POLICY RESEARCH INITIATIVE
HORIZONS

EMERGING DEVELOPMENTS AND KNOWLEDGE IN PUBLIC POLICY RESEARCH

In this issue

canada@theworld.ca

Welcome!

This issue of *Horizons* deals with the topics on slate for the 2000 National Policy Research Conference, *canada@theworld.ca*. It highlights Canada's new position in the global society and the impact of global interdependence on Canadian public policy. Featured is an overview of the latest research on how institutions and infrastructures have adapted to the new global realities, the economic and social opportunities arising from globalization, personal safety and risk management, and the sense of belonging to a unique Canadian society in this internationalized, digitalized world. The aforementioned are merely some of the various research projects that will focus on globalization as a crucial stage in Canada's national development.

In Search of Canadian Identity

"Canadian anti-Americanism had been long-lived and forceful from Loyalist times until the end of the 1980s. American popular culture, though shared and watched by Canadians, was sneered at. American foreign policy and politics tended to draw jeers, especially from intellectuals, and American braggadocio was condemned widely. Canadian identity and Canadian nationalism often seemed to be based only on a negative: 'We're not Americans.'

The question at the onset of a new century, then, remains what will Canada put in place of anti-Americanism as the basis of its nationality? If Canadians wish to survive as an independent nation in North America – and there is every reason they should – they have it within themselves to do so.

The major Canadian defence against the United States and Americanization is undoubtedly attitudinal."

J.L. Granatstein, ÒTwo Centuries of Ups and Downs,Ó a paper presented at the 2000 National Policy Research Conference, *canada@theworld.ca*, November 30 to December 1, 2000.

Policy Reflections

"Everyone is entitled to their own opinions, but not their own facts."

Daniel Patrick Moynihan
Former U.S. Senator

Next Up!!! – *2001 National Conference*

Increasingly, people's links to communities are taking on a renewed importance. These links are under pressure as communities themselves adapt and respond to changing circumstances. Next year's National Policy Research Conference issue of *Horizons* will highlight the research and findings of the conference *Bringing Communities Together.* The conference will take place December 6 and 7, 2001. One of the questions to be examined is how will our sense of community and belonging shape the future policy environment and policy agenda?

Canada

Executive Brief

Policy and Globalization: *One Size Fits None*

OVERUSED AND MEANINGLESS?

Many would argue that globalization has become an over-used term whose meaning has become watered down. Stark images follow in its wake – Jihad vs. McWorld, business at the speed of thought and the global village. In this world of rapid change it is little wonder that globalization is capable of bringing people to the streets.

The images – both of policy prophets' words and of demonstrators in Seattle, Prague or Montreal – cannot help but attract our attention. Nor can statistical realities of growing trade and capital flows, mounting evidence of climate change, the information explosion and a growing distance between haves and have-nots.

The policy challenges posed by globalization cannot be addressed solely through global responses. There is no "one size fits all" policy and no generic set of policies exist, even if we could find the mythical global village. In field after field, we are finding that local circumstances matter. For instance, one lesson learned has been that the application of development cooperation needs to be calibrated to the unique cultural, economic and social circumstances of the area.

> *"The policy challenges posed by globalization cannot be addressed solely through global responses. There is no "one size fits all" policy and no generic set of policies exist, even if we could find the mythical global village."*

THE POLICY RECIPES

While there is no single recipe for effective policy, there are some essential considerations for policy in "global" times. Policy needs to be nimble. An example of these policy sensitivities is encapsulated in the shift from command and control regulatory approaches to performance-based regulation. Instrument choice needs to be a central policy consideration. With the emergence of the knowledge society, citizen engagement and information provision become prominent parts of the policy tool kit.

Another criterion is that of coping with the uncertainty that accompanies times of rapid change. Policy in the face of uncertainty needs to be aware of issues of risk management. It is not enough to develop baseline assumptions and then define the perfect policy for these circumstances. Because no one has a crystal ball, policy needs to be robust to face the unexpected, particularly low probability/high impact developments.

Policy developers also must raise their understanding of how issues migrate from the international to the domestic, from the national to the local. As a policy community, we need to increase our familiarity and our ability to navigate across these domains.

Understanding policy issues broadly through the use of interdepartmental and multidisciplinary perspectives remains the essence of the Policy Research Initiative. As can be seen from this year's national conference, *canada@theworld.ca*, it is a challenge that continues to drive our efforts.

Laura A. Chapman
Executive Director,
Policy Research Secretariat

For more information on the proceedings of *canada@theworld.ca*, please see the Sunrise and Sunset issues of *Horizons*.

In this issue

Upcoming Events

DATE	EVENTS
DECEMBER 7-8, 2000	**Rural and Regional Service Delivery Conference** The International Quality and Productivity Centre (IQPC) is holding a conference on *Rural and Regional Service Delivery* in Calgary. The conference will be featuring fifteen presentations from various federal government departments on rural and regional service delivery, including optimization of service delivery, youth and knowledge resources in rural communities and employment opportunities in remote regions. For more information, please visit the IQPC web site at http://www.iqpc.com.
DECEMBER 8, 2000	**Rediscovering Canada - Thematic Series 2000** Scott Clark, Special Advisor to the Privy Council Office and former Deputy Minister of Finance Canada, will be chairing a session entitled *The Environment: Are Environmental And Economic Growth Objectives Compatible?* This half-day session is the fourth thematic series organized by the Canadian Centre for Management Development (CCMD). The presentation will take place at the CCMD offices in Ottawa. For more information, please visit the CCMD web site at http://www.ccmd-ccg.gc.ca.
DECEMBER 11, 2000	**Canada's Place in the World - Thematic Series 2000** Don Campbell, former Deputy Minister of Foreign Affairs, will be the presenter of a half-day session entitled *Territorial Protection: A Canada-U.S. Protection Dialogue?* The presentation will take place at the Canadian Centre for Management Development (CCMD) offices in Ottawa. For more information, please visit the CCMD web site at http://www. ccmd-ccg.gc.ca.
DECEMBER 11-13, 2000	**International Conference on the Use of Economic Incentives and Instruments** Environment Canada, in collaboration with the Organization for Economic Cooperation and Development, the C.D. Howe Institute and the National Round Table on the Environment and the Economy, is organizing an international conference on economic incentives and instruments in environmental policy. The conference will be held at the Pan Pacific Hotel in Vancouver. For more information on the conference, please visit the web site at http://www.ec.gc.ca/eco-n-ference.

Bookmark

Trudeau's Counter-Weights

"When a political ideology is universally accepted by the elite, when the people who 'define situations' embrace and venerate it, this means that it is high time free men were fighting it. For political balance finds its essential strength in a sense of balance and proportion. As soon as any one tendency becomes too strong, it constitutes a menace. ... My political action, or my theory - insomuch as I can be said to have one - can be expressed very simply: create counter-weights."

Pierre Elliott Trudeau, *Federalism and the French Canadians,* (Toronto: Macmillan of Canada, 1968), pp. xxii-xxiii.

International Regulation Database

The Organization for Economic Cooperation and Development (OECD) is maintaining the *International Regulation Database.* This database is a comprehensive internationally-comparable set of information about regulation and market structures in OECD countries. The database contains over 1,100 variables for each country and includes broad regulations dealing with product markets and sector-specific regulations.

A description of the database's contents and use is available at http://www.oecd.org/subject/regdatabase/.

In this issue

Feature Columnist

The Changing Imperatives of Development Cooperation

PAST, PRESENT AND FUTURE

The past 50 years have been marked by three main phases of international development thinking. In the first phase, states bore the main responsibility for development and were expected to play an interventionist role. Market forces were viewed by some as harmful to development and reliance on them led to the enrichment of a few and the impoverishment of many.

In the second phase, central planning and state intervention were seen as failures. Statist approaches led to unsustainable debt burdens and inefficient bureaucracy and were disincentives to innovation and growth. In response, market-oriented approaches gained favour and there was a heavy emphasis on policy reform and government retrenchment.

Now, in what can be considered a third phase, there is a growing convergence in development thinking that acknowledges the shortcomings of both state and market and seeks to identify where their most appropriate and helpful role should be. Priority is given to poverty reduction strategies that are owned by developing countries themselves. Perhaps even more fundamentally, a gradual shift in the worldview of development cooperation is also taking place.

GLOBAL PUBLIC GOODS: THE EMERGING PARADIGM

Globalization has replaced geopolitics as the driving force and organizing principle for development cooperation. Integration and the increasingly horizontal and transnational nature of public policy issues have made develop-

> *"Globalization has replaced geopolitics as the driving force and organizing principle for development cooperation. Integration and the increasingly horizontal and transnational nature of public policy issues have made development cooperation a matter of national and global public concern. Aid is less about charity and paternalism and more about cooperation to meet shared goals and common interests."*

ment cooperation a matter of national and global public concern. Aid is less about charity and paternalism and more about cooperation to meet shared goals and common interests. There is also a shift from seeing aid as an entitlement to a focus on effectiveness. This means that developed countries are now looking for competent partners, rather than trusted allies. In addition, assistance to individual countries will be complemented by multilateral cooperation aimed at secur-

ing important global goods such as a clean environment, safe transportation or rules-based trade.

Globalization, and its attendant interdependence, is creating pressures for international cooperation. Public policy issues faced by governments are becoming more transnational in nature. Success in meeting domestic challenges is related to success in addressing the international dimensions of these challenges. The evidence for this can be seen in the expanding number of international agreements that address "behind-the-border" issues – that is, those issues that are within national boundaries but also have spillover effects for other countries, for example, domestically generated industrial pollutants with cross-border effects.

The notion of *global public goods* has now entered the public policy lexicon and will inevitably be more important in a global village where more and more public policy issues have international dimensions. Essentially, this perspective holds that there are a growing array of public goods – for example, a clean environment, financial stability – that can only be assured through international cooperation and that some form of international assistance is therefore required.

