

# SPECIAL BRIEFING: “BIG SOCIETY” AND SOCIAL RESPONSIBILITY

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# TABLE OF CONTENTS

- 05 Cultivating Canada:  
Revitalizing Canada’s Political and Civil Society**  
BY NICHOLAS GAFUIK
- 20 Towards a Sustainable Canadian Consensus  
“Big Society” and a Four Sector Approach for Renewed  
Prosperity**  
BY RAY PENNINGGS
- 33 Family and Marriage  
Replenishing the Little Platoons of Society**  
PRESENTED BY ANDREA MROZEK
- 42 Responses**  
BY MONTE SOLBERG, CANDICE HOEPPNER, AND PRESTON MANNING
- 47 Question & Answer**

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# CULTIVATING CANADA:

## REVITALIZING CANADA'S POLITICAL AND CIVIL SOCIETY



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The British have a habit of leading the way. It was Margaret Thatcher who first swept to power on a platform of minimal government. In the 1990s, it was Tony Blair who led the way in developing the “Third Way” important to the New Labour project. The pattern is repeating itself again today.

It is the British that have now taken the most drastic measures to get government spending under control. In 2010, David Cameron's Conservative government announced an £81-billion cuts package, which included plans to reduce departmental budgets by an average of 19 per cent and remove up to 500,000 public sector jobs by 2014-15.

Most interesting, however, is the new “Big Society” agenda including the reform of welfare, social services, education, and even policing. They plan to empower local governments, support charities and social enterprises, as well as to elect local police commissioners. The Cameron government also announced plans for a single integrated Universal Credit to replace unemployment benefits and various tax credits. It is David Cameron's government that is turning away from centralized bureaucracies and towards citizen and local control.

In a time of austerity and overwhelming ambivalence towards government, the trend for social services, education, and health care is towards decentralization, choice, and simplification. Gone are the days of big, complicated, top-down social programs. We live

in a time when choices in goods and services are almost infinite. Access to information and markets is widespread. Government, however, is a holdout. Government still expects us to fit their systems rather than have the systems serve us.

It is time to replenish and maximize the space for what eighteenth-century statesman Edmund Burke called the “little platoons” of society; indeed, it is our civic duty. Over the years, government intervention has crowded out social institutions as providers of social goods. Simply paying our taxes is not fulfilling our obligations to one another. We should be a people who volunteer, vote, donate to charity, and are otherwise civically engaged.

Consider the following analogy. When I plant my garden, my crop will depend on a rich mixture of nutrients and a healthy soil ecosystem that have been built up over many years. I can only expect good yields for a short time before I need to replenish the nutrients and revitalize the soil on which my garden depends. Likewise, governments and individuals alike depend on the ‘little platoons’ that make up our political and civil society to help sustain our liberty and prosperity. The families, communities, local organizations, non-profits, charities, interest groups, unions, churches, and other non-governmental

organizations on which we depend also need sustained attention. A rich, fertile political and civil society is a necessary condition for cultivating the needed raw materials to grapple with the challenges of our times; indeed, in all times, in any society that calls itself free.

## ON DEMOCRACY IN CANADA

Though we often think of Canada as a young country, Canadians have enjoyed a continuous tradition of parliamentary democracy stretching back more than 250 years. In 1758, the Nova Scotia House of Assembly met for the first time in Halifax, marking the birth of parliamentary democracy in our country.

Democracy, however, is more than just elections and legislatures. Our democracy calls us to live as free and equal members of a political community, the health of which depends on our ongoing effort to maintain what is good about our society while making efforts to improve it still. This commitment requires the active participation of a responsible, civically-engaged citizenry. On this count, Canada has work to do.

It is common to complain about the quality of our politics, and there is plenty to lament. It can be small-minded, focused on short-term rewards, bitterly partisan, and petty. It is too often marked by scandal and

conflict. These things, however, are not new. For instance, two thousand years ago Cicero's brother advises that the electorate, "are all in the mood that they had rather you lied to them than refused them."<sup>1</sup> Two hundred years ago, in the 1800 American Presidential election, a newspaper warned that if Thomas Jefferson won,

**Government still expects us to fit their systems rather than have the systems serve us.**

"murder, robbery, rape, adultery, and incest will be openly taught and practiced, the air will be rent with the cries of the distressed, the soil will be soaked with blood, and the nation black with crimes."<sup>2</sup> It remains a familiar practice for politicians to make election promises they cannot or will not keep. Likewise, overheated political rhetoric remains altogether commonplace.

These political practices are undesirable, and we should seek moderation in our tone and temperament. We can be certain that instances of corruption, dishonesty, and unfairness will never cease wherever power is to be won or wielded among mortal men and women. But their minimization requires our common participation, a shared interest in working together to sustain a vibrant but respectful realm

of political contestation, whatever our differences of opinion and background. Constructive contributions toward social progress and civilized interactions among ordinary citizens, or between citizens and their leaders depend on trust, familiarity, reciprocity, and other sentiments that cannot be established and sustained by political institutions and procedures alone. They are qualities of mind and character that are learned through listening, negotiation, compromising, and taking responsible action.

Unfortunately, Canadians have lost sight of the way in which the democratic ideal involves the informed, deliberative, and effective participation of its citizens, and it cannot rely on its processes and institutions alone to compensate for its deterioration.<sup>3</sup> This deficiency is evidenced by:

- Weak or non-existent democratic infrastructure
- Declining levels of civic engagement and political participation
- Low levels of knowledge about Canadian democracy and institutions
- Low levels of trust in Canadian government and political institutions



### ***Weak or non-existent democratic infrastructure***

Elected officials and political practitioners are consumers of human, social, and intellectual capital; they are in need of a constant stream of new ideas and well-trained people. Historically, political parties themselves participated in serious policy development and communication campaigns. The realities of modern politics, however, have forced political parties to become primarily machines for running and winning the next election campaign.

Parties thus depend for the cultivation of ideas on supporting infrastructure, sympathetic and connected to political partisans and activists, but distinct from and outside of political parties. And there is a need to improve and expand this supporting infrastructure, which includes think tanks, academic institutions, philanthropic foundations, training programs, interest groups, issue campaigns, and communications vehicles.

### ***Declining levels of civic engagement and political participation***

Voter turnout in Canada has been declining for some time, and most of the decline can be attributed to low voter turnout among younger voters. Whereas in the 1960s about two thirds of new voters turned out

to cast their ballot, that number declined to about one third in 2004. There is a general trend that turnout increases as voters age, but given that the initial rate is so low, overall turnout can be expected to continue to decline.<sup>4</sup>

Voting is not even the primary issue; political participation is a subset of civic engagement. On this front, the statistics are no more encouraging. According to a recent Cardus discussion paper, just 29% of Canadians account for 85% of total volunteer hours, 78% of total dollars donated, and 71% of all civic participation. One third of Canadians are carrying two thirds of the burden.<sup>5</sup>

The thin slice of Canadians who do the most are also disproportionately older. This phenomenon is not surprising to the extent that younger people are probably more consumed with raising families, have lower incomes, and are not as embedded in their communities. That said, just as with voter turnout the initial rates of volunteerism, charitable giving, and overall civic participation are low for younger people. Taking into further account the fact that volunteerism tends to drop off after age 55, researchers now argue that volunteering could decline by as much as 1-2% each year for the next decade.<sup>6</sup>

### ***Low levels of knowledge about Canadian democracy and institutions***

A ten-year benchmark study released by the Dominion Institute in 2007 indicated that eight in ten (82%) Canadians aged 18 to 24 failed a basic Canadian history exam. Despite a decade of noteworthy efforts to educate young Canadians, the overall results were virtually unchanged. In fact, knowledge of political history seems to have declined over the period.<sup>7</sup>

### ***Low levels of trust in Canadian government and political institutions***

Leger Marketing regularly releases a report on trusted professions. The 2007 report indicated that only 15% of respondents trust politicians. By means of comparison, 84% trust police officers, 74% trust judges, 50% trust senior public servants, 48% trust journalists, 41% trust unionists, and 12% trust car salespeople.<sup>8</sup> Leger asked the same question of Quebeckers early in 2010, and revealed that only 8% trust politicians.<sup>9</sup> In both instances, these polls are in the wake of political scandal. But generally speaking, Canadians do not trust politicians and do not hold them in high regard as a group.

Similarly, the 2010 Manning Centre Barometer reveals a deepening ambivalence toward the relevance and capacity of government. While 84% of

respondents say that the government should play a major role in managing the economy, most do not want governments to do more to reduce income inequalities or to stimulate economic recovery and growth. Only 39% think that government can be very helpful, and only 34% believe that the federal government has a big impact on their lives.<sup>10</sup>

Declining trust and faith in government and politics itself leads to a lack of participation. Indeed, if Canadians have no confidence in government and politics, why would they be interested in participating in the processes whereby governments are formed?

