recently begun to build a direct relationship with the federal government to deal with crumbling urban physical and social infrastructures. (The 'new deal for cities' including a share of the federal gasoline tax is seen as a huge step forward by the Federation of Canadian Municipalities.) Is this Committee's recommendation a reaction to such federal-municipal relationship building? The Alberta government has only itself to blame for a decade or more of neglecting its (constitutional) responsibilities to cities and their citizens while focusing on the provincial debt. Given the apparent willingness of the federal government to come to the aid of the municipalities, is this an attempt to prohibit cities from working directly with the federal government to solve this funding crisis?

Having voiced this criticism, we do recognize the potential value in the idea contained within this recommendation that the municipalities be offered "a more diverse set of tax tools," and the awareness that this may mean a shifting of responsibilities for social programs (amongst others). New 21st century realities may mean revisiting the question of who has jurisdiction over various public services and which order of government is best placed to deliver those services.

Given the overall perspective and emphasis of this Committee, we fear this recommendation may be yet another mechanism for increasing provincial control and undermining federal influence.