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HORIZONS
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Evidence of growing interest in development and in global public goods can be seen in the recent history of G7/G8 summits. Since 1995, every G7/G8 summit has had a strong development component. In effect, development issues have become informally institutionalized as an integral part of the discussions of the Summits.

EMERGING BEST PRACTICES

The shifting intellectual paradigm has emerged at the same time as a serious stocktaking into the what, how and how-to of international development.

What? There is a growing consensus that poverty reduction should be at the heart of international development. *Shaping the 21st Century,* a landmark document produced by the OECD's Development Assistance Committee, sets out a number of targets for development programs. They include the goal of reducing by one-half the proportion of people living in extreme poverty by 2015. The centrality of poverty reduction to development cooperation is reflected as well in World Bank and U.N. statements and in the approach adopted by a number of other donor agencies.

How? Shaping the 21st Century also identifies a set of principles to guide development cooperation. They include stronger partnerships, local ownership, improved donor coordination, a results-based approach and greater policy coherence in non-aid policies such as trade, investment and technology transfer that have a bearing on development success. Some of the *how* policies may be somewhat contradictory. For example, recipient ownership is difficult to reconcile with donor accountability, especially in countries where there is weak commitment to development, limited public sector capacity, poor accountability systems and corruption. At the same time, experience suggests that integrating these principles into development programming is critical to success and a number of new approaches have emerged to put these principles into action.

How to? Research into successful programs suggest that a balance must be struck between growth-oriented market enhancing policies (e.g., stable macroeconomic environment, trade liberalization, rule of law) and support for important public services that cannot always be supplied equitably and effectively by private markets. According to the World Bank's *Accessing Aid,* aid provided to poor countries with a good policy environment results in faster growth, increased private investment, substantially greater poverty reduction and gains in other social indicators. In contrast, aid has little measurable impact on poverty reduction in countries with weak management.

MIXING PRACTICE AND PARADIGMS

International cooperation is at a crossroads. Growing disenchantment, based on the perceived failure of aid to significantly reduce poverty, combined with changes in the external environment have led to a questioning of aid's relevance and utility. At the same time, a growing convergence of views on the need for international assistance and on the ways to make it more effective also hold out significant promise for a renewed vision of development cooperation.

The past record of shifting development trends and practices cautions against easy acceptance of today's conventions. Yet, the compelling nature of the evidence, the wealth of experience generated over the last 50 years and the urgent need to find more effective ways to address enduring problems with scarce financial resources point to the continuing need for aid agencies to look closely at current practices and see where reform may be needed.

Ron Garson
Senior External Strategy Analyst,
Canadian International Development Agency

For more information see, Ron Garson, *Development Cooperation at 50 years: Taking Stock, Looking Forward,* Staff paper, 2000.

Research Brief

Stop Stressing: *We Have New Evidence*

TOWARD A LEISURE SOCIETY?

In the late 1960s, when Joffre Dumazedier's *Toward a Society of Leisure* was published, there was great optimism with regard to leisure and its potential impact on modern life. Articles at the time predicted there would be a reduction of working hours, the growth of leisure activities, the development of new values and the emergence of a new type of society. In 1970, in his essay *The Harried Leisure Class,* Steffan Linder challenged, to little avail, this vision of the future. He argued that people in industrial societies lead more, not less, hectic lives. His essay generated some intellectual curiosity but had minimal impact.

It was not until the 1990s, when Juliet Schor published *The Overworked American,* that the tenor of discussions shifted from the promise of leisure to the problem of time. Schor's book became an instant media event and focus of debate. Today, time scarcity, rising levels of work and chronic stress are common points of investigation and growing research attention is being given the casual relationship between stress and mental and physical health.

STRESSED CANADIANS

The release of Canada's *1998 General Social Survey (Time Use)* has been eagerly awaited. Following up on similar surveys conducted in 1986 and 1992, this survey provides evidence concerning changes in time use and their effects on levels of life satisfaction, stress and health. Some of the findings suggest that the new evidence will raise a number of important research and policy questions.

It appears that for employed Canadians the length of paid work in 1998 remained at similar levels as in 1992. Time spent in unpaid work, however, such as housework, child and family care and errands has increased by about 15 minutes per day. As a result, the combined load of paid and unpaid work has increased for employed Canadians by approximately 10 minutes between 1992 and 1998. Today, the combined load of paid and unpaid work amounts to approximately 9.4 hours per day. This load is slightly higher for women than for men.

A GROWING TIME CRUNCH

A 1992 to 1998 comparison of time pressure shows an increase of the sense of time crunch. In 1992, 51.7% of all employed respondents felt rushed every day and 56.2% said that they were more rushed than five years earlier. In 1998 these figures rose to 53.5% and 59.2% respectively.

The 1998 data indicate that for employed respondents, higher levels of time pressure are associated with higher levels of stress and are negatively related to self-assessed health. Higher levels of time pressure, likewise, affect negatively levels of employed respondents' life satisfaction and are associated with a negative assessment of their balance of work and family life. While the percentage of employed Canadians dissatisfied with their lives remains small, the percentage of those who feel very satisfied has declined between 1986 and 1998 from 49.0% to 35.0%.

Analyses of 1998 survey data show that parents with paid workloads exceeding 50 hours per week spend less than half the time with their children than is spent by parents working fewer than 40 hours. Close to 60% of parents working in excess of 50 hours per week are dissatisfied with their balance of work and family life and concerned about not spending enough time with their family. Although the suggestion that the decline in life satisfaction may be attributed to time pressure is speculative, it is clear that time pressure continues to exert its toll on family relationships.

Some of the trends revealed by the latest time use data require serious attention. They represent a formidable challenge for those concerned with health, the quality of life and the role leisure may play in alleviating time pressure problems.

Jiri Zuzanek
Professor,
University of Waterloo

In this issue

Award Winner

Career Achievement

SYLVIA OSTRY

Sylvia Ostry holds a Ph.D. in economics from McGill University and Cambridge University. She joined the Government of Canada in 1964. Among the posts she held were Deputy Minister of Consumer and Corporate Affairs, Chairman of the Economic Council of Canada, Deputy Minister of International Trade, Ambassador for Multilateral Trade Negotiations and the Prime Minister's Personal Representative for Economic Summits. From 1979 to 1983 she was Head of the Economics and Statistics Department of the O.E.C.D. in Paris. In 1989 she was the Volvo Distinguished Visiting Fellow at the Council on Foreign Relations in New York and from 1990 to 1997 she was Chair of the Centre for International Studies at the University of Toronto.

The following excerpt is taken from her recent chapter, "The Uruguay Round North-South Grand Bargain: Implications for Future Negotiations."

RETHINKING THE BICYCLE THEORY

"The *bicycle theory* of trade liberalization – combat protectionist pressures by means of regular negotiations – is a metaphor based on the past. The cyclist was the United States and perhaps, a bicycle built for two could accommodate the European Union on the back seat. The World Trade Organization (W.T.O.) today is like a crowded bus full of noisy passengers who cannot (or will not) agree on the instructions of the poor beleaguered driver. Yet, as suggested in this paper, it would not be possible to arrange for a reasoned discussion on the road to take to reach an agreed destination.

The anti-globalization N.G.O.'s are a diverse collection who disagree on many things but agree that corporate globalization (as they term it) is the source of the widening income disparity among countries and that the W.T.O. is the main agent of corporate globalization. Clearly the widening disparity is related to differing growth rates an insofar as trade enhances growth – mainly by increasing the dynamic efficiencies from increased competition and access to knowledge – trade liberalization is a necessary, but obviously insufficient condition for improving global equality. It is the other 'sufficient' that is so complex and difficult. To tackle the problem of marginalization and improve the opportunities for convergence in income levels among countries would require an unprecedented degree of international economic policy coordination among intergovernmental institution. Until that is undertaken, alas, the W.T.O. will continue to be a target for dissent and policy overload.

It is perhaps significant that the 2000 Okinawa G8 summit was the first in the twenty-five year history of summitry that was largely dedicated to North-South issues. It is perhaps equally significant that the obligatory reference to a new round of W.T.O. negotiations was so bland as to be meaningless. Indeed, the entire exercise was so debunked by informed critics that the legitimacy of the institution is now under attack.

If the role of the G8 is simply to produce a communiqué of – in the words of the Economist – 'anaesthetizing gunk of globocratese' the W.T.O. will have to tackle the North-South divide on its own. Perhaps a 'positive agenda' in the trading system could act as a catalyst for the broader action required to diminish the growing North-South divide."

Feature Columnist

Canadian Foreign Policy and Emerging International Cultural Issues

THE DIFFICULTIES WITH CULTURE

The globalization of trade in cultural products and services has served as the backdrop to the redefinition of international cultural policies in recent years. Although a cultural agenda is emerging on the international stage, it is difficult to define the interests, norms and issues around which this agenda revolves.

One reason for this confusion is that the definition of culture as an object of public policy generates political tensions both at the foreign policy and systemic levels.

The move to redefine the cultural mission of a state places foreign policy in a relationship with identity that challenges the terms upon which the legitimacy of foreign policy was traditionally built. Whereas foreign policy is usually presented as the political expression of an already existing political identity, thus contributing to the reification of the national character of this cultural reality, cultural insecurity associated with globalization is generating demands on the state, suggesting that the independence of culture vis-à-vis foreign policy is being called into question.

SECURING CULTURAL REFERENTS

The way that a state reacts to demands for securitization (i.e. - the issue is recognized as a concern of national interest) of societal referents like culture will depend not only on the way identities are constructed but also on the initial linkage between identity and citizenship. It is possible that the cultural penetration of societies as a result of globalization has given rise to demands that foreign policy include culture as a referent object and not as an instrument for policies in such sectors as the military, the econ-

"...cultural insecurity associated with globalization is generating demands on the state, suggesting that the independence of culture vis-à-vis foreign policy is being called into question."

omy and politics. For a referent object such as culture to be incorporated into foreign policy, the presence of societal agents from the cultural community must be institutionalized within the foreign policy community. This means making the transition from the *attentive public* role, one in which emerging networks are confined, to a *sub-government* role.

