

WAS THERE LEARNING IN THE SYSTEM?
MAKING SENSE OF THE MINISTRY OF STATE FOR URBAN AFFAIRS AND
THE MINISTRY OF STATE FOR INFRASTRUCTURE AND COMMUNITIES

Zac Spicer
Department of Political Science,
The University of Western Ontario
London, Ontario
zspicer@uwo.ca

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ABSTRACT: Canada has experienced two formal federal ministries dedicated to addressing urban issues. The first, the Ministry of State for Urban Affairs, was created in the 1970s and, over time, its approach encountered resistance from both provincial governments and its fellow departments. Both worked to undermine the Ministry of State for Urban Affairs and the ministry was eventually shut down. The second ministry, the Ministry of State for Infrastructure and Communities, was created in the early 2000s and was established with a more conciliatory tone towards the provincial governments and its ministerial colleagues. This paper examines the establishment of both ministries and tracks their efforts using a policy learning and lesson drawing framework, concluding that there was a process of policy learning in place, resulting in the federal government recognizing the intergovernmental and interdepartmental failures of the Ministry of State for Urban Affairs and establishing the Ministry of State for Infrastructure and Communities with a more cooperative tone towards intergovernmental and interdepartmental relations in an effort to increase the ministry's success.

INTRODUCTION

In 1971, the Trudeau government announced the creation of the Ministry of State for Urban Affairs (MSUA). The ministry was intended to coordinate urban policy in Canada but was abruptly shut down in 1978. In *The Ministry of State for Urban Affairs: A Courageous Experiment in Public Administration*, H. Peter Oberlander, the former Deputy Minister of MSUA identifies two contributing factors that led to the ministry's downfall: 1) a concerted effort from line ministries to undercut MSUA because they felt its existence threatened their jurisdiction and 2) a concerted effort by provincial governments to undercut the ministry's efforts because they felt that MSUA was encroaching on their jurisdiction. Nearly thirty years later, Paul Martin's government created the Ministry of State for Infrastructure and Communities (MSIC) with similar goals as MSUA. MSIC, however, would find more success with provincial governments and fellow departments, largely because of its cautious approach to intergovernmental and interdepartmental relations. How did this change in direction and policy occur though? Did the experiences of MSUA shape the direction of MSIC? Or was the more cautious nature of MSIC the result of thirty years general experience with intergovernmental and interdepartmental interaction?

This paper examines and tests two hypotheses through primary document analysis and interviews conducted with ministry officials. The first hypothesis argues that institutional policy learning was occurring, and once Martin's government began to address urban issues, it employed a concerted strategy to avoid the perceived failures of MSUA. The alternative hypothesis argues that the altered approach of MSIC was merely the result of thirty years of general institutional experience with intergovernmental and interdepartmental interaction.

THE POLICY LEARNING PARADIGM

The concept of policy learning provides a base to begin understanding how these two urban policy regimes were initiated and how they differed. The policy-learning paradigm argues that the policy creation and implementation process has external influences, whereby policy crafters learn from the experiences of other jurisdictions. Most of the policy learning literature begins with Hugh Hecló, who viewed policy

learning as a method of overcoming changes in external policy environments (Bennett and Howlett: 1992: 277). Peter Hall built upon Hecló's analysis, arguing that the spread of ideas between different jurisdictions is a complex phenomenon, emphasizing that understanding how governments adopt certain ideas and paradigms is the key to understanding the evolution of certain concepts (1989: 362). Hall examines the spread of Keynesian ideas, arguing that when different governments adopt certain ideas and paradigms, they adapt them to their unique situations (1989: 362). This would indicate that governments can learn from another, but there is variance in the policies implemented. While learning occurs then, variation in adaptation also occurs. Lloyd Etheredge built upon Hecló and Hall's work, coining the term "government learning" which referred to the process that governments undertake to increase their efficiency, learning from one another to avoid policy failure (1981:75). Etheredge states that we can identify policy learning within systems, by identifying broad changes in behaviours or beliefs (1981: 76). Paul Sabatier argued that, what he referred to as, "policy-oriented learning" were "enduring alterations of thought or behavioural intentions" in governmental policy creation over time (1988: 133). Sabatier continues, arguing that policy learning is an instrumental process (1988: 133). Finally, Richard Rose built upon existing work and used the term "lesson-drawing" to describe the process where governments learn from either policy success or policy failure in different countries when undertaking domestic policy creation (1988: 219). Lesson-drawing, Rose states, is important in both a domestic and international setting in ensuring policy uniformity or success (1988:219).

Bennett and Howlett take these five approaches and evaluate them, finding stark differences and similarities between them. Bennett and Howlett ask three distinct questions about each approach: who learns, what do they learn and to what effect is this learning taking? Based on these three questions, Bennett and Howlett create three typologies: government learning, lesson-drawing and social learning (1992: 289). In the government learning paradigm, state officials conduct policy learning in order to effect organizational change. In the lesson-drawing typology, policy networks learn to effect program change and social learning involves policy communities who affect policy paradigms (Bennett and Howlett: 1992: 289).

