



Federal transfers to provinces: public preferences

Two years after the onset of the pandemic, attention is increasingly focused on the adequacy of funding for key social services such as health care and care for the elderly. At the same time, the new confidence and supply deal reached between the governing Liberals and the opposition NDP in Ottawa promises to secure more federal funding in areas such as child care, pharmacare and dental care.

The 2022 Confederation of Tomorrow survey of Canadians confirms that there is considerable support for increased federal transfers to the provinces to help meet the rising cost of public health care. Views are more divided on the question of whether federal funding for social programs should come with strings attached.

INCREASED FUNDING FOR PUBLIC HEALTH CARE

By more than a two-to-one margin, Canadians are more likely to say that rising health care costs should be addressed by providing more government funding, rather than by expanding the role of the private sector in health care delivery.

More than one in two (56%) say that governments should significantly increase their spending on health care to cover these rising costs.¹ One in four (24%) prefer that governments allow the private sector to provide some health care services to those who can afford to pay for them. Fewer than one in ten (7%) say that, instead, governments should limit the availability of some treatments or medications (an additional 12% did not express a preference).

Support for significant increases in government spending on health care is highest in the Maritime provinces (64%). Support for more private health care services for those who can afford them is highest in Quebec (29%).



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¹ The question : Health care costs are expected to rise in the future because of our aging population and because of the costs of new treatments and medications. Which of the following statements comes closest to your view? Would you say...

- governments should significantly increase their spending on health care to cover these rising costs
- governments should limit the availability of some treatments or medications
- governments should allow the private sector to provide some health care services to those people who can afford to pay for them

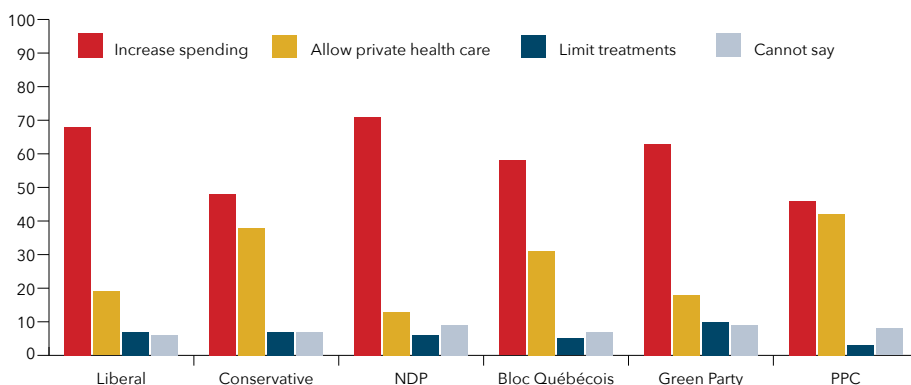


Figure 1. Preferred option for addressing rising cost of health care, by 2021 federal vote

Support for significant increases in government spending on health care is also highest among those who voted for the federal NDP in the 2021 election (71%). Support for more private health care services for those who can afford them is higher among those who voted Conservative (38%), though a plurality of Conservative voters still prefer increased spending (48%).

A separate question finds that support for more spending on public health care holds, even when Canadians are reminded that more spending could lead to higher taxes or a higher deficit. In the absence of any such reminders 68 percent of Canadians favour increased federal transfers to the provinces to address the rising cost of public health care. This figure falls to 48 percent when the question includes a reminder about the potential for tax increases, and 52 percent when it includes a reminder about the potential for higher federal deficits. But in each case, increased transfers remains the most popular option.²

The effect of the reminder about potential tax increases varies by age. Younger Canadians (those under the age of 45), are 28 percentage points less likely to support more federal spending on health care when the question includes a statement about the potential for tax increases. Those age 60 and older are only 14 percentage points less likely to favour this option.

FEDERAL FUNDING FOR SOCIAL PROGRAMS AND NATIONAL STANDARDS

The prospect of new or increased federal transfers to provinces to help pay for social programs inevitably raises the question of whether this funding should come with strings attached. Provinces naturally favour unconditional transfers that allow them to decide how to use the funding to address their priorities. The federal government typically seeks to attach some conditions to the funding in order to ensure that it is not diverted away from its intended purpose.

Opinions in Canada on this question are somewhat divided. Asked about the best way to improve the quality of services in three areas – child care, care for the elderly, and health care – Canadians as a whole narrowly favour more unconditional federal transfers, allowing each province and territory to decide how to spend the money, over the option of tying increased transfers to national standards. As expected, Quebecers lean a bit more strongly to the side of unconditional transfers, while Canadians outside of Quebec are more evenly divided between the two options.

² See [Most Canadians want higher health transfers preferably without conditions](#) by Olivier Jacques in *Policy Options*.