The degree of success of foreign-politicization of culture depends on the degree of observable dissonance between societal identity, to which culture refers and whose actors strive to have their interest defended by the state, and political identity, to which foreign policy necessarily refers. This duality should be manifested by the degree to which the foreign policy community is open to cultural policy networks that respond to concerns over globalization, open in terms both of discourse and mutual recognition and of institutionalization of their relations.

NETWORK FAILURE: THE NEW CONVERSATIONS EXPERIMENT

During the two years following the 1995 government statement announcing culture would constitute the third pillar of Canadian foreign policy, societal and government actors in Canada attempted to lay the groundwork for building this pillar. A public policy network, called New Conversations, created initially by individuals and groups from civil society to pressure the Department of Foreign Affairs into respecting the government's new commitments, was the principal forum for dialogue between these actors. Within this network, they fought for the institutionalization of culture as an object of foreign policy on two interrelated and essential fronts. First, they

sought to define a discourse, a referent object that would allow them to conceive a foreign-politicization of culture that would be legitimate. Second, they attempted to install culture within the sub-government of foreign policy by developing its own policy-making channel. New Conversations failed on both fronts and the network was dissolved.

New Conversations was not successful in foreign-politicizing culture because the actors failed in their attempt to bring out a common conception of culture that is compatible with civic and essential notions of culture conveyed in Canada's official foreign policy. This failure was partly due to the Canadian foreign policy community's resistance to the intrusion of new actors demanding a place for culture among the referent objects of foreign policy. For culture to be established as a referent object, it must be brought into the sub-government by societal actors who are recognized as representatives of the cultural community. However, in this case, New Conversations did not succeed in becoming part of the sub-government.

POLITICAL IDENTITY, NOT ARTISTIC ACTIVITY

Although Members of Parliament recommended that foreign policy be conceived as an integral part of a cultural development of Canada, the government shifted the focus of cultural foreign policy by defining culture as a set of values rather than as an artistic and intellectual reality. While government agents sought to legitimize a political conception of culture through the support of the cultural community, the societal agents referred to culture as primarily defined by artistic activity and, secondarily, as an expression of identity.

The societal, non-civic conception of culture conveyed by the societal actors was not only at odds with the position advocated by the government, but it also clashed with the dominant paradigm which regulated, within the foreign policy community, the

legitimacy of demands as foreign policy demands. This is what the isolation in which the New Conversations network operated would suggest.

The resistance on the part of the policy community lends credibility to the assumption that, because it places culture in a relationship with foreign policy that challenges the terms on which the latter's legitimacy is based, the societal demand for a foreign-politicization of culture is evaded by the state. In the case of Canada, government actors tried to evade the issue by attempting to legitimize a civic conception of culture as a referent-object of foreign policy. It remains to be seen whether such a strategy of evasion will be able to satisfy a civil society that is subject to increasing interpenetration of cultures as a result of globalization.

Louis Bélanger
Directeur de l'Institut québécois des hautes
études internationales,
Université Laval

Bookmark

Much Ado about Culture

"Having reached the present state of development, Canadian cultural industries are facing challenges driven by an interaction between technology and the trade policy response of other countries. Meeting these challenges requires rethinking and reorienting domestic policy: promoting an international agreement in which the reduction of protection would be exchanged for ensured access in foreign markets with safeguards tailored to the political sensitivity of these industries."

Keith Acheson and Christopher J. Maule, *Much Ado about Culture: North American Trade Disputes,* (Ann Arbor: The University of Michigan Press, 1999), p. 116.

PRI Update

A Reintroduction to the P.R.I. — Suite Objectives

The Policy Research Initiative (P.R.I.) is a work in progress, always evolving with new activities and new partnerships in the pursuit of building a stronger capacity to identify, understand and address medium- to long-term policy issues facing Canada. With recent developments and with an expanded readership of *Horizons,* it is worth revisiting what the PRI is, what it is doing and where it is going.

The first phase of the P.R.I. began in 1996 when the Clerk of the Privy Council launched an interdepartmental working group to build a stronger knowledge base on medium-term pressure points for the government's agenda. The second phase saw the creation of a group in 1997 dedicated to support multi-departmental research efforts on a range of crosscutting issues. The P.R.I. began to build links between government researchers and the broader Canadian policy research community, to enable them to share knowledge and ideas.

BUILDING COMMUNITY

The P.R.I. has grown, building stronger knowledge networks by connecting more people from across government, academia and think tanks. For example,

- *Horizons* connects more than 7,000 people from across the country and abroad to the latest developments in policy research;
- The P.R.I. web site, found at http://www.policyresearch.gc.ca, responds to more than 1,000 information requests per day regarding the work of the P.R.I. and the world of policy research;
- The second issue of *Isuma: Canadian Journal of Policy Research* is now available free on-line at http://www.isuma.net for anyone interested in the latest research on early childhood development;
- The third annual National Policy Research Conference, *canada@theworld.ca* is providing a venue for over 800 researchers and policy developers to build contacts and learn about the latest research concerning Canada's place in the world; and
- The second annual Canadian Policy Research Awards is honouring and celebrating outstanding achievements in six categories.

PHASE III

This year, the P.R.I. undertook an extensive consultation on its future directions. Based on what was heard, the P.R.I. is now building the third phase of the Initiative, focusing on three priorities. First, the P.R.I. seeks to deepen policy research on emerging issues and integrate the results into the policy agenda through a new approach to managing horizontal research activities. As a first step, this new approach is being used to accelerate horizontal research on North American linkages, sustainable development and social cohesion, the P.R.I.'s three top research priorities.

The second objective is to expand the government's research capacity by building a more capable, sustainable and diverse policy research workforce through a range of targeted human resource initiatives.

Finally, the third objective is to support better horizontal research collaboration across Canada by improving the suite of P.R.I. products. The focus is on more strategic use of technology to make it easier and cheaper to share research knowledge. The P.R.I. is working with its partners to make these new priorities a reality.

The latest PRI plans can be found on our web site, http://policyresearch.gc.ca/overview-e.htm. If you have questions about the future directions of the PRI, you can contact Michael Keenan at m.keenan@prs-srp.gc.ca.

In this issue

Award Winner

Engaging Citizens

The winner of this year's **Suzanne Peters Citizen Engagement Award** is Jacquie Dale, Coordinator for the Organizational Development Team of the Canadian Council for International Cooperation (C.C.I.C.). Dale initiated a pilot project to test the deliberative process to engage Canadians in considering international issues and providing input from citizens on an important policy issue.

Over the last three years, C.C.I.C., with Dale's leadership, explored the applicability of deliberative dialogue and advanced an understanding of its practice through research, training and communication elements provided in the pilot. It also engaged over 600 citizens in more than 40 forums in communities across Canada, including a national 3-day youth forum. These deliberations gave citizens from all walks of life an opportunity to consider the pros and cons of various approaches to international issues. The results of these sessions have fed into the foreign policy development process.

For more on Jacquie Dale and the activities of the CCIC and its Organizational Development Team, see the CCIC web site at http://fly.web.net/ccic.

Knowledge Stocks

The winner of this year's **Knowledge Broker Award** is the Caledon Institute. Here is an excerpt from their recent report on social programs:

"In a globalizing economy, social programs remain an essential ingredient of both economic success and national identity. Canada must have the courage to continue shaping its social security system, grounded in its unique history and political economy to meet the demographic, social, economic and political realities of life in the early 21st century. Meeting these challenges means that our social programs cannot be treated as museums specimens, locked away, never to be tampered with or changed: Exactly the opposite strategy is needed if we are to maintain a robust social security system reflecting our own national needs. In order to renew and revitalize our social security system, many social programs doubtless will continue to require substantial change and, in some cases, fundamental restructuring."

Ken Battle, Sherri Torjman and Michael Mendelson, *Social Programs: Reconstruction Not Restoration,* (Ottawa: Caledon Institute of Social Policy, 2000), p. 2, available at, http://www.caledoninst.org.

Ideas on the Horizon

Horizons, the Policy Research Initiative's magazine, has been disseminating policy research ideas for three years now. From its outset, *Horizons* has been a venue for bringing together perspectives on horizontal issues using feature articles, research nuggets, eyewitness reports and web resources. Our goal is to profile research on crosscutting issues in order to help build the knowledge foundation for sound policy choice. In the past year, *Horizons* has covered a range of themes from the knowledge-based economy and society to the Canada-U.S. border to crime and public safety.

The *Horizons* team is now developing its agenda for 2001. A preview of upcoming editions includes such themes as:

- Transportation
- Social Cohesion
- The Market

Should you wish to contribute to any of these issues of *Horizons* or if you know of any research work or programs that might be of interest, please contact us at horizons@prs-srp.gc.ca. We also accept proposals for future *Horizons* themes.

PRI Update

Analyzing the Trends

The Tends Project is a collaboration between the Social Sciences and Humanities Research Council and the Policy Research Secretariat. It has resulted in 13 workshops in universities across Canada and formed the basis of the 1999 National Policy Research Conference, *Analyzing the Trends.* The workshops brought together over 160 academics and government officials to discuss issues ranging from demographic change and an aging society to globalization and multiple centres of power. Several of the papers written for the Trends Project have also been presented at national conferences, including the 1999 and 2000 Congress of the Social Science and Humanities, the Canadian Association for Gerontology's 1999 National Conference and the Canadian Political Science Association's 1999 and 2000 National Conferences.

The Project has contributed to building a better knowledge base on long-term issues and has helped identify knowledge gaps requiring further research. In fact, the P.R.I.'s Horizontal Projects on social cohesion, sustainable development and North American integration are in many respects the next steps of the Trends Project in that they bring together government and academics to examine issues highlighted by the Trends Teams.

Over the next year, six peer-reviewed edited volumes will be published in a series titled *Policy Research: The Trends Project Series* and will be available in English from the University of Toronto Press and in French from Les Presses de l'Université de Montréal.

