

MOVING PUBLIC SERVANTS TO THE REGIONS

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CANADA

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INTRODUCTION

The idea of moving federal organizations and their employees out of the National Capital Region (NCR)⁽¹⁾ and into the regions is not new and in fact has a number of precedents in Canada. In the mid-1970s, the federal government began an extensive program to decentralize its operations in order to promote national unity, regional economic development, balanced urban growth and enhanced delivery of services to Canadians. It announced that 10,100 positions⁽²⁾ in 24 administrative units would be moved to 24 different cities.⁽³⁾ In the early 1980s, the program was dropped for a variety of reasons, including its cost and opposition from public servants and their unions.

In 2005, the federal government announced that three federal services would be moved out of the NCR:

- In March, the government announced that the Canadian Tourism Commission headquarters and its 84 employees would be moved to Vancouver, at a cost of \$17 million.⁽⁴⁾ In December, the Commission opened its new offices in Vancouver.⁽⁵⁾

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- (1) "Since 1969, Ottawa and Gatineau (two cities that face each other across the broad Ottawa River) and the surrounding urban and rural communities have been formally recognized as Canada's Capital Region." (National Capital Commission, "About Canada's Capital," http://www.canadacapital.gc.ca/bins/ncc_web_content_page.asp?cid=16297-24515&lang=1&bhcp=1).
 - (2) Speech by the Right Honourable Jean Chrétien, then-Minister responsible for the federal government relocation program, 3 October 1977.
 - (3) Federal government relocation program, Ottawa, 1977.
 - (4) Standing Committee on Industry, Natural Resources, Science and Technology, *Evidence*, 11 April 2005, <http://www.parl.gc.ca/infocomdoc/38/1/INDU/Meetings/Evidence/INDUEV29-E.HTM#Int-1214320>.
 - (5) Canadian Tourism Commission, *New Head Office, New Opportunities*, <http://www.canadatourism.com/ctx/app/en/ca/career.do>.

- In July, the Minister of Natural Resources⁽⁶⁾ announced his plan to relocate the majority of the NRCan CANMET Materials Technology Laboratory (CANMET-MTL) to new state-of-the-art facilities in Hamilton, Ontario. The move would affect 120 employees.
- In October, the government announced its decision to move the headquarters of the Canadian Police Research Centre to Regina. In this case, the move would not mean the loss of any jobs in the NCR.

The moves received mixed reviews. Although welcomed enthusiastically in Vancouver, Hamilton and Regina, they raised certain concerns among MPs from ridings in the NCR. The idea of moving employees took on even greater significance with the proposal to move the 400 employees of the Translation Bureau of the Department of Public Works and Government Services to New Brunswick, and suggestions that perhaps even entire departments could be moved to more economically fragile regions. The controversy and the differing points of view between MPs from the NCR and those from the regions clearly illustrate the economic value of federal jobs. They are considered permanent, stable and relatively well-paid in comparison with the other jobs available in the regions.

That being said, the idea of moving federal public servants to the regions has come up again at a time when the Canadian economy is clearly prosperous – prosperity that nevertheless hides the serious difficulties experienced by some areas facing the loss of manufacturing jobs, exacerbated by the rise in the value of the Canadian dollar, Asian competition and trade disputes. For regions rich in resources (forestry, fishing) or hard hit by the decline of certain industrial sectors (textiles, furniture), the prospect of new federal government jobs is encouraging.

This document first takes a look at how federal jobs are spread out across Canada. It then summarizes the reasons underlying this type of policy and sets out the pros and cons. In conclusion, the document proposes the establishment of a rigorous and transparent framework for analysis that would help to maximize the positive impact of spreading federal jobs across Canada and to reduce the arbitrariness – whether real or perceived – generally associated with this kind of policy decision.

(6) Natural Resources Canada, *Materials Research: Government of Canada To Invest In State-of-the-Art Facilities*, Press release, 6 July 2005,
http://www.nrcan-rncan.gc.ca/media/newsreleases/2005/200549_e.htm.