Andrew Stritch provides another, and more contemporary, example of policy learning in his examination of the origins of Quebec's worker compensation programming. Stritch explains that policy learning can be broadly defined as, "a process of evaluating new policy ideas, past practices and foreign precedents," in the policy creation process (2005: 553). Policy learning, then, can be seen as a process of research and evaluation. Stritch further explains this process: "[governments] learn from the shortcomings of pre-existing programmes and practices in their own jurisdiction; they learn from the precedents of other jurisdictions; and they learn from the articulation of interests by societal participants in the course of the policy-making process" (2005: 554). Stritch uses a broadly defined policy learning model instead of the different typologies previously discussed by Bennett and Howlett. The Stritch definition allows for a more open description of policy learning and, as such, will be used in the evaluation of the Ministry of State for Urban Affairs and the Ministry of State for Infrastructure and Communities.

While Stritch provides the broader definition of policy learning, the term requires operationalization. How would one be able to recognize a process of policy learning? Two direct criteria for observing policy learning would need to occur. First, there would need to be a recognition of previous policy work in the field. This recognition can take several forms, such as a formal review of previous policy efforts in the field or informal acknowledgement of an understanding of past policy processes by ministry officials. Such a policy would involve a concerted effort to recognize successes and failures of past policy experiences. The second criteria would be an intentional effort to avoid the noted failures and emulate the successes of past policy efforts in the field. As such, policy learning can be operationalized as: a process of evaluating the successes and failures of existing policy processes while utilizing such information to improve contemporary policy creation and implementation. Uncovering policy learning, then, depends upon finding 1) a recognition of previous policy efforts in the field and 2) a concerted effort to avoid the failures and emulate the successes of the past policy paradigm.

THE MINISTRY OF STATE FOR URBAN AFFAIRS

The creation of MSUA was announced on June 30, 1971 with the stated goal of “the development and application of policies to influence the urbanization process” (Ministry of State for Urban Affairs 1972: 1). The resources for the ministry’s first year were low. It operated with 92 staff members and 53 consultants, one secretary and two assistant secretaries, as bureaucratic leadership, and had only two divisions: coordination and research (Ministry of State for Urban Affairs 1972: 3). The 1972-73 annual report showed the ministry still being quite small. It had 186 employees and 37 contract staff members, which was a significant growth in operational support from the previous year (Ministry of State for Urban Affairs 1973: 13). The role of the ministry was still planted solidly in the planning, coordination and research functions as was intended and its activities were limited mostly to enhancing cooperation between different levels of government, as evidenced by the tri-level meeting that MSUA organized in Toronto in 1972 (Ministry of State for Urban Affairs 1973: i).

Within its first year of operations, problems began for MSUA. At one of the first tri-level urban affairs meetings, the assembled provincial representatives made it clear that they would not tolerate any interference in their jurisdiction. Saskatchewan Premier Alan Blakney spoke on behalf of the provinces by stating that, “we want our constitutional rights respected” (Watkins 1972: 3). The federal government was on notice: tread carefully when addressing urban issues.

By 1973-74, the ministry had grown marginally in operational support, now numbering 223 full-time employees with an additional 49 contract employees (Ministry of State for Urban Affairs 1974: i). During 1973-74, the ministry undertook a number of significant research projects, such as examining urban waterfronts, rail links in city centres, municipal financing, and urban management training studies (Ministry of State for Urban Affairs 1974: 9). There was also a renewed focus on interdepartmental and intergovernmental cooperation within this period. While in the previous year, the ministry was responsible for a tri-level meeting to discuss the state of Canada’s cities, the scope of the ministry’s intergovernmental meetings increased. The President of the Canadian Federation of Mayors and Municipalities was established as a co-chair of the next tri-level meeting (Ministry of State for Urban Affairs 1974: 9). Tri-level meetings

eventually became policy specific to each province, focusing on issues such as housing and environmental sustainability (Ministry of State for Urban Affairs 1974: 9). MSUA held metropolitan tri-level meetings in Halifax-Dartmouth, Quebec City, Vancouver and Winnipeg, each meant to address issues specific to each city, such as regional growth in Halifax-Dartmouth and Quebec City, the development of transportation hubs, such as airports and waterways in Vancouver, and organizational development for municipal administrators in Winnipeg (Ministry of State for Urban Affairs 1974: 4). Each tri-level meeting held different focuses. National tri-level meetings focused on the role of the federal government in providing assistance to provinces and municipalities. Provincial tri-level conferences brought all levels of government together but focused on provincial cooperation while municipal conferences were initiated to address city-specific issues.

During 1973-74, MSUA also had an increased focus on inter-departmental cooperation. For example, early in 1973, MSUA initiated a committee with the Ministry of Finance to compile a database of municipal property tax rates across the country (Ministry of State for Urban Affairs 1974: 5). In July 1973, as another example, the Senior Interdepartmental Committee on Urban Affairs was established, which brought together 15 administrators from different departments, such as the Treasury Board, Finance, and Public Works, and was chaired by the Secretary of MSUA (Ministry of State for Urban Affairs 1974: 2). Then minister, Ron Basford, was clear about how he viewed MSUA. To Basford, the ministry's main role was coordination, not funding. "We cannot deal with urban problems merely by transferring more and more money from one pocket to another" said Basford (Barker 1973: 9).