In August 2000, the journal *Canadian Public Policy* issued a Special Supplement on the Trends Project containing seven articles synthesizing the work of the Trends teams. Here are the abstracts for each synthesis paper:

Article Abstracts

AGING AND DEMOGRAPHIC CHANGE
David Cheal

Population aging is often perceived in a negative way, through concerns about public pensions, the demand for health care, the needs of older people for personal assistance, declining economic production and the accumulation of responsibilities for the "sandwich" generation. Three main conclusions of this Trend Team are: first, multidimensional demographic analysis is required; second, the policy significance of older people in the future may not be the same as their policy significance today; and third, other factors need to be considered alongside demographic factors in making policy choices.

ENVIRONMENTAL TRENDS AND GOVERNANCE IN CANADA
Edward A. Parson

Since the 1960s, environmental stresses in the industrialized world have shifted from predominantly local to global scale, from separate to tightly coupled stresses and from observable acute stresses to subtle long-term ones. Central challenges in successful governance of the environment will involve developing more effective ways to integrate high quality scientific and technical assessment with key decision needs; learning more effective processes for managing under uncertainty and adapting to advances in knowledge; and coordinating shared authority across multiple levels of government and between diverse public and private actors.

GLOBALIZATION, CULTURE AND SOCIETY: THE STATE AS PLACE AMIDST SHIFTING SPACES
David Cameron and Janice Gross Stein

Globalization is the set of processes that connect societies while fragmenting and transcending the social structures it confronts. This Trend Team advanced

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four arguments. First, the uncertainties in the pace and trajectory of globalization are very large. Second, globalization is a layered process: some of the threads of globalization may thicken more quickly than others and others may thin out. Third, the state remains indispensable under all foreseeable contingencies, but it does face new challenges to its core mandates. Finally, the state has the capacity and the opportunity to make important strategic choices about its economic, social and cultural investments.

How the state responds when globalization is intensifying will have a significant impact on its capacity to respond should globalization stumble.

VALUE CHANGE AND REORIENTATIONS IN CITIZEN-STATE RELATIONS
Neil Nevitte

Citizens' values matter to the functioning of democratic states. But values change. This Trend Team presents empirical findings showing that structural and value changes have combined to re-orient how Canadians relate to their structures of governance. It also demonstrates that increasing numbers of Canadians think that their government is not responsive. Moreover, there are differences between how legislators see their roles and what citizens expect of their representatives.

CANADA AND NORTH AMERICAN INTEGRATION
George Hoberg

Since before Confederation, Canada's national identity has been defined in part by its relationship to the United States. This Trend Team examined trends in North American integration and their consequences for various aspects of Canadian life, focusing on the economic and political dimensions. It introduced the concept of integration, provided a brief survey of the history of North American integration, summarized the findings of research in the area and highlighted emerging themes, policy implications and the need for future research. The main theme is that the consequences of integration have not been as formidable as widely believed. Canada still retains significant room to maneuver, even in the areas of policy most affected by growing economic integration.

GOVERNANCE AND POLICY IN A MULTICENTRIC WORLD
Daniel Wolfish and Gordon Smith

Three dimensions of multiple centres of power and their corresponding implications for policy and governance are examined. While there has been a proliferation in the number of actors participating in governance and the policy processes, this development is not a new phenomenon. The state is in constant transfor-mation, adapting to the various challenges it faces. It is wrong to argue that the state is in retreat or that it is not as powerful as it once was. Today, the state has retained a preeminent role in governance and in the policy process. However, instead of providing an extensive social security network, it has taken on new roles, including helping to prepare domestic populations for global trade and social interactions.

PATTERNS OF SOCIAL DIFFERENTIATION IN CANADA
Danielle Juteau

This Trend Team argued that social differentiation represents an effective tool for grasping the connections between diversity and polarization and between difference and inequality. It focused on the economic-based and normatively informed processes constituting social differentiation in Canada. It documented age and spatially related, gendered and racialized inequalities and examined the mechanisms underlying these patterns. It explored the relationship between public policy, social differentiation, and the production and reduction of social inequality. Finally, it suggested that mitigating socio-economic disparities is the best tool for disassociating diversity from polarization.

These articles are available on the *Canadian Public Policy* web site, http://qsilver. queensu.ca/~cpp/english/special/special.html.

Eyewitness

Uncertain Terrain: *Taking One Step at a Time*

On October 10, 2000, *Canadian Public Policy* launched its Special Supplement on the Trends Project. For the event, **Edward A. Parson,** Professor at the John F. Kennedy School of Government, highlighted the results of his research team on environmental pressures and discussed the collaboration that occurred amongst academia and the public sector as part of the Trends Project. **François Guimont,** Assistant Secretary Economic and Regional Development Policy from the Privy Council Office, emphasized the process oriented hurdles government faces when dealing with such policy issues as the environment. **Marc Renaud,** President of the Social Sciences and Humanities Research Council, promoted the Trends Project as an innovative model for building knowledge.

UNCERTAINTY'S PERSISTENT CHALLENGE

During his presentation, Parson identified *uncertainty* as a persistent challenge impacting upon policy development, particularly in relation to environmental policy. Parson suggested that the policy community does not really know how serious the ecological problems are, what policies the government should pursue to address them or whether or not the government can even handle them. To illustrate the impact of uncertainty, consider the following example. Although car emission levels have been reduced in Canada over the past decade, the government at the time of when emission policies were being considered did not foresee the significant increase in the number of cars on the road. As result, Canada's policy community is once again exploring the environmental issues surrounding car emissions.

Parson also explained that environmental issues are always *global in scale,* even though many are based in certain specific geographical locations. The conclusion that environmental issues are global in scale led the research team to agree that the forum to best address these problems is at the international level. Guimont echoed this sentiment when he suggested that Canadian governments, at all levels, must harmonize their policies when dealing with similar environmental issues, so as to present a coherent national approach to environmental policy.

INCREMENTALISM: ONE STEP AT A TIME

Not only does the attack on environmental issues have to be coherent, Guimont argues that **the policy approach must be one of** *incrementalism,* **smaller policy actions which attack a policy issue in modest proportions. He suggests that the incrementalist approach is the most effective policy development approach when dealing with issues that are surrounded by uncertainties.** Guimont pointed out that instead of following this approach many governments focus on the *process* of making policy. In addition, Guimont presents the challenge of researchers to communicate scientific data and evidence to decision makers in "a digestible manner." Both Parson and Guimont hope that the policy community accepts that mistakes are inevitable when dealing with issues that are surrounded by uncertainty.

LINKING RESEARCH AND POLICY

Renaud built on the idea of further research by praising the Trends Project as an innovative model for building knowledge amongst researchers and policymakers. All three speakers agreed that the success of the Trends Project was the result of strong partnerships that were created among academics and bureaucrats.

Two suggestions that were presented towards the building and expanding on these relationships were to continue to include young people and academia from across the country in the research process and the development of a process that would rotate senior government officials to positions outside government. Renaud concluded by arguing that the Trends Project should continue to provide more input into how government can deal with uncertainty in policy development.

For more information on the Trends Project see the *Canadian Public Policy*Õs web site on the Special Supplement on the Trends Project at http://qsilver.queensu.ca/~cpp/english/special/special.html.

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Canadian Connections

The web sites listed below provide information on a variety of topics related to the 2000 National Policy Research Conference theme, *canada@theworld.ca*.

- The **Communications and Consultation Secretariat,** has launched a new web site, intended as an information-sharing and resource tool for those interested in consultation and citizen engagement. On the site, you can tap into work on the new federal policy and guidelines on *Consulting and Engaging Canadians,* information on activities, events and training along with a library and plenty of links. See the web site at http://publiser vice.pco-bcp.gc.ca/comcon/contentsconsult_e.htm.

- The National Round Table on the Environment and the Economy launched its **Sustainable Development Indicators Initiative** in August. The goal of this program is to generate a national set of sustainability indicators that can be used throughout Canada. These indicators integrate environmental and social considerations into economic decision making by governments, business and civil society and track progress towards sustainability. Follow the progress of this exciting new initiative at http://www.nrtee-trnee.ca/eng/programs/ SDIndicators/SDIndicators_e.htm.

- **The Expert Panel on Skills,** established by the Prime Minister's Advisory Council on Science and Technology, was appointed to examine the skills picture in five strategic industry sectors. They recently released the report *Stepping Up: Skills and Opportunities in the Knowledge Economy* that offers a series of policy recommendations to ensure Canada's continued participation in the knowledge economy. To see the report and its support documents go to http://acst-ccst.gc.ca/ acst/ skills/home_e.html.

- *Freedom From Fear: Canada's Foreign Policy for Human Security,* found at http://www.dfait-maeci. gc.ca/foreignp/g7/2000/humansecuritybooklet-e. asp, represents Canada's efforts to refocus the concept of security from nation states to protecting people from violence and to define an international agenda that follows from this objective. "This means building a world where universal humanitarian standards and the rule of law effectively protect all people; where those who violate these standards and laws are held accountable; and where our global, regional and bilateral institutions are equipped to defend and enforce these standards."

From the Cyberzone

http://www.socwatch.org.uy/indicators/query.htm

Social Watch's Social Development Indicators Database is a tool for doing international comparisons. It offers an array of indicators related to social and economic development in U.N. member states. There are many options for comparisons, for example you can trace the evolution of infant mortality relative to G.D.P. growth or check the number of televisions per capita across countries or regions. **Social Watch is** an N.G.O. system aimed at monitoring the commitments made by governments at the World Summit for Social Development and the Beijing World Conference on Women.

http://www.globalcompact.org

An example of United Nations efforts to expand its constituency, the **Global Compact** is a creative partnership between the United Nations and the private sector to develop a set of shared values and principles. The goal is to give a human face to the global market, based on adherence to 9 principles in the areas of human rights, labour standards, and environmental practices. This site includes case studies, tools and resources, information on an awards program and a section on university researchers and think tank debates and publications.

