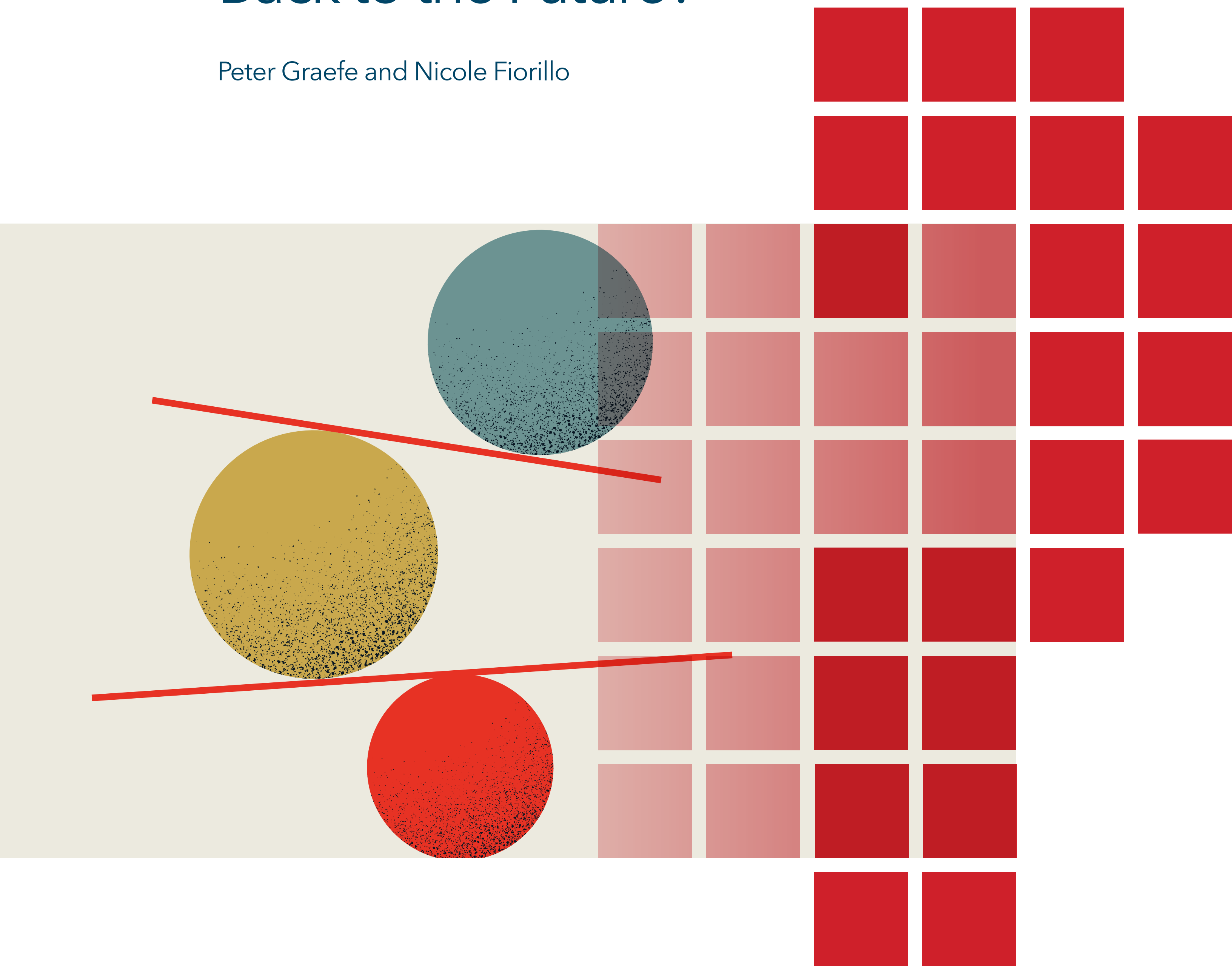
**IRPP STUDY**
June 2023 | No. 91

# The Federal Spending Power in the Trudeau Era: Back to the Future?

Peter Graefe and Nicole Fiorillo



CENTRE D'EXCELLENCE SUR LA FÉDÉRATION CANADIENNE

CENTRE OF EXCELLENCE ON THE CANADIAN FEDERATION

IRPP

## ABOUT THIS STUDY

This study was published as part of the research of the Centre of Excellence on the Canadian Federation, under the direction of Charles Breton and assisted by Ji Yoon Han. The manuscript was copy-edited by Claire Lubell, proofreading was by Zofia Lubitz, editorial coordination was by Étienne Tremblay, production was by Chantal Létourneau and art direction was by Anne Tremblay.

**Peter Graefe** is an associate professor in the Department of Political Science at McMaster University. He has published on Ontario and Quebec politics, as well as intergovernmental relations in Canadian social policy.

**Nicole Fiorillo** is a policy specialist in the nonprofit sector and independent researcher based in Toronto. She holds an MA in Political Science from McMaster University, where she specialized in Public Policy.

To cite this document:
Graefe, Peter, and Nicole Fiorillo. 2023. *The Federal Spending Power in the Trudeau Era: Back to the Future?* IRPP Study No. 91. Montreal: Institute for Research on Public Policy.

---



IRPP Study is a refereed monographic series that is published irregularly throughout the year. Each study is subject to rigorous internal and external peer review for academic soundness and policy relevance.

If you have questions about our publications, please contact irpp@irpp.org. If you would like to subscribe to our newsletter, *IRPP News*, please go to our website, at irpp.org.

Photo: Shutterstock.com

ISSN 1920-9436 (Online) ISSN 1920-9428 (Print)

## CONTENTS

# Key Findings

The Canadian government's use of federal tax funds to pursue policy objectives that rest within the purview of the provinces – a practice known as the spending power – has played an important role in Canada's political development since 1945. Although it is not mentioned in the Constitution, the spending power has been used by successive federal governments to pursue policies that fall within provincial jurisdiction.

The extent and the manner in which it is used, however, have varied. After a hiatus under the Conservative governments of Stephen Harper, the use of the spending power returned with the election of Justin Trudeau's Liberals in 2015 and has been central to the architecture of several major social policy initiatives in recent years.

This study documents how the current Liberal government has used federal funds to seek provincial engagement with its own social policy priorities and contrasts it with previous eras.

To do so, the authors analyze five agreements between the federal government and the provinces and territories spanning four important policy fields: health care, workforce development, early learning and child care, and housing. The authors focus their analysis on how the policy agenda is set and on the accountability mechanisms that the agreements contain.

**Recent intergovernmental social policy initiatives using the federal spending power**

| Policy area | Multilateral agreement | New spending |
|---|---|---|
| Health care | Common Statement of Principles on Shared Health Priorities for home and community care, and mental health and addictions services (2017) | $11 billion over 10 years |
| Workforce development | n/a | $900 million over six years |
| Early learning and child care | Multilateral Framework for Early Learning and Child Care (2017) | $7.5 billion over 11 years |
| | Canada-wide Early Learning and Child Care Plan (2021) | $27.2 billion over five years |
| Housing | Housing Partnership Framework (2018) | Related to $40 billion over 10-year National Housing Strategy |

The study shows that while there are many features recognizable from previous Liberal governments (1995-2005), the current trend is toward a more directive and less collaborative use of the spending power. For instance, the degree of federal-provincial collaboration in defining policy challenges and framing the principles behind the agreements has declined. Partnership seems to be conditional on a province accepting the federal government's policy vision.

Looking at the contents of the bilateral agreements, the authors find that they require the provinces to provide far more detail and transparency in planning and reporting than what was required in the 1995-2005 era. In addition to public reporting, these agreements include substantial requirements for reporting to the federal government, suggesting a more hierarchical intergovernmental arrangement.

What are the consequences of these changes? On the one hand, a federal government with greater legitimacy to impose priorities and reporting conditions on provinces is likely to produce a stronger social citizenship. But this model implies a centralization of the political community and may, as a result, lead the provinces to resist the spending power more than they have done in recent years.

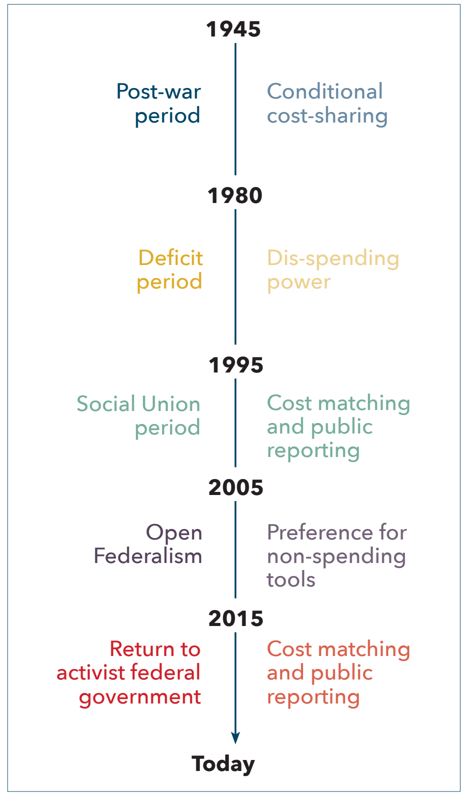


Figure 1. Using the spending power: Different eras

The spending power can only work around the Constitution for so long before butting up against long-standing disagreements about how to define the Canadian political community.

# Faits saillants

L'utilisation par le gouvernement canadien de fonds fédéraux pour poursuivre des objectifs politiques qui relèvent de la compétence des provinces – une pratique connue sous le nom de pouvoir de dépenser – a joué un rôle important dans le développement politique du pays depuis 1945. Bien qu'il ne soit pas mentionné dans la Constitution, le pouvoir de dépenser a été utilisé par les gouvernements fédéraux successifs pour poursuivre des politiques relevant de la compétence des provinces.

L'ampleur et la manière dont il est utilisé ont toutefois varié. Après une certaine retenue sous les gouvernements conservateurs de Stephen Harper, l'utilisation du pouvoir de dépenser est revenue avec l'élection des libéraux de Justin Trudeau en 2015 et a été au cœur de l'architecture de plusieurs initiatives majeures de politique sociale au cours des dernières années.

Cette étude documente la manière dont le gouvernement libéral actuel a utilisé les fonds fédéraux pour que les provinces s'engagent à suivre ses propres priorités en matière de politique sociale et la compare aux époques précédentes.

