

A RESILIENT FEDERATION? PUBLIC POLICY CHALLENGES
FOR THE NEW DECADE

The Persistence of Western Alienation

Loleen Berdahl



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Loleen Berdahl is the executive director of the Johnson-Shoyama Graduate School of Public Policy (universities of Regina and Saskatchewan) and professor of political studies at the University of Saskatchewan. Her research examines western Canadian politics, regionalism, and federalism. She is the author of three books on western Canada, including *Looking West: Regional Transformation and the Future of Canada* (with Roger Gibbins, 2014).

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INTRODUCTION

Canada is a perplexing country. It sits high on many “world’s best” lists, and Canadians enjoy wide-ranging personal freedoms, a high quality of life, economic prosperity, and the sheer physical beauty of a diverse landscape. At the same time, it has since its start struggled with seemingly intractable regional conflict. At best, regional conflict exists as a dormant undercurrent to most forms of political debate. At worst, it impairs governance and weakens Canada’s sense of common national purpose and aspiration in an increasingly competitive global environment.

I have been studying and writing about a particular dimension of Canada’s regional conflict – western alienation – for over two decades. Over that time, I have observed it rise, fall, and rise again. I have seen its political expression tied to aspirations to strengthen Canada (“the west wants in”) and to tear Canada apart (“wexit”). I have watched it withstand economic booms, recessions, and a global pandemic. Its persistence, I believe, speaks to its structural roots within the Canadian federation.

Although a study of western alienation can stand on its own merit given the importance of western Canada in the national economy and society, I focus on it because I believe that understanding the issue sheds important light on conflict and unity in Canada overall. Western Canada is only one example of Canadian regional conflict, as anyone familiar with Quebec or Atlantic Canadian politics knows. Exploring western alienation allows us to delve into the features of the Canadian federation that exacerbate regional conflict in our vast and diverse country.

Regional conflict is rarely the most urgent concern, but it is perhaps the most perennial. It seems to be baked into Canada’s political system, and regional concerns are often prioritized over those relating to, for example, class, gender, race, ethnicity, or ideology. Regional conflict gets in the way of dealing with other matters, and, more important, it presents a threat to the country as a whole.

IT’S ALWAYS 1867 IN OTTAWA

The political sentiment of exploitation and frustration emerging from some or all of the four western provinces has a long history. Western alienation did not start with Justin Trudeau or pipelines, nor did it start with the constitutional debates of the 1980s that led to the founding of the Reform Party of Canada. It predates the infamous National Energy Program, Pierre Trudeau, Quebec’s Quiet Revolution, the Great Depression, and even the establishment of Saskatchewan and Alberta. The history of western alienation is part of the history of Canada and has its roots in the early years of the country.

Canada at the outset was defined from the standpoint of Ontario and Quebec. This is understandable: at the time of Confederation, these two central Canadian provinces were home to the vast majority of the population (in the first national census in 1871, 8 out of 10 Canadians lived in Ontario or Quebec), to the emerging industrial economy,

to the new country's financial institutions, and to the headquarters of the major corporations and transportation systems. Meanwhile, the Maritime provinces saw their power and influence diminish as the central colossus grew, bolstered by its proximity to American population centres. At the time of Canada's founding and throughout its early decades, central Canada was not just the centre – it practically was Canada.

It is not surprising, therefore, that the dominant understanding of Canada – what it means to be Canadian, what and who we are as a country – was defined in central Canadian terms. Values and issues important to post-Confederation Ontario and Quebec – the French-English compact, anti-Americanism, pragmatic elitism – were championed as pan-Canadian values that defined the national political culture.

As Canada moved into the 20th century its population and economic patterns shifted, as the west exploded with new growth. Yet this central Canadian vision and its accompanying values never found a comfortable home in the frontier west, whose small francophone populations were swamped by a sea of English-speaking residents, and where French-English biculturalism was less of a priority amid the sprawling diversity of European settler populations.

