
UNIT 5 PUBLIC ADMINISTRATION IN CANADA

Structure

- 5.1 Introduction
- 5.2 The Canadian Public Administrative System
- 5.3 The Structure of Public Administration in Canada
 - 5.3.1 The Organisation of a Department
 - 5.3.2 The Non-Departmental Bodies
- 5.4 The Canadian Senior Public Service
- 5.5 The Public Service Commission in Canada
 - 5.5.1 Affirmative Action
- 5.6 Reform Efforts in Canadian Public Administration
 - 5.6.1 Reforms in the Decades of 1980s and 1990s
- 5.7 The Canadian Public Service and The New Public Management
 - 5.7.1 The New Management Culture and the Canadian Public Service
- 5.8 Summary
- 5.9 Exercises

5.1 INTRODUCTION

Public Administration in Canada is greatly influenced by many factors: the size and regional diversities of the country, its two official languages, a federal system of government and the British influence of parliamentary institutions and conventions.

Despite being the second largest country of the world, it has a small population of around 30 million people, but has a number of governmental institutions to serve this population. This unit is concerned with an analyses of the evolution of the public administrative system in Canada with an emphasis on federal public administration system and the way welfare policies are implemented through these institutions. After studying this unit, you will be familiar with the public administration system in Canada, how it has evolved, efforts towards reforms and the problems of public administration in Canada at the threshold of the 21st Century.

5.2 THE CANADIAN PUBLIC ADMINISTRATIVE SYSTEM

Canada has a federal system of government consisting of a federal government centred in Ottawa and governments in 10 Provinces. The 20th Century has witnessed a phenomenal growth in the expansion of governmental activities, because of which there has been a tremendous growth in the number of departments and parallel bureaucracies both at the Central and Provincial levels. As a consequence, a great deal of time and effort is devoted to federal-provincial coordination of policies and programmes by public officials.

The representative needs of cabinet-making have resulted in larger Canadian Cabinets and administrative departments. In 1867 the Canadian cabinet included 14 ministers, which by 1984, grew to 39 and in Prime Minister Mulroney's time in 1989 to 40. In comparison

provincial cabinets consist of about 20 members. Although public administration in Canada has inherited a good deal from the British institutions and conventions, management in government has been largely derived from American ideas and management practices. These influences in a parliamentary federal system are often considered the distinguishing feature of Canadian Public Administration.

5.3 THE STRUCTURE OF PUBLIC ADMINISTRATION IN CANADA

Major changes in the structure of public administration in Canada, more particularly at the central level, took place after 1968, although some reorganisation had been implemented a few years earlier. The Governmental Organisational Acts of 1966, 1970, 1978, and 1982 established several new government departments and recognised others. The new departments related to the new public policy agenda of the government. Besides the traditional departments of transport, agriculture, national defence, veteran affairs, and Office of Privy Council, and Department of Finance and service organisations such as Department of Public Works, and supply and services, there are now departments of environment, regional economic expansion, energy, mines and resources, communications, urban affairs, and science and technology. The interdepartmental distribution of responsibilities and jurisdictions is based on the closely related principles of function and clientele. Basically the name of a department will give some indications of the function it is intended to perform and the clientele it is expected to serve. As time passes and conditions change, new departments spring up and other departments disappear or get absorbed into others.

In 1962, the Royal Commission on Government Operations (Glassco Commission) had recommended the creation of a separate Secretariat to support the Treasury Board in respect of its responsibilities for the expenditure budget and for management in the public service. The introduction of Planning, Programme, Budgeting systems (PPBS) in 1966, the introduction of collective bargaining in 1967 and the passage of the Official Languages Act in 1969 added new functions to the Secretariat, which assumed responsibilities for the implementation of these measures.

The central control over administrative system has been greatly strengthened since 1978, when following several highly critical reports on management standards and practices in the public service issued by the Auditor General, the Government responded by dividing the staff of the Treasury Board Secretariat and created an office of the Comptroller General. While the Secretariat continued to be responsible for resource allocation matters, the Comptroller General's responsibilities focus on the development of management procedures and standards and the evaluation of the efficiency and effectiveness of the government programmes. Like the Secretary of the Treasury Board, the Comptroller General has deputy ministerial rank.

During 1978 and 1979, the so-called second generation Ministries of State emerged as a result of the accompanied reforms in the planning and expenditure system within the public service. In addition to being policy secretariats like the earlier ministries, these ministries like the Ministry of State for Economic Development and the Ministry of State for Social Development served Cabinet committees responsible for allocating funds within the respective policy sectors.