GEOGRAPHICAL LOCATION OF FEDERAL PUBLIC SERVANTS IN CANADA

In September 2005, 369,300 people were employed by the federal public service.⁽⁷⁾ Of these employees, 113,800 (31%) worked in the National Capital Region, continuing an upward trend.⁽⁸⁾ In fact, even in the mid-1990s when drastic cuts were made in the public service, the NCR kept its share of federal employment. If members of the armed forces are excluded, the proportion of federal jobs in the national capital region climbs to more than 36%.

Across the country, according to Statistics Canada, federal government employees accounted for about 2.4% of total employment within census metropolitan areas (CMAs).⁽⁹⁾ The federal government represented 19% of all employment in the Ottawa-Gatineau CMA. Halifax had the second highest proportion of federal public servants at 8.0% of total employment in September 2005. Other proportions in Canada ranged from 5.4% in Kingston to 0.2% in Oshawa.

What is the situation in other countries? A few examples will help us identify some of the factors in the decision to relocate federal public service jobs.

- In Australia, which has political, geographical and demographic characteristics similar to Canada's, about 35% of the Australian Public Service Commission works in Australia's national capital area,⁽¹⁰⁾ a figure startlingly similar to the proportion in Canada.
- In the United Kingdom, data from the British civil service (which do not include military personnel) set the corresponding proportion at 16.6% in 2004. This small country has a long history of moving civil servants to outlying areas. Moreover, a high proportion of government jobs are located in London's suburbs, which leaves the data open to interpretation. London is trying to solve serious problems with urban congestion and is one

(7) The term "federal government" includes all organizations controlled by the federal government that are not-for-profit and perform non-commercial services. The Canadian military (regular forces and reservists) as well as uniformed RCMP members are included. However, the employees of federal government business enterprises that operate as commercial corporations (such as Canada Post or Via Rail) are not included.

(8) Statistics Canada, "Federal government employment in census metropolitan areas," *The Daily*, 29 November 2005, <http://www.statcan.ca/Daily/English/051129/d051129e.htm>.

(9) "Area consisting of one or more adjacent municipalities situated around a major urban core. To form a census metropolitan area, the urban core must have a population of at least 100,000. To form a census agglomeration, the urban core must have a population of at least 10,000." (Statistics Canada, "Census Metropolitan Area (CMA) and Census Agglomeration (CA)," <http://www12.statcan.ca/english/census01/products/reference/dict/geo009.htm>).

(10) Australia Public Service Commission, *State of the Service Report 2004-2005*, 30 June 2005.

of the most expensive cities in the world. This situation, which cannot be compared with that of Ottawa-Gatineau or Canberra, the Australian capital, inspired the idea of establishing large part of the civil service (11%) in the southeast area of England, today regarded as the outskirts of the City of London.

- Although it has a political and a geographical configuration that is closer to that of Canada and Australia, the United States federal civil service is very decentralized. In 2002, 16.6% of jobs,⁽¹¹⁾ a figure the same as that for the United Kingdom, were concentrated in the Washington area.⁽¹²⁾ On the urban level, Washington, like London, has major problems with congestion and the cost of living.

These figures show that the degree to which federal jobs are spread throughout a country seems to depend on demographic and economic imperatives.

REASONS FOR MOVING

A. Lower Operating Costs

In general, a reduction in operating costs is often the primary reason for moving federal jobs to the regions. In theory, medium-size cities, towns and rural areas offer significant savings in terms of the cost of labour and office buildings, in addition to providing a certain quality of life for employees, at a time when work-family balance has become a major social issue.

One element of the cost argument is valid only if there is a wage differential between regions for the same category of employment within the public service. However, this is not the case in Canada, where public servants at the same level earn the same salary and enjoy the same benefits whether they work in Ottawa or in Shediac.