The interests of the industrial centre often conflicted with and overrode those of the agrarian prairies. And the Canada-US border was merely a geographic line, instead of a historically war-torn battleground. The experiences and challenges of the west were different from those of the central Canada, and western alienation, as we now call it, found expression in complaints about economic exploitation and unfair representation. How these complaints were expressed shifted over the decades (through new federal political parties; emboldened premiers; weakly supported separatist movements; and calls for policy, institutional and constitutional changes), but the core complaints remained largely the same.

Over time, I have come to see western alienation as a geography-based reaction to this focus on the central Canadian narrative – one of many possible – as the dominant national narrative. In voicing their discontent, western Canadians express concerns that go beyond policy issues and time-bound political events, to a more fundamental critique of this dominant narrative. Western alienation is a critical response to the centre-periphery dynamics of Canadian politics. Western Canadians, then and now, chafe at being treated as peripheral in their own country and have used various strategies in their attempt to redress their treatment.

Western alienation is, in short, an effort to de-centre Canada. It presents an alternative understanding of Canada in contrast to the dominant (1867 central Canadian) standpoint. It calls attention to how that Canada, in theory and practice, privileges central Canadian interests and worldviews over those of others, and demands change.

The persistence of western alienation, I believe, reflects the resilience of the 1867 vision of Canada. This vision has endured as time has moved on and conditions have changed. And while western Canada's population has grown, central Canada is still

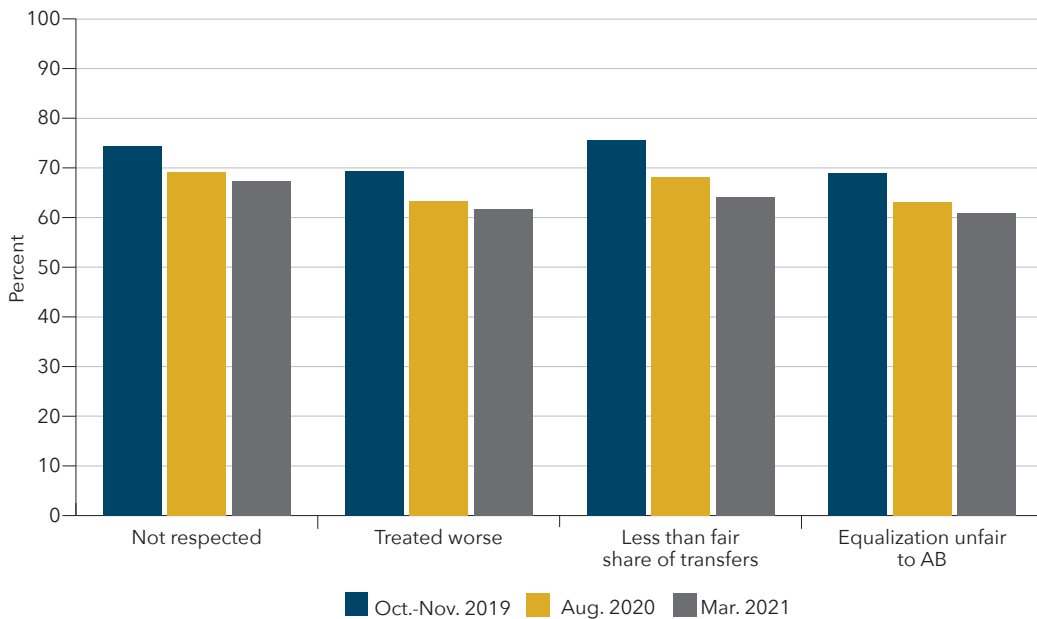
the centre, home of 6 out of 10 Canadians. The national image established at Confederation remains – and as a result, the western Canadian reaction to this arrangement also persists.