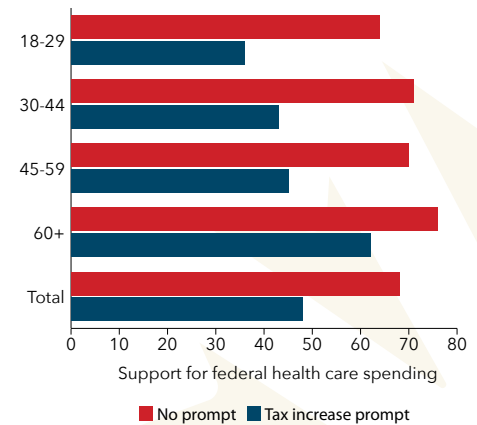


Figure 2. Mentioning increase in tax decreases support for more health care funding but age matters

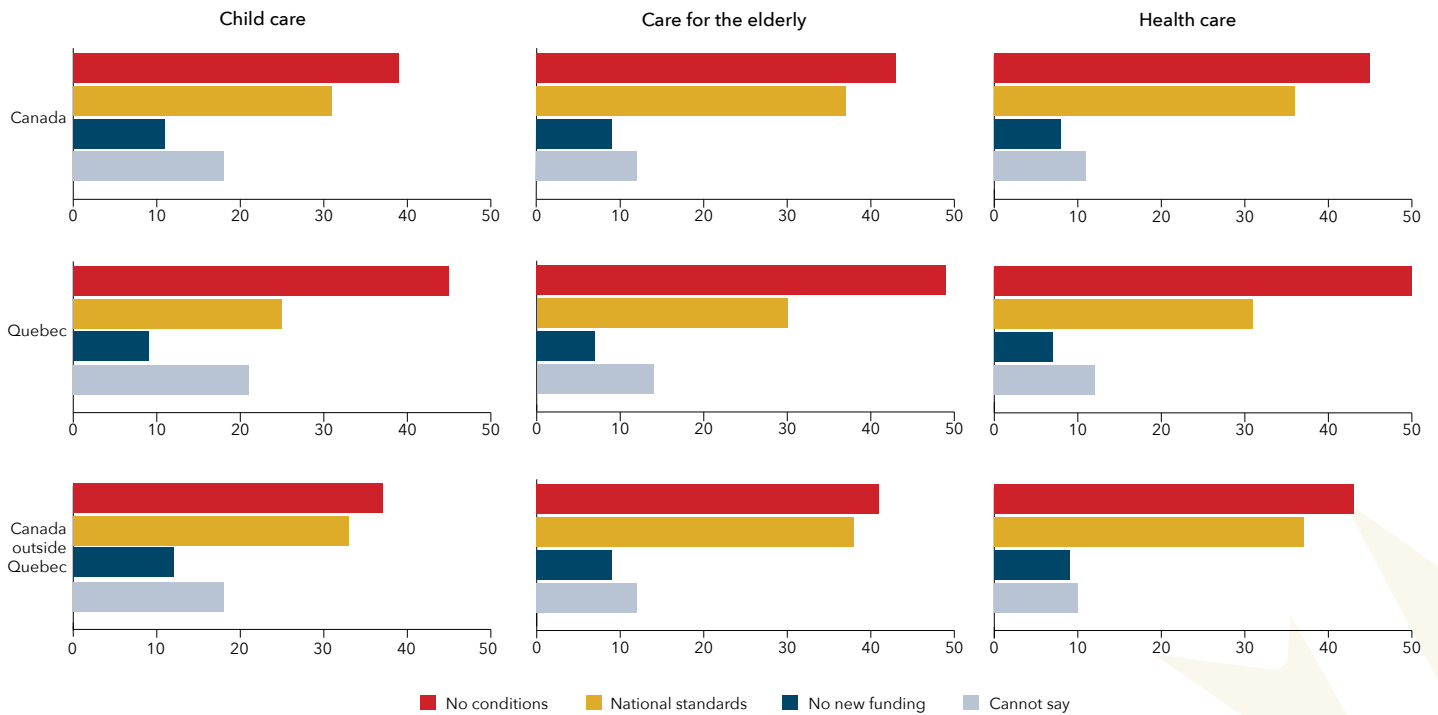


Figure 3. Federal funding and conditions

As you may know, most important social programs in Canada are delivered by provincial and territorial governments. Which of the following do you think is the best way to improve the quality of services that Canadians receive in each of the following areas:

- A. Child care
- B. Care for the elderly
- C. Health care

a) The federal government should provide more funding to the provinces and territories, and let each province and territory decide how to spend this money to improve services in their area.

b) The federal government should create a single set of national standards for services in this area, and then provide more funding only to those provinces and territories that meet those standards.

c) The federal government should just continue to provide the same amount of funding as it does now, without any other changes.

d) Cannot say.

While there has been little overall change in opinions since 2021, there has been some change in Quebec, and more specifically among women in the province. Among women in Quebec, preference for more federal funding conditional on provinces meeting national standards has increased over the past year in each of these areas (child care, care for the elderly, and health care). As a result, the opinions of women in the province now closely resemble those of their counterparts in the rest of Canada (whereas there continues to be a difference in the views of men inside and outside of Quebec).