The cost of office accommodation is usually lower in regional areas. Table 1 shows the relative proportion of federal government jobs in each of the metropolitan areas and the relative cost index of existing residential housing, which can be used to approximate the

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- (11) Office of Personnel Management. Covers all civilian employees in the departments and agencies of the US federal government, excluding the Central Intelligence Agency, the National Security Agency, the Defense Intelligence Agency, the National Imagery and Mapping Agency, the Army/Air Force Exchange Service, the Consolidated Metropolitan Technical Personnel Center, the Defense Career Management and Support Agency, the Uniformed Services University of the Health Sciences, the Defense Counterintelligence Field Activity and the U.S. Postal Service.
- (12) The Washington Metropolitan Statistical Area includes the District of Columbia and adjacent counties in Maryland, Virginia and West Virginia.

relative cost of commercial real estate in each area. The Ottawa-Gatineau CMA, where nearly a quarter of Canada's federal employees work, is used as a reference point. Not surprisingly, 23 of the 27 CMAs are less expensive than the NCR, without taking into consideration the other smaller urban centres.

Table 1
Federal Employment and the Existing Residential Real Estate Price Index*

Metropolitan Area	Percentage of Federal Jobs	Ranking Out of 27	Price Index Ottawa = 100	Ranking Out of 27
St. John's	1.2	12	56	8
Halifax	4.5	6	74	17
Saint John	0.3	24	49	4
Saguenay	0.3	23	39	2
Québec	3.4	8	58	11
Sherbrooke	0.3	22	56	10
Trois-Rivières	0.1	26	38	1
Montréal	7.0	2	82	19
Gatineau	6.9	3	63	12
Ottawa	24.2	1	100	24
Kingston	1.1	13	74	16
Oshawa	0.1	27	100	23
Toronto	6.0	4	132	25
Hamilton	0.8	15	91	21
St. Catharines-Niagara	0.3	20	72	15
Kitchener	0.3	21	86	20
London	0.6	17	70	14
Windsor	0.5	18	67	13
Greater Sudbury	0.5	19	52	7
Thunder Bay	0.2	25	47	6
Winnipeg	3.4	7	51	5
Regina	1.0	14	47	3
Saskatoon	0.7	16	56	9
Calgary	1.8	11	94	22
Edmonton	2.5	9	75	18
Vancouver	4.5	5	157	27
Victoria	2.4	10	137	26
Outside CMAs	24.7	n/a	n/d	n/a

* Based on the average selling price (MLS) for 2004.

Source: Statistics Canada, Canada Mortgage and Housing Corporation (CMHC) and the Parliamentary Information and Research Service.

If consideration is given only to the data presented in Table 1, it is clear that the federal government would benefit by moving some of its activities – primarily those that are not related to the delivery of services to the local population or the proximity of political power – to urban centres primarily in the Atlantic region, the Prairies and small metropolitan areas in Quebec and Ontario. Even at the regional level, a greater federal presence in Gatineau, Saint John or London, as opposed to Ottawa, Halifax or Toronto, may well result in savings.

B. Regional Impact: Distributing Growth and Creating Synergies to Maximize the Effectiveness of Public Spending

At the regional level, the Canadian economy is rather unbalanced. This situation is neither new, nor unique to Canada, but at a time when the oil- and gas-producing areas, for instance, are experiencing spectacular growth, communities that rely on forestry are facing major problems. The imbalance has significant socio-economic and human costs, which must be considered in the assessment of whether federal jobs should be moved to other geographical areas. Relocating jobs to economically disadvantaged areas could provide greater stability for local jobs by decreasing the proportion of the economy that is exposed to international competition and fluctuations in the price of natural resources. The salaries related to these jobs may well stimulate economic activity in the target region, and they can help maximize the use of local infrastructures and increase the local pool of professional expertise.