WESTERN ALIENATION, BUT NOT JUST WESTERN ALIENATION

While I study regional division in Canada from the vantage point of western Canada, it must be stressed that regional discontent – that is, the belief that one’s place of residence experiences unfair economic treatment, unfair political treatment and a lack of respect within Canada – is by no means limited to the west, nor is it expressed uniformly in the west. Historically across the country, discontent is seen in three regions: the west (particularly Alberta and Saskatchewan), Quebec, and Atlantic Canada (particularly Newfoundland and Labrador). Discontent isn’t always defined by provincial boundaries, and northern Ontario’s alienation from the rest of the province is one instance of this.

Stated more simply, regional discontent has been found pretty much throughout the country at one time or another, except southern Ontario.

Figure 1. Alienation in Alberta before and during Covid-19



Source: Common Ground, Viewpoint Alberta Surveys, University of Alberta, Edmonton.
<https://www.commongroundpolitics.ca/viewpoint-alberta>

Questions: “In your opinion, is Alberta treated with the respect it deserves in Canada?”; “In general, does the federal government treat Alberta better, worse, or about the same as other provinces?”; “Thinking about all the money the federal government spends on different programs and on transfers to the provinces, do you think Alberta receives more than its fair share, less than its fair share, about its fair share? Canada’s system of equalization payment is unfair to Alberta.” N = 820 (October-November 2019); N = 825 (August 2020); N = 802 (March 2021).

The fact that regional discontent has endured for more than a century suggests that it is durable and will not be easily uprooted. Indeed, while discontent in Alberta has decreased somewhat since the pandemic began in Canada in March 2020, it remains high (figure 1). Its persistence points to fault lines within our federation, fault lines that I believe go back to patterns created and sustained by a Canada centred on one standpoint – central Canada circa 1867. The challenge, as I see it, is to find a way to a new Canada that truly accommodates multiple standpoints, visions and understandings.

HOW TO REDUCE REGIONAL DISCONTENT

Canada is, has been, and arguably always will be a country defined by compromise rather than grand principles. And compromises must be continually renegotiated. How, in a transformed post-Covid-19 world marked by profound domestic and global change, might the Canadian federation evolve to better reflect present realities, meet future challenges, and avoid reinforcing historical legacies of regional conflict and alienation?

Because western alienation specifically (and regional discontent more generally) is more than a catalogue of sporadic policy grievances, ameliorating it requires looking beyond a quick-fix policy response. At its core, western alienation is not a policy issue and will not be solved with policy responses alone. Federal-provincial disputes about pipelines, pension plans, agriculture and equalization are very real, but they are also symptoms of a deeper cultural malaise. Addressing discontent requires approaches that confront perceptions of unfair economic treatment, unfair political treatment, and a lack of respect within Canada. The word “perceptions” must be stressed here. For these reasons, my recommendations focus on how Canada functions as a country.

Here are two steps I recommend the federal government takes to start in this direction.

Establish a permanent expert panel on equalization

Public understanding of the equalization system, and of fiscal federalism more broadly, is imperfect at best. What’s more, equalization has become highly politicized and strongly tied to regional discontent, particularly in Alberta. Addressing the politicization of equalization is a necessary first step to addressing perceptions of unfair economic treatment. To do this, Canada should return to seeking arms-length expert advice.

In 2005, the Liberal government of Paul Martin appointed an expert panel to make recommendations on equalization.¹ This expert panel recommended an equalization formula, which the Conservative government of Stephen Harper adopted and put into place in the 2007-08 fiscal year. The Conservatives adapted the formula in 2009, and

¹ Canada, Expert Panel on Equalization and Territorial Formula Financing, chaired by Al O'Brien, *Achieving a National Purpose: Putting Equalization Back on Track* (2006), <http://publications.gc.ca/collections/Collection/F2-176-2006E.pdf>.

since then it has not changed significantly, despite two renewal processes (in 2014, under the Harper government, and in 2018, under the Liberal government of Justin Trudeau).