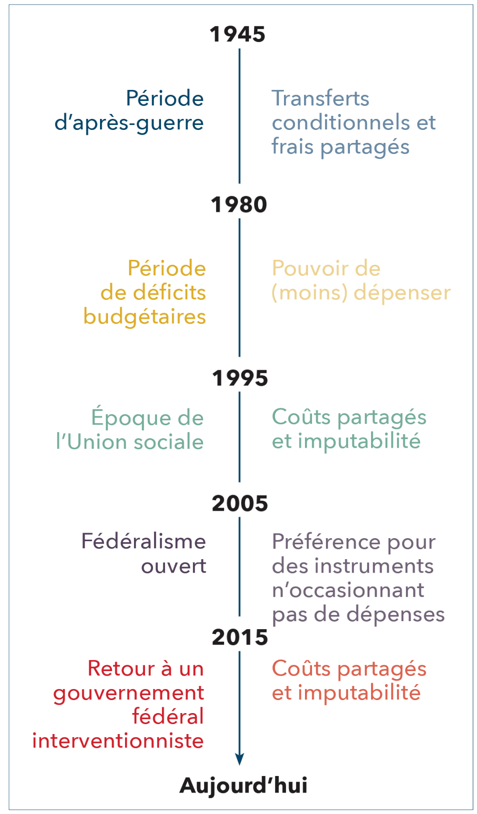
Pour ce faire, les auteurs analysent cinq accords entre le gouvernement fédéral et les provinces et territoires couvrant quatre domaines politiques importants : les soins de santé, le développement de la main-d'œuvre, l'apprentissage et la garde des jeunes enfants, et le logement. Les auteurs concentrent leur analyse sur la définition de l'agenda politique dans ces ententes et sur les mécanismes de responsabilité que les accords contiennent.

**Initiatives intergouvernementales récentes en matière de politiques sociales utilisant le pouvoir de dépenser fédéral**

| Secteur de compétence | Accord multilatéral | Nouvelle dépense |
|---|---|---|
| Santé | Énoncé de principes communs sur les priorités partagées en santé dans les domaines des soins à domicile et communautaires, et de l'accès aux services en santé mentale et en toxicomanie(2017) | 11 G$ sur 10 ans |
| Développement de la main-d'œuvre | S. O. | 900 M$ sur 6 ans |
| Apprentissage et garde de jeunes enfants | Cadre multilatéral d'apprentissage et de garde des jeunes enfants (2017) | 7,5 G$ sur 11 ans |
| | Plan d'apprentissage et de garde des jeunes enfants pancanadien (2021) | 27,2 G$ sur 5 ans |
| Logement | Cadre de partenariat sur le logement (2018) | Lié aux 40 G$ sur 10 ans de la Stratégie nationale sur le logement |

L'étude montre que, bien que l'on puisse présentement reconnaître de nombreuses caractéristiques observables sous les gouvernements libéraux précédents (1995-2005), la tendance actuelle est à une utilisation plus directive et moins collaborative du pouvoir de dépenser. Par exemple, le degré de collaboration fédérale-provinciale dans la définition des enjeux politiques et des principes qui sous-tendent les accords a diminué. Le partenariat semble être conditionnel à l'acceptation par les provinces de la vision politique du gouvernement fédéral.

**L'utilisation du pouvoir de dépenser à travers les époques**




En examinant le contenu des accords bilatéraux, les auteurs constatent qu'ils exigent des provinces qu'elles fournissent beaucoup plus de détails et de transparence en matière de planification et de rapports que ce qui était exigé pendant la période 1995-2005. Outre les rapports publics, ces ententes prévoient des exigences importantes en matière de reddition de compte vers le gouvernement fédéral, ce qui laisse supposer des relations intergouvernementales plus hiérarchiques.

Quelles sont les conséquences de ces changements ? D'une part, un gouvernement fédéral disposant d'une plus grande légitimité pour imposer aux provinces des priorités et des conditions est susceptible de produire une citoyenneté sociale plus forte. Mais ce modèle implique une centralisation de la communauté politique et peut, par conséquent, amener les provinces à résister au pouvoir de dépenser plus qu'elles ne l'ont fait ces dernières années.

Le pouvoir de dépenser ne peut contourner la Constitution que pendant un certain temps avant de se heurter à des désaccords de longue date sur la manière de définir la communauté politique canadienne.

## INTRODUCTION

The Liberal government's September 2020 Speech from the Throne sketched out a far-reaching vision of social policy renewal in Canada, which included aspirational commitments to universal child care, pharma care, housing, a federal disability benefit and a review of employment insurance (Governor General 2020). This came after five years of more incremental social policy-making from a Liberal government first elected in October 2015 and re-elected in October 2019. While some of the 2020 Speech commitments, such as those involving employment insurance, fit squarely within federal jurisdiction, most of them infringe on the constitutional responsibilities of the provinces.

This ambitious agenda hinged on negotiating multilateral and bilateral agreements with the provinces and territories to translate federal aims into provincial action. The government had reason to be confident that it could secure provincial cooperation after it was re-elected in October 2019, since its first mandate was marked by intergovernmental agreements in areas such as housing, early childhood care, mental health and home care.

As with earlier periods of Canadian social policy development, these agreements have traded a federal monetary contribution against a provincial commitment to deliver a policy corresponding to the federal vision. The federal government's ability to incentivize provinces to deliver social policy in their areas of jurisdiction is said to flow from the federal "spending power." As this power is not expressly written into the Constitution but affects the operation of the constitutional division of powers, it has resulted in recurrent intergovernmental conflict over the past 75 years. Over time, disputes have sedimented into sets of intergovernmental practices for the development of Canadian social policy. These practices are not set in stone and they vary across policy sectors, but they have created strong procedural and reciprocal norms binding the participants. The Canadian welfare state bears the marks of the intergovernmental processes behind its development. In turn, the practice of federalism in Canada bears the marks of the pressures to develop and restructure the welfare state.

This study examines how the current Liberal government has used its spending power to seek provincial engagement with its own social policy priorities. Following the 1995 federal budget, policy analysts observed that the spending power was being used differently: rather than being tied to national standards, where provincial refusal to follow such standards could mean a loss of federal funding, the federal government tried to produce common pan-Canadian policy with apparently softer governance tools (Phillips 2003; Boismenu and Graefe 2004). By working with provinces to develop shared priorities, and getting provinces to learn from each other and be accountable to their citizens for results, the federal government could move policy in a similar direction countrywide without needing to threaten to withhold funding. The federal spending power then largely fell out of view in the 2006-15 period, as the Conservative government's approach to social policy generally did not employ a spending instrument.

As Christopher Dunn (2016) underlined, the platform promises and mandate letters of the Liberal government elected in 2015 were rife with commitments to work in collaboration or partnership with the provinces. Since the federal government went back to using its spending power, would it return to the practices of earlier times? Might we observe some innovations or differences after the intervening decade? We describe and analyze five high-profile post-2015 uses of the spending power, looking at the multilateral and bilateral agreements as well as early public reporting. We first describe the architecture of these agreements, in terms of the specific practices of agenda setting and accountability that they contain and then offer observations about how these features compare to earlier uses of the spending power. Overall, while there are many features recognizable from the Social Union period (1995-2005), the trend is toward a more directive and less collaborative use of the spending power compared to that earlier period.

## CONTEXT

### What is the spending power?

Tom Kent defines the spending power as “the ability to use tax money for objectives outside the scope for which the federal government can itself deliver public services” (Kent 2008, 413) while Andrew Petter defines it as “the power asserted by the federal government to spend funds on programs within provincial legislative jurisdiction” (Petter 2008, 163-64). Though these definitions largely converge, the nuances point to some of the politics involved in the application of the spending power. Kent, an architect of the pan-Canadian social policies built with the spending power in the 1960s, treats the power as uncontroversial — a means of overcoming limitations of the scope of federal jurisdiction. Petter, a believer in provincial social policy, underlines that the power touches upon the limits of constitutional jurisdiction, and the power is controversial because the federal government must still assert it, sometimes despite provincial resistance. The form the power takes can vary: it can involve transfers of money to provincial governments (say, to deliver health services), to individuals (for instance, through child benefits), or to organizations (such as the now-defunct Millennium Scholarship Foundation).

This power does not appear directly in the Canadian constitutional text. As Verrelli (2013) emphasizes, legal scholars have advanced different arguments as to its constitutional legitimacy, for instance in powers related to taxation and property; the power to legislate for peace, order and good government; and the prerogative to make gifts. This search for legal origins ultimately distracts from political origins. In many ways, the spending power came to develop a constitutional meaning through path dependency: so much of post-1945 Canadian political development was based on its use that it became unthinkable that courts might disallow it (Petter 2008). And yet, the unwritten nature of this power makes it hard to pin down. As Alain Noël (2008) asked in the title of an article, “how do you limit a power that doesn’t exist”? Petter nevertheless argues that several Supreme Court decisions since the late 1980s have spoken about the spending power as if it was uncontroversial (Petter 2008, 168), giving it a firmer constitutional existence. For instance, in *Reference re. Canada Assistance Plan (B.C.)* (1991, 567), the Court rejected the argument that it should "supervise the federal exercise of its spending power" in order to protect provincial autonomy. In *Eldridge vs. British Columbia (Attorney General)* (1997, 647), the Court noted that the federal Parliament had played a "leading role in the provision of free, universal medical care" by "employing its inherent spending power to set national standards for provincial medicare programs" and added parenthetically that the constitutionality of such conditional grants was approved in the earlier *Canada Assistance Plan* reference. It is noteworthy that these decisions do not raise any limits to the use of the spending power and suggest that it can be exercised independently by the federal government (Verrelli 2013).

The delivery of Canadian social policy results from the mismatch between a nineteenth-century constitution that assigns many responsibilities to the provinces and the mid-twentieth-century nationalist project to build pan-Canadian solidarities through a welfare state (Cameron 2006). In some cases, such as the provision of K-12 education and workers' compensation, the federal government never challenged provincial jurisdiction and so the decentralized system is still in place today. In the cases of the delivery of unemployment insurance and pensions, the federal government used constitutional amendments to expand its powers.[1] However, the provinces made it clear in their negotiations with the federal government during post-1945 Reconstruction that they would not surrender all social policy powers — powers that had been reiterated in the decisions of the Judicial Committee of the Privy Council (JCPC) that struck down the Bennett government's *New Deal* legislation less than 10 years earlier.[2]

During this period, the spending power emerged as a workaround to the mismatch between the constitution and pan-Canadian ambitions, but the JCPC made it clear that it could not be used to regulate an issue falling under a provincial head of power. It was possible to read this as a prohibition of the federal government legislating in an area of provincial jurisdiction due to the constraint that legislation involves. However, the spending power can be portrayed as a less constraining form of government action, and so evades the JCPC's prohibitions. In other words, while the federal government could not directly legislate, it could offer money to the provinces, conditional on provinces delivering programs respecting certain criteria.

## The politics of the spending power

The spending power might appear to be a relatively arcane and technical affair, but its use can be considered a stealthy means of constitutional change, as it enables the federal government to participate in shaping policies in areas of provincial jurisdiction. This explains

[1] In the case of unemployment insurance, the power to legislate was passed to the federal government. For pensions, the federal government gained the ability to legislate, but provincial paramountcy was retained. This joint jurisdiction helps explain the complex decision rules around the *Canada Pension Plan*.