Feature Columnist

Imagine a Safer and More Caring Canada

ENFORCEMENT OVER PREVENTION

Public safety is fragile, as any victim of crime will tell you. But much more can be done to make Canada safer and empower victims by investing in proven crime prevention strategies.

> *"Imagine a Canada where taxes are used as much for crime prevention as for prisons, where public safety policy is guided by proven results rather than emotion, where neighbourhood disputes are resolved rather than litigated, where police officers focus on victims as much as crooks, where law schools teach more about reparation than retribution. Imagine a safer and more caring Canada."*

Despite recent declines in the 1990s, national crime rates still leave us unacceptably prone to victimization because they rose for the thirty years previous. Based on Statistics Canada's reports, proportionately more households this year will be victims of break and enter in Canada than in the United States or the United Kingdom. Murder rates in Canada's northern communities rival those of U.S. ghettos in the 1980s.

What has happened? Our police are better paid and more professional than 30 years ago and more than most other countries. Indeed, community-policing policies leave our police services rated more positively by Canadians than how citizens in Europe, United States and Australia rate their police forces. Our lawyers and judges are independent and sophisticated with a new *Charter of Rights and Freedoms.* Our system of civil and criminal justice is the envy of the world. Our correctional services are training prison guards worldwide.

Unfortunately, it is not policing, courts or corrections that determine the levels of community safety, as was conclusively shown by a recent comprehensive review of evaluations of law enforcement and criminal justice for the U.S. Congress. Many of the countries with the fastest rising crime rates, such as Russia and South Africa, have more police per capita than Canada. In just two decades, the United States has tripled the number of adults incarcerated to two million – mostly young disadvantaged males – a per capita rate eight times that of Canada.

THE SHIFT TO PREVENTION STRATEGIES

In contrast, evaluations of prevention projects that have successfully tackled the causes of crime show large reductions in rates of crime in the United States, Europe and Australia. Further analyses of the costs associated with prevention strategies confirm that these are much more cost effective. At the United Nations, governments agree that crime prevention strategies should be used extensively. The European Union is moving towards a European-wide crime prevention policy. International gatherings of city mayors confirm prevention and community safety as the road to safety. In 2001, the U.N. Crime Commission will focus on concrete ways to channel investment where it is needed in community-based crime prevention programs.

Cities such as Boston in the United States or Newcastle in the United Kingdom have reduced juvenile and street crime by upwards of 40 percent within a five-year period. Their strategies were based on mobilising the agencies able to tackle the causes of crime. Most E.U. countries, New Zealand and Australia have established crime prevention responsibility centres to lead efforts to reduce crime. These centres bring together ministries responsible for schools, housing, social services and policing to promote collaborative ways of tackling the causes of crime. The

centres also have a budget to assist cities and local government mobilize these sectors at the local level in the crime prevention fight.

CANADA – LAGGING BEHIND

In Canada, investment in the prevention strategies is lagging far behind the $10 billion spent annually on enforcement and prisons. The National Crime Prevention Centre in the Canadian Department of Justice has a budget of only $30 million and few provinces have any budget at all.

In contrast, the British Treasury has allocated $250 million this year with a large increase expected next year. Their decisions were in part influenced by the work of the International Centre for Prevention of Crime – an organization funded by governments internationally and based in Montreal. The British funds will be spent on programs known to thwart violence against women, prevent residential burglary and reduce youth crime by assisting teenagers at risk to complete school. Every municipal government in the United Kingdom today has a community safety strategy where schools, social services, youth agencies and police have identified practical ways to tackle the causes of crime. Moreover, $25 million will be spent to evaluate the cost effectiveness of these measures.

The French government is creating 15,000 jobs for community mediators to bring justice to the people. In disadvantaged areas, they have established community justice centres, which build on the success of pioneering projects in Canadian communities such as those in Kitchener-Waterloo in the 1970s.

IMAGINE A CANADA…

In 2000, the Federal and Quebec governments sponsored the week long 10th International Symposium on Victimology held in Montreal. Over 1,300 participants participated from 62 countries to foster more action on prevention and victim empowerment. The Edmonton Police Service, which won international awards for their victim assistance service in the 1980s, will host the North American Conference on Victim Assistance in 2001. Canada was a major sponsor of the Declaration on Principles of Justice for Vic-

tims adopted by the U.N. General Assembly in 1985 and which will be the focus for the U.N. Crime Commission in 2002.

Imagine a Canada where taxes are used as much for crime prevention as for prisons, where public safety policy is guided by proven results rather than emotion, where neighbourhood disputes are resolved rather than litigated, where police officers focus on victims as much as crooks, where law schools teach more about reparation than retribution. Imagine a safer and more caring Canada.

Irvin Waller
Director General,
International Centre for
Prevention of Crime

For more see, "100 Crime Prevention Programs to Inspire Action across the World", *Crime Prevention Digest II* available at http://www.crime-prevention-intl.org/english/programs/index.html.

WANTED

— Ideas —
Bringing Communities Together

We are on the lookout for cutting edge research, ideas and knowledge on *Bringing Communities Together* to profile in next year's National Policy Research Conference issue of *Horizons.* If you know of noteworthy horizontal policy research, please contact the *Horizons* team at horizons@prs-srp.gc.ca or call (613) 947-1956.

Eyewitness

Public Opinion and Aboriginal Policy

How has public opinion regarding Aboriginal issues changed over the past twenty years? How does public opinion on Aboriginal Issues affect policymaking? To answer these questions Indian Affairs and Northern Development Canada hosted a colloquium on July 19, 2000, to discuss three research papers produced by Rick Ponting, a professor of sociology at the University of Calgary.

In a paper titled "Public Opinion on Aboriginal Issues, 1976-98: Continuity, Change, Cohorts and Communications," Ponting provided an analysis of the changes in public opinion over the past two decades and suggested communication strategies to enact Aboriginal policy in a public arena. His research showed that public opinion has remained remarkably stable since 1976, with only slight increases in support on most issues, including general issue support, receptivity to special cultural protection and acceptance of lawsuits and barricades as tactics for the settlement of disagreements. As well, there was a slight decrease in the belief that the motivation for land claims was based on justice. Ponting also found that in the samples polled during this period overall awareness of Aboriginal issues was low.

To change public opinion surrounding policy issues, Ponting suggests the use of television advertisements focusing on personal repercussions. Such advertisements, for example, could include the use of testimonials in communities or could depict policies as measures to preserve and express aboriginal culture.

In his second paper titled "The Political Processing of Public Opinion Data on Aboriginal Issues in the Governments of Canada, British Columbia and Australia," Ponting attempted to follow the advice of Herbert Blumer, who stated in 1948 that "a model should be constructed, if it can be at all, by working backwards instead of by working forward. That is, we ought to begin with those who have to act on public opinion that come to their attention, tracing these expressions backward through their own various channels."

Using interviews in Australia and Canada, Ponting set out to cast light on the actions of government officials and to show the origins of public discourse. He found that while decision makers often consulted opinion polls, the surveys were used more to reduce political uncertainty and legitimize government policy than to inform government actions. Pointing argued that decision makers did not use polling data to shape the terms of public discussion, but rather to use these terms in the presentation of government policy.

Ponting ended his discussion on a positive note. In his final paper, "Multiple Points of Light," Ponting presented the reasons why Canadians should feel more optimistic about Aboriginal communities; there has been a transformation of the sociological landscape for Aboriginals since the release of the *1969 White Paper,* and that with increased effort, substantial reforms to the system can be made and enacted.

For more information see Rick J. Ponting (ed.), *First Nations in Canada: Perspectives on Opportunity, Empowerment, and Self-Determination,* (Whitby, ON: McGraw-Hill Ryerson, 1997).

Bookmark

Monitoring International Productivity

The *International Productivity Monitor* is a new publication produced by the Centre for the Study of Living Standards. The objective of the publication is to focus attention on the importance of productivity for improving living standards and quality of life. Twice a year, the *Monitor* will publish articles from leading researchers on productivity issues, trends and development in Canada and other countries and will also serve as a vehicle for the international discussion of productivity topics.

The *International Productivity Monitor* is available at http://www.csls.ca.

Across Canada

A clearing house for strategic information and knowledge relating to economic development

In 1998, convinced of the need to stimulate the extension of state-of-the-art knowledge in economic development, particularly on issues and challenges arising from the new economy, the Canadian Economic Development Agency for the Quebec regions sketched out a plan to develop a permanent strategic monitoring mechanism to read socio-economic trends.

Now, two years later, not only has the Canada Economic Development Observatory come into being, but about 15 monitoring and research projects have been completed or are near completion, along with a similar number of dissemination, integration and transfer activities. Today, the Observatory is gaining a reputation as a place where the problems and needs of new economy players are analyzed and as a tool for the development, integration and dissemination of advanced knowledge.

In order to take an active part in the economic development of Quebec, the Agency devotes equal attention to anticipating future changes, identifying new issues and implementing conditions that will enable businesses and regions to acquire the skills necessary for their development in a constantly evolving economy. The Observatory's main research activities are linked to the new economy and focus on issues such as innovation and productivity, new development factors for small and medium-size

enterprises, electronic commerce, new information and communications technologies, the information society, metropolitization and trigger factors for growth in small and medium-sized enterprises.

In addition, in cooperation with the Université du Québec à Trois-Rivières Research Institute on small and medium-sized enterprises, the Observatory will be taking part in *canada@theworld.ca*, the 2000 Nation Policy Research Conference. Researchers will be presenting their views on strategic issues for small and medium-sized enterprises in a globalized context and the Observatory will focus on new public practices in this respect.

For governments, the new issues confronting small and medium-sized enterprises require the development of new instruments to assist regional economic development. These must include objectives and targets adapted to the strategic requirements of small and medium-sized enterprises. They must place priority on developing the business environment and the organizational capabilities of businesses. Moreover, these new instruments must build on experimentation and demonstrated best practices and be based upon initiatives emanating from small and medium-sized enterprises associations, institutions and networks.

To find out more about the Observatory and its activities, see http://www.dec-ced.gc.ca/en/4-2.htm#observ.