Basford replaced by Barney Danson in 1974 and the ministry, once again, began to grow. The number of ministry employees increased to 301 full-time and 52 contract (Ministry of State for Urban Affairs 1975: 6). The ministry maintained its focus on intergovernmental and interdepartmental cooperation, but such efforts remained relatively stagnant. The national, provincial and municipal tri-level meetings remained as well as the inter-departmental working groups and the Senior Interdepartmental Committee on Urban Affairs, but the ministry was less activist in these areas. Its focus began to shift towards specific project funding, a departure from Basford's view that MSUA should be a coordinating and not a funding ministry.

Project funding began to increase in 1974-75. MSUA got heavily involved with land-use planning and helped in the construction of various urban projects, either in a financial or advisory role. In 1974-75, MSUA helped Toronto develop its waterfront, in Calgary the ministry assisted in the design and development of 400 acres of publicly held land and, in Vancouver, MSUA assisted in the expansion of the city's airport (Ministry of State for Urban Affairs 1975: 4).

In 1975-76, the amount of full-time employees decreased slightly to 296, but contract staff increased to 126 (Ministry of State for Urban Affairs 1976: 7). The focus on specific project funding that the ministry created during the previous year did not change. The Greater Vancouver Regional District received an additional \$184,000 towards their regional growth plan, the City of Toronto received \$40,600 for studies directed towards improving the official City Plan, and Halifax-Dartmouth received \$170,000 for a solid-waste management system (Ministry of State for Urban Affairs 1976: 2).

In 1976, Andre Ouellet replaced Danson and quickly began reducing the size of the ministry. Staff declined to 210 and the department was reorganized (Ministry of State

for Urban Affairs 1977: 13). Instead of having a number of separate departments, two were created: Urban Analysis and Urban Coordination (Ministry of State for Urban Affairs 1977: 4). The Urban Analysis division handled interdepartmental urban-related policy and research and the Urban Coordination branch communicated with municipalities and other governments (Ministry of State for Urban Affairs 1977: 4). In every province, this coordination increased. For example, in Newfoundland, the ministry assisted with regional growth and development and, in Ontario, MSUA helped to force the arbitration of unused public land, assisted Toronto in the planning of a new waterfront, coordinated activities in railway redevelopment, and arranged the relocation of several army bases (Ministry of State for Urban Affairs 1977: 5).

In 1977-78, the ministry's staff declined to 185 full-time employees but the focus of the ministry largely remained the same, providing funding for various domestic projects, such as the Old Port of Montreal Redevelopment initiative (Ministry of State for Urban Affairs 1978: 55). In Nova Scotia, MSUA assisted with technical and financial advice to the Halifax-Dartmouth Metropolitan Area Planning Commission (Ministry of State for Urban Affairs 1977: 5). In New Brunswick, the ministry assisted with the planning of the Market Square civic-commercial complex in Saint John, as well as providing coordination for the Saint John Human Development Project, the Fredericton Central Area Urban Design Study and the Bathurst Growth Impact Study (Ministry of State for Urban Affairs 1977: 10). In Prince Edward Island, MSUA coordinated the planning and implementation of the inner city and waterfront re-development projects (Ministry of State for Urban Affairs 1977: 11). In Quebec, the development of the Lachine Canal and Mirabel Airport were top priorities for MSUA (Ministry of State for Urban Affairs 1977: 11). In Manitoba, the ministry assisted with the development of Winnipeg's airport and helped secure lands for the Red River Canal (Ministry of State for Urban Affairs 1977: 11). In Saskatchewan, MSUA helped appropriate lands for railway relocations (Ministry of State for Urban Affairs 1977: 11). In Alberta, studies on the development of the Edmonton-Calgary highway corridor were coordinated by MSUA and in British Columbia several municipal research and information-sharing programs were initiated (Ministry of State for Urban Affairs 1977: 12).

Over its lifetime, the context of MSUA changed. The 1973-74 report states that the primary role of the ministry was "urban policy planning", which would be accomplished through policy development, urban research and coordination with different levels of government (Ministry of State for Urban Affairs 1974: i). In 1975-76, MSUA began describing itself as an agency designed for "formulating a set of national objectives for Canada's future urban development" (Ministry of State for Urban Affairs 1975: 1). In 1975-76, the ministry's focus turned to the "development of urban-sensitive federal public-policy" (Ministry of State for Urban Affairs 1976: 1). In MSUA's 1977-78 annual report, the tone and mission changed once again, noting that the ministry was primarily a, "coordinating agency of the federal government concerned with ensuring, as far as is possible, that federal policies, programs and projects are undertaken with an awareness of their implications for the social, cultural and economic well-being of urban areas in Canada" (Ministry of State for Urban Affairs 1978: 3). In 1976-77, the government began to recognize its place in the urban sphere, stating plainly in its 1976-77 report, in a preface entitled "The Federal Role in Urban Affairs," that:

Constitutionally, responsibility for Canada’s municipalities and matters of local concern rests solely with the provincial and municipal governments. The federal government recognizes and supports this arrangement. The federal government also recognizes that it has constitutional responsibilities to carry out, and in doing so, federal policies, programs and projects affect the pattern, economic base and quality of life in Canadian settlements. This situation means that the federal government, given its concern with how it affects all Canadians, has a responsibility to ensure that its activities are beneficial to urban areas and that federal initiatives take into account provincial and local objectives and plans (Ministry of State for Urban Affairs 1977: 3).