[2] The JCPC decision on unemployment insurance was an immediate impetus for the 1940 constitutional amendment. McConnell (1968) argues that this part of the New Deal legislation might have fared better at the Supreme Court of Canada and the JCPC if the federal government lawyers had emphasized federal legislative powers under s.91 rather than the federal treaty power, and if they had done more to argue that social insurance, like unemployment insurance, was a different object than the commercial insurance that fell under provincial powers of property and civil rights.

why it has been a subject of conflict between different understandings of the Canadian political community. The strongest critique of the use of the spending power has come from Quebec nationalists, who view Canada as a multinational federation in which the ability of the Quebec nation to flourish relies on its being able to act autonomously in the fields of jurisdiction assigned to the provinces. However, the spending power has become a tool for the majority Canadian nation to establish priorities in that jurisdiction, which over time erodes the autonomy of the Quebec nation (Noël 2003). This has led successive Quebec governments since the 1950s to contest the legitimacy and use of the spending power. Indeed, the Quebec Intergovernmental Relations secretariat maintains records tracing this opposition, and the constitutional and quasi-constitutional proposals to limit its use (Quebec 1998, 2019). The demand to control or restrain the spending power was therefore a constant agenda item in the constitutional politics of the 1970s to 1990s, leading to provisions in the failed *Meech Lake* and *Charlottetown* accords. The inadequacies of the spending power provisions in the 1999 *Social Union Framework Agreement* likewise explain why the Quebec government refused to sign (Noël 2000).

In addition to the Quebec nationalist critique of the power, there is also a provincialist one. Donald Smiley already described in 1962 how less-wealthy provinces embraced the use of the spending power because it enabled them to build welfare programs exceeding what the provincial tax base might have funded, but were irritated by the hierarchical and unpredictable way the power was managed. Provincial priority-setting, planning and budgeting were regularly upset by the announcement of a new federal program and its associated conditions (Smiley 1962). Where the Quebec nationalist position has been to prohibit or restrain the spending power to protect autonomy, the provincialist position is more open to accepting the power, provided its use is defined in collaboration with provinces and allows a high degree of provincial flexibility (Cameron 2006). In the provincialist view, the pan-Canadian policy goals underwritten by the spending power should be co-decided by the federal and provincial governments. In other words, the federal government does not speak for Canada, it is the federal and provincial governments together that do. This vision of co-decision demands that the federal government be more predictable in its transfers so that the provinces are not left to pay for popular programs should the federal government decide to stop or reduce funding them — as was the case with health, social assistance and housing in the 1980s and 1990s. The provincialist opposition to federal unilateralism is also the origin of the proposal for a mechanism to resolve federal-provincial disputes on how conditions are enforced.

The Quebec nationalist and provincialist critiques are ultimately pushing against a pan-Canadian conception of the political community that is held by Canadian nationalists and much of the Canadian left. For nationalists, the spending power allows for Canada-wide solutions to shared problems. In its absence, the nationalists argue, we would end up with a patchwork of programs as some provinces might lack the financial or administrative resources to adopt effective policies, or face race-to-the-bottom pressures. For many on the Canadian left, the development of social rights of citizenship in a decentralized federation is advanced through the use of the spending power. If rights do not really exist in the absence of mechanisms to enforce them, the conditions imposed on provinces in return for federal funding provide at least a slender reed of social citizenship (Cameron 2009).

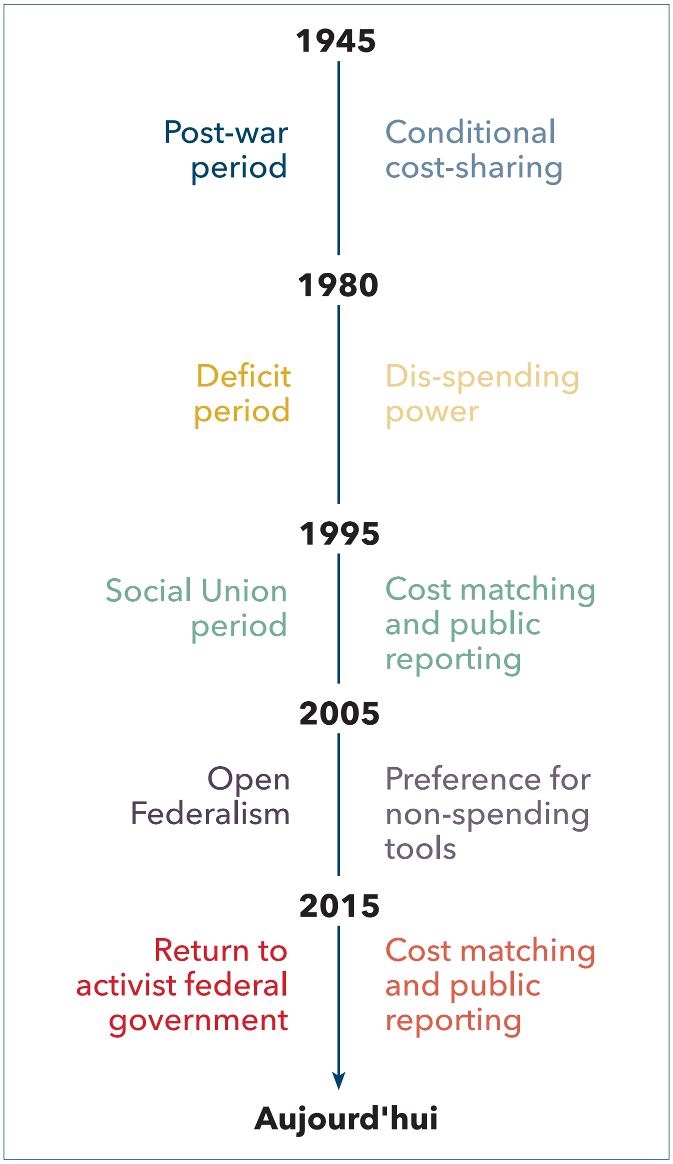
## The spending power and its eras

Provincial resistance has led to changes in how the spending power has been used and institutionalized. After the Second World War, the federal government offered to pay half (and sometimes more) of the cost of provincial services delivered in accordance with federal conditions. The use of spending power was built on matching federal and provincial statutes coupled with a bilateral intergovernmental agreement.[3] The federal statute delegated power to the relevant minister to negotiate bilateral agreements with the provinces under which a statute consistent with federally defined standards was set up and the minister was required to report annually to Parliament on the operation of the agreements and the funds spent. As a result, provinces had to submit expenses to be vetted by federal bureaucrats for consistency with the statutory provisions of the agreement before federal funds would be released (Cameron 2013). Provinces resented the hierarchy of this relationship, in that the federal government had both relative dominance in setting standards and close administrative oversight of provincial spending decisions. Officials of the federal Department of Finance also had concerns, as the funding mechanism tied to these agreements was an open-ended, cost-sharing structure. Federal financial exposure was therefore tied to provincial spending decisions, and provinces might be more prone to spend money on services they only had to pay for partially than on programs they had to pay for fully. In health care and post-secondary education, these concerns led to innovations like the adoption of block funding in 1977, whereby existing cost-shared transfers were bundled into a block transfer that would increase according to a set escalator. The enforcement of the conditions of this model moved to the federal executive, where the Minister of Health had to monitor provincial compliance with the *Canada Health Act* and administer warnings and funding clawbacks in the case of transgressions (Cameron 2013).

The use of the spending power became politicized in a new way in the 1980s and 1990s, as the unilateral reduction or withdrawal of federal funding from a variety of cost-shared or block-funded programs left the provinces on the hook to make up the difference. The most egregious example of this "dis-spending power" was the 1995 federal budget, which bundled financial support for health, social assistance and post-secondary education into a new transfer worth only about two-thirds of the previous one and tied the transfer to a formula that implied the funds would slowly reduce to zero (Verrelli 2013). This decision spurred a vigorous response from the provinces, who saw in it an abdication of the federal government's long-term claim to social policy leadership, as well as a

[3] Cameron (2009, 2013) provides the examples of the 1966 *Canada Assistance Plan* and 1957 *Health Insurance and Diagnostic Services Act*. These were built between a federal statute authorizing the relevant cabinet minister to conclude an agreement with the provinces, including the conditions to be met by that agreement. One of these conditions was for provinces to enact a statute reflecting federal conditions and reporting requirements (2013, 263). Cameron argues that this architecture reflected the adherence of the governments to the principles of responsible government, and that both orders of government needed to be responsible to their legislatures for the spending of public money. With this system, provincial legislators could ensure social assistance spending was consistent with the provincial statute, while federal legislators could hold the relevant minister responsible for ensuring that federal transfers would only be made on the conditions set out in the federal statute. The respect for responsible government came at the cost of federal hierarchy as it required federal bureaucrats to monitor provincial cost-sharing claims for compliance with the federal statute.

**Figure 1. Using the spending power: Different eras**




final indication that the federal government could not be trusted to sustain its financial commitments. Provincial and territorial governments organized themselves through the Ministerial Council for Social Policy Renewal and other forums to insist that any future intergovernmental policy negotiations recognize the provinces as equal partners in defining new policy initiatives. They also insisted that there be advance warning of changes to federal transfers and to mechanisms for dispute resolution as a way to ensure the predictability of federal contributions and prevent the unilateral interpretation and application of federal conditions (Warriner and Peach 2008).

It is from this context that a new form of the spending power emerged in the social policy agreements of the Social Union era (1997-2005). The federal government brought new money to the table, although in the form of a defined contribution. The use of this money was related to principles and objectives that were set out in a multilateral agreement that was the result of federal-provincial negotiations. There were no national standards or specific policy prescriptions in these agreements. Instead, they set out priority areas for investment, as well as principles and objectives to guide those investments. While the federal government had less ability to unilaterally set the policy direction, the agenda set by principles and priority areas could ensure that provinces moved in a common direction. This was reinforced by the processes tied to these agreements. Provinces had to produce multi-year action plans setting out how they intended to spend funds in support of meeting the agreed objectives and had to report to the public on the use of funds and on some output and outcome indicators (Boismenu and Graefe 2004). Compared to the post-war era, this new use of the spending power had a weak statutory base, built on a set of deals negotiated between the federal and provincial executive (Cameron 2013).

This new form of the spending power was not without controversy. For Quebec nationalists, the absence of national standards did not suddenly excuse federal intervention in setting principles and objectives in areas of provincial jurisdiction (Boismenu 2006; Noël 2003). This critique lost some of its force when the governments included asymmetrical practices in their multilateral agreements, such as noting Quebec's participatory nonparticipation (e.g., a formal statement that Quebec is not participating, often qualified with statements about sharing information and best practices) as a footnote to multilateral agreements, and in developing different language and practices around action plans and reporting in that province's bilateral agreements. Centralists, by contrast, felt that deals between executives identifying priorities and insisting on public reporting fell short as they did not create any legal basis for individuals to claim social rights (Cameron 2013). Moreover, given that the reports were late, hard to compare, different from year-to-year and often hard or impossible to locate (Findlay and Anderson 2010), it was hard to see them producing either accountability or learning.

The election of the Harper Conservative government in 2006 represented the end of this period. In its 2006 election platform and 2007 Speech from the Throne, the Conservative Party recognized that the spending power interfered with provincial constitutional jurisdiction and promised to constrain it through legislation. The government did not follow through with legislation, and indeed the wording in the 2007 Speech suggested that it would not have applied to the more recent uses of the power (Graefe 2008), but its time in power did mark a change. While the spending power was used for a couple of social policy initiatives (e.g., the Wait Time Guarantee in 2006-08 and the Canadian Jobs Fund Agreements of 2013-15), it was generally ignored by the Conservative government, which preferred to use targeted tax credits and the criminal law power to achieve its social policy goals (Prince 2015). The provinces did decry federal moves that shifted costs onto them — such as "tough-on-crime" initiatives that increased provincial costs in the administration of justice — but these were not moves that rewrote federal-provincial financial agreements in the manner of the dis-spending of the 1980s and 1990s (Simmons 2022). The federal Finance Minister's 2011 announcement of a reduction in the escalator for the health transfer was also unpopular but did offer five years of advance notice. If anything, the provinces in this period swung from criticizing federal involvement in their areas of jurisdiction, to making repeated calls on the federal government to engage with the provinces in confronting social policy challenges (Simmons 2017).