Canada: *A State of Minds*

"With knowledge at the cutting edge of competitiveness and with enhancing knowledge and skills of all Canadians as the key to addressing inequality, **a societal commitment to a human capital future for Canadians is emerging as the principal avenue by which to** promote *both* **economic competitiveness and social cohesion.** […] the new global order is inherently about people, about citizens, not about resources or capital or land. And if we privilege our citizens in terms of their economic and social futures, the rest of the policies required to prosper in the information era will fall into place."

For more information see, Thomas Courchene, *A State of Minds: Canada in the Information Era,* QueenÕs University School of Policy Studies, Working Paper 10, October 21, 2000, available at http://SPSpapers.net.

Feature Columnist

A Call for Innovative Governance: Confronting Our Failures

THE FAILURES OF GLOBALIZATION

Far too many people are poor in the world. While there are growing concentrations of wealth of impressive proportions, income disparities are growing much worse. This makes for a world that is unjust and unsafe. Conflicts cause misery and death world-wide. Weapons of mass destruction threaten us all and so-called small arms threaten too many. The world's climate is warming, changing natural habitat and the way we live. These are the failures that compel us to improve the ways we govern ourselves. For the most part, these are failures to mitigate the damage and inequities of globalization, but also population growth and the consequent demands on the environment.

Where globalization confounds governance is in its tendency not only to integrate countries and societies but also to fracture them – in the politics of secession and in the divisions of generation and belief. Globalization empowers some people while it impoverishes others. Nowhere is the strife more evident than in the contests of culture, seen by many in the world as a struggle of Hollywood versus diversity, consumerism versus identity.

Today, good governance requires recognition of three key issues of the present globalization process:

- *Interests* – Globalization is not inevitable. It can be shaped and even reversed. Many of the forces of globalization are driven by powerfully motivated interests, both private and public, which any practical attempt at better governance must acknowledge;
- *Equity* – For all the opportunities it creates, globalization has also deepened existing inequalities or has created new ones. The interdependence of globalization is dramatically asymmetric in its effect: while some prosper by it, others suffer. Better governance means a better distribution of globalization's costs and benefits; and
- *Governance* – Globalization breaks down the state, but it also underlines states' essential role in managing public goods. It restricts policy

autonomy. But for the great purposes of governance – securing peace, alleviating poverty, creating an equitable social harmony and protecting the environment – globalization endows states with new capacities and new legitimacy for actions far beyond national borders.

SHARED PROBLEMS, SHARED SOLUTIONS

Globalization challenges the state and demands more of it. All our institutions of governance are put at risk in its apparent disorder. A defining characteristic of the present globalization is that it defeats the attempts of states to manage affairs on their own. No state, not even the superpower, can by itself protect its people from conflict, climate change, the debilitating influences of the drug trade or the upheavals caused by financial crises half a world away. We all now inhabit a planet on which our worst problems rapidly become shared problems. They demand cooperative solutions – states collaborating with each other and with international organizations, NGOs, businesses and others in the fluid alliances that now mark the ways we govern best.

No effort of governance will succeed if it is not sufficiently democratic. People are entitled by right to some meaningful say in the institutions that govern their lives, be it their own legislature or the World Trade Organization. In fact, the globalization of communication arms citizens with the information and the means they need to give consent and to refuse it. Better governance, by definition, means more transparency, more accountability and more popular participation in the decisions that count.

FUTURE GLOBAL CHALLENGES

To illustrate some of the dangerous failures of governance, we can point to three global challenges and their imperatives for actions:

- *Preventing deadly conflict* – Whether between countries or within them, or in the borderless menace of terrorism, this challenge demands a new and wiser understanding of the developing norm of humanitarian intervention and its rela-

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tionship to sovereignty. It also requires immediately achievable reforms of the United Nations operations including enhanced authority for the Secretary-General to warn of impending conflict, a more restricted use of Security Council vetoes by the five permanent members and an enhanced UN capacity to deploy police, peacekeepers and, if need be, fighting troops to prevent or suppress bloody conflicts and then to rebuild peace.

> *"This is not an argument for world government… The guiding rule should be to direct energies at the global, regional, state, or sub-state levels, and in the networks connecting them… The United Nations belongs at the centre of any new approach. The U.N. system forms a natural nexus to those networks of governance – a knowledge exchange, a place of advocacy and fair hearing, a unique source of legitimacy that gives moral authority to the actions of states."*

- *Providing opportunities for the young* – As the global population is expected to rise from 6 to 8 billion in the next twenty-five years, we need to find a set of pragmatic and immediate actions that create opportunity and employment for the world's youth. Such actions include rescuing children from the plague of H.I.V./A.I.D.S., enrolling every young child in basic education, expanding access to the Internet and adopting tough new measures to protect children's health through the international control of the tobacco industry and by phasing out the sale of leaded gasoline.

- *Managing the many causes of global change* – managing and mitigating climate change represent both a collective obligation and a rich opportunity. Success in implementing a global strategy for reducing greenhouse gas emissions depends upon a grand bargain between rich and poor countries. It must promote both accelerated and sustainable

development. The design of that bargain is already in place, agreed to at the Rio Earth Summit and in the 1997 Kyoto Protocol. Needed now are will and action.

These are the three urgent themes that confront government leaders around the world as they prepare for the challenges of the 21st century. There are many barriers to progress, from entrenched interests to ideology to institutional weakness. We must also pay heed to the hazards of "peaceful coexistence". In other words evading problems on the excuse that they look intractable. It would be naïve, not to mention folly, to believe nothing can be done.

A NEW NETWORKED APPROACH

This is not an argument for world government. The dynamics of globalization itself argue for power to be decentralized, dispersed to those most affected and most effective. The guiding rule should be to direct energies at the global, regional, state, or sub-state levels, and in the networks connecting them. Indeed, the power structures of the present globalization look more like networks than hierarchies. The United Nations belongs at the centre of any new approach. The U.N. system forms a natural nexus to those networks of governance – a knowledge exchange, a place of advocacy and fair hearing, a unique source of legitimacy that gives moral authority to the actions of states. Now is the time to redirect the powerful energies of globalization for a shared and better future.

Gordon Smith
Director,
University of Victoria

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Award Winners

Outstanding Research Contribution Award

The *Horizons* team would like to draw your attention to the following three outstanding contributions to policy research in Canada.

PROMOTING SELF-SUFFICIENCY

The Self-Sufficiency Project is a test of a program to give financial assistance to people living in poverty, while still giving them the incentive to seek and accept new employment. Over five thousand single parents who were long-term recipients of welfare in New Brunswick and British Columbia were randomly assigned to two groups. One group was given payments to supplement their income from a new job, gradually tapering off as their incomes increased; the other was the control group. Sub-groups were also set up to assess the impact of employment-related services and of how this program would change the behaviour of new welfare applicants.

The research is still at an early point in determining the program effects. However, emerging evidence from the project suggests that a strategy to make work pay that combines financial incentives with a work requirement may be a triple winner. The project has doubled the proportion of single-parent long-term income assistance recipients who went to work full time. It has raised incomes for these poor families, creating a substantial anti-poverty effect during the period of supplement receipt. It potentially can save the government money since the cost of the *Self-Sufficiency Project's* supplement payments is partially offset by the income assistance savings and by the additional income tax generated. Supplement payments and the earnings of the participants are taxable and income assistance payments are not.

For more information, see the Social Research and Demonstration Corporation web site, http://www.srdc.org/english/ projects/SSP.htm.

FAIR OR NOT FAIR? – THAT'S THE TAXING QUESTION

Taxing Canadian Families: What's Fair, What's Not, by Carole Vincent and Frances Woolley, examines how the tax systems treats Canadian families.

The study evaluated three major aspects of household economics and taxation:

- How the tax system recognizes the costs and responsibilities of caring for children;
- The extent to which child-related programs deliver reasonable transfers to low-income families without putting pressures on their marginal tax rates; and
- How family arrangements are acknowledged when evaluating a family's ability to pay income taxes.

Based on principles of equity and economic efficiency, Vincent's and Woolley's study found that the reinstatement of a universal child benefit program would treat families with and without children more fairly and would reduce the inefficiency costs associated with the high marginal tax rates facing low-income families with children.

The studyÕs findings can be found on the Institute for Research on Public PolicyÕs web site, http://www.irpp.org/indexe.htm.

A VULNERABILITY INDEX

In an edited volume of research papers, Douglas Willms gives us a comprehensive approach to examining the critical issue of vulnerable children. The title of the study is *Vulnerable Children: Findings from Canada's National Longitudinal Study of Children and Youth.*

The research used data from the National Longitudinal Study to help build a demographic profile of vulnerable children and to identify the main aspects of family, school and community life that contribute to healthy child development. One important result of the research was the development of a vulnerability index for Canada, based on poor developmental or behavioural childhood outcomes. The findings challenge the conventional wisdom that children at risk are generally from low-income families. While income plays a role, a host of other factors are more significant, including the mother's level of education, family cohesion and the extent to which parents

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engage with their children and school and neighbourhood environment.

The studies showed that what matters most is that a child is cared for throughout the day by warm and responsive care-givers, in an environment rich with opportunities to learn. These findings require policy makers and society at large, to shift our thinking about childhood vulnerability, from being a problem of poverty and single parenting to one arising from the environment in which children are raised.

The research reports can be found on the Canadian Research Institute for Social Policy web site, http://www.unb.ca/crisp/pubs.html.

Canadian Cities

Globalization
Issues and Opportunities

"The growth trajectories of Canada's cities are influenced by global processes, notably international migration, capital flows, and the emergence of an international division of labour. These trends underscore the importance of city-regions on a international scale, but these new roles may also be problematic. For example, consider the intensity of inter-city competition, the alienation of Canada's largest cities from long-standing domestic socio-economic relationships, social polarization and inter-cultural tensions and ecological impacts of urban growth, both at the bioregional and global scales. These new or emergent issues and problems demand a more urgent research effort and policy response, including the enhancement of policy capacity for metropolitan authorities, new powers for cities to allow them to perform crucial international and global roles, the exploration of inter-city cooperation and collaboration potentials and a research commitment on the issues of globalization for Canada's city-regions."