The 1977-78 report also took a more cautious tone towards the provinces, stating that, “the ministry cooperates with other federal departments and agencies, the provinces and, through them, their municipalities” (Ministry of State for Urban Affairs 1978: 3). The 1977-78 annual report repeated this point: “the purpose of such cooperation is to seek provincial and municipal views and policy positions on urban issues” (Ministry of State for Urban Affairs 1978: 4).

In November 1978 it was announced that MSUA would close the following year. Through its lifetime, the Ministry of State for Urban Affairs passed through three distinct phases: 1) a coordinating ministry; 2) a funding partner; and, finally; 3) a direct project partner. MSUA began by simply coordinating existing federal policy across departments and governments. MSUA then moved into its second stage where it began to fund specific projects identified by Canada’s communities. Finally, in its third stage, MSUA entered into these projects as a full partner, providing not only funds, but also project leadership. This relationship is illustrated in Table 1:

	Coordination	Funding Partner	Project Partner
Characteristics	Cross governmental and cross departmental coordination	Direct funding for municipal projects or studies	Coordination and funding for specific projects with individual municipalities
	Open, continuous tri-level meetings	Restricted, limited tri-level meetings	Frequently cancelled tri-level meetings
	Focus on broad municipal policy areas	Mixed focus on broad and specific policy areas	
The Role of the Provinces	Balanced	Consulted	Limited

These findings are consistent with Oberlander’s account of the intergovernmental tension faced during his tenure as Deputy Minister of MSUA. Recounting provincial-federal relations, Oberlander states the following:

The Provinces, having been alerted to the increasingly strong Federal position in urban issues, perceived a dire threat in a Federal/municipal alliance on urban

affairs and demanded their explicit and exclusive Constitutional jurisdiction and ultimately succeeded in undercutting MUSA. The Ministry was offered up upon the altar of Federal-Provincial relations. (Oberlander and Fallick 1987: 132) Of the two areas that Oberlander identified as factors contributing to MSUA's decline, intergovernmental tensions were the most public. A review of MSUA's experiences with the provinces illustrates a pattern of increased strain – a trend confirmed by Oberlander in *A Courageous Experiment*. Interdepartmental tension, the second aspect identified by Oberlander as a cause of the ministry's downfall, was less publicized and more challenging to account for.

Oberlander identifies interdepartmental friction as an internal cause of MSUA's decline. According to Oberlander, "the establishment within the line departments felt threatened," by MSUA (Oberlander and Fallick 1987: 131). Oberlander uses the urban transportation policy as an example, "as MSUA offered advice in the field of transportation and its impact on urbanization and regional development, eg: Toronto Airport II and Mirabel, the Ministry of Transport felt threatened and felt its advice undercut at Cabinet level" (Oberlander and Fallick 1987: 131). Such tensions is not accounted for in annual reports and rarely finds a place in the national media, which is why Oberlander's candid commentary is invaluable in understanding why MSUA was so abruptly dissolved.

THE MINISTRY OF STATE FOR INFRASTRUCTURE AND COMMUNITIES

During the 2000 election, the Liberal policy platform contained a promise to establish a Prime Minister's Task Force on Urban Issues (Globe and Mail 2002: A14). Soon after the election, the Prime Minister's Task Force was established with Toronto MP Judy Sgro as its Chair (Winsor 2002: A4). The caucus task force report argued that the government must implement a national urban strategy that would balance municipal rights and responsibilities with those of the federal government, providing investment in urban centres. The report states that this urban strategy would entail, "an enhanced relationship between the Government of Canada and among our urban partners, provincial and municipal governments, the private sector, community and business leaders and the voluntary sector" (Canada, Prime Minister's Caucus Task Force on Urban Issues 2002: 5). The government planned on being only one part of this national strategy, not the lead. This national urban partnership, the report continues, "will guide strategic federal capital-investment in our cities and will improve the quality of life for millions of Canadians living in our urban regions" (Canada, Prime Minister's Caucus Task Force on Urban Issues 2002: 5). The federal government would enter into projects with municipalities as long as such projects complied with basic federal guidelines, such as the enhancement of quality of life, conform with standards of fiscal accountability, and contribute to sustainable development (Canada, Prime Minister's Caucus Task Force on Urban Issues 2002: 7).

The caucus task force recommended that a cabinet minister be designated with the responsibility of coordinating the federal government's efforts and investments in urban centres (Canada, Prime Minister's Caucus Task Force on Urban Issues 2002: 8). At the same time, this individual should act as the "voice" for cities around the cabinet table, ensuring that the federal government could not overlook pressing urban issues (Canada, Prime Minister's Caucus Task Force on Urban Issues 2002: 8).

The task force's report went largely unfulfilled during the end of Jean Chrétien's term as Prime Minister. Chrétien instructed his caucus task force to avoid specific commitments (Winsor 2002: A4). Clearly worried about a provincial backlash towards federal efforts, Chrétien, upon being questioned about his task force's efforts, stated that, "the cities are under provincial responsibility; we are not in a position to give them more power" (Winsor 2002: A4).