## THE POST-2015 SPENDING POWER: AN ANALYSIS OF FIVE AGREEMENTS

When the Trudeau Liberals formed government in 2015, they arrived with a wide-ranging social policy agenda requiring an activist state. As many parts of this agenda fell in areas of provincial jurisdiction, the government's Speech from the Throne and ministerial mandate letters underlined the need for collaboration with the provinces across many policy areas. As a result, it was clear that the spending power was going to re-emerge as a central instrument to develop that agenda.

There was every reason to expect that the government would return to the practices of the Social Union era. At the same time, the context was different. In the late 1990s, the federal government faced distrustful provinces who questioned the legitimacy of the spending power. In 2015, the federal government faced provinces who had spent five years calling on the federal government to engage them on policy issues. The remainder of this section covers the details of five significant federal-provincial policy engagements, and the way the spending power has been deployed (see table 1).

**Table 1. Recent intergovernmental social policy initiatives using the federal spending power**

| Policy area | Multilateral agreement | New spending | Priorities |
|---|---|---|---|
| Health care | Common Statement of Principles on Shared Health Priorities for home and community care, and mental health and addictions services (2017) | $11 billion over 10 years (Budget, 2017) | Home and community care:<br>– Better coordination and integration<br>– Enhanced use of remote technology<br>– Caregiver education and respite services<br>– Improved access to palliative and end-of-life supports<br>Mental health and addiction:<br>– Increased service availability in the community<br>– Early prevention, detection and treatment<br>– Expanded access to crisis intervention and integrated professional services |
| Workforce development | n/a | $900 million over six years (Budget, 2017) | – Foster inclusive labour market participation<br>– Align skills with labour market needs<br>– Create efficient labour markets |
| Early learning and child care | Multilateral Framework for Early Learning and Child Care (2017) | $7.5 billion over 11 years ($1.2 billion to cover the first three years) (Budget, 2017) | – Build early learning and child care systems<br>– Build capacity to serve families more in need or with more complex needs |
| | 2017 Framework reused for 2021 Canada-wide Early Learning and Child Care Plan | $27.2 billion over five years (Budget, 2021) | – Bringing child care fees to $10 a day within five years<br>– 50 percent reduction in average fees by end of 2022 |
| Housing | Housing Partnership Framework (2018) | Related to $40 billion over 10-year National Housing Strategy | – Increased supply of affordable housing |

Amidst the many agreements made between the federal and provincial governments, what motivates the choice of the policy fields included in this study? First, the chosen agreements cover the major social risks covered by the contemporary welfare state: illness, care for young children, housing stability and employability. Given that the spending power in these cases underwrites the ongoing expenses of core parts of the welfare state, it takes on a particular importance. Second, and related to the first point, these are policy fields with histories of multilateral federal-provincial negotiations reaching back in most cases to the post-Second World War period. The federal government included these fields under the heading of its Social Union interventions in the late 1990s and early 2000s, and they recur in federal party platforms from election to election.

## Health care

The health care agreements rank as the most contentious of the post-2015 agreements.[4] They followed a negotiation process marked by provincial demands for increased health transfers to support existing programs and services. The previous Conservative government had unilaterally defined the rate of transfer growth upon the expiry of the ten-year deal struck in 2004, and the provinces felt that this rate of growth was below the rate of inflation in the sector (Hartmann 2017). The newly elected Liberal government proposed a similar escalator and made accepting that escalator a precondition for new federal investments in mental health and home care. The provinces therefore walked away from the negotiation in December 2016. However, within days, New Brunswick and Nova Scotia concluded bilateral agreements with the federal government based on the latter's final offer, and ultimately all the other provinces followed suit by spring 2017. The additional federal financial commitment to support the new priorities in home care and mental health was $11 billion over 10 years. Following these events, the federal and provincial governments signed a "Common Statement of Principles on Shared Health Priorities for home and community care, and mental health and addictions services" in August 2017.

The multilateral Common Statement outlines the initiatives related to home and community care, and mental health and addiction services that the federal government will support via the allocated funds. The home and community care initiatives are to:

- better coordinate and integrate care;
- enhance digital connectivity and the use of remote technology so patients can get care at home;
- provide caregivers with more education supports and expanded respite services;
- and improve access to palliative and end-of-life supports.

[4] This section examines the health care agreements of 2017-18. The most recent health care agreements of early 2023 are still preliminary but appear to share much in common with the agreements analyzed in this study. The negotiations centred on the size of a new federal funding commitment, and on the federal government's insistence on tying conditions to that money. These conditions appear to be the kinds of information sharing and public reporting that are discussed in this study.

For mental health and addiction services, the investments are to:

- increase the availability of mental health and addiction services in the community;
- improve access to school-based programs for early prevention, detection and treatment;
- and expand access to crisis intervention services and integrated multidisciplinary professional services (Health Canada 2017).

The multilateral agreement does not provide thorough details about required action plans; however, it does reference an action plan annexed to the agreement related to Safe Long-Term Care Funding. It states that the provinces and territories agreed to report "performance measures, targets and outcomes" and "information on cost recovery agreements with privately owned facilities receiving funds" in the action plan. The individual bilateral agreements go into further detail on what is required of the action plans, which are "in alignment with the selected action(s) from each menu of actions listed under home and community care and mental health and addictions in the Common Statement." Each bilateral agreement contains a five-year action plan that sets out the specific issues related to the broader home and community care, and mental health and addictions services objectives, and how the federal funding will be allocated.

The multilateral agreement discusses accountability in terms of reporting to the public "as key to enabling Canadians to assess progress on the shared health priorities" (Health Canada 2017, 2). The reporting of information and progress to the public is done in partnership with the Canadian Institute for Health Information (CIHI), which agreed upon 12 common indicators with the federal-provincial-territorial Ministers of Health in June 2018. CIHI's reports are to be completed annually based on these indicators. CIHI is a unique intergovernmental organization, with a high degree of provincial influence. Provincial deputy ministers of health fill 5 of 14 spots on the board, compared to one each for Health Canada and Statistics Canada. The remainder are filled by other health information stakeholders such as health system administrators and academics. As such, reporting to CIHI involves reporting to an organization with which the provinces have a history of productive interaction, and over which they exercise significant influence.

The bilateral agreements mirror the reporting requirements of the multilateral framework and provide further details on how information will be delivered to CIHI to produce accountability and progress reporting. The agreements state that federal funding is conditional on the provinces sharing relevant data with CIHI to produce public reports on the pan-Canadian progress of the agreements. This is said to involve:

- designating a provincial official to work with CIHI on reporting and progress;
- providing relevant data and information to CIHI for public reporting purposes;
- providing financial statements that will be compared to the Action Plan to measure funding;
- and reporting specific funding amounts allocated to individual long-term care facilities, and regular progress and results related to long-term care.

All the bilateral agreements emphasize the importance of public communication of the objectives of the agreements, as both parties "agree on the importance of communicating with citizens about the objectives of this Agreement in an open, transparent, effective and proactive manner through appropriate public information activities" (Canada-Nova Scotia 2017, s. 6.1). The section on communication describes the importance of public transparency, and the rights of both parties to publicly share the agreement and any public announcements related to it, with advance notice given to the other party.

## Workforce development

The area of workforce development is a bit different from health as there is no evidence of a multilateral agreement, nor are there any traces of multilateral negotiations ahead of bilateral agreements, although the federal government consulted with the Labour Market Transfer Agreements Working Group of the Forum of Labour Market Ministers well ahead of announcing its Workforce Development Agreements Program in the 2017 federal budget (McDougall 2019, 12). This program wrapped together the existing shared contribution agreements in the labour market field, specifically the Canada Job Fund Agreements (CJFAs) and Labour Market Agreements (LMAs) (which cost $500 million in 2016-17), and the LMAs for Persons with Disabilities (which cost $222 million in 2016-17), as well as the Targeted Initiative for Older Workers. The new agreement provided a baseline of $722 million annually (the existing funding level of the newly combined agreements), with an additional $900 million spread over six years, starting at $75 million extra in 2017-18, and increasing to $200 million a year in the final three years. Andrew McDougall's interviews with federal and provincial officials indicate that the negotiation of these agreements was productive and free of drama. This was thanks in part to the negotiations clearing up previous disputes and problems, and in part because the agreements provided greater flexibility to provinces, thereby simplifying program design (McDougall 2019, 13-14).

The overall objectives for this program can be found on the Employment and Social Development Canada website (ESDC 2017a). These are repeated in more specific form in the bilateral agreements, which, excluding the one with Quebec, state that the parties' shared objectives are to "foster inclusive labour market participation," "align skills with labour market needs" and "create efficient labour markets." These objectives are paired with a list of six shared principles: client-centred, inclusion, outcomes-focused, flexibility and responsiveness, innovation, and engagement.[5]

Every bilateral agreement states that both parties agree to an accountability framework that includes planning, financial reporting, performance measurement, reporting and evaluation. The bilateral agreements, excluding that with Quebec, state that

[5] The wording of Quebec's bilateral agreement differs in the objectives that both parties agree to; however, they are similar to those in the other provinces' agreements. The agreement states that Canada and Quebec's objectives are to "encourage inclusive labour market participation, promote training-employment matching and encourage labour market resilience and efficiency." Quebec's bilateral agreement also emphasizes that the province is responsible for developing its own principles; however, again, they are similar to the principles outlined in the other agreements.

the federal government expects the provinces and territories to produce annual plans at the beginning of each fiscal year to receive the first instalment of annual funds. These plans must include:

- an environmental scan of labour market issues;
- a description of the programs to be funded under the agreement (including projected spending and expected results);
- a description of the types of beneficiaries targeted;
- and a description of the consultation process (including with official language minority communities) leading up to the plan.

The bilateral agreements state that, under the accountability framework, provinces and territories are to deliver annual financial reports at the end of each fiscal year (no later than September 1), or the second instalment of funds will be withheld. The audited financial reports are to include the amount of funds allocated and used for eligible programs and the administration costs of those programs, and the amount of health-related expenses. Quebec's agreement differs slightly in how the financial reports are described, but the required information and time frame are the same as for the other provinces.

As per the performance measurement section of the accountability framework, provinces and territories are to also include annual performance measurement reports that set out stakeholder engagement; describe activities, outcomes, investments and approaches; and provide aggregate data about individuals and employers. The Information Sharing Arrangement found in the bilateral agreements also requires the provinces to, on a quarterly basis, "report to Canada on all performance indicators through data uploads," which include individual participants' social insurance numbers and other similar detailed information under the province's control, down to participant e-mail addresses and telephone numbers (Canada-Ontario 2017, annex 2).