Thomas A. Hutton, ÒGlobalization and Canadian Cities: Issues and Opportunities,Ó paper presented at the 2000 National Policy Research Conference, *canada@theworld.ca*, November 30 to December 1, 2000.

Toronto: *An Emergent City-Region*

"Toronto provides an interesting case study of some of the governance challenges that face city-states in an era of globalization. Ontario is politically and economically dominated by one urban region – Toronto and its commuter communities. Indeed, Toronto could be said to extend across southern Ontario. Recently, environment and quality of life issues have become an aspect of planning for the region. The process of divestment and devolution of authority is well underway in Ontario. The southern portion of Ontario is among the most urbanized regions in North America, and is the centre for about 50% of Canada's industrial economy. Globalization presents both challenges and opportunities for urban regions. It requires a strong city-state capable of reacting decisively to the impacts of sprawl, infrastructure demands and social and environmental concerns."

Kevin S. Hanna and Anjala Puvananathan, ÒDivestment and Devolution, Globalization and the Needs of the New City State: A Case Study of Ontario,Ó a paper presented at the 2000 National Policy Research Conference, *canada@theworld.ca*, November 30 to December 1, 2000.

Feature Columnist

A Suite LAP: *A Competency Profile and Learning Framework*

The Learning Advisory Panel (L.A.P.) for Policy will launch a suite of products at the 2000 National Policy Research Conference in aid of capacity building and learning in the policy sector, including a Competency Profile and Learning Framework which will form the basis of further work by the L.A.P. on learning and development in the policy community.

WHY EMBARK ON THIS PROJECT?

A major principle of Canadian public sector and management reform is that there is a role for government in the economy and society – but it must be a modern role. The policy sector needs to build the critical skills necessary to inform decision makers of options, tradeoffs and implications of current and future policy choices.

CHALLENGES FACING THE POLICY COMMUNITY

The *policy community* is not an easily defined community. It embodies the skills and talents of a diverse set of sub-communities and, thus, a diverse set of skills and functions.

Policymaking is also a way of thinking strategically that has broad applicability across diverse functions and issues – whether they be general policy approaches, program planning or even administration. Policymaking implies the need and ability to manage multiple interests, shared author-ity, partnerships and relations. It represents an ability to find solutions by integrating diverse views, analysis and interests, within a context of changing relationships in Canada's economy and society. Good policymaking requires excellence in research, policy development and the decision-making processes and excellence in its personnel.

THE CHALLENGES ARE MANY

In the *Post-Program Review,* federal departments are adapting to changed mandates, new delivery mechanisms, a continuing need for greater effectiveness, clarity of roles and responsibilities and innovation in decision-making processes. Some specific departmental challenges include resource constraints, capacity issues, changing stakeholder interests and increased horizontality and complexity of issues.

The policy community also needs to be able to anticipate changes in the broader policymaking environment and to build capacity to adapt to such changes, including the need to be more forward looking, sharing custody of issues, the need for levers of influence rather than power, changing social capital and trust, technology changes, new emerging players, governance and democracy challenges and the like.

A COMPETENCY PROFILE: TRANSITION TO EXCELLENCE

Fortunately, there is a wide range of skills and behaviors available to the policy community to solve modern day challenges. A competency profile can be thought of as an outline of key skills or areas of competence that should be embodied in individuals or teams.

The competency profile for policy focuses on three diverse roles within the policy community – specialists, generalist/integrators and managers – each drawing on a generic set of competencies, but which apply differently in each context. They are not airtight communities; policy personnel often play a number of different roles. The skills and behaviors within these key roles are some key ingredients to excellence in policymaking.

The three elements of a competency profile include:

- Generic competencies across specialists, generalists/integrators and managers;
- Generic behaviors, but applied differently to the three roles; and
- Detailed behavioral profiles for each.

The behavioral indicators are oriented to best practices, as revealed by characteristics of top performers. Thus, one can think of these competencies and their associated behaviors as:

- Ingredients to help manage policy issues;
- Existing either on internal/ external teams or embodied in talented individuals as new skills are acquired; and

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- Something to strive for rather than benchmarks of perfection.

APPLYING THE COMPETENCY PROFILE

Competency profiles have a number of uses, including:

- *Personal application – Know Thyself:* An application of this profile, and the associated Learning Framework, is to measure individual skills development. This framework provides a benchmark for self-assessment for individual learning purposes, which can help policy practitioners assess their strengths and determine best ways of increasing skills where needed. The Learning Framework also provides guidance on how to build skills.

- *Career Planning – Building Skill Mixes Over Time:* Competency profiles can add specificity to the concept of career planning, which is often hard for individuals to visualize. It can help career planning and career choices such as avoiding overspecialization in skills or building missing skills in high priority areas, while building on comparative advantages, thereby allowing one to better act on opportunities to learn.

- *Corporate Application:* The identified behaviors for the three roles in policy provide a type of best practice focus to build corporate policy capacity. By changing the focus from *issues familiarity* to behaviors, competency profiles can guide team building, guide issues management and challenge how we nurture human resources and leadership.

- *Corporate Learning, Training and Culture:* This profile, which takes account of different roles, can show specialists the value of integration and issues management skills, show generalists the value of specialist and show the danger of single-track career advancement and the need for exposure to the broad range of skills needed in policymaking.

CONCLUSION

In conclusion, the Learning Framework reveals the need to value and integrate all inputs in the policy process, the value of exposure to a broad approach early in one's career in order to develop management skills and how stovepipes are counterproductive to policy capacity and policy excellence.

Lori Ridgeway
Director General,
Fisheries And Oceans Canada

The Competency Profile, Learning Framework, self-assessment tools and a detailed list of competencies can be found at http://learnet.gc.ca/.

ISUMA #3
Social Capital

Social capital refers to the relationships, networks and norms that facilitate collective action. There is growing evidence that these social traits have important implications for prosperity, health and self-related happiness.

In the third issue of *Isuma: Canadian Journal of Policy Research/ Revue canadienne de recherche sur les politique,* due out in late January, a number of Canadian and international experts look at what we know about social capital, its determinants and its consequences.

Contributors include: Michael Woolcock, Robert Putnam, Réjean Landry, Tom Schuller, J. Douglas Willms, Gerry Veenstra, Vincent Lemieux, Sylvain Côté, Takashi Omori and Edward Glaeser.

Eyewitness

Building the Policy Knowledge Base

Ontario's Ministry for Community and Social Services held a policy forum on September 20, 2000, with the objective to learn about best practices in knowledge management. The goal of the forum was to help the Ontario Public Service strengthen the work of its own policy community.

During the day, it became clear that speakers were using the term knowledge management in a variety of ways. To some, knowledge management connotes the application of information technology (I.T.) through the creation of databases and software tools that can make a wide variety of information readily available throughout an organization. To others, it refers to a culture within an organization that values knowledge and uses it to inform decisions. In the federal government, it refers to initiatives undertaken over the last five years to enhance the government's policy capacity. These different meanings are discussed below.

FEDERAL GOVERNMENT'S MANAGEMENT OF KNOWLEDGE

According to Alan Nymark, Deputy Minister of Environment Canada, and Michael Keenan, Director of Strategy for the Policy Research Secretariat, the federal government's Policy Research Initiative has focused on environmental scanning and long-term policy thinking. This involves understanding the economic, technological, and social trends that will influence public policy. Some trends are predictable and gradual while others are unpredictable and sudden. The goal of policy research is to establish facts that all can take as a point of departure.

In addition to comments on the Policy Research Initiative, Nymark discussed policy research in departments, drawing on his experience in policy divisions in several federal departments. In each department, he established a research unit, staffed by Ph.D.s. Much of the research would be contracted out to academics. Nymark felt that contract research is most effective if the contract manager is a Ph.D. and if the output is a refereed publication. Keenan discussed the management of large multi-disciplinary academic research teams, a challenge comparable

to that of overcoming organizational silos within government. Here too, the importance of wide dissemination of research results through publications, both print and electronic and conferences was emphasized.

The federal government experience raises interesting questions for the Ontario Public Service, long considered to have analytical capabilities to match most other public service in Canada. The Ontario Public Service experienced an erosion of its analytical policy capacity as a result of downsizing and a focus on management improvement. The Ontario government is now responding to the erosion in its policy capacity through such initiatives as the Ministry of Community and Social Services' *Policy Matters!* and an internship program intended to bring talented young people into their public service.

THE BAGEL EFFECT: IMPACTS OF INFORMATION TECHNOLOGY

Professor Paul Hoffert provided an overview of the impacts of I.T.. He sees it breaking down large organizations, big government and central control in favor of networks, markets, and decentralized authority. Power has moved from the centre to the periphery of organizations, a phenomenon he calls the bagel effect.

The experience of the Toronto District School Board, as presented by the Superintendent Maureen Kaukinen and the Coordinator for New Learning Janet Murphy demonstrates the impact of I.T. on the operations of an organization. These include enhancing efficiency (e.g. - electronic report cards), skills development for staff and a change in service delivery through the establishment of computer-assisted learning. I.T. provides new channels of service delivery in education, just as transactions through electronic kiosks and over the Internet provide an alternative to in-person visits to government offices.

The discussion of knowledge management also touched on the potential of I.T. to make the boundaries between government and society more permeable. Paul Hoffert described how the wired community experiment in Newmarket led to

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electronically facilitated community organizing. Such virtual community building can be applied to other public services in Canada. For example, the Policy Research Initiative requires extensive consultations between government and academic researchers in which I.T., particularly the Internet, can play a vital role in idea exchange and dialogue.

KNOWLEDGE MANAGEMENT

Finally, consider the definition of knowledge management as organizational culture. New ideas for service delivery often come from the front lines or middle levels of organizations. In his recent book, *Leading the Revolution,* Gary Hamel discusses how the champions of web-based business in I.B.M. were a programmer and a middle manager. The role of senior managers is to support promising initiatives like these with encouragement and resources. Good knowledge management, by making more information available throughout the entire organization, gives these front line or middle management champions better tools to work with.