In some respects, the evolution that occurred in the machinery of government reflected an attempt to fulfill the needs of individual and collective responsibilities with sophisticated policy and management structures. With the implementation of the Planning and Expenditure Management System (PEMS) in 1979, the Fiscal Plan, which came into operation attempted to establish expenditure limits for the government as a whole and within particular policy sectors.

5.3.1 The Organisation of a Department

The basic structure of a government department in Canada is hierarchical, with the deputy minister (DM) at the top of the pyramid. Under the DM, there are a number of subordinate levels. Each of these is itself hierarchical in structure and each is directly accountable to the level above. The staff role carries no direct authority over the line officers, and the branches of the department involved in the performance of staff functions are often organised more simply than those of the line. For understanding the structure of Canadian bureaucracy, one must analyse each department separately, for they are all different, displaying their own organisational specificities.

5.3.2 The Non-Departmental Bodies

Apart from the regular Ministries and Departments, the Canadian public administration has a number of non-departmental bodies such as Crown Corporations and Regulatory Commissions. Non-departmental bodies are organisations designed to perform certain functions of government that are deemed to require varying degrees of independence from the political control of ministers and the administrative control applied to the public service. Unlike departments, the authority to carry out the functions of these bodies are vested in the individuals or the boards that head the organisations rather than the ministers. However, as agents of the Crown, these bodies must be accountable in some measures to the executive and ultimately, through ministers to Parliament. The policy objectives of such bodies, which have been construed as operational arms of government are set in legislation. In 1979, there were 426 of these organisations and only 54 were officially listed in the Financial Administration Act. In June 1984, a Bill C-24 was passed to amend the Financial Administration Act to set out a range of accountability and control measures that would be applied to all corporations listed in the Act, which were only 62 in number.

Another type of non-departmental bodies are known as regulatory commissions. The traditional justification for the establishment of this type of organisation has been the need for impartiality in the making of regulatory decisions, especially in the economic sector. Activities such as granting licenses, setting prices and standards of service and supervising activities in a particular industry or sector often involve the adjudication of individual rights in market place. This is a particular type of American institution operating in the parliamentary setting of the Government of Canada. A common problem that has often been identified with the operation of these bodies is that they become captive of the industry or groups that they purport to serve. For example, attempts to promote deregulation in the transportation and communications sectors have occasionally led to direct clashes between politicians and heads of commissions.

5.4 THE CANADIAN SENIOR PUBLIC SERVICE

The Canadian Public Service follows the pattern of the White House model and the ideals of Weberianism, like anonymity, non-partisan neutrality, a permanent career-path, substantive policy expertise, the merit principle, and finally accountability and responsibility to the minister and through the minister to the government of the day.

At the head of the ministry or department, reporting directly to the minister, is the deputy minister. The deputy minister has the highest ranking non-political position in the civil service (akin to the position of a secretary in the Government of India), and is responsible for the administration of the ministry, the application of laws and the implementation of programmes within the department's jurisdiction. The functions of the Deputy Minister are determined in the first place by the Public Service Employment Act, which designates the Deputy Minister as being responsible for the general administration of a department. Secondly, specific statutes sometimes define particular functions which are delegated specifically to the deputy minister. Thirdly, the Interpretation Act states that the power delegated to the minister can also be delegated to the deputy minister. And finally, some statutes define specific horizontal responsibilities for some deputy ministers to perform all departments. For example, the Deputy Minister of Justice is the Deputy Solicitor General of Canada. The actual roles played by the deputy ministers are to advise the minister on actions/policies, supervise the implementation of programmes, and to participate in cooperation with other deputy ministers in matters relating to broader governmental concerns.

Since 1988, legislative committees of the Canadian Parliament have had the power to call upon deputy ministers to answer questions about the governmental administration. This new form of accountability weakens the notion of ministerial responsibilities and has led to the loss of anonymity for civil servants, which could lead them not to offer the best possible advice to the government. Deputy Ministers in Canada have an unusual status. They are not appointed by the Public Service Commission or even on the recommendations, but on the pleasure of the Prime Minister, who has the right to replace them. In practice, however, if their performance is acceptable, they have a reasonable expectation of tenure, even after a change of government.

5.5 THE PUBLIC SERVICE COMMISSION IN CANADA

Staffing public service in Canada involves recruiting candidates for position in the organisation, by selecting the best people from those recruited, by training the ones selected, and by facilitating the development of their careers in the organisation.