Many observers have stated categorically that a policy for moving federal employment to the regions must go further than merely reducing operating costs in order to be worthwhile from a cost-benefit point of view. For supporters of this point of view, relocation must be considered from the point of view of the effectiveness of overall public spending in the territory as a whole.⁽¹³⁾ In other words, federal jobs would not have the same economic value throughout the country, and moving an average-sized federal organization to Corner Brook or to Rouyn-Noranda would have a greater economic multiplier than in Vancouver or Toronto, where the employment pool is already extensive and diversified. Basically, the opportunity cost of the public expenditure would be lower in disadvantaged areas of the country, given the larger social and economic benefits involved.

(13) Neill Marshall *et al.*, *Public Sector Relocation from London and the South East; Evidence to the Lyons Review on behalf of the English Regional Development Agencies*, University of Newcastle, 2004, <http://www.ncl.ac.uk/curds/publications/publication/22372>.

Furthermore, the move could firm up a particular industry by creating an industrial cluster or by enlarging an existing cluster⁽¹⁴⁾ in the area. The presence of a research centre can also have a major economic impact by promoting the establishment of businesses which will, on the one hand, promote basic and applied research and, on the other, strengthen and diversify an existing industrial sector through closer ties between business and the research sector. There are numerous examples of successful linkages between universities and businesses in Canada and throughout the world.

C. Bringing Federal Jobs Closer to Pools of Available Workers to Alleviate the Impact of an Ageing Public Service

All sectors of the Canadian economy will be facing a retirement exodus of baby boomers over the next few years. However, because the federal public service is generally older than the Canadian labour force, it will be at the forefront of this retirement wave. In 2004, one in three permanent employees in the federal public service was 50 years of age or older. Moving federal agencies and jobs to areas of underemployment could be an interesting solution to the human resources challenges facing the public service over the next few years. In light of the strong competition for talented employees from the private sector in major urban centres, moving to a region would make it possible to renew the labour force, and at a lower cost, considering the lower turnover rate that is generally associated with a regional workforce and a lower cost of living.

That being said, data⁽¹⁵⁾ from the Treasury Board Secretariat, the Public Service Commission and Statistics Canada show that the wave of retirements has already started in the federal public service. It is expected that more than 3,500 permanent employees will retire from the federal public service in 2005, an increase of 85% over 2000. In 2013, at the peak of the retirement wave, more than 5,600 employees will retire. The retirement peak will be reached as early as 2009 for managers, and between 2012 and 2014 for other groups.

(14) The concept of industrial cluster has many different definitions, and it is difficult to decide on one – and only one – approach. By combining the findings of various theoretical and empirical studies, it can be said that a cluster includes companies of various sizes, linked by shared interests (common needs and constraints), complementary or interdependent elements and *voluntarily* developing cooperative relationships in one or more fields. According to various observers and analysts, clusters may also include institutions, primarily teaching and research institutions, with which the businesses form partnerships.

(15) Policy Research Initiative, “The Federal Public Service Case Study,” *Population Aging and Life-Course Flexibility*, Briefing Note, <http://www.policyresearch.gc.ca>.

Over the past decade, the average age at retirement of federal public servants has been stable at around 58. However, during the same period, the average years of service at retirement increased by about three years. The increase reflects the younger age at which baby-boomers entered the public service.

BEYOND HISTORICAL AND POLITICAL CONSIDERATIONS: THE PROS AND CONS OF MOVING PUBLIC SERVANTS

When she made Ottawa the capital in 1858, Queen Victoria brought to an end a lengthy debate, choosing that town over Montréal, Toronto, Québec and Kingston so as not to give the impression of favouring Upper or Lower Canada. Granted, Ottawa was located in Upper Canada, but it was just a few hundred metres from the border with Lower Canada. The town was therefore not clearly identified with either of the two parts of the country. For many years, that line of thinking determined the choice of location for the headquarters of federal institutions, a trend that continues to this day and accounts in large part for the concentration of headquarters of federal departments and agencies in the Ottawa area.