## **ON POLITICAL AND CIVIL SOCIETY**

Weak political and civil society should be of concern to all of us who value Canada's liberty and prosperity. Indeed, the great Alexis de Tocqueville warned that democratic nations were not in danger of tyranny, but instead a soft despotism he describes as follows:

“It covers the whole of social life with a network of petty, complicated rules that are both minute and uniform . . . It does not break men's will, but softens, bends, and guides it . . . it is not at all tyrannical, but it hinders, restrains, enervates, stifles, and stultifies so much that in the end each nation is no more than a flock of timid and



hard-working animals with the government as its shepherd.

I have always thought that this brand of orderly, gentle, peaceful slavery which I have just described could be combined . . . with some of the external forms of freedom, and that there is a possibility of its getting itself established even under the shadow of the sovereignty of the people.”<sup>11</sup>

The problem with the soft despotism that de Tocqueville describes is that it robs us of the ability to exercise liberty for ourselves. It even leaves us oblivious to what we have lost, keeping us in a state of perpetual immaturity, with no desire to take greater responsibility for ourselves, individually or collectively, and unaware of the personal and interpersonal benefits of the endeavour to take responsibility. Resisting this ‘soft despotism’ requires an understanding of liberty that includes self-control and recognizes the importance of vigorous free political and civil associations.

Modern liberal democracy is rooted in the belief that every person has transcendent dignity and is therefore entitled to certain inalienable rights. These rights are to be both asserted in words and upheld in action. In accordance with the dignity that is regarded as inherent to human beings, each person is entitled to freedom and free choice. The

exercise of their freedom in a manner befitting beings that possess dignity, however, requires reason, responsibility, and discretion, qualities of mind and character that can only develop through practice. Lord Acton wrote, “Liberty is the prevention of control by others. This requires self-control and, therefore, religious and spiritual influences; education, knowledge, well-being.”<sup>12</sup>

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We stand in need of families, communities, local organizations, non-profits, charities, interest groups, unions, churches, and non-governmental organizations that all make up civil and political society. They are the essential, “moral environment in which individual rights and civic virtues, essential to social well-being, may be expressed.”<sup>13</sup>

Political and civil associations are where we learn how to be free people. Edmund Burke explained that, “to love the little platoon we belong to in society, is the first principle (the germ as it were) of public affections. It is the first link in the series by which we proceed towards a love to our country and to mankind.”<sup>14</sup> A rich, fertile political and civil society

is a necessary condition for cultivating the needed raw materials to sustain liberty.

The “little platoons” that make up political and civil society are also important for two additional reasons:

- Civically-engaged communities are essential for better social outcomes
- Government alone is not enough



***Civically-engaged communities are essential for better outcomes***

Researchers looking at education, poverty, unemployment, criminality, drug abuse, and health have discovered better outcomes in civically-engaged communities.<sup>15</sup>

***Government alone is not enough***

Even when government has implemented relatively sound public policy, the desired outcome may not result. Public policy is important and government can do a lot to enable or hinder, but government cannot make us more productive, happier, or good. Government alone is not enough.

For instance, a paper included in a 2008 collection published by the Bank of Canada argues that market-oriented policies have not led to significantly improved productivity in

the last decade. Canada has high levels of economic freedom and market-oriented public policies that should be conducive to improving productivity. But since 2000, Canadian productivity gains have been below historical trends and below those of the United States. The paper concludes, “the solution to Canada’s productivity problem lies with the business sector’s commitment to human resource development, adoption of best-practice technologies, and investment in machinery and equipment.”<sup>16</sup> In this particular instance, the ball is in the business sector’s court.

We are left asking, therefore, if not the government alone, who else? If not government action alone, what actions by others are required?

**CULTIVATING CANADA: A CALL TO ACTION**

Canada is a great country. We enjoy enormous freedom and prosperity. We have the great blessings of abundant natural resources and awe-inspiring natural beauty. Canadians are overwhelmingly good people, with good intentions and grand aspirations. Our younger generations are full of hope; 95% of millennials expect that some day, they will get to where they want to be in life.<sup>17</sup> The Canada we have inherited will require our constant attention if we want to sustain our liberty and prosperity as well as make the reforms necessary to deal with

the next generation of challenges we face.

In this view, democratic politics in Canada has the potential to be meaningful. This is no time for indifference; it is time to do something. Indeed, 65% of Canadians feel a sense of personal responsibility to improve how democracy is working in this country.<sup>18</sup> These are the “first citizen of Athens,” as the great Pericles said in a time of war and great peril:

“I hold that it is more in the interest of the individual that his country should prosper than that he should flourish while his country falls. A man may be personally ever so well off, and yet if his country be ruined he must be ruined with it; whereas a flourishing commonwealth affords chances of salvation to unfortunate individuals.”<sup>19</sup>

There are big questions to be answered: What is the good life? How is it best achieved? How do we best live together? What is the common good and how is it best served?

There is an optimal balance between government, private sector, society, and individual responsibility in trying to respond to these questions. Government and the law might enable favourable conditions by maintaining public order, rule of law,

national defense, facilitating commercial trade, public infrastructure, legislation and regulation consistent with safety, environmental, and community standards, as well as funding. Over many years, however, government intervention has crowded out political and civil society, co-opted it by subsuming the business of civil society within itself, or undermined it through the imposition of incentive structures and penalties that make independence from its preferences and agendas difficult to conceive or organize.

In the past, it could be argued that low levels of access to information and specialized knowledge required centralized, government control. That is no longer the case. Given our overwhelming access to technology and information, we have the power to do more for ourselves. The times call for a move from top-down to bottom-up; central control to local control; and from synthetic structures to organic. As Prime Minister Cameron said in an October 2010 speech, the future for government lies in, “government that believes in people, that trusts people, that knows its ultimate role is not to take from people but to give, to give power, to give control, to give everyone the chance to make the most of their own life and make better the lives of others.”<sup>20</sup>

It is time to replenish and maximize the space for the “little platoons” of

society; indeed it is our duty. There is a need to encourage individual and mutual responsibility. Simply paying our taxes is not fulfilling our obligations to one another. We should be a people who volunteer, vote, donate to charity, and are otherwise civically engaged. We should always ask first: what am I going to do? And then we can ask: what can government do to enable me, my family, my community, my business?

Canadians should, therefore, work systematically towards the following:

1. To replenish and maximize the space for Canada's 'little platoons' including public policies that recognize and facilitate their important contributions.
2. To practice the principle of subsidiarity, especially with respect to the provision of social services.
3. To recognize and encourage innovation and excellence among community enterprises, social ventures, charities, and non-profits.
4. To alleviate poverty by expanding access to the tools of wealth creation rather than traditional attempts to redistribute wealth.
5. To strengthen political participation through political party reform and expanded democratic infrastructure.

1. *To replenish and maximize the space for Canada's 'little platoons' including public policies that recognize and facilitate their important contributions.* ○○○

Policies that disintegrate the small communities natural to us as human beings, atomizing society and isolating individuals from each other, have the tendency to render everyone equally weak and ultimately dependent on the state. Reinvigorating civil society begins by recognizing the value of our most basic human relationships.

Family members share the burden of running a household. Tax and public policy should recognize this fact by treating members of a family as a unit rather than individuals. Nine industrialized countries already apply this family taxation principle. Canada should do the same by allowing income splitting, aggregating family income in a way that accounts for family size, or joint tax filling.<sup>21</sup> In the 2011 Federal Election, the Conservative Party committed to income sharing for households with children under 18.

There are increasing numbers of community enterprises in Canada. These are ventures that have a social mission, but might generate revenue or even modest profit through their operations—for instance, a printing business that provides vocational

training and employment to homeless youth.<sup>22</sup> Canadian law and public policy does not easily accommodate these kinds of ventures, and should be amended to allow the incorporation of Community Enterprise Corporations.<sup>23</sup>

Tax benefits for charitable donations should be increased in order to grow the number of donor and size of donations.<sup>24</sup>

*2. To practice the principle of subsidiarity, especially with respect to the provision of social services.*

To the maximum extent possible community enterprises, for-profit companies, and charities should be responsible for the delivery of social services.

To ensure local connection, funding for programs and infrastructure should be shared between different levels of government, private sector, and private citizens wherever possible. For instance, the recent federal stimulus program encouraged shared funding with other levels of government and other stakeholders. Likewise, the federal government implemented matching programs for emergency aid to Haiti and Pakistan in an effort

to encourage a partnership between government, aid organizations, and ordinary Canadians.

Strong connections between individuals and communities should be encouraged through high school exchange programs that allow students to study in other parts of Canada; international service programs for university students that allow for study and volunteerism abroad; and increased use of citizens' assemblies.

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*3. To recognize and encourage innovation and excellence among community enterprises, social ventures, charities, and non-profits.*

To encourage creative thinking about social problems, a social "x-prize" should be established which would be given to the first team, group, or organization to achieve specific social goals. Ideally, private donors should provide this prize. Imagine a prize for the group able to increase high school graduation rates, increase the success rates of addiction treatment programs, or decrease recidivism.