The bilateral agreements also mention the importance of producing annual reports for the public that describe the results and expenditures related to the agreement as well as the funds provided by the federal government, within 365 days of the end of each fiscal year during the period of the agreement. The federal government commits to working collaboratively with the provinces to produce a national report that integrates the data from the different provinces, as well as to report annual results to Parliament. Compared to the direct reporting to the federal government, the public reporting is less detailed in its specific content.

The final aspect of the bilateral agreements' accountability framework is the commitment to produce a joint "evaluation of the outcomes, impact and effectiveness of the Eligible Programs and the funding provided.... The evaluation shall cover the period from April 1, 2017 to March 31, 2021 and shall be completed by March 31, 2022" (Canada-Ontario 2017, s. 30.(1)).[6]

[6] We are citing the Ontario report, but the same language can be found in all agreements except for Quebec's. The Quebec bilateral agreement calls for an evaluation covering the same period, but it falls to Quebec to conduct it (Canada-Quebec 2020, s. 27).

## Early learning and child care

A multilateral framework for Early Learning and Child Care (ELCC) was signed on June 12, 2017. This was directly tied to spreading over 11 years the financial commitment of $7.5 billion made in the 2016 and 2017 federal budgets. The multilateral agreement was to serve as a template for the three-year bilateral agreements that would structure the expenditure of a first tranche of $1.2 billion (ESDC 2017b). The central objective of the framework is to "build early learning and child care systems," in particular by building capacity to serve more in-need families or those with more complex needs. The guiding principles are to "increase quality, accessibility, affordability, flexibility and inclusivity in early learning and child care, with consideration for those more in need" (ESDC 2017c).

In the bilateral agreements, each province agrees to produce a substantial action plan. The plan must:

- demonstrate that federal funding is incremental and does not displace provincial funding;
- identify objectives, explain how the province will address children and families in need and identify planned innovation spending;
- note which indicators will be reported upon annually and determine the targets for progress;
- provide a description of the stakeholder engagement process.

Aside from these initial agendas, the agreements do not state that provinces must release agendas or action plans on an annual basis.

The multilateral framework emphasizes the importance of public reporting on progress in order to share relevant information on child care systems with families, communities and service providers. While the multilateral framework does not describe the specific reporting requirements and timelines that provincial governments must follow, it does state that they must deliver progress reports related to the framework principles that describe the impact of federal funding, while also "reflecting the priorities of each jurisdiction." The framework also invites provinces to consider several indicators tied to the principles. For instance, an indicator such as "number of children receiving subsidies or other financial supports" would help gauge progress in meeting the priority of affordability (ESDC 2017c).

The bilateral agreements go into further detail on the annual reporting requirements described in the multilateral framework. They include the following:

- Provinces and territories must "provide all available baseline data on the agreed-to indicators" (Canada-British Columbia 2017, s. 5.2.1).
- Starting in 2018-19 and by no later than October 1 of the subsequent fiscal year during the period of the agreement, provinces must provide public annual reports on the "results and expenditures of early learning and child care programs and services…, the number of children benefiting from subsidies, [and the]

number of licensed early learning and child care spaces broken down by age of child and type of setting" (Canada-British Columbia 2017, s. 5.2.2).

- Provincial financial statements must display the amount of funds provided by the federal government, the amount of funds used for relevant programs, and whether there are funds to be carried over or a surplus to be repaid.
- Each province is "responsible for evaluating its early learning and child care programs and services. As per established policies and processes with respect to program effectiveness, [the province or territory] will evaluate programs and services receiving funds provided under this Agreement and may make public the results of any such evaluation" (Canada-British Columbia 2017, s. 5.4.1).

## Housing

On April 9, 2018, the federal, provincial and territorial governments agreed to a multilateral Housing Partnership Framework. This came on the heels of the federal government's ten-year, $40-billion National Housing Strategy (NHS) unveiled in November 2017. Given the provincial role in the housing and homelessness field, especially through provincial and municipal housing corporations, it was to be expected that the NHS would be tied to a structure of collaboration with the provinces.

The Housing Partnership Framework's central objective is to advance the vision of the NHS, which is that "Canadians have housing that meets their needs and they can afford. Affordable housing is a cornerstone of sustainable and inclusive communities and a Canadian economy where we can prosper and thrive" (Federal-Provincial-Territorial Meeting of Ministers Responsible for Housing 2018). The framework emphasizes how this vision can be achieved through partnership between the federal, provincial and territorial governments. The signatory governments agreed to deliver investments that reflect the key principles of the National Housing Strategy: people (prioritizing those most in need and grounded in inclusion, participation, accountability and non-discrimination); communities (empowering local solutions and aligned with public investments); and partnership (between all levels of government and municipalities). The framework also includes principles for the relationships between governments, including commitments to:

- "communicate, consult and work with each other… in a timely, open and transparent manner through the FPT Forum on Housing and other discussion tables";
- coordinate to minimize duplication and maximize efficiency;
- share data, information and research;
- assume mutual accountability for achieving outcomes and "report these outcomes to the public in an open, transparent, effective and timely manner";
- and engage in regular audits and evaluations (Federal-Provincial-Territorial Meeting of Ministers Responsible for Housing 2018).

The multilateral framework calls for the provinces and territories to deliver action plans every three years, which outline goals and how funds have been and will be used. In its plan, the provincial or territorial government should outline how it will consider social inclusion and financial and environmental sustainability in projects, consult with municipalities and stakeholders, and set annual targets and indicators for how outcomes will be achieved. Provinces and territories must then provide biannual progress reports to the Canada Mortgage and Housing Corporation (CMHC) on the goals outlined in their action plans. The bilateral agreements reiterate the requirements set out in the multilateral agreement, as they state that the "[relevant housing corporation] will provide its Action Plans developed in accordance with the mutually agreed to parameters set out in Schedule C to CMHC for review, which will include mutually agreed-to Targets and Outcomes over the period of the Action Plan" (Canada-Alberta 2018, 3). The funding from the CMHC is dependent on the action plans and relevant reports being submitted.

The provinces and territories also committed to deliver mid-year and annual reports starting in 2020 that contain data on eight indicators, often subcategorized by housing type or targeted housing program. These include:

- the number of households removed from housing need by project-based subsidy or affordability assistance to the household;
- the funds committed and spent according to type of housing intervention;
- the number of renewed housing units;
- the number of new housing units;
- the number of households receiving Canada Housing Benefit that no longer face housing affordability challenges;
- the number of new housing projects (as well as large repair and renewal housing projects) that achieve reductions in energy consumption and greenhouse gas emissions;
- and the number and percentage of new, repaired, renewed and revitalized housing units considered accessible.

The CHMC then undertakes to use the information from these reports to "report publicly on targets and indicators at the Project level for new developments and large repair or renewal efforts of $1 million or more, as well as at provincial/territorial and national levels" (Canada-Alberta 2018, C-7).

## A Canada-wide early learning and child care plan

The previous four examples of the use of spending power in social policy are from the Liberals' first mandate and are still applied in the current third mandate. In the Liberals' second mandate, the main expansion of the use of spending power in social policy was the commitment in the 2021 federal budget to accelerate the development of a universal child care plan. The budget committed $27.2 billion over five years and $8.3 billion on an ongoing basis as of 2025-26. When combined with the federal funds advanced through the 2017 ELCC agreement, the federal contribution to the cost of child care is a minimum of $9.2 billion on an annual basis as of 2025-26, representing a 50/50 share with the provincial and territorial governments (Department of Finance 2021, 102). It is noteworthy that the report of the federal-provincial-territorial meeting of child care ministers held two months before the federal budget did not address the possibility of an imminent universal child care plan or renew the multilateral framework in anticipation of this qualitative leap (Federal, Provincial and Territorial Ministers Most Responsible for Early Learning and Child Care 2021). In other words, this new spending was a unilateral development.

The federal government's stated goal for this plan is to bring "fees for regulated child care down to $10 per day on average within the next five years. By the end of 2022, the government is aiming to achieve a 50 percent reduction in average fees for regulated early learning and child care" (Department of Finance 2021, 102). Like the previous early learning and child care agreements, the objectives of the bilateral agreements are affordability, accessibility, quality, inclusivity, and data sharing and reporting, as they relate to the broader goals of the 2021 federal budget framework of increasing child care spaces and reducing child care costs. Each agreement has jurisdiction-specific objectives that relate to these shared goals; however, the overall phrasing of the objectives is similar and references the Canada-wide approach.

The 2017 multilateral framework is annexed to the 2021 bilateral agreements. The previously stated agenda and action plan requirements are the same but the 2021 bilateral agreements provide further detail on what is required of the provinces and territories as far as broadcasting an agenda. These agreements include initial action plans from the provinces for the 2021-22 and 2022-23 fiscal years, and the provinces are required to produce additional action plans for the 2023-24 and 2025-26 fiscal years. The bilateral agreements go into thorough detail on what is required for the action plans, which may include details like the following:

- the total number of early learning and child care spaces (categorized various ways);
- the average daily out-of-pocket fees;
- the number of children under age 6 and between ages 6 and 12 receiving fee subsidies;
- the number or proportion of children in flexible care or in services adapted for people with disabilities;
- the number of Indigenous and racialized children in regulated spaces;
- the number and percentage of fully certified staff;
- the annual spending on training for the early childhood workforce;
- workforce wages (Canada-Manitoba 2021, s. 5.1).

The bilateral agreements call for reports to be delivered annually beginning in the 2022-23 fiscal year, no later than October 1. The annual report requirements are identical to those of the 2017 agreements, which call for the "results and expenditures of early learning and child care programs and services…, the number of children benefiting from subsidies, number of licensed early learning and child care spaces broken down by age of child and type of setting" (Canada-Manitoba 2021, s. 5.2.2(e)). The bilateral agreements also call for financial statements, which generally require provinces to display the amount of funds provided by the federal government, the amount of funds used for relevant programs, and whether there are funds to be carried over or a surplus to be repaid.

The provinces and territories are to evaluate the programs and services funded by the agreement and publicize their evaluations. Additionally, the provinces and territories "may be asked to participate in the evaluation by Canada of the initiatives under this Agreement and agree to provide information as requested by Canada during and following the Agreement in order for Canada to evaluate relevant initiatives under this Agreement. Evaluation results will be made available to the public" (Canada-Manitoba 2021, s. 5.4.2). However, the details on the evaluations and what they may entail are not included.

## RETURN TO SPENDING POWER, AGENDA-SETTING, REPORTING AND ASYMMETRY

As the presentation of these recent multilateral and bilateral social policy agreements indicates, their structure shares three features with the agreements of the Social Union period. First, rather than open-ended cost sharing, the federal government is bringing fixed contributions to the table and expecting provinces to match funds. Second, provinces do not have to follow specific program conditions to get access to this money as they did with the pre-Social Union programs, but they do have to engage in specific processes of planning and reporting related to the principles and objectives. As such, agenda setting and reporting are the linchpins connecting federal spending to the production of commonalities in pan-Canadian policy. Third, the federal government is willing to entertain asymmetrical agreements with Quebec, against a background of largely symmetrical agreements with the remaining provinces.