The creation of the first Civil Service Commission in Canada in 1908 was precipitated by changes that occurred in the functions of the bureaucracy and in the attitudes of Canadians concerning the nature of the public service. At one time there was a general acceptance that appointment to bureaucratic office should be based not on the qualifications of the applicant and the requirements of the job but on partisan considerations. Gradually people began to consider such tactics morally and ethically improper and movements sprang up to reform the civil service. As the role of the government expanded, the jobs to be done in the public service began to require a degree of expertise. The result of all these changes

was that the recruitment practices of the public service were changed from the principle of patronage to the principle of merit. In other words the applicants for public service positions were now to be chosen on the basis of their qualifications and requirements of the position and on the basis of a competitive examination. The Civil Service Commission was set up to supervise the implementation of the merit system of recruitment in the public service.

The Canadian Public Service Commission (PSC) today is composed of three commissioners – all of whom are appointed for a set term by the Governor in Council, with salaries set by Parliament—and a large permanent staff. Their functions include the overseeing of the merit system and other responsibilities related to staffing the public service of Canada, as well as certain types of appeals concerned with staffing. The PSC is an important independent agency in the staffing process; however, in practice, while it controls the rules within which the process of staffing must be carried on, the central agencies have delegated the responsibility for staffing, with the exception of the most senior levels of the bureaucracy to the department.

The formal responsibility for training and development is shared by the senior managers in the department and the Treasury Board. However, the Board has, for the most part, delegated its responsibility in this area to the Public Service Commission. Thus training and development programmes within the federal bureaucracy are run by the managers in the departments, by the PSC, and often through the cooperation of both.

Promotion of merit as the fundamental principle for staffing the public service has been and continues to be the foundation of the PSC's philosophy. The establishment of a merit system based on a merit principle has acquired the flexibility to accommodate rights of employees, operational requirements of departments and the demands of the public interest. For example, the introduction of collective bargaining established a new set of employer-employee relations in the public service. The passage of the Official Languages Act resulted in bilingualism becoming an element of merit in the staffing of positions. Concern with under representation of particular groups such as women, natives, and handicapped persons has resulted in special recruitment programmes. Furthermore departmental needs for particular types of expertise to undertake specialised or high priority tasks have affected staffing practices.

5.5.1 Affirmative Action

More recently, specific affirmative action programmes have been initiated to assist the public service careers of women, native people and the handicapped. Following several pilot projects, the President of the Treasury Board announced in June 1983 a number of precise methods and time tables by which departments would be required to increase the number of women, natives and the handicapped. In particular, numerical goals were established for women in the Management Category. The Government policy is yet to establish quotas. The main objective, unlike the system of Reservation as a policy of positive discrimination in India, has been to achieve an "equitable representation" of qualified individuals from all groups. As was stated in one of the Reports of the PSC, the commitment is the "development of a distinctly Canadian approach to the identification and elimination of discriminatory practices at the workplace."

5.6 REFORM EFFORTS IN CANADIAN PUBLIC ADMINISTRATION

Amongst most of the Commonwealth countries, Canada is considered to be a leader in administrative reforms. Although its public administration may not have undergone as radical transformations as those of Great Britain or New Zealand, yet important changes have taken place as a result of the impact of the New Public Management Movement, which in many developed and developing countries of the world, has brought about some far reaching administrative changes.

5.6.1 Reforms in the Decades of 1980s and 1990s

The last two decades of the twentieth century have witnessed a number of important administrative innovations in the Canadian public administration. The most important of these have been:

- a) ***Productive Improvement Programme*** launched in 1984 by the President of the Treasury Board, in answer to the problems highlighted by the Auditor General of Canada in his 1976 report stating that the Parliament and the government had lost control of public spending, and in 1983 denouncing the numerous procedures that hindered public sector productivity. The programme entailed a review of departmental controls carried out by central agencies, the elimination of needless regulations and a search for ways of improving productivity by changing the workplace.
- b) ***Ministerial Task Force on Programme Review***, set up by Prime Minister Mulroney in 1984, under the chairmanship of his deputy Prime Minister Eric Nielsen, for reviewing existing programmes in order to eliminate those no longer needed while strengthening others, not only to reduce spending, but also to improve government. The Task Force was to review programmes in order to propose an organisation that was simpler, easier to understand, more readily available to the public and where decision making would be decentralised to belong predominantly to those more often in contact with customer groups. The Task Force presented nineteen reports to the Parliament in 1986, which, amongst other things, recommended a saving of seven to eight million dollars in spending and taxes as well as reductions in grants to agriculture, fisheries, transport and business and the arts. Although the Task Force achieved only a moderate success, in as much as the savings from the Nielsen findings the spending cuts were evaluated at about \$500 million in comparison to the target of 7 to 8 billions, but the government did implement many of its recommendations concerning the regulatory process.
- c) ***Increased Ministerial Authority and Accountability (IMAA)***: This was a conservative government initiative approved by the Treasury Board in February 1986. One of the two main aspects of the IMAA was a review of treasury board policies and procedures in order to allow greater authority and latitude for the ministers and department heads with respect to decisions regarding deployment of resources. and the second aspect consisted in bringing ministers and their departments to negotiate an agreement with the Treasury Board on a voluntary basis establishing a management and accountability framework. The fact that over a four-year period, only ten departments (a third of the federal public service) reached an agreement with the Treasury Board shows that the IMAA achieved only a limited success. This seems to indicate that the government's approach in the area of devolution of authority lacked political leadership.