James Feehan argues, “The federal government’s quiet renewal of the equalization formula in 2018 was a missed opportunity. The lead-up to the 2019-24 renewal was a chance to receive feedback and advice from the provinces, policy experts and concerned citizens and groups, and an opportunity to act on that advice.”² I agree with this sentiment and take it further: in both 2014 and 2018 the government missed an opportunity to re-establish an arms-length expert panel to obtain that public feedback and to provide that advice. A nonpartisan, regionally representative expert panel would help to ensure a balance of regional interests and would be an important step in “decentring” the current system.

I recommend the Government of Canada establish a permanent, regionally representative, nonpartisan expert panel on equalization. Improving federal tools would increase the system’s capacity to act and be seen to act on the basis of fairness rather than political expediency. In the longer term, the panel could engage in consultations to inform its recommendations for the next equalization formula renewal.

While this may be insufficient on its own to fully address perceptions of regional economic unfairness, it would go a long way to moving Canada in the right direction.

Locate more federal government offices and jobs outside the National Capital Region

The federal government employs over 300,000 people; just over 230,000 work in core public administration (CPA) and just under 70,000 in separate agencies (e.g., Canada Revenue Agency, Canadian Food Inspection Agency, Parks Canada). In 2020, 46 percent of federal CPA employees – the bulk of whom are skilled knowledge workers – were located in the National Capital Region; this is up from 33 percent in 1995 and 43 percent in 2006.³

Is increasingly concentrating Canada’s policy-focused knowledge jobs so heavily in Ottawa-Gatineau in the country’s best interests? Other countries, including Norway, South Korea, Denmark, Mexico and Malaysia, began shifting public service work out of their national capitals prior to Covid-19;⁴ since the pandemic, the United Kingdom has begun to do the same. It is time for Canada to find opportunities to decentralize its CPA workforce, and not just for service-focused activities. There are numerous benefits to doing so, one benefit is it would increase skilled knowledge and bilingual employment opportunities across Canada. Establishing a strong federal employment presence across Canada thus has the potential to buttress provincial economies.

² J. Feehan, *Canada’s Equalization Program: Political Debates and Opportunities for Reform*, IRPP Insight 30 (Montreal: Institute for Research on Public Policy, 2020), 25.

³ Canada, Treasury Board of Canada Secretariat, “Population of the Federal Public Service,” 2020, <https://www.canada.ca/en/treasury-board-secretariat/services/innovation/human-resources-statistics/population-federal-public-service.html>.

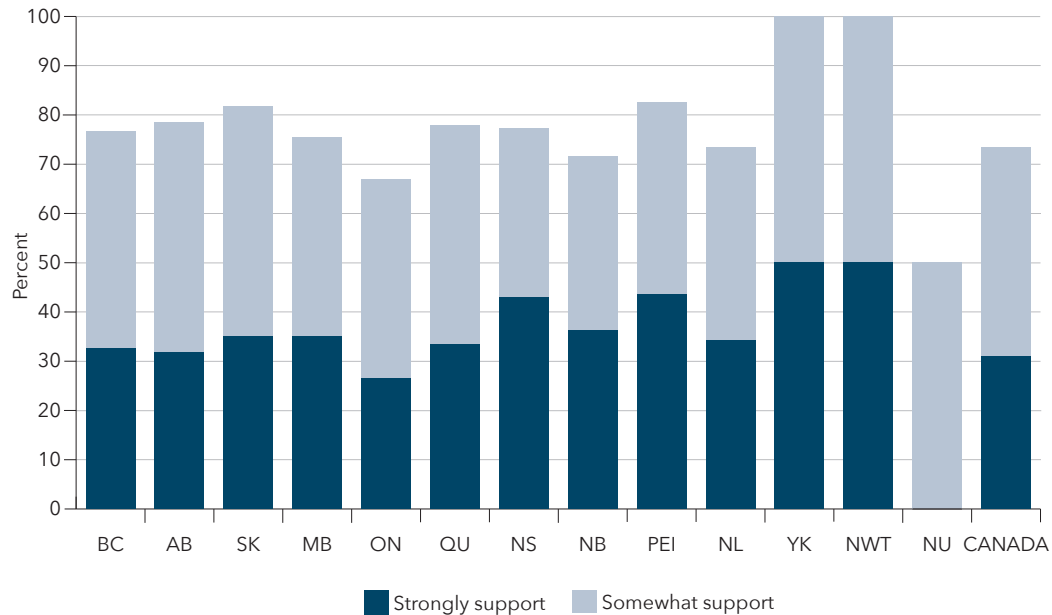
⁴ “Why Governments Move Civil Servants Out of National Capitals,” *Economist*, April 6, 2019.