### Agenda setting

The agreements of the Social Union era were characterized by the development of multilateral agreements ahead of bilateral ones. This was consistent with provincial pressure for collaborative federal-provincial engagement in identifying policy challenges and principles for reform (Warriner and Peach 2008). In this view, the federal government did not have a monopoly in defining the pan-Canadian interest. The spending power gained legitimacy when used to achieve codetermined objectives arrived at through multilateral negotiation. The main Social Union initiatives all followed this track, except for the 2005 early learning initiative for which blockages in the multilateral negotiations led the federal government to do an end run and pursue bilateral agreements.

The post-2015 agreement that conforms most clearly to the Social Union model is the 2017 ELCC agreement. In health care, a multilateral agreement was struck but only after many provinces felt strong-armed into accepting a financial package. It remains an open question as to whether the provinces would have negotiated a different framework in the absence of the imposed federal funding offer. On the subject of housing, the parties came to a multilateral agreement, but it was very much confined to the principles and priorities of the already announced National Housing Strategy. In other words, the provinces were only able to negotiate the terms of their consent to federal priorities, they did not codetermine those priorities. Finally, the recent child care agreements are aligned with the principles of the 2017 ELCC agreement, but the federal government did not engage a new multilateral consensus before taking the qualitative leap of embracing universal, low-cost early learning and care. In sum, without making a grand claim that collaboration and codetermination no longer characterize the negotiation of the priorities in the use of the spending power, these agreements suggest that the current federal government feels more emboldened in asserting leadership than it did two decades ago. The provincial demand to collaborate in setting objectives and principles seems to have faded, as these become more strongly defined by the federal government.

Another dimension of provincial involvement in agenda setting is the development of more elaborate planning processes as a precondition to receiving federal funding. While the federal government does not monitor how provincial policies fit with national standards or conditions, the requirement that provinces produce plans for the expenditure of federal funds according to the principles and objectives set out in multilateral and bilateral agreements inevitably guides provincial action in a common direction. As described in the last section, these plans are expected to include increasingly detailed information, such as about stakeholder consultations, performance objectives and program descriptions. For instance, the provincial Action Plans attached to the 2021 Canada-wide child care bilateral agreements must provide a high degree of specific detail about provincial plans, broken down by principle (like accessibility, quality or inclusivity) and tied to anticipated outcomes. Put another way, while the federal department (in this case Employment and Social Development Canada (ESDC)) does not vet provincial expenses for eligibility as it did under the post-war cost-shared programs, the action plan process involves provinces reporting a higher degree of details. It also implies they must provide more justification compared to the Social Union era, as provinces now indicate how they are acting to meet Canada-wide objectives.

## Reporting

Looking at the post-2015 accountability regimes, summarized in table 2, there is some evidence that, while reporting to the public is important to the rhetoric of the agreements, reporting to the federal government has become the more demanding and detailed accountability channel. When describing the accountability regime tied to the Conservative government's 2014 CJFAs, Wood and Klassen noted that there was less public reporting than under the preceding LMAs. In their view, accountability had returned "to a regime that resembles federal-provincial internal reporting as used in the 1960s" (2017, 22), as opposed to the reporting regime of the Social Union era.[7] Moreover, they observed that the CJFAs signed in 2014 imposed stricter

[7] Wood and Klassen use the qualifier "resembles." The 1960s regimes were for cost sharing and were tied to statutes enabling appropriations. The amount of money transferred to provinces was dependent on close vetting of expenses against what was statutorily allowed. By contrast, the newer agreements are defined contributions whose statutory basis is budget legislation. It is the act of producing the reports and financial statements that ensures the continued release of federal funds, although provincial records showing unspent funds would have required repayment under the CJFAs. As such, the resemblance to the 1960s lies, first, in returning to a more detailed degree of reporting and, second, in emphasizing this administrative accountability over reporting to the public. Resemblance to the Social Union can be seen in the federal conditionality being tied to the delivery of agreed reporting rather than to the eligibility of specific expenses.

compliance and enforcement requirements on the provinces, for instance in demanding much more detailed and extensive reporting and requiring unspent funds to be returned rather than reprofiled. The reporting expected under the 2017 Workforce Development Agreement (WDAs) or 2018 Housing Agreements was the same, especially in terms of its detail about social insurance numbers or the presence of

### Table 2. Reporting responsibilities in recent intergovernmental agreements

| Agreement | Reporting to public | Reporting to federal government or surrogate | Evaluation |
|---|---|---|---|
| Health care (2017-18) | Annual reports to CIHI on 12 agreed indicators. | Reporting is indirect via CIHI.<br>Funding is conditional on data sharing with CIHI.<br>Provinces must provide financial statements to be checked against the action plan and spell-out funding allocated to individual long-term care facilities as well as progress and results related to long-term care. | Provinces and territories hold "responsibility for evaluation of programs… in accordance with its own evaluation policies and practices." |
| Workforce development (2017) | Annual reports to the public describing the results and expenditures of the agreement as well as the funds provided by the federal government. | Quarterly reporting on all performance indicators through data uploads, including providing individual participants' social insurance numbers. | Evaluation of the outcomes, impact and effectiveness of the eligible programs over four years, to be completed by March 31, 2022. |
| Housing (2018) | CMHC will deliver reports on outcomes at the project level, as well as at provincial, territorial and national levels. | Reports to CMHC every 6 months to update progress on targets and outcomes in the action plans. | Provincial and territorial housing corporations to evaluate programs and services they commit to delivering in action plans |
| Early learning | Annual reporting (format and manner decided jointly by federal and provincial governments) to the public on progress toward the framework's principles, describing the impact of federal funding. | Annual reporting (by October 1) on results and expenditures (number of children benefiting from subsidies, number of licensed early learning and child care spaces broken down by age of child and type of setting). Provinces to provide financial statements (amounts received, amounts used for relevant programs). | Provinces have responsibility to evaluate their programs and services, and to make the results public. |
| Child care (2021-22) | Annual report to public on results and expenditures on ELCC, showing results attributable to the funding provided in the agreement. | As per 2017 *Early Learning Accord*. | Provinces to evaluate funded programs and services and publicize results; agree to provide information for federal government evaluations (and to have those results made public). |

under-represented groups in larger building projects. The 2021 Canada-wide early learning and care agreements likewise demand specific information about the composition of workforces, and their wage rates and indicators of professional development. This tendency also shows up in a difference between the 2017-20 ELCC agreements and the 2021-26 Canada-wide ones. The earlier agreements called for the detailed annual report to be disseminated to the public, while the latter ones simply call for it to be provided to the federal government.

There remains a fair degree of variation in reporting standards across policy fields. In workforce development, the situation does not seem to have changed much from the one reported by Wood and Hayes (2016) on the LMAs. The Western provinces and Newfoundland and Labrador embraced the spirit of the bilateral language that provinces will report within 365 days of the end of each fiscal year "on the results and expenditures of the Eligible Programs" (Canada-Ontario 2017, s. 28). They have produced stand-alone reports taking up most or all of the material that is called for in provincial reporting to the federal government, albeit in formats that are not directly comparable. For the other provinces, this reporting takes the form of a couple of mentions in the labour market department's annual report. The bilateral agreements also call on the federal government to work in collaboration with the provinces to produce a national report, which provinces have the right to review and comment upon. They also call for an annual report by the federal government to Parliament as part of the annual Department Results Reporting. Neither of these reports is yet available for the WDAs, although the 2020-21 report from ESDC explains that this is the result of a one-year data lag such that 2020-21 results should be available in the 2021-22 results reporting (ESDC 2021a).

In early learning and child care, by contrast, ESDC has produced summary reports for 2017-18 and 2018-19, with the latter results appearing in 2021. It is hard to see how the reports feed public accountability, in the sense that no quantitative data on indicators are reported, and the discussion of provinces is limited to a narrative presentation of major initiatives linked to the principles of quality, availability, affordability, diversity and inclusion (ESDC 2021b). The provinces have been diligent in their own reporting, either by producing stand-alone reports (in Alberta, British Columbia, Ontario and Saskatchewan) or as part of departmental annual reports (in Manitoba, New Brunswick, Newfoundland and Labrador, Nova Scotia and Prince Edward Island). These reports vary greatly in their length and degree of detail but allow for some comparison, especially of the larger provinces.

Reporting in health has brought the reports together in one place and thus allowed for easier comparison. CIHI has a specific section of its website devoted to this reporting and has produced annual reports punctually. It has also integrated the indicators into its more general public-facing data portal, yourhealthsystem.cihi.ca, allowing users to visually compare provincial results, as well as changes over time as more years of data are reported. Reporting on the agreed dozen indicators has proceeded at a rate of three new indicators per year, so nine are currently available, with the final three expected later this year. As table 3 indicates,

**Table 3. Reporting in health care: Number of provinces and territories with complete or partial reporting by indicator**

| | Complete | Partial |
|---|---|---|
| Hospital stays for harm caused by substance use (2019 start) | 13 | n/a |
| Frequent emergency room visits for help with mental health and/or addictions (2019 start) | 4 | 5 |
| Hospital stay extended until home care services or supports ready (2019 start) | 12 (all except QC) | n/a |
| Self-harm, including suicide (2020 start) | 13 | n/a |
| Caregiver distress (2020 start) | 6 | 1 |
| New long-term care residents who could potentially have been cared for at home (2020 start) | 5 | 4 |
| Wait times for community mental health counselling (2021 start) | 4 | 5 |
| Wait times for home care services (2021 start) | 4 | 5 |
| Home care services helped the recipient stay at home (2021 start) | 13 | n/a |

Source: CIHI (2021).

four indicators have full or nearly full coverage, while most of the remainder show commitment by a strong majority of governments. A culture of performance evaluation in health may help explain why reporting has worked relatively well in this case (Fafard 2013).

Overall, has this reporting created more accountability? The Social Union era accountability mechanisms, which are very similar to these more recent ones, were considered by government officials and civil society stakeholders alike to have substantial deficiencies (see the case studies in Graefe, Simmons and White 2013). While the annual plans and reports in that era captured some of the transparency, answerability and justification that form part of accountability, there were few mechanisms to ensure compliance or to provide enforcement or sanctions. In a federal system, certain provinces resist the compliance and enforcement dimensions of accountability because they reject the hierarchy implied in answering to the federal government for activity in areas of provincial jurisdiction. As noted above, there is some evidence that the transparency of reporting has improved, while the justification aspect has been strengthened through the normalization of action plans.

In the above, we emphasize the requirements for more detailed reporting to the federal government, because they demonstrate increased expectations for accountability placed on the provinces. However, at this stage, the information that the federal government requires provinces to report is more related to provincial transparency and justification — showing how provincial activity aligns with agreed-upon indicators — than to the federal government monitoring compliance, let alone enforcing it.

## Asymmetry

One area of clear continuity with the Social Union era, and indeed with certain initiatives of the Harper government like the CJFAs, is the use of asymmetrical agreements with Quebec. In the cases where there is a multilateral agreement, it invariably includes a footnote on Quebec's participatory nonparticipation based on the assertion of constitutional jurisdiction. For instance, the multilateral housing agreement contains a footnote stating that, while Quebec shares "many of the objectives sought by other governments," it "intends to fully exercise its own responsibilities and control over the planning, organization and management of housing Québec's population." It goes on to note that Quebec does not subscribe to the National Housing Strategy and seeks an asymmetrical bilateral agreement that will "fully respect Québec's exclusive responsibility in the area of housing and allows Québec to obtain its share of all federal funding dedicated to housing" (Federal-Provincial-Territorial Meeting of Ministers Responsible for Housing 2018, 1).