- d) **Public Service 2000:** Perhaps the most critical reform measure that aroused a lot of debate and controversies emerged out of a study conducted in 1986 by two Ottawa, University Professors, Jak Jabes and David Zussman on the attitude of senior public servants in the federal government, which concluded that the attitudes of public sector managers differed substantially from those of private sector managers and that when levels of management were compared, the degree of satisfaction decreased with every step down the management ladder. A sort of a phenomenon of "vertical solitude" existed and managers did not share a departmental spirit. A larger survey conducted in 1988 confirmed the results of the 1986 study and even showed that conditions had worsened slightly.

The findings of these studies gave rise to many controversies between high-ranking officials and led to Prime Minister Mulroney's announcement of 12 December 1989, initiating a Canadian public service renewal project called Public Service 2000, which was a reform exercise undertaken from within the public service. The efforts of the ten working groups that were set up as a result led to the publication of a White Paper entitled **Public Service 2000: the Renewal of Canada's Public Service**.

The White Paper highlighted several challenges, including the fast paced economic and social changes, the growing complexity of policy issues, the need for a more simpler and transparent political process, low morale among public servants, low public administration productivity, and the citizens' lack of confidence in the public service. It called for a change in the bureaucratic culture. To promote a culture change, the white paper suggested several approaches, e.g. the departments should, in consultation with their employees, prepare a mission statement, develop a consultation process with the citizens, and establish service standards. Among the other reforms envisaged were the establishment of a single operational budget for every department, flattening the administrative structure, and the empowerment of public servants, which was the cornerstone of Public Service 2000.

Although several departments took interest and implemented the Total Quality Management programme of the reform efforts, which placed a great emphasis on the customer and in the design and provisions of services to the public, such a commitment was up against the context of reduced resources. When it was first implemented, Public Service 2000 was probably not the best answer considering that it came at a time of serious economic crisis; therefore it was perceived as a means to reduce the public service and not as the gateway to cultural change. By the end of 1993, Public Service 2000 no longer existed as a reform programme; however, it did establish the main principles that would soon underlie the management of the Canadian public service and it had the merits of having given legitimacy to the work of the "mavericks" who were already following its principles despite the prevailing bureaucracy.

- e) **Special Operating Agencies (SOA) and Delivery Methods:** Encouraged by the Britain's experiment with *Next Steps* Programme, the Treasury Board announced the creation of its Canadian brand of the SOA by announcing the creation of five SOAs, who were to be accountable for their activities in return for greater autonomy. They were not exempted from heeding the central agency and departmental policies, but they were to be accountable for implementation of policies and their results within the framework of their charter which would serve to establish performance objectives and to report

on results achieved. The experiment obtained only moderate results due to a lack of political leadership. The Liberal government that came into power did not reconsider the existence of the SOAs, nor did it encourage the development of these agencies. It showed an interest in a new organisational model, when in 1996, the government announced the creation of three new agencies: The National Parks Agency, the Food Inspection agency and the National Revenue Commission, none of which is an SOA.

- f) *The 1993 Reorganisation:* In 1993, the new leader of the Conservative Party and the new Prime Minister Kim Campbell reorganised government by reducing the number of departments from 32 to 23. But in October 1993, the leader of the Liberal Party Jean Chretien, who won the election made some changes to the Campbell reform by opting for 24 ministers, and appointed Marcel Masse, a former senior public servant as President of the Privy Council, Minister of Intergovernmental Affairs, and Minister responsible for Public Service Renewal. The new government had three main objectives: to improve the effectiveness of the federation by defining the responsibilities of the central government and the provinces, by reducing the overlap and undertaking a programme review in order to establish priorities and reduce expenses while offering Canadians the best service possible. It also wanted a renewal of the public service.
- g) *Programme Review:* The Liberal Budgets starting from the fiscal year 1994-95 aimed at the reduction in the programme expenditure to the tune of \$29 billion as well as the elimination of 45000 public service jobs. Several agencies would disappear or amalgamated with others, and many grant programmes particularly in agriculture and transportation, were abolished. The government created the Programme Review Secretariat and invited the departments to submit a strategic plan of action. Due to the changes made to the services themselves and their delivery methods, a reduction in programme expenditures of over 12 per cent was foreseen between 1993-94 and 1998-99.
- h) *Better Use of Information Technology:* In 1993, a position of senior manager for informatics was created at the Treasury Board and a Blueprint for Renewing Government Services Using Information Technology was published. This enabled the creation of various websites and electronic registration and issuing of documents, reduction of paperwork and improved accessibility to services and speed of delivery. The Canada site on the Internet, allows access to a wide range of information and services.