As the Prime Minister's Task Force did its work and while Finance Minister Paul Martin was discussing a "new deal" for cities, the provinces were providing warnings to the federal government to tread carefully. Ontario Finance Minister Janet Ecker warned the federal government to not address taxation powers (Lewington 2002: A6). "We are willing to join the emerging dialogue about a new deal for cities – if it's the right one," stated Ecker, showing both enthusiasm and restraint about the prospects of a renewed federal-municipal partnership (Lewington 2002: A6). Ecker stated that any new taxing authority for municipalities had to come with a "precondition" between the federal government and the provinces that would, "restore the balance between revenue and funding responsibilities for all levels of government in Canada" (Lewington 2002: A6).

Even with provincial concerns noted, Chrétien had an interest in urban issues, as evidenced through his \$76 million urban-transit grant to the City of Toronto and his commitment to improve urban housing (Winsor 2002: A4). The Office of Infrastructure and Crown Corporations was created in 2002, with a mandate to coordinate the public service's existing infrastructure (PI, J. Forster). The 2002 budget allowed for the creation of the Canadian Strategic Infrastructure Fund (CSIF) (PI, A. Juneau). The decision initially had to be made of whether to establish a foundation to distribute the funds from the CSIF or to create a small, bureaucratic department (PI, A. Juneau). In the end, with the input of senior public servants, the government opted to create a small department housed in the Treasury Board with responsibility for the portfolio assigned to cabinet minister Allan Rock (PI, A. Juneau). The creation of the Office of Infrastructure and Crown Corporations was not widely publicized. There was no enabling legislation introduced to create it and neither the Deputy Head, nor the minister in charge, received a mandate letter (PI, A. Juneau).

Chrétien was interested in assisting Canada's cities but was unwilling to create a formal department to address urban issues. Paul Martin certainly was though. Martin promised a "new deal" for cities as Finance Minister in early 2002. This "new deal" was short on specifics though, but Martin rejected the notion of sharing gas tax revenue very early on (Scofield 2002a: A9). "The finance minister did not offer any money...he offered understanding," stated Jack Layton, then the President of the Federation of Canadian Municipalities, "he sympathizes with our problem, he is concerned about our problem, but there was a remarkably empty chequebook in the discussion" (Scofield 2002a: A9).

While running for the leadership of the Liberal Party, Martin began to address specifics about his "new deal". Martin argued that Ottawa should cede some taxation sources to municipalities so that cities would not have to rely on property tax as a main source of revenue (Scofield 2002b: A4). "Property taxes were meant for snow removal and garbage collection," stated Martin, "they were not meant to take on the vast range of social programs cities face today" (Scofield 2002b: A4). Additionally, Martin's plan would rely on the creation of government programs that would address urban issues, such

as direct funding mechanisms (Scofield 2002b: A4). Martin, much like Chrétien, was aware of provincial concerns about taxation and programming, as his “new deal” was criticized by the government of Quebec as a way of siphoning money away from the province’s health and education services (Scofield 2002b: A4). “Without the full co-operation of the provinces,” stated Martin, “a ‘new deal’ doesn’t have a chance to get off the ground” (Scofield 2002b: A4). Much like Chrétien, Martin knew that he would have to tread carefully in the face of provincial demands, although he still planned to push ahead with his ambitious program.

Upon becoming Prime Minister, Paul Martin began to fulfill his “new deal” vision, appointing a parliamentary secretary to the Prime Minister with sole responsibility for urban issues (Plunkett 2004: 23). While this step fell short of the full cabinet minister recommended in the Prime Minister’s Task Force’s report, it was still seen as a positive step forward (Plunkett 2004: 23). Martin selected Toronto MP John Godfrey to be his new Parliamentary Secretary with an emphasis on cities (Globe and Mail 2003: A13). Godfrey’s role was still ambiguous at this time, a fact that Godfrey himself readily acknowledged, but one that came with a direct mandate to listen to mayors and city councils, prescribe solutions to the government and implement federal policies, negotiating with the provinces to ensure the approval of all levels of government (Rusk 2003: A18). Godfrey acknowledged the role of the provinces upon assuming the post: “we’ve got to work with the provinces to come up with goals that all three levels of government would say ‘that’s right’” (Rusk 2003: A18).

Godfrey spent the next several months meeting with provincial leaders, ensuring they were comfortable with Martin’s proposed revised relationship with cities, commenting that, “what we want to do is the maximum possible to work together in partnership with the provinces” (Lewington 2004: A14). Even with that noted, Godfrey stated that he would be prepared to move forward with the plan even if not all the provinces approved (Lewington 2004: A14).

Martin also established a fifteen-member committee, chaired by former British Columbia Premier Mike Harcourt, that would oversee the implementation of the ‘new deal’ along with a permanent cities secretariat based out of the Privy Council Office that would oversee urban spending (Globe and Mail 2004: A12). Martin’s first budget began the process of changing the relationship between the federal government and cities. Martin eliminated the Goods and Service Tax on municipal expenditures and increased the amount of federal resources available to municipalities to nearly \$7 billion (Liberal Party of Canada 2004: 9).