There are also existing award programs that recognize excellence in service delivery that should

be encouraged and expanded—for instance, the Donner Canadian Foundation Awards for Excellence in the Delivery of Social Services.<sup>25</sup>

There is a need to expand the social capital market, linking worthwhile social initiatives with those willing to invest including government, foundations, corporate donors, and private citizens. There are existing organizations that identify excellence in charities and link them with funders that should be encouraged and expanded—for instance, Charity Intelligence.<sup>26</sup>

Additional funding mechanisms should be developed and encouraged including social impact bonds. A social impact bond is a contract, “between private investors and government, and pays for the provisioning of social services and experimentation by innovative organizations. If these services are successful in achieving targeted outcomes, investors are provided a financial return based on savings to government.”<sup>27</sup>

*4. To alleviate poverty by expanding access to the tools of wealth creation rather than traditional attempts to redistribute wealth.*

Social services and welfare programs should focus on returning people to independence. It is far more charitable to help people return to independence rather than to trap them

in a dependent relationship with government institutions. Furthermore, relationships and local solutions are necessary to help return people to independence and provide ongoing assistance those who will require it. And even in those cases where circumstances have made it impossible for certain individuals to live without ongoing, regular, and direct assistance from others, policies should help to incentivize non-governmental modes of assistance. Wherever possible, when someone has a need for constant care, it is best provided by people who genuinely care rather than by institutions tasked with providing a proxy for care.

Opportunity and poverty alleviation are best achieved through access to the tools of wealth creation as opposed to wealth redistribution. The tools of wealth creation include property rights, access to markets and capital, access to education, and access to information and technology.<sup>28</sup>

*5. To strengthen political participation through political party reform and expanded democratic infrastructure.*

Political parties are an important part of our democratic system. Parties deliver reliable coalitions in legislatures and are useful in knowing what to expect of candidates for office. Too often those who join political parties have little opportunity for genuine engagement beyond regular solicitations for

money. There are several measures that should be taken to improve parties as an opportunity for meaningful political participation.

Political parties should undertake projects that are connected to platform commitments and party principles. For instance, the British Conservative Party has a project called Project Umubano whereby party members, activists, and candidates volunteer in Africa. Such projects sensitize partisans to real issues on the ground, inform party platforms and proposals, as well as improve credibility on important issues.

Nominations are largely a mystery in Canada. Most Canadians do not understand how candidates receive a party nomination, and many former Members of Parliament criticize the process.<sup>29</sup> Political parties should adopt open primaries in order to make it more transparent and open the process beyond party activists and gatekeepers.

There is also a need to improve and expand democratic and supporting infrastructure, including think tanks, academic institutions, philanthropic foundations, training programs, interest groups, issue campaigns, and

communications vehicles. There are particular needs to expand funding available to political organizations other than political parties as well as to expand education and training available for those interested in political participation.

## CONCLUSION

These ideas should be pursued, but we should always ask first, *What am I going to do?* Responding to this challenge should inspire us to become civically-engaged citizens who volunteer, donate to charity, vote, and otherwise ensure that we are full and active participants in our own communities. Indeed, Alexis de Tocqueville concluded, “I am ever increasingly confirmed in my belief that for democratic nations to be virtuous and prosperous, it is enough if they will to be so.”<sup>30</sup>

Canada is a great country, but we have unfinished work. We should not be satisfied with mere mediocrity when our resolve can tip the scales in favour of order over chaos, prosperity over poverty, freedom over tyranny, and good over evil.

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# TOWARDS A SUSTAINABLE CANADIAN CONSENSUS:

## “BIG SOCIETY” AND A FOUR-SECTOR APPROACH FOR RENEWED PROSPERITY



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A recognized political activist, Pennings can often be found making presentations on Parliament Hill, contributing to newspapers and periodicals, and guest appearing on political talk shows.

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All my fellow panellists endorse some version of a “Big Society” agenda for Canada, including what we can learn from reforms taking place in other parts of the world. However, the problems and the cultural contexts in which such “Big Society” solutions are being implemented are not directly transferrable to the Canadian situation. Consequently, advocating for this approach means at best a general endorsement of some of the broad principles underlying “Big Society” ideas, while recognizing that the details and application of such an approach is likely to look quite different in Canada than it does elsewhere.

In this paper, first, I want to analyze the present Canadian situation in light of how “Big Society” principles can be used to shape a framework for a new Canadian consensus. In the second section, I propose that a new “four-sector approach” can provide a more robust and complete picture of what is happening in Canadian society. In the final section, I identify several policy themes that provide the immediate next steps for proceeding down a “Big Society” road.

Before proceeding, however, it is important to provide a working understanding of the “Big Society” concept. An excursion into the details of the program is outside the scope of this paper, but it is important to note that the concept (as promoted by the United Kingdom Conservative Party in their 2010

election flagship theme, and adopted by the Conservative/Liberal Democrat coalition in May 2010), was explained both as a philosophic approach and a concrete policy agenda. British M.P. Jesse Blacker, in a book promoting the “Big Society” concept, suggests that the concept “explains how an ancient theory of human flourishing can be used to develop a far richer conception of human character and well-being. And it shows how that concept can be used to guide public policy today, in the Britain of the 21<sup>st</sup> century.”<sup>1</sup> The practical commitments that have been incorporated into the coalition agreement are summarized by five headings:

1. Give communities more power;
2. Encourage people to take an active role in their communities;
3. Transfer power from central to local government;
4. Support co-ops, mutuals, charities and social enterprise;
5. Publish government data.<sup>2</sup>

More important than any specific policy proposal that has been attached to the “Big Society” concept is the focus which this approach has on the non-government institutions of society. Rather than a simple public-private divide in which everything that belongs to the public is assumed to be within the domain of government, the “Big Society” approach forces us to realize that all institutions—including families, churches, community

groups, and businesses, to list just a few—have a public dimension, and need to be taken seriously as we develop programs for the public good. “Big Society” ideas steer us away from the false divide between work in the private sector, where we are singularly focused on profit and therefore of necessity we are being less virtuous, and work in the public sector, where we are contributing to the common good. In a Big Society the private sector has a very public face and can indeed be motivated by concern for the public good. While the details of the policy prescriptions for our times can and will be the subject of legitimate debate, the more important essence of the new “Big Society” paradigm is its respect for the value of all of the institutions of society. Each of them has a distinct and necessary place in dealing with our broader public challenges.

With this background in mind, let me proceed to three reflections regarding how this might apply to Canada.

## CANADA AT 2011

Talk of a new paradigm presupposes that the existing paradigm is either operating inefficiently or has broken down entirely. In present day Canada, the latter is the case.

Since the 1960s, all Canadian political institutions have operated within a mainstream consensus. Peacekeeping, multiculturalism, strong

central government programs, the primacy of the *Canadian Charter of Rights and Freedoms*—these were not the purview of the political left or right but the consensus within which all respectable political debate took place. For many years, the difference between red and blue was about how fast we should drive, not about which road we should be on.<sup>3</sup>

Within this paradigm, public discourse occurred on a sharp bi-polar plane.

No matter what the problem, if you were on the left of the spectrum, you probably had a solution that started with the words, “Government should . . .” If you

were on the right, your response likely started with, “Government should not . . .” The implication was that on the left, Government was the primary means of solving our collective challenges and on the right, the market was the instrument by which social needs would be met. To be sure, the important roles of business associations, community groups, families, and churches were acknowledged, but these were seen to be essentially *private organizations* without any real space in the public square. We consulted them from time to time on specific issues, and they met our marginal needs for them, but we had a very sharp divide in our understanding of

what belonged in public and what belonged in the private sector. The left and right differed about what might get placed where (or more accurately, how much of something might be public), but the debate had a common frame. Put another way, whether you faced allies or enemies, you knew how the game would be played.

For the past few decades, this consensus framework has been changing.

All of our political parties have had to come to grips with how to do politics in new conditions: where there are as many differences *within* political parties as there are *between* them. Although one

The “Big Society” approach forces us to realize that all institutions need to be taken seriously as we develop programs for the public good.

might debate the particulars, the political divisions in the Canadian right from the 1980s through 2003 were at least in part a consequence of these changing debates. The reality remains that within the Conservative Party today, there is a coalition of interests which needs to be very carefully managed (a challenge that will require even more skill in a majority context), rather than an overriding coherent vision regarding the extent and role of government. The parties on Canada’s political left are presently coming to grips with some of the same challenges the Conservative Party has faced. The decade to come will be characterized by dissensus rather than consensus for all parties.

The point here is not political prognostication. Rather, it is that our political institutions are in a state of considerable flux. In the decade to come, we have significant debates to face and no coherent framework within which these debates can take place. People across the political spectrum realize that the current health care model is unsustainable in light of our demographics and that something other than a single national health care approach will, of necessity, take its place. We also need to deal with the challenges of demographics, trying to figure out how 2.5 workers are going to be able to provide for each retiree, considering that the current 4.7 workers are already finding each retiree a heavy burden to bear. We need to figure out how to balance the need for immigrants to sustain our workforce while at the same time building social cohesion within Canadian society.

The “Big Society” approach is not that it provides a panacea to solve all of these problems. In fact, as a political platform, it failed to capture the imagination of the British public and resulted in a coalition government rather than the hoped-for Conservative majority. There is considerable criticism of this approach, primarily that it is too process-driven, downloading responsibility from government to other institutions in society without the necessary resources.<sup>4</sup> However, while legitimate debate will certainly continue regarding the details of any

program (and one can contemplate how a “Big Society” agenda might be implemented from either the left or the right of the political spectrum, with obviously very different policy particulars emerging), what is significant is that the “Big Society” concept provides a potential framework for debate within Canada that can replace the previous consensus which relied almost exclusively on government as the main actor.