The bilateral agreements with the other nine provinces are marked by a very high degree of symmetry, both in the definition of the principles and objectives of government policies and in the mechanisms spelled out for the submission of action plans, reports, evaluations and audited financial statements. There can be some minor variations. For instance, some of the 2017 early learning and child care bilateral agreements provide very general objectives of building on existing investments (such as in Ontario, Manitoba, Saskatchewan and Yukon), while the remainder list jurisdiction-specific objectives that relate to the shared principles. But across the different agreements, there is no pattern of certain provinces standing out in terms of variations.

In the Quebec bilateral agreements, there is a qualitative difference. For instance, the 2017 early learning and child care bilateral agreement does not state objectives in relation to the multilateral framework's principles or any objectives that the province plans to achieve with the allocated funding. To take another example, the workforce development bilateral agreements require the provinces to upload detailed information about individual program recipients on a quarterly basis and provide annual reports to the public (and to ESDC, which it folds into a national report). The Quebec bilateral agreement, by contrast, calls on Quebec to include a separate component reporting on the results of its annual plan as part of its Employment and Social Services Ministry's annual management report. Within 30 days of producing that report, Quebec must also provide Canada a document providing "structured information" (essentially a detailed breakdown of clients and employers and of training and employment outcomes) to "describe and attest the results of the programming funded in part by this Agreement" (Canada-Quebec 2020, s. 25).

The national acceptance of unique agreements with Quebec is highlighted by the fact that none of the other provinces have activated a clause in their bilateral agreements allowing them to request the same deal negotiated by another province, by which they could import elements of Quebec's agreement into their own. In other words, the other provinces appear to accept this asymmetry and treat it as something that is off limits to them, even if it might be beneficial in terms of reducing administrative burdens in planning and reporting, or relieving the constraint of having to work according to the agreed objectives. The one visible exception to provincial acceptance of asymmetry was in the negotiation of the bilateral agreements for Canada-wide child care, during which Alberta publicly denounced the fact that it was denied a "condition-free" child care transfer, when such a deal was subsequently made with Quebec (Alberta 2021). In light of the political differences between the federal Liberal and the United Conservative Party of Alberta governments and the then-looming referendum on equalization, it is too early to tell whether this reflects a longer-term strategy of contesting the current use of the spending power, or a handy opportunity to reinforce the idea that federal Liberal governments are offering Quebec special treatment that is denied to Alberta.

## CONCLUSION

The spending power has receded in prominence in discussions of intergovernmental relations in social policy. Provincial governments still complain about the use of the spending power, but these complaints tend to be ad hoc and individualized. While complaints about "federal intrusion" and "constitutional overreach" have been used to justify high-profile moves by the Alberta and Saskatchewan governments (e.g. *The Alberta Sovereignty Within a United Canada Act; The Saskatchewan First Act;* Saskatchewan's plan to create a Saskatchewan Revenue Agency), the spending power has not yet been a key point of contention.[8] A collective provincial voice calling for limits on this power has been lacking — one instance was the position that emerged from the Ministerial Council on Social Policy Renewal in the mid-1990s and that was imperfectly reflected in the December 1998 Social Union Framework Agreement. The Conservatives proposed regulating the spending power in their 2007 Speech from the Throne, but in a manner that largely sidestepped how the power had been used since the 1990s. They largely maintained their silence on the topic after that. Provincial concerns about the dependability of the federal government's financial commitment[9] and provincial opposition to federal agenda setting and conditions (Ivison 2022) have cropped up during negotiations, especially on child care and health, but these have not been greatly amplified.

Despite this relative quiet, the spending power has been central to the architecture of the post-2015 federal government's social policy initiatives, including in health care, early childhood education and care, workforce development and housing. Presumably, the spending power will also figure if any progress is made on the dental and pharma care elements of the Liberal-NDP confidence agreement, or on other government promises such as a disability benefit.

[8] The spending power does not feature in the Saskatchewan government's arguments (Saskatchewan 2022). A backgrounder for the *Alberta Sovereignty Act* does identify that the federal policies that "control the delivery of health care, education and other social programs with strings-attached funding or other controlling mechanisms" might give rise to the *Act's* resolution process (Alberta 2022).

[9] It is worth noting that the 2022 Fall Economic Statement foresees the $1.2-billion transfer for home care and mental health being reduced to nothing in 2027-28, presumably leaving the provinces to pay for the programming introduced under this transfer (Canada 2022, 55).

What can we conclude about the post-2015 spending power? This study has combed through the multilateral and bilateral agreements to map how it is being deployed by the Liberal government. At the big picture level, it is as if the federal and provincial governments picked up where they left off in 2005. After 10 years of a Conservative government that largely left the provinces to tend to their own social policy priorities using their own resources, the Liberals returned with a more activist agenda and, from the outside, it looks like the federal and provincial actors fell back into their previous ways of interacting. The federal government would give predefined amounts of money to be cost-matched and expect provinces to develop action plans and report results in exchange for funding. This practice was not a return to the model of close administrative oversight of provincial expenditures, which for instance characterized the cost-shared Canada Assistance Plan. Nor did this practice involve the federal and provincial governments passing statutes that could provide a legal basis for the undertakings and recourse for citizens making social rights claims. In these ways, the post-2015 agreements are in continuity with those of the Social Union era.

At a finer-grained level, however, several tendencies suggest that we have reached a different equilibrium within these practices compared to the Social Union era. As noted, the degree of federal-provincial collaboration in defining policy challenges and framing the principles for engaging them appears to have declined. The Liberal government may have stressed the importance of partnership with the provinces to achieve the social policies promised in its 2015 and 2019 platforms, but partnership seems to be conditional on a province accepting the federal government's policy vision. When we look at the contents of the bilateral agreements, they also ask the provinces for a lot more detail and transparency in planning and reporting when compared to the Social Union era. The post-2015 federal government uses a heavier hand to align provincial principles and objectives for the development of action plans. The requirement during the Social Union era of reporting to the public is still present, but to date this reporting has not been particularly robust or useful to the public. However, the agreements include substantial requirements for reporting to the federal government, which suggests a more hierarchical intergovernmental arrangement.

Why might this have happened? We can put forward a few educated guesses based on existing agreements and the reporting emerging from them. In our experience, the written reports often conceal more complicated politics and flows of power (Simmons 2022, 170; Graefe and Levesque 2010), so interviews with federal and provincial officials are required to clarify the dynamics at play. The Conservative interregnum may have changed the strength of the players' negotiating positions. First, the provincial argument that the federal government was financially unreliable has weakened over time. The supporting proof points, like the 1995 Budget, are now more than 20 years in the past and so of little political weight. Second, the provinces undercut their earlier claims to jurisdictional primacy when, through the Council of the Federation, they called on the Harper federal government to engage with them. While this was a strategic ploy to try to bring the Conservative government into discussions, it ultimately suggested that the provinces recognized the legitimacy of a federal role in social policy development. Third, the success of the Conservatives in making their priorities for the CJFAs stick, despite their hard-nosed, unilateral approach with the provinces,[10] may also have emboldened the post-2015 Liberal government. Fourth, it is possible that provinces may agree to these new forms of the spending power in social policies because they share the federal government's policy goals in the affected areas and prefer to use federal funds to achieve them rather than increasing taxes.

Ideally, the mapping of changes within an overall continuity presented here may motivate studies of the federal and provincial actors, and their strategies and perspectives, that can make sense of these flows of power. A federal government with greater legitimacy to impose priorities and reporting conditions on provinces is likely to produce a stronger social citizenship. This model would imply some centralization of the political community and may, in response, push the provinces to develop new strategies or arguments to resist the spending power. The provincialist and Quebec nationalist critiques of the spending power have been muted to date, but are likely to return in new form. After all, the spending power can only work around the Constitution for so long before tripping on enduring disagreements about defining the political community.

[10] Schertzer, McDougall and Skogstad (2016) argue that this event demonstrated the ability to use procedural and reciprocal norms that promote collaboration to impose costs on governments that break these norms. The federal government faced strong provincial opposition to its initiative and had to negotiate a compromise that included space for provincial priorities. In this instance, that compromise was maintaining some of the programming delivered through the previous LMAs that the CJFAs were replacing. The net effect of the change was nevertheless one of leaving provinces partially responsible if they maintained their previous LMA programming for people distant from the labour market, as funds were reallocated to grants for workplace-based training (Wood and Klassen 2017).

## REFERENCES

Alberta. 2021. *Quebec-Canada Child Care Agreement: Minister Schulz* [News release]. Government of Alberta, August 5. https://www.alberta.ca/release.cfm?xID=79662ED60AAF3-BB31-FAA7-9DFE76CF3ED35540.

———. 2022. *Alberta Sovereignty within a United Canada Act: Information Sheet for Albertans*. Edmonton: Ministry of Justice. https://www.alberta.ca/assets/documents/alberta-sovereignty-within-a-united-canada-act-info-sheet.pdf.

Boismenu, G. 2006. "Les nouveaux visages de vieux démons: Les défis posés au fédéralisme par la restructuration de la protection sociale au Canada." *Lien social et politiques* 56: 57-71.

Boismenu, G., and P. Graefe. 2004. "The New Federal Tool Belt: Attempts to Rebuild Social Policy Leadership." *Canadian Public Policy* 30 (1): 71-89.

Cameron, B. 2006. "Social Reproduction and Canadian Federalism." In Social Reproduction: Feminist Political Economy Challenges Neo-Liberalism, edited by K. Bezanson and M. Luxton. Montreal: McGill-Queen's University Press, pp. 45-74.

———. 2009. "Accounting for Rights and Money in the Canadian Social Union." In *Poverty: Rights, Social Citizenship, and Legal Activism,* edited by M. Young, S.D. Boyd, G. Brodsky and S. Day. Vancouver: UBC Press, pp. 162-82.

———. 2013. "Accountability Regimes for Federal Social Transfers: An Exercise in Deconstruction and Reconstruction." In *Overpromising and Underperforming? Understanding and Evaluating New Intergovernmental Accountability Regimes,* edited by P. Graefe, J.M. Simmons and L.A. White. Toronto: University of Toronto Press, pp. 258-83.

Canada. 2022. *Fall Economic Statement 2022*. Ottawa: Department of Finance. https://www.budget.canada.ca/fes-eea/2022/report-rapport/FES-EEA-2022-en.pdf.

Canada-Alberta. 2018. *CMHC-Alberta Bilateral Agreement Under the 2017 National Housing Strategy*. Ottawa: Canada Mortgage and Housing Corporation. https://assets.cmhc-schl.gc.ca/sites/cmhc/nhs/fpt-housing-agreements/cmhc-ab-bilateral-agreement-en.pdf?rev=184687e7-634b-4436-b2f5-4ce3439d95cd.