Economic impacts aside, I believe that “getting Ottawa out of Ottawa” would go a long way toward reducing regional discontent. The decentralizing of federal offices and the associated employment would provide a more public face for the Government of Canada across the country. It would ensure that provincial perspectives and voices are heard within the federal public service, and contribute to a move away from the unconscious assumption that central Canadian and Canadian perspectives are one and the same. If there are not enough bilingual workforces available, then that would be a powerful incentive to invest in local language training and opportunities.

There is also reason to believe it would be politically popular: according to the 2021 Confederation of Tomorrow survey, over 7 in 10 Canadians supported “moving more government offices from Ottawa to other cities in the country so that more Canadians would have access to jobs in the federal public service,” with at least 3 out of 10 Canadians in all provinces except Ontario strongly supporting this.⁵

The issue of federal office location may garner growing attention. The Alberta Fair Deal Panel report includes the recommendation to “secure fairer representation of the Federal civil service and federal offices in western Canada” (noting, for example, that Parks Canada’s headquarters would be more appropriately located in the western

Figure 2. Support for moving more government offices out of Ottawa



Source: Environics Institute, Confederation of Tomorrow Survey (forthcoming). <https://www.environicsinstitute.org/>

Question: “Do you support or oppose the following measures to help promote national unity in Canada? Moving more government offices from Ottawa to other cities in the country so that more Canadians would have access to jobs in the federal public service.” N = 5,814.

⁵ These results will be part of a forthcoming Confederation of Tomorrow report. For published reports, see <https://centre.irpp.org/data/confederation-of-tomorrow-surveys/>.

provinces, given the proportion of national parks located there),⁶ and the City of Regina is currently bidding to be the location of the new Canada Water Agency.

The Covid-19 pandemic has meant that many CPA employees are working from their home offices. The Government of Canada has the opportunity to learn from the national experience with remote work to expand its presence across the country. At the very least, it is an idea that should be pilot tested.

WHY REGIONAL DISCONTENT MATTERS

Embedded in much of the commentary on the Covid-19 crisis is the idea that the world will never be the same. However, Canadians have gone through a number of global disruptions of similar or even greater magnitude: the challenges of agricultural settlement, the First World War, the Great Depression, the Second World War, and the global financial crisis in the first decade of the 21st century, to name a few. Political institutions and political cultures have been remarkably resilient in the face of disruption. Bringing about true change is a formidable task.

The fact that western alienation has endured for more than a century means that we have to recognize its persistence. While some might argue that discontent is simply a normal feature of Canadian federalism, it is neither a cost-free nor a desirable national characteristic. Further, in a period of growing global political polarization, there are risks to ignoring discontent.

If one wants to understand Canada, one must acknowledge that regional disputes are situated in our different understanding of Canada. Without this starting point, we will simply have the same debates in perpetuity, and the costs to Canada may continue to grow.

⁶ Alberta, Fair Deal Panel, chaired by Oryssia Lennie, *Fair Deal Panel Report to Government* (May 2020), 25, <https://www.alberta.ca/fair-deal-panel.aspx>.



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IRPP
1470 Peel Street, Suite 200
Montreal, Quebec H3A 1T1
Telephone: 514-985-2461
Fax: 514-985-2559
irpp@irpp.org