A “Big Society” approach to public life could emerge to provide opportunity for institutions other than government to step up and play a much more significant role in shaping public debate and delivering services for the public good. It would challenge our political system and institutions and force us to consider new ways of involving people and institutions. It would allow more flexibility and room to accommodate the existing and increasing diversity that Canada is experiencing. Instead of a nebulous concept of Canadian values, a “Big Society” approach would provide a framework of respect and commitment to a shared public good, within which we recognize our differences and provide space to deliver services in ways that reflect the range of traditions within the Canadian mosaic.

#### **A FOUR-SECTOR APPROACH**

Social architecture—by which I mean the relationships between our various

institutions—has traditionally acknowledged that between the public and private sector was the “third sector”: charitable and not-for-profit groups. Although this approach paints a more accurate picture of our social architecture than a mere public/private split, it still has serious shortcomings. First, using only three sectors tends to incorrectly reduce institutions to singular economic functions. But businesses are qualified by more than profit, governments by more than redistribution, and charities by more than altruism. Second, analysts also tend to default to one sector over another as the primary engine of economic vitality—the right defer to cutting taxes for the private sector, the left defer to wealth redistribution via the government. Two-sector blinders continue to privilege market vs. government frameworks, when a non-reductionist approach would focus on interdependency rather than competition. Third, and perhaps most importantly, three-sector language obscures the recovery needed in other supporting sectors of society which are not fundamentally qualified by—but nonetheless are vital to—economic productivity. Recently, we at Cardus have been arguing that a fourth sector—*natural communities* which include marriage, family, kinship groups, and some forms of neighbourhood—is a much needed ally on the road to economic recovery.<sup>5</sup>

Our core argument is that *the renewal of Canadian social architecture is not*

*the product of any single sector, but a by-product of robust interdependency between sectors, both those qualified as economic and those that are outside of traditional economic considerations. A four-sector approach is characterized by interdependency, rather than competition or discrete productivity.*

A “Big Society” approach provides a framework to deal with our challenges in a more holistic manner, and not to systematically overlook or ignore questions that common sense tells us need to be considered in any lasting solution. Assuming that the roles of the government, private, and charitable/non-profit sectors are better understood, let me focus on the role of natural communities (which really should be considered the first sector rather than the fourth, but at this point such a change would only lead to confusing nomenclature.) Natural communities include marriage, the family, kinship groups, and various forms of neighbourhood. They are not authorized by the state or brought into existence by the market, nor are they strictly voluntary as in civil society. They are fundamental to our moral and social horizons and, as such, are critical, often-overlooked building blocks of Canadian social architecture. While it would be perverse to suggest that these communities are fundamentally qualified by their economic relationships, it is clear that natural communities have economic aspects.

Families are on the front line of the Canadian demographic crisis. As Cardus detailed in *A Canadian Culture of Generosity*<sup>6</sup> and *The Shifting Demand for Social Services*,<sup>7</sup> Canada's natural communities are facing deep challenges. In 2001, one in eight Canadians was over the age of 65; by 2026, it will be one in five; by 2030 one in four. The demands facing the "sandwich generation" have been well documented. Few expect that government will be able to fill the gap with direct services. It is more realistic to expect that the "handi-bus" of the future, providing transportation for those who cannot drive themselves to necessary appointments, will be the mini-van of a family member, friend, or member of a charitable organization. The driver may be rewarded through the tax system, but is unlikely to be a paid public servant.

The default position of the previous pan-Canadian consensus was that all of this might end up on the plate of government once family reached the extent of their capacity. Economic analysis clearly reveals that this cannot be the solution for the future. The future of Canadian social architecture depends on the strength of natural communities. Private industry, public policy, and the charitable sector have a strong interest in this growing demographic and financial crisis facing families. Government will be a critical part of this interdependency. We need fast, integrated, creative intervention on

family-friendly policies. These policies could include intergenerational home care such as tax benefits for dependent seniors, including a second tier for intergenerational homes.

While there is a natural limit to the role public policy can and should play to revitalize other sectors, some ideas—like family income splitting—have been used to positive effect in France and other developed democracies. The Conservative election proposal to introduce a similar plan after the balancing of the budget is a step in the right direction. Other work should be considered to streamline family tax policy architecture, which is needlessly complex. A simple tax benefit system for families and children in Canada is long overdue. This system should prioritize the virtues of traditional families, encourage growth rates past replacement levels (2.1), extend all the way to the age of 18 rather than only to children under six years old, and should be weighted by income levels to decline in benefit as family income increases. In the shorter term, and failing this, the Universal Child Care Benefits could be extended to children up to 18 and payments made tax exempt at both the federal and provincial levels.

It's important not to overstate the degree to which families make decisions based on tax incentives. But according to Doug Allen at Simon Fraser University, state benefits *do* have some

influence on decisions of parenthood, births out of wedlock, and divorce.<sup>8</sup> While these are clearly qualified by considerations outside of pure economic calculation, they nonetheless have strong social implications. Divorced families are weaker economic units, and children out of wedlock statistically suffer a variety of disadvantages. Saving the moral arguments for another day, traditional, generative forms of marriage remain in the interest of a strong Canadian social architecture.

The health of natural communities is therefore inextricably bound to the health of the other sectors. While there are limits to what one sector can do for another—for example, limits to what public policy can do to sustain families—a mutually reinforcing, multi-sector approach is key to providing the architecture within which parents can make decisions for bigger, healthier families if they so desire.

What a “Big Society” approach offers us is a recognition of the public consequences of decisions made within the different spheres of society—for good or for ill—and the fact that these cannot simply be always left for the private sector to deal with. On the other hand, if we try to deal with them through government (and hence, socialize the costs of every problem), both the structures and costs end up being entirely unsustainable and the solutions unwieldy and unworkable. If we expect government to meet all of the approaching

social needs in Canada, our political system will collapse. Instead, an approach that recognizes that families, churches, charities, businesses, and all of the other institutions of society are important public allies in dealing with broader social questions is an essential principle crucial to moving forward. The advantage of dealing with this through tax policy is that it creates opportunities for organizations to build capacity, it recognizes their public contribution, but it also can be delivered with much less government intervention and regulation, allowing for innovation and diversity that the public sector could never achieve on its own.

## C. EVERY JOURNEY STARTS WITH FIRST STEPS

A “Big Society” approach that recognizes and involves all of societies’ institutions in dealing with our public issues, recognizing that “public” means much more than government activity, is a necessary approach for Canada to take. But how do we get from here to there? There is no single step, but there are at least four key policy themes that can be pursued immediately.

### **1. Social Innovation**

A significant piece of the British effort has taken place in the area of social enterprise. A “Big Society Bank” and government transition fund were launched with some fanfare a year



ago in order to create capacity within the non-governmental sector. This was needed to provide support in areas where government had to cut spending. Just a year later it is far too soon to judge the success or failure of these initiatives, but of note is an already active social enterprise sector in Canada. One example is Social Innovation Generation (SiG) in Toronto which commenced in 2005 with a view to move social innovation ideas from concept to reality.<sup>9</sup> I begin with this example because it is counter-intuitive and helps dispel a myth that sometimes persists, especially among those on the right of the political spectrum, that social good and making a profit are antithetical. Although SiG is clearly focused on dealing with a number of broad social challenges, it is doing so with a significant amount of private sector investment (supplemented to be sure by significant public dollars from all levels of government) with the outcome of creating vibrant innovative companies that will be economically competitive while making strong contributions to the common good.

Original investment in such organizations requires some impetus beyond what traditional venture capital, using only economic measures, might be willing to risk. However, once the momentum has been created, many of these enterprises are able to operate in the marketplace in a way that achieves both social good and economic sustainability. There are various policy implications relating to the

tax dynamics of investing in these organizations, challenges that would be assisted by the exploration and possible creation of hybrid organizations that stand between the profit and not-for-profit tax categories. I can argue here only the concept of new legal and taxation forms as the details are beyond our scope here.

The bottom line is that a “Big Society” approach requires us to think creatively about our policy frameworks. Taxation frameworks must provide a level playing field for the various types of corporations that exist, while providing space for innovation. Speaking from personal experience, both as someone involved in a charity funded partly by for-profit enterprise, and as the CEO of a publicly traded mutual fund whose objective was focused on building infrastructure for charitable endeavours, our legal and taxation system does not know how to effectively deal with enterprises whose objectives include modest returns for investors paired with clear benefits to charity. Good solutions have been proposed which might encourage the private sector to facilitating these solutions, thereby relieving government of certain demands.

Beyond the details of corporate structure comes a more basic question of how we organize ourselves in society. Presently, we have neat divisions of profit and not-for-profit; political and non-political (such as charities, whose freedom of speech on political matters

is severely restricted by virtue of their charitable status); religious and non-religious. While lawyers and the creation of multiple corporate entities have facilitated ways for many organizations to fit their work in the existing framework, we must recognize the artificiality of this *ad hoc* approach and develop a more responsive, less intrusive system of governance. To be sure, there are real and legitimate public policy reasons why public dollars should not be used to advance particular private interests, but we can find ways to accomplish this without assuming that every private interest (whether corporate, charitable, political, or religious) is seeking only private advantage.