Ottawa-Gatineau is now the fourth-largest CMA in Canada, and its economic base consists primarily of Parliament, the seat of the federal government, and a slew of consulting, public relations, law, advertising and lobbying firms out to win contracts or influence the government.

A nation's capital obviously has to be the legislative, executive and judicial hub of the federal government. However, some federal services were established in the capital simply because they were an offshoot of existing activities or perhaps out of habit, without any analysis being done or, as in 1858, to avoid favouring one region over another. In a 1977 memorandum, the federal government drew on historical considerations to support its relocation program:

[TRANSLATION] [...] aside from its role as the centre of policy development, the National Capital Region has few specific characteristics that would today warrant its choice as home to the array of services currently located there.”⁽¹⁶⁾

(16) “Federal Government Relocation Program – Background,” typed memorandum, 1977.

Is that assessment still valid? Is the current concentration of federal jobs in the NCR an asset or a liability for Canada? Thirty years after the federal government relocation program was launched, what arguments can be made for and against moving federal jobs to the regions?

A. The Pros

This section summarizes the main arguments put forward by supporters of the relocation of federal departments and agencies to the regions.

1. Regional Development

The first argument, and probably the most important one, is regional development, which was discussed earlier.⁽¹⁷⁾ The main points of that argument are that relocation would:

- stabilize the economy in disadvantaged regions;
- spread economic growth among the regions;
- reduce socio-economic disparity;
- reduce emigration and population decline in some regions;
- maximize the use of infrastructure; and
- stimulate economic growth by creating new synergy between local industry and the relocated entities.

2. Loss of Contact With Regional Needs

The high concentration of federal employees in the NCR is considered to be undesirable because public servants at all levels run the risk of losing sight of the interests and concerns of the regions and the people across the country they have a duty to serve⁽¹⁸⁾ and of

(17) See above the section entitled “Regional Impact: Distributing Growth and Creating Synergies to Maximize the Effectiveness of Public Spending.”

(18) The gap between the interests and concerns of the public service in the capital and those in the rest of the country is probably very real considering the number of new MPs elected with a mandate to “bring a message or cause to Ottawa,” to “shake things up in Ottawa” or to put an end to Ottawa’s paternalistic attitude. Some argue that the propensity among public servants to impose their views on the provinces accounts, at least in part, for the alienation of the western provinces, a phenomenon recognized by all federal political parties.

focusing almost exclusively on the needs of the federal government.⁽¹⁹⁾ In many ways, organizations are shaped by people, and some would argue that a high concentration of public servants who share the same interests, face the same demands and by and large have followed the same career path and associated with people of similar backgrounds⁽²⁰⁾ causes those public servants to adopt the same behaviours and develop the same outlooks.

A corollary to that lack of connection with regional realities is the trend among public servants to view the world through the prism of statistics rather than directly through hands-on experience in the field. This perspective inevitably colours the development and implementation of public policy.

This situation has been perpetuated for years by restrictions on the hiring of candidates from outside the NCR⁽²¹⁾ or outside the public service (from the private or even the parapublic sector). Of course, the regions' point of view can be taken into account through the federal government's network of regional offices, but it must be remembered that regional offices have been scaled back considerably in recent years.

In that context, geographic decentralization of the public service could help put public servants in closer touch with elected representatives and the public: every organization changes if it has more contact with the outside world. Bringing federal agencies geographically closer to private-sector companies and, indeed to civil society, for example, could create mutually beneficial synergy through exchanges of information, management methods and technology. This would be more likely to happen if public bodies were to maintain close relations with their private-sector partners and if they operated in the same environment.

3. Advances in Information Technology

Today, and probably even more so in the future, advances in information technology mean that geography will be a less and less critical factor in terms of information exchange. The reality is that face-to-face contact rarely seems necessary to effective communication.

(19) For some, this reaction is almost “second nature” in that public servants, unlike MPs, are not directly accountable to the public. It must be remembered, however, that public servants do have to report to a minister who, in turn, is accountable to the public.