As Martin headed into the 2004 election, he added to his existing urban plan through the Liberal Party platform, entitled *Moving Canada Forward*. The Liberal platform stated that if re-elected, municipalities would be included in pre-budget consultations, tripartite agreements would be extended, and municipalities would be provided with a share of the federal gas-tax (Liberal Party of Canada 2004: 9). The language contained in *Moving Canada Forward* speaks of partnership and inclusion amongst all three levels of government. All three levels of government are described as “partners” and federal efforts are described as “co-operative” (Liberal Party of Canada 2004: 9). At no point in *Moving Canada Forward* are the federal government’s efforts in municipalities described as one-sided. What is clear is that the Martin government did not intend to be a unitary actor in the municipal sphere. While he may have been comfortable

driving the process, Martin would not, in any case, be seen as over-reaching his bounds and alienating the provinces.

Soon after the election, Martin announced the creation of the Ministry of State for Infrastructure and Communities and appointed his former Parliamentary Secretary for urban issues, John Godfrey, to be the department's first minister (Clark and Lewington 2004: A7). Godfrey continued his work as Parliamentary Secretary and began to implement many of the initiatives described by Martin during the election campaign. Godfrey clarified his role in regards to the provinces: "The job now becomes to work with the provinces...in consultation with the municipalities to find a formula which advances the needs of the municipalities" (Taber 2004: A1).

Godfrey's tone was deliberate. He, and the senior bureaucrats who established MSIC, knew that if the ministry was not established as collaborative it would not succeed. Some initial ground rules were established when approaching the provinces. The most important rule was that communication was established as an exclusive two-way channel between the federal government and the provinces (PI, A. Juneau). The federal government would never negotiate with cities or their provincial municipal associations (PI, A. Juneau). Nor would they seek input about projects from cities or invite cities to identify potential infrastructure projects (PI, A. Juneau). British Columbia and Ontario were the exceptions to this rule, as both provincial governments requested that MSIC negotiate the gas tax transfer directly with their provincial municipal associations (PI, A. Juneau). Only when a province requested it would the federal government negotiate with municipalities or their representatives. MSIC intended to telegraph a simple message to the provincial governments: the Ministry of State for Infrastructure and Communities was interested solely in cooperation with the provinces, not municipalities.

MSIC released their first annual report in the 2004-2005 fiscal year. The report acknowledged the earlier actions of the Martin government's "new deal", including GST rebates and the creation of the Cities Secretariat through the Privy Council, but made specific reference to "partnerships with [the] provinces" and "consultations with municipalities" (Infrastructure Canada 2004: 8). This positive tone continued as the report addressed previous government efforts to fund infrastructure: the Canada Infrastructure Works Program in 1994; the Infrastructure Canada program in 2000; the Canada Strategic Infrastructure Fund in 2003; the Prairie Grain Roads program in 2001 (Canada, Infrastructure Canada 2004: 8). Overall, the report notes over \$12 billion in infrastructure investment since 1993 (Canada, Infrastructure Canada 2004: 10). The message from this historical overview is simple: this is nothing new and MSIC is merely providing a formal face to the investment completed by the governments of Paul Martin and Jean Chrétien.

This initial report also laid out the new department's mandate. The first part of its mandate was similar to that of an early MSUA: coordination. The report notes that, "an important part of [the Ministry of State for Infrastructure and Communities] mandate is to coordinate and manage funding programs that support public infrastructure initiatives, provide strategic advice and policy direction" (Canada, Infrastructure Canada 2004: 11). The report continues regarding the department's mandate, "Infrastructure Canada concentrates on policy development and on research...it is also responsible for communications and dissemination of information on the federal role and contributions to infrastructure in Canada" (Canada, Infrastructure Canada 2004: 11). On the coordination

side, the ministry was clear that it was coordinating federal policy and aligning the needs of municipalities through several federal agencies, such as the Atlantic Canada Opportunities Agency, Western Economic Diversification Canada, Canada Economic Development for Quebec Regions, Industry Canada and Indian and Northern Affairs Canada (Canada, Infrastructure Canada 2004: 12). Much of this was similar to the Ministry of State for Urban Affairs in its initial mandate. It coordinated policy activities amongst various actors, but specifically focused on policy coordination at the federal level.

Where MSIC differs greatly from MSUA is in its approach to funding. MSIC's first report is clear in its funding expectations and responsibilities: "provinces and municipalities are the managers of the projects while Infrastructure Canada provides policy leadership and horizontal coordination of project implementation" (Canada, Infrastructure Canada 2004: 12). The ministry worked with the provinces and municipalities to identify "priority projects" and from there, all three parties would, "clarify the scope and nature and funding mechanisms of these projects" (Canada, Infrastructure Canada 2004: 11). Once a project is identified and approved, an environmental assessment and other procedures were completed and then a federal-provincial/territorial management committee was established and a Memorandum of Understanding was signed to clarify the roles and responsibilities of both the provinces and the federal government (Canada, Infrastructure Canada 2004: 11).