## 2. Creating Capacity

If we are serious about allowing a “Big Society” framework to replace our reliance on the federal government to deal with virtually every social issue that emerges, we also need to be intentional about creating a social framework in which institutions other than government are provided with the capacity to help deal with these challenges. For the past few years, Cardus has been involved in a campaign focusing on increasing the charitable tax credit so that charities in particular have the tools to take on an increased role in meeting social needs. Two things have struck me in the course of this campaign.

First, we have conducted and published significant research which

shows that in spite of the Canadian self-image of being a generous society, the vast majority of us are not as generous as we think. In fact, it is a “civic core” of just 29% of Canadians that provides the vast majority of charitable donations, volunteering hours, and community leadership. Seventy-one per cent of Canadians qualify as “civic slackers.” The median charitable giving per year for someone earning \$100,000 amounts to \$210.<sup>10</sup> It is clear that a significant part of our charitable sector work is carried out by a relatively small segment of the population.

Second, what is striking is how much emphasis is being placed on enforcement and the “bad apples” in the charitable sector, with the result that the entire sector is perceived as being dubious. I must confess that I was surprised to learn, in the course of our research and education work, that many legislators have a negative perception of the charitable sector. Despite the fact that there are abuses in a small fraction of the charitable sector, I am quite convinced that to build public policy around the presumption of a preponderance of bad actors is misguided and unfair to the many who are honest and reputable actors within the sector. I suspect that most within the sector would welcome more vigilance in enforcing the standards that exist, if it serves to weed out bad actors. However, more consideration should be given to providing opportunity for the many very

legitimate and efficient charities to appeal to their constituencies of support in order to build capacity to address the increasing social challenges that, again, we will all face in the coming decades. Canada's charities contribute significantly to improving the quality of life for many Canadians, and many do so at higher levels of efficiency than comparable programs run by the public service.

Whether the solution is Cardus' proposed increase of the charitable tax credit from 29% to 42% ([www.29to42.ca](http://www.29to42.ca)), or any of the alternative charitable tax credit proposals from other organizations, the "third sector" of charitable and non-profit organizations badly needs a vote of confidence from an overburdened public service. But the Ministry of Finance, in spite of the fact that charitable giving has declined significantly over the past few years, continues to view charitable tax claims as "tax expenditures" rather than as incentives to altruism, and resists efforts to create more capacity within the sector.

### ***3. Measuring for social impact***

Apart from acknowledging this as a significant issue and one that is being broadly discussed, I do not propose to spend much time on this issue. The point I intend to make by including it is that the measurements government relies on need to be broad enough to include social impact. Objectively measuring social impact is the

subject of considerable debate, but what is beyond dispute is that simple economic measures are inadequate for modern society.

We require more measures than simply Return on Investment, Productivity, or GDP to gauge our sectors. The lack of effective measurement means that many of the social goods provided by the private sector, ranging from the employment provided to a greeter at a local retail store to investment in community infrastructure to support for local organizations, are not adequately measured or considered in our evaluations of public problems and solutions. This not only applies to the private sector but to all sectors. Significant work needs to take place in thinking through what we measure and how we report it, in a way that sensitizes the public to a much broader view of the ingredients of a healthy social architecture. Some measurements can be made within a short-term framework but many social impact measurements will require a broader, longer-term approach.

### ***4. Political reorganization***

The final area in which significant policy changes can be made relates to political organizations. It would appear relatively obvious that the next decade is likely to see significant reorganization of our political institutions, from our parties and how they function to the institutions of government bureaucracy.

In the midst of this flux, it might be valuable to find ways to incorporate and publicly account for the contribution of institutions that have traditionally been ignored. To cite one concrete example, Cardus is presently undertaking a review of the Calgary municipal plan because, though the current proposal suggests that 40,000 people will move to the city core, it does not consider what the worship needs of such a migration might entail for the religious infrastructure of that same region. Similar Cardus studies done earlier in Toronto and Hamilton indicate that neither faith communities nor municipal governments know how to effectively communicate with each other.

Although there are numerous concrete policy suggestions that might be made, the more important point here is that a “Big Society” approach to public policy implies a much broader and more inclusive sense of engagement and listening than has been the norm in Canadian public life. The organic grass-roots connectedness of various organizations deserves more attention. Groups from all three non-government sectors should not only be consulted about what government should do or fund, but must also be part of a more comprehensive approach on how the problems we face collectively might be solved.

## CONCLUSION

This exposition is not intended as a manifesto for action, but as a reflective

commentary on the opportunity that presents itself to Canadians today. In so far as the “Big Society” agenda reflects a basic change in how we deal with broader social questions, incorporating a broad range of institutions is something to be celebrated. The present political situation provides timely opportunity to work for a “Big Society” agenda. Our traditional two- (or, of late, three-) sector approach fails to incorporate critical aspects of Canadian society, while a four-sector approach may be more helpful in framing the ongoing conversation. And there are practical “Big Society” policy themes that can be pursued by those in a position to lead change.

This brings us back to the question posed to us in this forum. Specific “Big Society” language may have been popularized by the 2010 election in the United Kingdom, but the concept reaches back centuries.<sup>11</sup> Edmund Burke and his “little platoons” are but one example of a much longer, richer tradition of thought and practice about how government, commerce, and common good can interact. It reflects a view of society that balances individual freedom and choice along with solidarity and love for neighbour. Government is involved, but not ultimately singularly responsible.

We have a great deal of work to do if we hope to achieve that sort of polity in Canada, and it remains an open question as to how such a program might ultimately work out. In the

meantime, however, it is incumbent on those of us who make it our business to think through such things to imagine how the “Big Society” agenda

could provide opportunity and hope within a cultural arc where both seem to be in short supply.

## ENDNOTES:

1. Jesse Blacker, *The Big Society: The Anatomy of the New Politics* (Buckingham, UK: University of Buckingham Press, 2010), p. 11.
2. [http://www.cabinetoffice.gov.uk/sites/default/files/resources/building-big-society\\_0.pdf](http://www.cabinetoffice.gov.uk/sites/default/files/resources/building-big-society_0.pdf)
3. This theme is more fully developed in a piece I co-authored with Michael Van Pelt “Replacing the Pan-Canadian Consensus” published in *Policy Options* (Montreal: IRPP, March 2006) p. 52-57.
4. The Big Society approach has been critiqued by Christian social theorists associated with the think-tank Jubilee as emphasizing subsidiarity at the expense of solidarity and allowing ambiguity between the “process” and the “ends” of the program, suggesting that the government may be using this program to “sidestep its responsibility.” See Guy Brandon, *The Big Society in Context: A Means to what End?* (Cambridge: Jubilee House, 2011) available on-line at [www.jubilee-centre.org](http://www.jubilee-centre.org).
5. The arguments for a four-sector approach provided the framework for our March 2011 federal budget analysis (CF. <http://www.cardus.ca/columns/2730/>) and May 2011 election analysis (CF. <http://www.cardus.ca/policy/article/2768>)
6. Ray Pennings and Michael VanPelt, *A Canadian Culture of Generosity: Renewing Canada’s Social Architecture by Investing in the Civic Core and ‘Third Sector’* (Hamilton: Cardus, 2009)
7. Cardus, *The Shifting Demand for Social Services* (Hamilton: Cardus, 2010)
8. Douglas Allen. Welfare and the Family: The Canadian Experience in *Journal of Labor Economics*, (Chicago: University of Chicago, 1993, vol. 11, no 1) p 2.
9. <http://www.marsdd.com/aboutmars/>
10. *Caring Canadians, Involved Canadians: Highlights from the 2007 Canada Survey of Giving, Volunteering and Participating*, Statistics Canada, Ministry of Industry, June 2009, p 14-15.
11. See *Social Banks and the Future of Sustainable Finance* by Olaf Weber and Sven Remer for a review of social banking, including an historical summary of common good banking and institutions in the Middle Ages (Routledge International Studies in Money and Banking, 2011).

# FAMILY AND MARRIAGE:

## REPLENISHING THE LITTLE PLATOONS OF SOCIETY



### Andrea Mrozek

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Once upon a time, marriage and family were not the researched, examined, and contested ideas they are today. Marriage and family quietly upheld civil society for centuries—and as a result were taken for granted. Today, we can no longer afford to do so.

Marriage rates are declining and family stability is low, and when these institutions are weak, there are practical ramifications in our lives. For example, the Centre for Social Justice in the United Kingdom, a research group dedicated to improving the lives of individuals in communities, identifies that one of the five causes of societal breakdown is family breakdown. Government and/or charities can only with great difficulty and at great cost step in to intervene and help where families fail.

Strengthening families is a pressing call, but the effects of changes in public policy, law, and culture take time. Helping families is a long-term investment measured in generations, not years.