It can thus be seen that public administration in Canada has undergone some major transformations in the last four decades of the 20th century. It is in the last one decade, however, that the Liberal Government showed a stronger political will than the Conservative governments and have thus been able to achieve greater results. Also perhaps the concern about growing deficits and debt, and the commitment to expenditure reduction have also given fillip to these reforms leading to the emergence of a more receptive environment for their implementation. However, many challenges in the sphere of administrative reforms still remained to be met. Amongst others are the two important areas (1) Delivery of public services to the citizens and (2) the Canadian Public Services and the emerging administrative culture.

5.7 THE CANADIAN PUBLIC SERVICE AND THE NEW PUBLIC MANAGEMENT

It is now appropriate to consider one of the most crucial and controversial aspects of administrative innovations—the conflict between the traditional value systems of the Canadian public services and the new value systems and cultural perspectives sought to be generated by the New Public Management (NPM) movement.

5.7.1 The New Management Culture and The Canadian Public Service

One of the characteristic features of the NPM movement is to put emphasis on a "managerial" approach to the processes of public administration in which the policy making and policy execution functions get separated. It lays stress on giving more powers to the operational agencies and staff, deregulating departments from the control of central agencies, and establishing a new relationship between the ministers and the departments through the negotiation of "corporate contracts". The intent is to systematically manage the performance of the senior public service through developing clear objectives, carrying performance evaluations, and giving bonus based on the performance. Corresponding changes in recruitment would entail emphasis upon more external recruiting, short term contract staff and higher salaries for senior public servants. The NPM has a preoccupation with the Client-oriented Administration, Total Quality Management (TQM), Results Based performance imported from private sector, and to bridge the way to the 21st century by introducing optimal integration and flexibility.

As has been discussed above, some of these reforms have already been implemented in Canada during 1980s and 1990s.

The introduction of a new value system in the Canadian government through the philosophy of NPM resulted in a kind of conflict with the traditional public service values. Despite the inherent contradiction of the NPM, especially the need for increased control by political leaders and the need to delegate as much as possible, NPM had a bold and coherent philosophy, which was meant to galvanise senior public servants, eliminate the excesses of the bureaucratic model, save money and deliver better services. The new values proposed by the NPM movement sought to stress flexibility, business orientation, results-orientation, customer service, innovation and personal accountability as against the traditional values of the Westminster system e.g. fidelity, discretion, permanence, objectivity, and neutrality. The question that needs to be answered is to what extent the Canadian public administration succeeded in absorbing this new administrative culture, and with what results? Many scholars contend that these two value systems resulting in two different types of administrative culture should not be seen as contradictory: each is incomplete without the other. For orderly functioning of the Canadian democratic society, however, the Canadian administrative culture will have to act as the custodian of traditional public administration values and ideals, while accommodating a number of the new NPM values.

5.8 SUMMARY

At the threshold of the 21st Century, Public administration in Canada faces some important challenges. The first is related to the improvement of client services, which plays a

paramount role in most management innovations. This includes total quality, service standards, measures designed to ensure that clients are listened to, and those organisational elements that take into account client needs as a whole and to improve accessibility account. Analyses of the Canadian experience show that the service value is beginning to take root in public administration, although progress is yet to be made.

Further the challenge of future years is likely to focus on the limits of growth, especially in the period of continued recession. This will require further adaptation in public service functions and management to ensure that maximum levels of efficiency and effectiveness can be achieved. But more than that, it will be necessary to ensure that the human resources employed in that public sector are managed in a way that will not only promote productivity in the economic sense but also provide for the continuing quality of public service and new alternative techniques for efficient public delivery system.

5.9 EXERCISES

- 1) Write a note on the Public Administration Structure of Canada
- 2) Discuss the evolution of the public administrative system in Canada, with an emphasis on the federal administrative system.
- 3). Briefly examine the role of the public service commission in strengthening the bureaucracy.
- 4) What reforms have been undertaken in the Canadian public administrative system for the last two decades?