From the inception of MSIC, the provinces and municipalities were in the driver's seat, not the federal government – a clear and critical difference from previous efforts with formal federal engagement in the municipal sphere. The federal government alone was not identifying projects, the federal government along with the provinces and municipalities were. Provincial involvement was not only encouraged but also demanded and sustained. At every step of departmental funding, the provincial governments were full partners.

The 2005-2006 annual report mirrored the 2004-2005 report in tone and objectives, reiterating the ministry's restrained nature to intergovernmental relations by stating that:

Constitutionally, municipalities are under provincial jurisdiction. Respect for this jurisdiction is a central principle of the New Deal. The complex challenges that play out in cities and communities require a coordinated approach if workable solutions are to be found. A partnered approach is essential and approaches must be tailored to address the circumstances of different communities: urban and rural, large and small (Canada, Infrastructure Canada 2005: 10).

The outcome of the 2006 federal election saw Paul Martin, and his "new deal for cities", voted out of office. In his place, Stephen Harper and his Conservative party sought to run a leaner government and operated on the principles of "open federalism". As such, the Ministry of State for Infrastructure and Communities was amalgamated with the Ministry of Transportation to create the revamped Ministry of Transport, Infrastructure and Communities. The rationale behind this consolidation was efficiency: "bringing the various tools and policy levers of this portfolio under the responsibility of a single minister offers great potential for strategic and coherent policy development" (Canada, Infrastructure Canada 2006: 1). The minister responsible for the department,

Lawrence Cannon, was just as positive about the amalgamation, stating that, “I believe that the alignment of Infrastructure Canada with Transport Canada and the Crown corporations will provide a tremendous opportunity to integrate federal efforts and address the pressing and long-term issues facing Canadians and our communities” (Canada, Infrastructure Canada 2006:1). Additionally, the government stated that the departmental amalgamation would allow the department to cooperate more efficiently with the provincial and municipal governments (Canada, Infrastructure Canada 2006: 5).

The intergovernmental strategy employed by MSIC was vastly different than the Ministry of State for Urban Affairs. From the very beginning, MSIC initiated the rule that communication and negotiation would occur only between the federal government and provincial governments. Municipalities and municipal associations would not be consulted, unless the provinces themselves directed MSIC to do so. This arrangement was formalized and approved through a memorandum to cabinet (PI, A. Juneau). Once a project was identified, a Memorandum of Understanding was signed between all parties, outlining the responsibilities for each level of government.

The interdepartmental strategy employed by MSIC was also significantly different than that of MSUA. Yasmine Laroche, the former Assistant Deputy Minister for Cities and Communities for MSIC, notes that there was an initial fear about interdepartmental tensions, so the ministry met to figure out a way to manage expectations and ministerial “shopping lists” (PI, Y. Laroche). MSIC was a funding ministry, with a budget allotment that was expected to reach more than \$5 billion dollars over a five-year period and nearly every ministry wanted a portion of it for their own projects (PI, Y. Laroche). For example, Heritage Canada wanted to see infrastructure projects that were related to culture (PI, Y. Laroche). Their solution was to focus on one guiding policy area: in this case, environmental sustainability. Every project that MSIC approached or approved had to be related to environmental sustainability and had to contribute to Canada reaching its Kyoto Agreement reduction targets (PI, Y. Laroche). Additionally, MSIC was clear that it would not consider or fund federal projects, which eliminated the possibility of funding the particular projects of different departments (PI, A. Juneau). To ensure that MSIC’s relationship with other ministries was maintained, two committees were established: an interdepartmental infrastructure committee and an Assistant Deputy Minister working group. Both groups included representatives from MSIC, as well as Environment Canada, Treasury Board, Heritage Canada, the Privy Council Office, Intergovernmental Affairs, Human Resources and Skills Development, Agriculture, Industry Canada, and the regional development offices (PI, Yasmine Laroche). These continuous working groups allowed MSIC to manage expectations and maintain communication with their fellow departments.

With these procedures in place, André Juneau, the former Deputy Head of MSIC, only recalls small amounts of tension with the Ministry of Transport. For the most part, their portfolios were interdependent. In cases of conflict over a certain project, MSIC would work in consultation with the Ministry of Transport (PI, A. Juneau). MSIC would be responsible for the funding, while Transport would be responsible for the negotiation process (PI, A. Juneau). John Forster, the current associate Deputy Minister for Infrastructure with Infrastructure Canada confirms that these strategies are still currently in place (PI, J. Forster).

WAS THERE LEARNING IN THE SYSTEM?

To determine if policy learning was present when constructing the Ministry of State for Infrastructure and Communities, two conditions were established: 1) a recognition of previous policy efforts in the field and 2) a concerted effort to avoid the failures and emulate the successes of the past policy paradigm.

(a) Recognition of Previous Policy Efforts

Comments referencing MSUA in the media by elected politicians are rare. From the outset, the federal government attempted to clarify its goals and aims in the urban policy realm. Chretien (Winsor 2004), Martin (Scofield 2002b) and Godfrey (Rusk 2003; Lewington 2004) were clear about the federal role in relation to the provinces. All three acknowledged that the provinces, constitutionally, had the sole control of municipal affairs. They argued plainly that existing federal policy had implications in the municipal sphere and, as such, a coordinating ministry should be created to enhance the effectiveness of these existing policies.