The policy forum provided ideas that Ontario Public Service managers can draw on in improving policy development and knowledge management within their own departments. The spirit of the conference can be summarized in three statements:

Policy matters. Good policy development depends on putting into place information bases a basis for analysis. In the case of long-term planning, the information base should be in place and analysis undertaken long before decisions are contemplated.

Service matters. Knowledge management can enhance service delivery, for example, by providing information that staff can use to initiate improvements.

Openness is essential. The real value of knowledge management comes from sharing knowledge resources within government and with the public. The more minds thinking about a problem, the better the solution is likely to be.

Sandford Borins
Professor,
University of Toronto

Bookmark

The Campbell Collaboration

The Campbell Collaboration is an international effort that aims to help people make well-informed decisions by preparing, maintaining and promoting access to systematic reviews of studies on the effects of social and educational policies and practices. It is modeled on the highly successful Cochrane Collaboration, which prepares and maintains systematic reviews on the impacts of clinical and population-based interventions in health care.

Named after the American psychologist Donald Campbell,

who drew attention to the need to assess the effects of social and educational policies, the Campbell Collaboration currently consists of three substantive work areas – education, criminal justice and social work and social welfare. In each study area, review groups form around specific issues of interest. Review groups appraise studies according to an agreed upon methodology and format to produce a meta-synthesis of the most important, and relevant, findings and conclusions. Campbell Collaboration reviews

are published electronically so that they can be updated promptly as additional evidence emerges and are amended in the light of criticisms and advances in methodology. As reviews become available, they are posted on the Campbell Collaboration web site and database.

For more information on the Campbell Collaboration see http://campbell. gse.upenn.edu.

For more on the Cochrane Collaboration see http://www.cochrane.org.

Award Winners

2000 Media Award Finalists

CBC RADIO

"Health Canada Grapples with HIV/AIDS and Intravenous Drug Use"
November 23 – 28, 1999

In *Health Canada Grapples with HIV/AIDS and Intravenous Drug Use,* a national CBC Radio News series, reporters Maureen Brosnahan, Chris Grosskurth, Curt Petrovich and Scott Dippel examined radical recommendations from a Health Canada task force dealing with this public health issue. By comparing these recommendations with past and present policy and with international research and practices, these reporters presented Canadian audiences with a full range of policy issues related to HIV/AIDS and its implications for health care professionals, lawmakers and the public at large.

MACLEAN'S
MARY JANIGAN

"Stretching the Medicare Envelope"
April 3, 2000

Here is an excerpt from a *Maclean's* article on Canada's public health care system:

"In the end, Canadians must ask themselves how Alberta's approach compares with other ways for reforming the healthcare system. 'Ralph Klein has provoked people who really want to save Medicare into doing some serious soul-searching,' says Toronto health policy analyst Dr. Michael Rachlis, who argues that

provinces must change the way that they deliver services – while preserving public payment. 'But Alberta's proposals would probably increase costs – and they might even decrease quality.' Rachlis argues that government could save far more money by encouraging doctors to work in multidisciplinary teams, which include nurse practitioners and dieticians, in order to provide better preventive care to patients with chronic illnesses. There could also be more palliative and home-care programs. 'The only hope for real change and improvement is a public debate,' says Hugh Segal, president of the Montreal-based Institute for Research on Public Policy."

LA PRESSE
ALAIN DUBUC

"We Must Break This Vicious Circle"
February 19 to 26, 2000

In a series of articles, Alain Dubuc argues that after 40 years, Quebec's politics have reached a stalemate. Separatists are wed to a political option Quebecers do not want. Federalists continue to invent a constitutional reconciliation in which the rest of country has no interest. Elsewhere, he contends, the world is getting on with the 21st century. If Quebec is not to be left behind, it must turn the page on the notional question. In fact, the crucial battle for survival has been won. Quebecers should hold their own debate on whether they are a people, a

nation or something in between, declare that question closed, and then turn to their next national project: success in education, in culture and in the new economy, all of which are within Quebec's constitutional competence.

Alain DubucÕs artices have been reprinted in English in *Policy Options.* It can be found at http://www.irpp.org/po/archive/jun00/dubuc.pdf.

THE GLOBE AND MAIL

"Family Matters"
September 1999 to June 2000

"Family Matters" is a *Globe and Mail* series of articles that ran daily from September 1999 to June 2000. Here is an excerpt from "The Nurse Is In – School, That Is," an article written by André Picard and published on March 10, 2000.

"Taking care of the pupils' medical needs is a small part of the job. Mostly, it involves teaching children to be healthy. Yet, despite the obvious benefits, the role of school nurses is diminishing. In the past five years, the number of school nurses in Quebec has fallen 24 percent, to 355 from 468. Practically, that means there is one full-time nurse per 2,402 students, compared with a ratio of 1 per 1,553 in 1994.

"Governments sometimes make strange decisions and one of them is to reduce the number of nurses in the school setting," says Gyslaine Desrosiers, president of the Quebec Order of

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Nurses. "The health needs of our children are more complex than ever before, and that's why the need is greater than ever."

"She argues that school nursing is one of the most cost-efficient health investments, that preventing one sexually transmitted disease or teenaged pregnancy, dissuading one child from smoking or catching one case of malnourishment or sexual abuse early can save the system hundreds of thousands of dollars."

The ÒFamily MattersÓ series can be found on the *Globe and Mail* web site at http://www.globeand mail.com.

NATIONAL POST
ANDREW COYNE
"Andrew Coyne's Alternative Budget"
February 19, 2000

Here is an excerpt from Anrew Coyne's alternative budget:

"There is no iron rule to guide Mr. Martin — certainly none so simple as the one on which the government campaigned in the last election: that half the surplus would be spent, leaving the other half to be divided between tax cuts and debt reduction. This remarkable pledge committed the government to spend a fixed sum of money, before it had any idea of what to spend it on.

There are no rules, only tradeoffs. How much debt, for example, is too much? Dollar figures tell us nothing. The only meaningful way to measure the national debt is in comparison with national income -- that is, the debt-to-gross domestic product ratio. It's 60% now, which is less than at its mid-1990s peak of 70%, but more than at any time before then. Is 60% too high? How do we know?"

Bookmark

Knowledge, Technology and Economic Growth

Andrea Bassanini, Stefano Scarpetta and Ignazio Visco present a comparison of growth trends in the O.E.C.D. countries, with a special attention to developments in labor productivity and multi-factor productivity (M.F.P.). An attempt is also made to identify both the embodied and disembodied components of technical progress. The possible relation between improvements in M.F.P. and the accumulation of knowledge is discussed, and some tentative policy considerations are advanced, mainly with reference to general framework conditions that might have a bearing in fostering technological changes.

The authors conclude "that some traditional factors lay behind the disparities in growth patterns across the O.E.C.D. countries. In particular, the authors refer to the ability of countries to employ their labour force. There also seem to be some new factors behind growth performance, especially in connection with the diffusion of technology and related increases in M.F.P. growth rates in the United States. It is too early to say, however, whether the more recent pick-up in the disembodied component of M.F.P. may also be related to the presence of spillover and network effects."

For more information, see Andrea Bassanini, Stefano Scarpetta and Ignazio Visco, ÒKnowledge, Technology and Economic Growth: Recent Evidence from OECD Countries,Ó Economics Department Working Papers No. 259, October 2000, available at http://www.olis. oecd.org/olis/2000doc.nsf/linkto/eco-wkp(2000)32.

Bookmark

National Borders Still Matter

Should the continuing separation of nation-states be cherished or derided? John Helliwell's answer is that border effects are a feature of the world as we know it and are inherently neither good nor bad:

"Despite many increases in the strength and depth of international linkages over the past 40 years, countries' internal economic and social structures remain much tighter than is commonly believed. I have called many of the differences in domestic and international ties border effects, a choice of terminology that should not lead the reader to assume that they are due to jurisdictional impediments whose removal is much to be desired. In fact, today's greater cohesiveness of national economies and societies is much more due to the strength of information and institutional networks that make it less costly for fellow citizens to deal with each other.

Evidence that such pooling of activities in regional and national economies is not unduly costly and may in fact be advantageous is provided by the second piece of news: the fact that small countries remain as viable and vibrant as they were decades ago. Whether one looks at narrow economic measures such as GDP per capita, broader social indicators, or even individual assessments of satisfaction, small economies continue to rank very well. Indeed, the smaller countries seem to do particularly well on broader measures of welfare."

John F. Helliwell, *Globalization: Myths, Facts and Consequences,* (Toronto: C.D. Howe Institute, 2000), p.41, available at: http://www.cdhowe.org/PDF/Helliwell.pdf.

Providing Sustainable Incentives

"It is popular to use the term of *sustainable development* as a more general concept than simply referring to the environment. However, the real policy issue is whether markets lead to sustainable growth without the benevolent hand of governments. It is important to identify the market failures related to sustainable development before trying to discuss solutions to market failures.

The problem is the mispricing of the use of resources as a result of spillover impacts that poor environmental practices have on the rest of the population. The market can sometimes react by adopting measures that can deal with the issues at hand. The government role may be to help with the process of identifying issues for market participants to consider. However, if there is no incentive for markets to correct mispricing problems, there will be a basic market failure. Once recognizing this basic market failure, proposed policy solutions for environmental problems can be adopted, including command and control policies and market-based instruments, such as tradable permits and taxation.

Ultimately, there is considerable uncertainty about how to apply various policy issues, in part as a result of the unknown effect that future technologies can bear on problems. Therefore, it is suggested that a fairly flexible approach is needed to address environmental problems, which makes some policies superior to others."

Jack Mintz, ÒReal Issues and Real Solutions,Ó a paper presented at the 2000 National Policy Research Conference, *canada@theworld.ca*, November 30 to December 1, 2000.

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