(20) It is often pointed out in order to show that federal public servants are out of touch with the situation in “the rest of Canada” that the NCR, because of its large proportion of public-sector jobs, seems immune to recession and has an unemployment rate below the national average and an average per-household income 18% higher than the national average. Elsewhere in Canada – and this is no secret to anyone – the NCR is envied for its relative wealth and economic comfort.

(21) Progress is being made on this front. Gradually, geographic areas of selection will be abolished and people will be able to apply for jobs regardless of where they live.

For years, big companies have set up shop all over the world in order to be closer to their clients and suppliers, always looking for the best possible conditions. That trend is picking up steam as more and more businesses, regardless of their size or the sector in which they operate, are relocating in order to make the most of competitive advantages. Why would governments not do the same? In this age of e-mail, electronic planners and videoconferencing, direct contact and especially large interdepartmental meetings are not necessarily synonymous with increased productivity. In that respect, it is easy to see that increased decentralization could further streamline committee and other meetings and generate commensurate savings of time and money.

4. Impartiality and Security

Two other arguments made in support of relocation are the impartiality of public servants and security.

Impartiality of public servants: The main reason for creating a professional public service was to make it apolitical and impervious to political pressure so as to protect the common good. Wider geographic distribution of the public service – which is currently concentrated in the middle of Canada’s most politicized city – could help reduce political pressure even more.

Security: Even though Ottawa-Gatineau is probably not a prime target for international terrorists, security concerns can no longer be taken lightly in this day and age. The concentration of all key departments and the country’s top institutions in an area with a radius of only a few kilometres could represent a risk in the event of a terrorist attack or natural disaster. Creating multiple nerve centres throughout the country would have the advantage of reducing the risk of all vital government bodies being paralyzed at the same time in the event of a serious incident, a terrorist strike, a natural disaster or even a health crisis.

B. Arguments Against Relocation

This section summarizes some of the main arguments of those who oppose moving federal agencies to the regions.

1. Short-term Direct Costs

Programs to move agencies must absorb significant and often underestimated costs before they can create positive benefits and effects. In addition to moving costs, consideration must be given to severance pay for employees who quit or become surplus to

requirements, and to the costs of recruiting and training new employees. Agencies that move must sometimes assume the costs of breaking their lease, renovating new office space or even building new facilities.

There are also intangible costs to consider, such as those associated with the transition periods before and after the move and the drawbacks not only for clients but also for employees and their families. Considerable expertise may be lost if the best employees decide, for personal or family reasons, to quit rather than move. This may be especially costly to the agency that is moved.

2. Moving Managers and Professionals: Labour Shortages

Today, the NCR has a disproportionate share of senior management and professional positions compared with the regions. The vast majority of the best-paying jobs are located in the capital, as is the case in the United Kingdom, Australia and no doubt in most countries.

Most people do not consider moving away from major cities a smart career move, even today. It is very difficult to move senior public servants, professionals and, to some extent, scientific personnel to the regions. Employees who are moved, especially to remote regions, may be afraid of feeling isolated and undervalued and compromising their training opportunities and career advancement. This perspective may have a considerable impact on the relocated agency's ability to recruit and, as a result, to fulfil its mission. Labour shortages are a serious issue for any move. The large pool of public servants in the NCR familiar with the responsibilities, requirements and characteristics of the public service is an asset that is not necessarily available in other parts of the country, especially the smaller towns.

As far back as the 1970s, the working group on the decentralization of the federal government found that, in its analysis of branches likely to be moved, departments and agencies whose primary function was to coordinate national policies and programs and the branches responsible for ensuring government policies were followed did not lend themselves well to decentralization. It made little sense to move these branches from Ottawa, because they needed to be in regular contact with their head office. Rather, it was thought that relatively independent branches within departments, specifically those dealing with clients in a specific region or providing repetitive or standard broad-based support, would be more suitable. Examples include records maintenance, procurement and inventory control. The experience of recent decades confirms the dominance of this point of view, since most of the agencies and functions that have been moved are administrative in nature, the most common examples being call centres and tax centres.