Support for more federal funding for social programs with strings attached is also higher among those who disapprove of their province's handling of the COVID-19 pandemic, particularly in Quebec, Ontario and the Prairies. This confirms that the notion of national standards in Canada in areas such as health care and care for the elderly appeals to those looking for a counterweight to what they perceive as poor performance by their provincial governments.

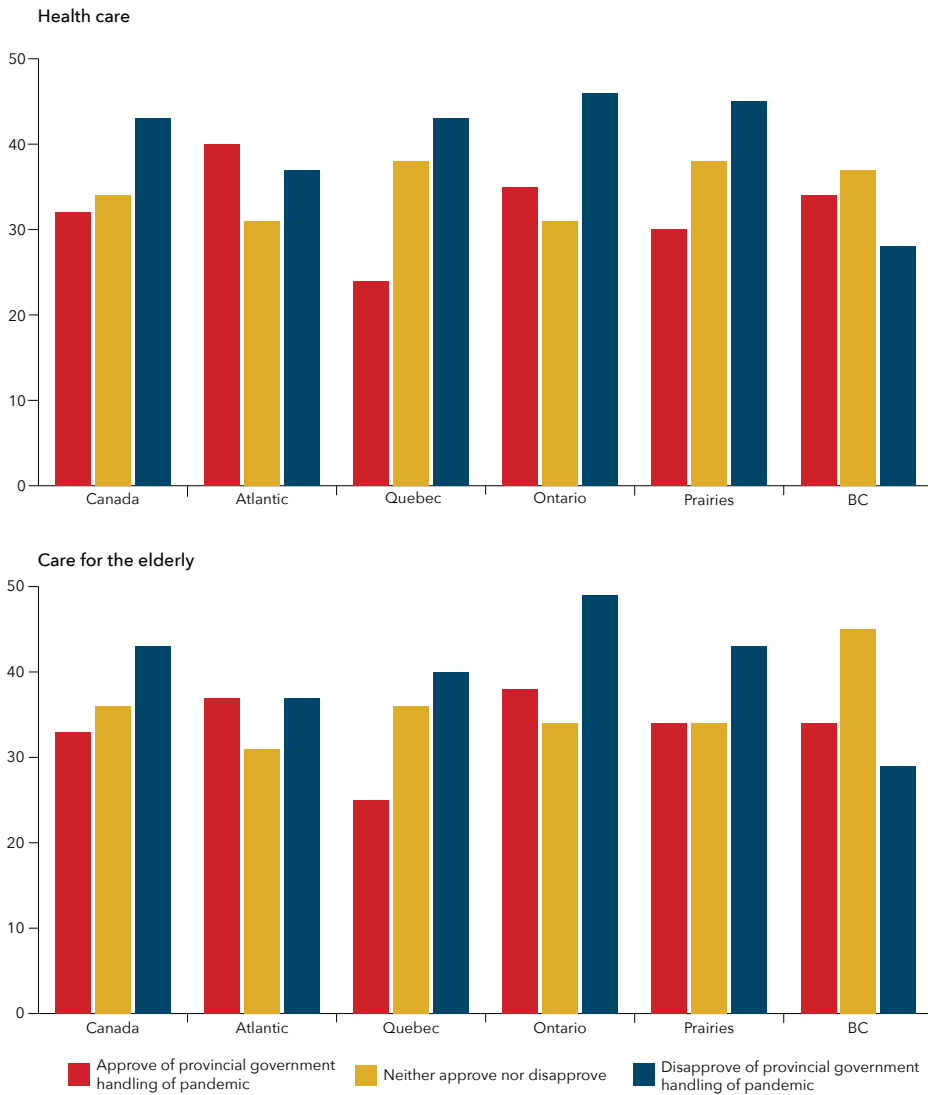
MANAGING THE HEALTH CARE SYSTEM

Managing public health care is a provincial responsibility, but the federal government nonetheless contributes to better health care outcomes through the funding it provides.

When asked which government they trust more to make the right decisions in managing the health care system, the opinions of Canadians are fairly evenly divided: 27 percent trust their provincial or territorial government more, 24 percent trust both equally, 21 percent trust the federal government more, and 22 percent trust neither.

In 2021, following the first year of the COVID-19 pandemic, the proportion trusting their provincial or territorial government more increased (from 27%

Figure 4. Support for more federal funding for provinces that meet national standards, by approval of provincial government's handling of the pandemic



in early 2020, to 34% in early 2021). But this bump proved short-lived: the proportion trusting their provincial or territorial government more has dropped back to 27 percent. The proportion trusting neither government has risen by eight points.

A closer look shows different patterns across the country's jurisdictions. Since early 2020 (prior to the pandemic) the proportion trusting their provincial government more to manage the health care system has risen steadily in three provinces: Prince Edward Island (up 20 points), Nova Scotia (up 11 points) and B.C. (up 8 points). It has declined in two provinces: Saskatchewan (down 9 points) and Alberta (down 7 points). Quebec has seen the biggest swings, with the proportion trusting the provincial government more rising by 13 points between 2020 and 2021, before declining by 18 points in the past year.



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