Aside from a brief mention to MSUA in its initial annual report, MSUA is not formally mentioned in MSIC documentation. André Juneau, the former Deputy Head of MSIC, however, provides some insight. Juneau states that those originally assembling a strategy to approach the provinces in the original Office of Infrastructure acknowledged that MSUA “antagonized the provinces”, and argued that “the constitution must be respected” (PI, A. Juneau). To Juneau, and many of those involved with the creation of MSIC, MSUA had not had a large impact and failed to change the course of urban Canada (PI, A. Juneau). Yazmine Laroche agrees with much of this assessment, acknowledging that those involved with the establishment of MSIC were not looking to “reinvent the wheel” (PI, Y. Laroche). They knew that MSIC had to take a more collaborative approach with both the provinces and their fellow departments.

(b) An Effort to Avoid the Failures and Emulate the Success of the Past Policy Paradigm

While federal political actors worked to reassure the provinces that their role in municipal affairs was not threatened, the Prime Minister’s Task Force on Urban Issues began an effort to emulate the successes of MSUA. The Task Force made it clear that coordination, collaboration and consultation were cornerstones of the new ministry. “We live in an era of policy interdependence,” the report stated, “where actions of one order of government have an effect on other governments” (Canada, Prime Minister’s Caucus Task Force on Urban Issues 2002: 6). MSUA found success during its first coordination stage. It was when it crossed into its second, project funder, and third, project partner, stages that the provinces began to be concerned about their jurisdiction. The Task Force felt the need to emphasize this early success.

The Task Force also emphasized eight responsibilities that a designed urban affairs minister should hold, including chairing and coordinating a National Urban Summit with First Ministers and urban policy advocates, coordinating policies between different federal ministries, and creating an external urban affairs advisory body (Canada, Prime Minister’s Caucus Task Force on Urban Issues 2002: 8). All three recommendations were very similar to the early successes of MSUA, such as the tri-level meetings, the inter-departmental collaboration and urban working groups.

At the departmental level, MSIC made it clear that it would not fund federal projects and that any projects it initiated had to have environmental sustainability as an overarching goal, removing the potential for influence from or interdependence with many line departments. The only ministry that MSIC occasionally came into conflict with was the Ministry of Transportation. For the most part, these disagreements were solved amicably through project sharing: Transport would lead the negotiations and MSIC would lead the efforts to fund the project. Two working groups were established to ensure “buy in” from other departments, manage their expectations and maintain open channels of communication (PI, Y. Laroche).

Once created, MSIC made a concerted effort to avoid the failures of MSUA. First and foremost, MSIC designed itself as a partner in a broader urban affairs strategy, not as the lead. The ministry was clear that the provinces were ultimately in control of municipal affairs and that the federal government’s role was to provide assistance and coordination where it was feasible. Discussions and negotiations took place only between the federal government and their provincial colleagues. Cities were not directly negotiated with. Memorandums of Understanding were struck for each project initiated through MSIC to ensure that affected provinces and municipalities understood their role in relation to the federal government and were comfortable with the arrangement. The Finance Minister met with municipalities in pre-budget consultations and kept the provinces informed on their long-term planning in regards to the urban policy realm.

The differences between MSIC and MSUA were stark. These trends are summed up below in Table 2:

Table 2: MSUA and MSIC in Comparison				
	Cabinet Level	Decision-Making	Coordination	Role
MSUA	Friction	Unilateral	Limited	Lead
MSIC	Cooperation	Collaborative	Extensive	Partner

Through primary document analysis and interviews with relevant officials, it becomes clear that there was a concerted effort to avoid the failures of MSUA while emulating its successes.

CONCLUSION

The Ministry of State for Urban Affairs began as a coordinating ministry but quickly moved into two other stages – first, a funding ministry, where it would provide direct funding to individual municipalities and, second, a project partner, where it became fully engaged with individual municipal projects, often to the exclusion of the provincial governments. Other ministries in the federal government also feared a jurisdictional intrusion on the part of MSUA and worked internally to undermine its efforts. These two factors worked against MSUA and it was eventually shut down. MSIC, on the other hand, remained a coordinating ministry and did not enter into the other two stages. Tensions were reduced with other ministries through a system of sharing project leadership, reducing the interdepartmental friction that Oberlander argues ultimately undermined MSUA.

Overall, the Ministry of State for Infrastructure and Communities can be seen as the product of within-system policy learning, whereby one government learned from the

policy choices of another government at the same level. Contemporary policy crafters learned from the experiences of MSUA when establishing MSIC. There was recognition of previous policy efforts in the federal-urban policy sphere, along with concerted efforts to avoid past policy failures and emulate past policy successes.

What can research of this nature tell us? First, intergovernmental relations are a learning process. Overtime, the federal government learns to interact with the provincial government in a way that reduces tensions between both parties. The working relationship becomes more productive over time. Second, multilevel governance is a unique learning experience. MSIC represented the federal government's second formal venture into multilevel governance, but this time they had a guide in place. MSIC provided a prime example of both success and failure and those involved with the establishment of MSIC were able to draw upon those experiences in the federal government's second attempt to address Canada's urban condition.

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