Indeed, now is the time to devote more time and energy to restoring the beleaguered institutions of family and marriage in order to restore communities in Canada. The following paper outlines some ideas that aim to strengthen families through cultural change, legal change, and through changes in fiscal policy.

## FAMILY AND MARRIAGE IN THE CULTURAL CONTEXT

Marriage and family are the most personal relationships individuals know, but they are also public and social institutions. Government policy cannot and should not regulate or moderate many aspects of family and marital life. Rather, enhancing the marriage and family culture in Canada will involve renewing the value of these institutions among students, parents, and individuals as well as challenging how family is portrayed in pop culture, movies, television shows, and advertising.

Simple changes could reap great rewards. For example, the Centre for Social Justice (CSJ) argues that many couples enter marriage unprepared, resulting in marital breakdown. “Many marriages break down simply because a couple does not know what it takes to make a marriage work,” the authors of *Breakthrough Britain: Every Family Matters* write. “Although much more should be done to help families at particular known crisis points, pre-marital understanding and awareness of these issues prior to crises is essential. There is no other contractual relationship within society in which, on anything going wrong, there is such a high public and private cost and which does not involve some prior training, mentoring, or assistance.”<sup>1</sup>

The CSJ goes on to recommend “preparation for couples at key moments in their relationship, for example, pre-marriage and before or just after the birth of a child.”<sup>2</sup> This could include counselling that helps address standard stressors for relationships at these stages. Couples would learn that their struggles are not unique, perhaps be more open to sharing them with people close to them, and would receive practical strategies to navigate these changes.

Culturally, there are many different approaches to reinvigorating marriage. One might include education to ensure men understand the benefits of marriage. This includes a broader look at how men are treated in today’s culture. Today, men and boys are lagging on a number of different factors; males drop out of school more often, attend university less, have a higher suicide rate and experience higher rates of homelessness, to name but a few examples. An extended focus on girls and women’s wellbeing means that in some cases, we have failed to understand the importance of ensuring boys grow up to be healthy men both included and necessary in marriage and families. “Men are our fathers, brothers, husbands, and sons; when they are in trouble, so are the women who care about them and, in many cases, depend on them,” writes American scholar

Christina Hoff Sommers.<sup>3</sup> There is research suggesting men fare better in society in healthy marriages. So education should ensure boys grow to be healthy, mature, adult men as well as ensuring they are aware of the benefits of marriage for themselves and society.

## FAMILY AND MARRIAGE IN THE LEGAL SYSTEM

The Canadian legal system gives common-law relationships near equal footing with marriage, despite the consensus in social science research that these two family forms function differently. Common-law relationships are less stable than marriage relationships, the latter of which offers on the whole healthier outcomes for children.

According to Statistics Canada “[s]tarting conjugal life in a common-law relationship, as opposed to a marriage, sharply increases the probability of this first union ending in separation. And whether the common-law partners eventually marry or not makes little difference: the risk of separation is just as high.”<sup>4</sup> Statistics Canada also finds that first union cohabiting relationships are almost twice as likely to break up compared to first union marriages.<sup>5</sup>

Given the positive benefits of marriage over living common law for men, women, children and society at large, these two family forms should be differentiated in the law. This is a huge task that cannot be accomplished overnight but governments cannot continue to hold individuals to a level of commitment they may never have chosen. One way for government to support marriage is to offer tax incentives that are only available to those that are married. Options could include a onetime credit for successfully completing a pre-marriage counselling program; another could be a tax credit based upon the number of years that a couple is married. The premise here

**Marriage and family are the most personal relationships individuals know, but they are also public and social institutions.**

is that if government understands and values the institution of marriage, then certain benefits should be awarded accordingly.

Our legal system not only wrongly equates cohabitation with marriage, but also has made it easier for married couples to divorce. With the advent of no-fault divorce in 1968, Canada saw a five-fold spike in the divorce rate.<sup>6</sup> No-fault divorce makes it possible for one spouse to unilaterally end a marriage. In practice, this means that one spouse is left with no bargaining power in a circumstance where he or she wants the marriage to stay together.



Rather than facilitating the ease with which we can divorce, the law should place a higher burden on couples to attempt restoration of low-conflict marriages. (This does not apply to high conflict or abusive marriages.) Studies have shown that where low-conflict marriages are continued through counselling, marriage partners are happier five years down the road, as compared with divorcing.<sup>7</sup> A part of this process needs to be initiated during pre-marriage counselling, so that couples understand the benefits of marriage and the impact of divorce on both spouses as well as the children. Regardless of no-fault divorce, divorce education/counselling should be mandatory, thus ensuring that couples who want to divorce understand the full impact.<sup>8</sup> A part of this process would also be a mandatory “cooling” off time, so that no decisions are made during the “heat of the moment.” Given the benefits marriage confers on men, women, and children alike, this would bring benefits to Canadian communities.

## **FAMILY AND MARRIAGE IN FISCAL POLICY**

Unlike broad social change, adjustments in fiscal policy can provide rapid results with widespread support. Reducing the tax burden exemplifies the kind of fiscal commitments that make it easier for parents to raise children.

While Canadians’ family finances have shifted over the past 20-30 years, according to Dr. Lars Osberg, an economist at Dalhousie University and using Statistics Canada data, there has been “little change in real median household income 1980 - 2005”<sup>9</sup> and further that from 1989 - 2005 (2005\$) the average household income moved from \$47,700 - \$51,900.<sup>10</sup>

Contrast the small increase in average income with the large increase in tax. The Fraser Institute, an economic think tank based in British Columbia has estimated that, “the tax bill for a family with average income has increased by 1,686% since 1961.”<sup>11</sup> This increase far outpaces the rise in the cost of household expenditures during the same period. In 2010 the average Canadian family paid out over 41 per cent of their annual income in tax.<sup>12</sup>

### ***Family income splitting***

One solution is offering family income splitting. A 2008 paper on family income splitting by Dr. Jack Mintz shows that single income families with the same family income as dual income families, are paying more taxes.<sup>13</sup> The net result is that while either mom or dad is able to stay home with their children, they have fewer dollars to spend. Family income splitting recognizes that families are an economic unit, allowing couples to “share” their income, and decrease their tax burden.

In the 2011 federal campaign, the Conservative Party pledged to introduce family income splitting for families with children under 18 years of age. This proposal was built on the previous budget announcement of pension splitting for seniors. The one caveat for this policy option was that it would not be introduced as legislation until the federal budget is balanced, presumably within the next three to four years.

Like governments, Canadian families need to take responsibility for their own budgets. Many Canadian households are spending more than they are earning, with debt-to-income ratios increasing to record levels. Bank of Canada Governor Mark Carney has warned Canadians to mind their borrowing commitments as historically low interest rates will eventually increase.<sup>14</sup>

As a part of the past several federal budgets and a task force<sup>15</sup>, the government has been promoting the premise of “financial literacy”—battling the concept that our young people have not attained the skills necessary to know how to read or calculate their personal financial records in order to make sound financial decisions. This is a very supportable premise and most of the recommendations should be implemented. Of particular interest is the role that the education system should have in

making financial literacy a mandatory part of the curriculum. We would also add that financial literacy should also be a part of pre-marital counselling in order to assist young couples who often face financial challenges.

A 2011 BMO Financial Group Survey found that less than half of Canadians who marry discuss how much money and debt they are bringing into the marriage. Less than one quarter of married Canadians talked about a financial plan or financial expectations for retirement.<sup>16</sup> Canadian families list financial issues among their top concerns.

Community-based financial education, such as the financial literacy program delivered to low-and middle-income adults through a partnership between the Center for Neighborhood Enterprise and HSBC-North America, is a good start. The grassroots, community-centred program has improved financial knowledge among 30,000 adults since 2002. Financial literacy empowers people to take control of their economic resources, giving them the knowledge to make sound financial decisions.

Promoting savings tools such as RRSPs and the TFSA can help families plan for the future. Unfortunately, Canadians in some provinces who face periods of unemployment are forced to liquidate these savings before

qualifying for assistance, depleting retirement savings and increasing a future tax bill. The C.D. Howe Institute has called for upper limits or ceilings on the amount of RRSP and TFSA savings that can be exempted for needs-tested programs.<sup>17</sup>

A cultural shift towards thrift would entail Canadian families taking greater responsibility for their spending and creating their own prosperity.

### ***Front-load child benefit payments***

As the early years of children's lives bring an influx of new costs a time of decreased income from work, Canadians should consider a proposal similar to one from *Breakthrough Britain*, that the United Kingdom government "mak(e) child benefit (payments) flexible so that a larger proportion of the child's total entitlement would be available during the first three years when parents most want to spend time caring for their children and when attachment and intensive nurture are most important."<sup>18</sup> The CSJ report recommends that parents be allowed to claim more of their children benefits in their children's early years.

### ***Extended family caring for grandchildren***

The issue of childcare has been an important one in Canadian elections since 1993. In a 2006 poll, the IMFC

found that over 80% of families would prefer to have one parent stay at home with their children. In the cases where both parents have to work full time and require some form of day-care 52.7 percent preferred that a relative care for their children.<sup>19</sup>

Given this reality, facilitating family care for young children should be a priority. The Conservative child benefit of \$100 per month takes steps toward making this easier. This could be enhanced through another targeted tax credit or financial allowance which could be paid to family caregivers.