Canada-British Columbia. 2017. *Canada-British Columbia Early Learning and Child Care Agreement – 2017-2020*. Ottawa: Employment and Social Development Canada. https://www.canada.ca/en/early-learning-child-care-agreement/agreements-provinces-territories/british-columbia-2017.html.

Canada-Manitoba. 2021. *Canada-Manitoba Canada-Wide Early Learning and Child Care Agreement, 2021-2026*. Ottawa: Employment and Social Development Canada. https://www.canada.ca/en/early-learning-child-care-agreement/agreements-provinces-territories/manitoba-canada-wide-2021.html.

Canada-Nova Scotia. 2017. *Canada-Nova Scotia Home and Community Care and Mental Health and Addictions Services Funding Agreement*. Ottawa: Health Canada. https://www.canada.ca/en/health-canada/corporate/transparency/health-agreements/shared-health-priorities/nova-scotia.html.

Canada-Ontario. 2017. *Canada-Ontario Workforce Development Agreement*. Ottawa: Employment and Social Development Canada. https://www.canada.ca/en/employment-social-development/programs/training-agreements/workforce-development-agreements/on.html.

Canada-Quebec. 2020. *Quebec Workforce Development Agreement*. Ottawa: Employment and Social Development Canada. https://www.canada.ca/en/employment-social-development/programs/training-agreements/workforce-development-agreements/qc.html.

Canadian Institute for Health Information. 2021. *Common Challenges, Shared Priorities: Measuring Access to Mental Health and Substance Use Services in Canada*. *Volume 3*. Ottawa:

CIHI. https://www.cihi.ca/sites/default/files/document/common-challenges-shared-priorities-vol-3-report-en.pdf.

CIHI (see Canadian Institute for Health Information)

Department of Finance. 2021. *Budget 2021: A Recovery Plan for Jobs, Growth and Resilience*. Ottawa: Department of Finance.

Dunn, C. 2016. *Harper Without Jeers, Trudeau Without Cheers: Assessing 10 Years of Intergovernmental Relations*. Montreal: Institute for Research on Public Policy. https://irpp.org/research-studies/insight-no8/.

*Eldridge vs. British Columbia (Attorney General).* 1997. 3 S.C.R. 624.

Employment and Social Development Canada. 2017a. *About the Workforce Development Agreements Program*. https://www.canada.ca/en/employment-social-development/programs/training-agreements/workforce-development-agreements.html.

———. 2017b. *Historic Agreement between the Federal, Provincial and Territorial Governments on a Multilateral Early Learning and Childcare Framework* [News release]. https://www.canada.ca/en/employment-social-development/news/2017/06/historic_agreementbetweenthefederalprovincialandterritorialgover.html.

———. 2017c. *Multilateral Early Learning and Child Care Framework*. Ottawa: ESDC.

———. 2021a. *2020-2021 Departmental Results Report*. Ottawa: ESDC. https://www.canada.ca/content/dam/canada/employment-social-development/corporate/reports/departmental-results/2020-21-departmental-results-en.pdf.

———. 2021b. *Investing in our Future: National Progress Report on Early Learning and Child Care 2018-19*. Ottawa: ESDC. https://www.canada.ca/content/dam/esdc-edsc/documents/programs/early-learning-child-care/reports/2018-2019-annual/2018-2019-National-Progress-Report-Early-Learning-Child-Care.pdf.

ESDC (see Employment and Social Development Canada)

Fafard, P. 2013. "Intergovernmental Accountability and Health Care: Reflections on the Recent Canadian Experience." In *Overpromising and Underperforming? Understanding and Evaluating New Intergovernmental Accountability Regimes,* edited by P. Graefe, J.M. Simmons and L.A. White. Toronto: University of Toronto Press, pp. 31-55.

Federal, Provincial and Territorial Ministers Most Responsible for Early Learning and Child Care. 2021. *Federal, Provincial and Territorial Ministers Work Together to Continue Improving Early Learning and Child Care for Canadian Families* [News release, February 9]. Ottawa: Canadian Intergovernmental Conference Secretariat (831-353). https://scics.ca/en/product-produit/news-release-federal-provincial-and-territorial-ministers-work-together-to-continue-improving-early-learning-and-child-care-for-canadian-families/.

Federal-Provincial-Territorial Meeting of Ministers Responsible for Housing. 2018. *Federal, Provincial and Territorial Ministers Endorse New Housing Partnership Framework* [News release]. Ottawa: Canadian Intergovernmental Conference Secretariat (831-198). https://scics.ca/en/product-produit/news-release-federal-provincial-and-territorial-ministers-endorse-new-housing-partnership-framework/.

Findlay, T., and L. Anderson. 2010. "Does Public Reporting Measure Up? Federalism, Accountability and Child Care Policy in Canada." *Canadian Public Policy* 53 (3): 417-38.

Gauthier, É. 2017. "Spending Power, Social Policy, and the Principle of Subsidiarity." *Review of Constitutional Studies* 22 (2): 261-80.

Governor General. 2020. *A Stronger and More Resilient Canada: Speech from the Throne*. Ottawa: Governor General. https://www.canada.ca/en/privy-council/campaigns/speech-throne/2020/stronger-resilient-canada.html.

Graefe, P. 2008. "The Spending Power and Federal Social Policy Leadership: A Prospective View." *IRPP Policy Matters* 9 (3): 53-106. https://irpp.org/wp-content/uploads/assets/research/canadian-federalism/defining-the-federal-governments-role-in-social-policy/pmvol9no3.pdf.

Graefe, P., and M. Levesque. 2010. "Accountability and Funding as Impediments to Social Policy Innovation: Lessons from the Labour Market Agreements for Persons with Disabilities." *Canadian Public Policy* 36 (1): 45-62.

Graefe, P., J.M. Simmons and L.A. White. 2013. *Overpromising and Underperforming? Understanding and Evaluating New Intergovernmental Accountability Regimes*. Toronto: University of Toronto Press.

Hartmann, E. 2017. *Health Care Is About Sharing Risk. Federalism in Canada Should Be Too*. Toronto: Mowat Institute. https://mowatcentre.ca/health-care-is-about-sharing-risk-federalism-in-canada-should-be-too/.

Health Canada. 2017. *Common Statement of Principles on Shared Health Priorities.* https://www.canada.ca/content/dam/hc-sc/documents/corporate/transparency_229055456/health-agreements/principles-shared-health-priorities.pdf.

Ivison, J. 2022. Why Jean-Yves Duclos Is Not Happy with Provincial Health Ministers. *National Post*, November 14. https://nationalpost.com/news/politics/john-ivison-why-jean-yves-duclos-is-not-happy-with-provincial-health-ministers.

Kent, T. 2008. "The Federal Spending Power Is Now Chiefly for People, Not Provinces." *Queen's Law Journal* 34 (1): 413-26.

McConnell, W. 1968. "The Judicial Review of Prime Minister Bennett's New Deal." *Osgoode Hall Law Journal* 6 (1): 39-86.

McDougall, A. 2019. *All Together Now: Intergovernmental Relations in Canada's Labour Market Sector*. IRPP Study 75. Montreal: Institute for Research on Public Policy. https://irpp.org/wp-content/uploads/2019/12/All-Together-Now-Intergovernmental-Relations-in-Canada%E2%80%99s-Labour-Market-Sector.pdf.

Noël, A. 2000. "General Study of the Framework Agreement." In *The Canadian Social Union Without Quebec: Eight Critical Analyses,* edited by A.G. Gagnon and H. Segal . Montreal: Institute for Research on Public Policy, pp. 9-35.

———. 2003. "Power and Purpose in Intergovernmental Relations." In *Forging the Canadian Social Union: SUFA and Beyond,* edited by S. Fortin, A. Noël and F. St-Hilaire. Montreal: Institute for Research on Public Policy, pp. 47-68.

———. 2008. "How Do You Limit a Power That Does Not Exist?" *Queen's Law Journal* 34 (1): 391-412.

Petter, A. 2008. "The Myth of the Federal Spending Power Revisited." *Queen's Law Journal* 34 (1): 163-74.

Phillips, S. 2003. SUFA and Citizen Engagement. In S. Fortin, A. Noël and F. St-Hilaire (Eds.), *Forging the Canadian Social Union: SUFA and Beyond.* Montreal: Institute for Research on Public Policy, pp. 93-124.

Prince, M. 2015. "Prime Minister as Moral Crusader: Stephen Harper's Punitive Turn in Social Policy Making." *Canadian Review of Social Policy* 71: 53-69.

*Reference re. Canada Assistance Plan (B.C.)*. 1991. 2 S.C.R. 525.

Quebec. 1998. *Position historique du Québec sur le pouvoir fédéral de dépenser, 1944-1998*. Quebec: Secrétariat aux Affaires intergouvernementales canadiennes.

———. 2019. *Positions du Québec dans les domaines constitutionnel et intergouvernemental de 2001 à 2018*. Quebec: Secrétariat du Québec aux relations canadiennes.

Saskatchewan. 2022. *Drawing the Line: Defending Saskatchewan's Economic Autonomy*. Regina: Office of the Premier.

Schertzer, R., A. McDougall and G. Skogstad. 2016. *Collaboration and Unilateral Action: Recent Intergovernmental Relations in Canada*. IRPP Study 62. Montreal: Institute for Research on Public Policy. https://irpp.org/research-studies/study-no62/.

Simeon, R. 1972. *Federal-Provincial Diplomacy: The Making of Recent Policy in Canada*. Toronto: University of Toronto Press.

Simmons, J. 2017. "Canadian Multilateral Intergovernmental Institutions and the Limits of Institutional Innovation." *Regional and Federal Studies* 27 (5): 573-96.

———. 2022. "Stephen Harper's Open Federalism: Kicking the Sand of Multilateral Intergovernmental Institutions." In *Open Federalism Revisited: Regional and Federal Dynamics in the Harper Era,* edited by J. Farney and J. Simmons. Toronto: University of Toronto Press, pp. 154-80.

Smiley, D. 1962. "The Rowell-Sirois Report, Provincial Autonomy, and Post-War Canadian Federalism." *Canadian Journal of Economics and Political Science* 28 (1): 54-69.

Verrelli, N. 2013. "The 'Cents' and Nonsense of the Federal Spending Power." *Journal of Parliamentary and Political Law* 7: 111-25.

Warriner, W., and I. Peach 2008. *Canadian Social Policy Reform 1994-2000*. Halifax: Fernwood.

Wood, D.E., and B. Hayes. 2016. *The Labour Market Agreements: What Did They Really Do?* Ottawa: Caledon Institute of Social Policy. https://maytree.com/wp-content/uploads/1094ENG.pdf.

Wood, D.E., and T. Klassen. 2017. "Accountability in Federal-Provincial Labour Market Agreements 1995-2015." *Canadian Public Administration* 60 (1): 7-27.

INSTITUT DE RECHERCHE EN POLITIQUES PUBLIQUES

INSTITUTE FOR RESEARCH ON PUBLIC POLICY

The IRPP seeks to improve public policy in Canada by generating research, providing insight and influencing debate on current and emerging policy issues facing Canadians and their governments.

L'IRPP contribue à l'amélioration des politiques publiques en produisant des recherches et des analyses approfondies qui éclairent le débat sur les grands enjeux auxquels sont confrontés les Canadiens et leurs gouvernements.



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