3. The Negative Impact on Communities

As mentioned earlier, the pay and working conditions of federal public servants are generally the same, regardless of location. Some people are therefore concerned that an influx of public servants into a community would disrupt the existing community structure. It is often feared that an increase in the number of well-paid federal administrative jobs in a community compared with similar jobs in the private sector would jeopardize recruitment by small and medium-sized enterprises. Small businesses and manufacturers would be hard pressed to offer equivalent working conditions, which would slow small business growth. The experience of the Outaouais region in Quebec is telling. The strong presence of federal jobs in this region has long discouraged entrepreneurship and light manufacturing industries, apart from the information technology sector.

Another argument often made against moving is the change in housing prices. In the target community, the sudden jump in demand for housing by people with secure and gainful employment increases the price of real estate and perhaps some services. These price increases would likely be detrimental to the other members of the community.⁽²²⁾

The net effect would depend on the proportion of relocated jobs held by local residents, the number of relocated jobs compared with the total number of jobs, and the local housing market and housing supply. In the medium- and long-terms, real estate prices will adapt to residents' ability to pay (real disposable income) and population growth (increase in the number of households).⁽²³⁾ The impact of price movement resulting from a number of jobs being moved from one region to another is short-lived, and the medium- to long-term price trends resume.

4. High Travel Expenses and Limitations of Information Technology

Proponents of maintaining public service staff in the NCR argue that scattering people across the country would be costly in terms of both travel expenses and time, given Canada's vastness. The need for relocated public servants to travel frequently to attend departmental meetings on set dates in Ottawa and to meet regularly with clients may result in a considerable waste of time and money. Furthermore, Britain's experience in the past few years has demonstrated that it is unrealistic to think that information technology can replace the need for travel.

(22) Although the opposite would occur in regions losing jobs (the NCR), the effect would be smaller.

(23) Mario Fortin and André Leclerc, "Demographic Changes and Real Housing Prices in Canada," *Cahiers de recherche / Working Papers*, 00-06, Université de Sherbrooke, Sherbrooke, 2000.

THE NEED FOR A RIGOROUS, TRANSPARENT AND INDEPENDENT FRAMEWORK

Clearly, the arguments of both opponents and proponents of moving federal public servants have some merit, and a close study would be required for any plan. Each case would likely be unique, and weighing the pros and cons would be critical to any decision. It is therefore paramount to implement a transparent and rigorous framework to maximize the benefits of moving federal jobs, reduce the arbitrariness – real or perceived – of decisions and try to overcome the controversy and public perception they create.

The framework should include decision-making criteria that do not cater to lobby groups. It could even be developed by an independent agency. The methodology used should give priority to the characteristics of the agency under consideration for relocation and the characteristics of the region it would be moving to. A few recommendations follow.

For agencies under consideration for relocation:

- they should be relatively independent or specialized, so that the move does not impair their interaction with their partner departments or agencies in Ottawa;
- they should not have continual interaction with political officials or develop public policy on a daily basis; otherwise; they should not be located outside the capital; and
- special attention should be paid to the demographic and professional characteristics of employees asked to move.

For the target region:

- the move should boost the local economy and contribute to the local economic base;
- labour and office space must be available, and transportation constraints (such as the availability of flight connections) must not detract from the agency's operations; and
- the target regions must have some appeal to the public servants that are moved (language, job opportunities for spouses, schools, etc.).

A rigorous framework would also enable long-term consideration to be given to the federal presence across the country, so as to maximize the positive impact. In this way, the federal presence in the regions would be considered one element of an integrated economic policy. Using the 1994-1995 program review as a guide, the federal government could regularly evaluate the effectiveness of moving federal agencies against various criteria.