## **COMMUNICATING THE BENEFITS OF FAMILIES AND MARRIAGE WELL**

Marriage is beneficial for adults and children, despite the tarnished image it receives in the media. Marriage bolsters physical and emotional health and offers many benefits to children. More could be said about the benefits of marriage in high school family studies courses, but strengthening marriage relationships can happen at the immediate point of contact with the community. In the United States, some communities have embraced the idea of the Community Marriage Policy (CMP). As most marriages still take place in faith community settings, CMPs take advantage of this point of contact. Those performing marriages in a geographical region, such as clergy, agree to offer several

programs for engaged and married couples. These programs include marriage preparation, marriage enrichment programs, mentoring, reconciliation programs, and support for step-families. The model has been correlated with reduced rates of divorce in counties where CMPs have been implemented.<sup>20</sup>

Recapturing the meaning of marriage and communicating the benefits of strong, healthy marriages can occur at the grassroots, community level with little need for government intervention.

It isn't always possible for "Once upon a time" to be followed by "and they all lived happily ever after." However, a growing body of research is showing the strong positive impacts of family, not only on individuals, but across society. Government does have a role in supporting this invaluable resource—sometimes directly, sometimes indirectly and sometimes by getting completely out of the way. The bottom line is that we can't afford to take stable families, and the prosperous society they nurture, for granted.

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# RESPONSES



## Monte Solberg

Monte Solberg is a columnist for Sun Media, frequently appears on television as a political commentator, and is a popular speaker.

Solberg was the Member of Parliament for Medicine Hat for fifteen years. For many of those years Monte played a prominent role as the Reform, Alliance and Conservative Party Critic for several key departments including Foreign Affairs and notably Finance. In 2006 he served as the Minister of Citizenship and Immigration and in 2007 he was appointed as Minister of Human Resources and Social Development.

## RESPONSE: HON. MONTE SOLBERG, P.C.

There is a limit to the competence of government, especially big central government in Ottawa, in addressing issues that sometimes are very particular, and very individual. And that's where you make the leap to civil society; that's when even government starts to call on civil society, providing grants to community organizations to go and address a lot of social needs.

I would say we are at a point where governments have come to realize, especially when resources are tight (they're always tight!) that we're not getting the results that we need to get in helping some of the most troubled individuals become independent and able to contribute to society. And I think this is where we need to call on civil society a lot more than we do today. And I take Ray [Pennings]'s point about beginning with the "Big" discussion.

In the United Kingdom, the discussion began with the Center for Social Justice. It was led by Iain Duncan Smith, the former leader of the Conservative party, and he began a great national debate. People began to recognize that a lot of society's problems did stem from the fact that a lot of social problems had not been fixed despite the fact that over many years billions upon billions of pounds and dollars had been spent on these issues. It really required in the end the engagement of civil society.

I think there are a few steps that need to occur. First of all I think we need leadership from the bully pulpit, from key ministers, the Prime Minister, and others who say, “We’re not addressing these issues [of responsibility]; we need civil society to address them.” Secondly, we need to convince people who are not necessarily inclined to social issues to recognize the huge financial cost to the country of such issues. By far the bulk of all government spending goes to address social problems. There are different ways, including tax credits, to get individuals moving from the lives we normally live toward lives of helping in our communities, through churches and fraternal orders and many other civil society organizations. These are clearly part of the answer.

But the bottom line is, we have to begin the discussion, and the framework is “Big Society.” I’m glad we’re doing that today.



**Candice Hoepfner**

Candice Hoepfner is the Member of Parliament for Portage-Lisgar, Manitoba. She is the Parliamentary Secretary to the Minister of Public Safety.

Hoepfner sits on many committees including being Chair of the Standing Committee on Human Resources, Skills and Social Development and the Status of Persons with Disabilities. Hoepfner has a wide range of experiences in both the political and business communities. She was first elected to the House of Commons in 2008.

## RESPONSE: CANDICE HOEPPNER, M.P.

When I come to this belief that I think we all share of less government and more individual power and responsibility, I have to reflect on a few things. I believe that as hard as this is to swallow, I think we get what we want in a government and in the way our society functions.

Nick [Gafuik] talked about our society being *ambivalent*. I think that happens because we’re very comfortable. I just finished an election May 2<sup>nd</sup>. I won 76 percent support in a very strong Conservative riding, and yet I still heard so many Conservatives say to me, “But what are you going to do for me? What’s your government going to do for me?” I hear that, and I know that all of us really don’t share that . . . except when it comes down to our situation, we *do* want the government to step up and do something that needs to be done *for us*.

Is it really the government that is going to instill in me the belief that I’m responsible for myself? I think this comes from individuals themselves. I look at the role of families and the role that churches and faith communities play in encouraging people to be responsible for themselves and to give back. At a

very base, very organic level, how do we get people to say not “I’m looking to receive something,” but “I want to be responsible for myself”? How do we do that?

I grew up in a home where we were taught every single day to volunteer. You might not want to do it, but you’re going to go to the youth group and you’re going to volunteer. And it’s something I’ve tried to teach my children. In fact, a couple of summers ago, there was a church camp going on, and I said to my two teenage children, “You guys need to go and help with these small children who are part of the day camp,” because somebody had helped at *their* day camp probably five years prior, and they had really enjoyed it. My children didn’t really know if they wanted to, and I said, “Well it’s your choice, but I’ll just tell you if you don’t volunteer, there will be no T.V. the entire week.” So, they made their decision, and they had a fantastic time volunteering in this kids’ day camp.

What I hope that we can do—whether just as individuals, as elected representatives, as organizations, as employees—and what I think we need to do is not just reflect on individual responsibility and giving back but to truly do it in our lives and our policies.

The government is giving us what we want. We have to admit that whether we’re producers, or families, or business people, if we’re really in trouble we go to the government and say, “What are you going to give me?” I understand that’s an important part of what the government does, but when I read a lot of these presentations, a lot of it kept bringing me back to individual responsibility.

One more quick comment I want to make, and that’s on reducing poverty, because I was part of the Human Resources Committee. I came on just when they were completing the study on poverty reduction. It was a pretty opposition-dominated committee, and the report really reflected that. Most of the recommendations were very government-heavy: more funds for housing, more funds to get people out of poverty not by giving them tools to produce wealth, but rather by wealth distribution.

We brought in some aboriginal peoples from British Columbia who were doing extremely well, from the Okanagan First Nation under Chief Clarence Louie. They talked about what they’re doing, how they’re doing it, and how they are helping the people in their First Nation and their community to produce wealth. Yet, after they left and our committee sat down to talk about solutions, and I said, “I think if you see something working, copy shamelessly—don’t try to



reinvent,” this didn’t seem to be a sensible solution for the committee. Of course, their solution was putting more money, more money, more money into whatever the problem was.

If we know people that have been in poverty and gotten themselves out of poverty and they are successful, let’s ask them what they did. I imagine they’ll say they were trained, and they found employment. That’s probably what helped bring them out of poverty. But there might be other things. I think we need to find out what’s working and replicate it.

### RESPONSE: HON. PRESTON MANNING, O.C.

I’d like to mention the challenges that come to mind in listening to the panelists, and pose several follow-up questions.

The first challenge is political. Suppose we embrace this framework of governments playing a more facilitating, partner-enabling role. Just how do you communicate that politically so as to get support from the electorate? Because it would be very easy to caricature that framework as government defaulting: I can see a voter reacting by saying, “You don’t have the big solution to this or that public problem, so now you’re throwing the ball back to me.” So how do you communicate politically, in the competitive political arena, this concept of government enabling?

Many years ago I tried to persuade a provincial political party to campaign on the slogan of “The government that enables.” I suggested that this party, instead of going out to the electorate in the conventional manner with its platform, that it go out to the electorate and ask, ‘What’s your personal platform? You write down five things you want to do in the next four years, we’ll tell you what we propose to do to enable you to achieve those things, and then we’ll come back in four years and see whether you were able to do them.



### Preston Manning

Preston Manning is the President and CEO of the Manning Centre for Building Democracy.

Manning has worked for democratic and political reform in Canada for many years. He served as a Member of Parliament from 1993 through 2001. He founded two political parties, and was the Leader of the Opposition from 1997 to 2000. In 2007 Manning was made a Companion of the Order of Canada.

Manning is currently a Senior Fellow of the Fraser Institute, and continues to write, speak, and teach on a variety of subjects.

And if you were able to do them, then you vote for us, because we enabled you!” And one veteran political strategist got up and said, “Sonny, that’s like trying to get us to sell the accompanist rather than the main star of a musical show. We’d have to sell the government in the subsidiary role, as a supporting actor, not as the main actor. You’re not going to win many Oscars doing it that way.” So I raise this question for political people: if this (positioning government more as an enabler) *is* the right approach, how do we communicate it, so that the government as an enabler with a more modest role is seen as a positive thing worth supporting?

The second challenge that I see in listening to this discussion, and in watching the British experiment, is more of a functional challenge. As government has grown bigger, and has assumed more and more responsibilities that at one time might have been assumed by families or by communities or by companies, the situation it has inadvertently created is analogous to an atrophied muscle. The muscles of the “little platoons” have atrophied from less and less use. So now you’re going to throw the ball back to them, but they are less capable of catching and running with it than before the creation of the welfare state: companies that have never had to do anything social because the government did it all are now being asked to assume more social responsibility; NGOs that got most of their money or contracts from the government, and are now going to be told to get their own money; families that have been robbed of a lot of their functions including the care and education of their own children are now being asked to assume more of those responsibilities—but are these institutions capable now of doing so? So my question is, how do you rehabilitate and strengthen those atrophied muscles? How do you get those “little platoons” back to a position of enough strength to do more of the things that you’re going to ask the government to facilitate?

## QUESTION & ANSWER

**QUESTION:** *How would you cope with the atrophied muscles of the private sector, the natural community, the volunteer sector? What would you do to strengthen them so that when the government throws back the ball they are not just going to collapse?*

**NICHOLAS GAFUIK:**

I'd like to start by addressing this question of how to communicate. I recall a report from the Bank of Canada which says that over the last decade, our productivity has not improved at the levels of historical productivity increases for Canada, or at the levels of our closest competitors. And the conclusion in this report is that it has nothing to do with public policy. We have relatively enlightened public policies, and high levels of economic freedom, but it's not a public policy problem; it's a private sector problem. I would argue that this leads to the conclusion that it's not up to the government alone. Government can do a lot to facilitate or enable, but it cannot actually make you more productive or happier or good. It can get out of the way, it can facilitate, it can make things easier.

How to communicate this? My argument would be that you and I are going to do great things together. I as an elected official or government representative am going to do A, B, and C, but we're not going anywhere unless you do D, E, F. We're in this together. We have a common project. If we both agree on this objective then we both have a job to do.

On the atrophied muscle question: we can't let the fear of the atrophy stop us from moving in this direction. For a positive example, there's the local library in the U.K. that no longer had the money to pay staff but was saved by the community—people who responded when the challenge was put to them. I would argue that if change responsibilities in a measured way, there is a way to start getting people conditioned to perform again. For instance, money didn't go to Haiti or Pakistan just from the government; it was a matching grant. "You

think it's important for money to go help people in Pakistan? Great—you put up some of your money, too.” I think those kinds of measures are the right way to push this along.

#### RAY PENNINGS:

I think when you have an atrophied muscle, the first thing you have to do is go to the doctor—you have to recognize there is a problem. Secondly, the doctor doesn't immediately fix you and get you back on the soccer field. You actually have to do physiotherapy and take other measures.

To use one concrete measure, increasing the charitable tax credit from 29 to 42 is not going to increase the number of people who are giving. The fact that the median charitable donation for someone earning \$100,000 in Canada is just over \$200 means that 70 percent of the Canadian population, while they think of themselves as being generous, in my books are civic slackers—they're not living up to their responsibilities. Just changing the tax incentive system won't work; if they didn't give at 29 percent they aren't going to give at 42 percent either.

So the physiotherapy here is allowing the group that's giving to increase charitable capacity while a number of other measure are taken. In our report we had 19 concrete first steps, with specifics, that organizations ranging from media to schools to families could all do. It's incremental and it's all of these together. There is no single magic bullet.

**QUESTION: *With regard to family tax incentives, such as the \$1,200-a-year child care benefit, over 99 percent of those benefits go to one parent: mothers. It seems government is putting all of these incentives towards the same side of the equation as they have done for thirty or forty years. My question is, will this actually be effective?***

#### ANDREA MROZEK:

I think we need to eradicate inequalities between mothers and fathers, and I think the Institute for Marriage and Family Canada is dedicated towards ensuring that parents are working together as a healthy, whole unit. I mentioned even earlier today measures to ensure that men are included more fairly in families, and to recognize the benefits of doing so.

I think there is a bigger problem behind your concern. When tax monies are given, who claims it at the other end is probably not the issue; it's whether or

not that family unit is functioning well and is healthy and whole. If the mother claims it in a functioning, healthy marriage, the father will not be excluded. But where the family has failed then this will be a big problem. The broader cultural change toward repairing that is something I spoke of today. It's not a short-term struggle; it's a long-term one. And certainly there needs to be greater strides to ensure that fathers in particular are considered to be part of families today.

**CANDICE HOEPPNER:**

I want to add to what Andrea said, because I do think we have a very serious systemic problem that is only going to get worse, and that is young men who are disenfranchised and who are falling through the cracks. As a whole, we are afraid to celebrate men, we're afraid to celebrate the role that men play in society. We are afraid to say anything positive in many ways because somehow society or media or have framed it as an "either/or." That's a huge issue that we have got to deal with, or we will obviously be seeing the negative effects for many, many years.

**QUESTION: *One of the democratic "little platoons" out there is unions. I have long believed that trade unions are not incompatible with modern conservatism. In particular the beliefs amongst the rank and file members of trade unions are often pretty sensible and very much in line with what I've heard here today. But the movements themselves are so organized against our causes. I'm wondering what we can do if not to reach out to the trade union movement on a macro level, then at the very least the memberships of those unions, since they are democratic platoons and play an important role in society?***

**PRESTON MANNING:**

I agree with you that trade union people—and I distinguish between members of trade unions and members of public service unions—are very good candidates for supporting conservative values and policies. If you look at a lot of trade union voters, what are their priorities? Lower taxes, particularly desired by those in the higher-paid trades; greater respect and support for families because these folk tend to be family people; and more attention to law and order. Those are three fronts on which conservatives are strong and on which trade union people can be approached for support. When it comes to identifying the "little platoons," the other institutions of society that can assume a greater role for social welfare, members of trade unions are in this category.

**PENNINGS:**

Having spent a decade working for a union along the way, I suppose I need to wade in on this one. Minister Solberg was at one point responsible for HRSDC, a significant duty of which included developing labour market information. At the time this was a purview that government had bureaucrats do, but in recent years we've tried approaches in which owners, unions, and employers working together through government-funded initiatives have done a great deal of labour market work. Perhaps there are more things like training and other programs of tremendous value to the workplace where employers and unions can work very productively together, instead of government.

Secondly, I think there are significant things that need to be done in our labour relations system, which predisposes a particular type of adversarial unionism. Other types of unions are not supported. That's a whole separate debate, but unions should not be written off out of the equation.

**QUESTION: *My question is about schools. I learned to give from my faith community and my parents, and to some extent from school, but I find now that schools in this country are rabidly anti-religious, and I think that's become a problem. I know that in Ontario that there are some programs to encourage volunteering in the later years of schooling, and I'm wondering if you think that that can be expanded.***

**PENNINGS:**

There is an element in which forced volunteering at various levels—including the removing of the TV privileges as a parent by Candice here—has very valuable teaching pedagogical reasons along the way. <Laughs> What's interesting is that research that we've done has shown it's more worldview and disposition, what sociologists call an "other-mindedness" as a framework of thinking, that is the most significant factor in generosity. That's a cultural factor, not simply a programmatic one.

**MONTE SOLBERG:**

In Alberta we had this discussion a long time ago. We do have government support for home schooling, for charter schools, for private schooling. The result is that I think we address some of the volunteering you are concerned about. Beyond that, we also have the best academic results in the country, in fact some of the best in the world. So the system works, and I hope it gets replicated around the country.

**HOEPPNER:**

When I lived in Winnipeg, there was a private school that would give their students a certain number of credits if they volunteered a certain number of hours during any political campaign, it didn't matter which one. That was a very good incentive: we ended up getting a lot of the kids on our campaigns, and I know the other parties did too.

**QUESTION: *There are periodic reports—this is directed at people who have been looking at the “Big Society” situation in Great Britain—that the “Big Society” concepts as practiced through Iain Duncan Smith and more recently through the Conservative/Lib-Dem coalition have been meeting with strong resistance from some quarters. Is there better news that some of you who have studied this could report on?***

**GAFUIK:**

First of all I think you have to acknowledge that despite a deeply unpopular Labour government and Labour prime minister, the Conservatives didn't win the last election. I went over for that May election, and I argue the mistake [the Conservatives] made was that they made "Big Society" into a central focus of the campaign, rather than an overarching narrative. This is not a necessarily a specific policy agenda; this is a particular vision for the appropriate role of government, and there has to be an appropriate policy agenda which speaks to priorities that come underneath that. They had to enter into a coalition to form this government; they couldn't even beat a deeply unpopular Labour government. They kept the discussion at that high-level, mushy talk rather than getting to the nuts and bolts of what they actually meant, and what "Big Society" looked like in a specific tangible policy way.

And in Canada we have to acknowledge right off the top that the additional complicating factor is that these kinds of issues are split between federal and provincial. I think this speaks to Ray's point: let's make sure we understand this is a framework, and then use it as the starting point to get into a policy agenda.

**MANNING:**

I would add that the adjective "Big" was the wrong one to use to describe what the British Conservatives were trying to communicate, because the British public couldn't really see the difference between "Big government" and "Big Society." The wrong word was "Big," and this is coming from the guy who wrote a book called *Think Big*. <Laughs>

