REVIEW ESSAY

CANADA'S INNOVATION STRATEGY:

The Politics of Partnership

Books discussed:

National Summit on Innovation and Learning: Summary (2002).
Knowledge Matters: Skills and Learning for Canadians (2002).
Achieving Excellence: Investing in People, Knowledge and Opportunity (2002).
Canadians Speak on Innovation and Learning (2002).
Industry Canada & Human Resources Development Canada,

Reviewed by Howard A. Doughty

At issue is a remarkable collection of documents that begs two kinds of questioning. First, and of explicit interest, are questions about what the four narratives say concerning their designated topic, the Canadian government's Innovation Strategy, a comprehensive response to the apparent need for government initiatives in the field of innovation. Second, and of implicit concern, are questions that deal with what the documents tell us about the state of government sponsored policy studies today. The four books under review are the joint production of Industry Canada and Human Resources Development Canada in "partnership" with the Conference Board of Canada, a private, "independent" research institution. Both in content and in form, they represent something of a turning point in government policy deliberations.

Before questioning the report itself, however, it is worth making a preliminary comment on "packaging." The sponsors have printed their report on thick, high quality, glossy paper. The colours are striking. There are plenty of graphics–photographs, statistical displays, and reproductions of over 130 slides designed for presentations to identify "key challenges to innovation and learning," all in both official languages. It is certainly impressive. It may even seem ostentatious. It almost invites critics to ask breathlessly if taxpayers' dollars ought really to be spent on government documents with such unnecessarily high production values. That said, it is of greater moment to discuss the need for the creation of this extraordinary set of documents. What problems are they designed to solve?

The Innovation Crisis

The general theme is self-evident. Ever since a little dog named Laika went screaming into orbit around the earth and testified to the USSR's temporary primacy in space exploration, US leaders have targeted scientific and commercial research and development for public support. With notable exceptions–the Anik satellite, the "Canadarm," etc. –Canada's response to the dual challenge of technology and education has been more modest. For decades, attentive citizens have been concerned about the apparent indifference with which successive governments have treated both pure and applied research and development in Canada.[i] Such indifference was not everywhere in evidence.

Beginning in the 1950s, American sociologists such as Daniel Bell began to speculate about the future and, anticipating later theorists such as Francis Fukuyama, to predict a world in which political ideology would be in decline and technocratic innovation would be in the ascendancy. Popular futurists such as Alvin Toffler (later unofficial guru to Newt Gingrich) diagnosed "future shock," and "megatrend" watchers such as John Naisbitt alerted us to the broad direction that our social and material lives seemed to be taking. From the popular musings of Faith Popcorn and Canada's own "Dr. Tomorrow" to the technocratic deliberations of certified scientists and denizens of corporate "think-tanks," common themes emerged in which the prefix "post" could cheerfully be applied to almost any cultural label without extraordinary fear of contradiction. So, we were invited to frolic in the deliciously uncertain post-capitalist, post-communist, post-industrial, post-Freudian, post-modern world.

We were assured of an "awesome" array of domestic and commercial gadgetry. Technological improvements were touted as solutions to the great human problems of material scarcity, disease and cultural deprivation. Popular magazines predicted a nuclear power plant in every kitchen, a helicopter in every garage. The more prescient prognosticators, following Marx's *Grundrisse* (1857) [ii], even foresaw the early impacts of the computer revolution. Despite occasional "dislocations" in the workplace, "degeneration" in our morals, "decay" in our cities, and "degradation" in our natural environment, we were persuaded that the ultimate effects of technology would be beneficial and we were ready to surrender to our self-generated weapons of mass diversion.

In Canada, however, official Ottawa was more circumspect. Too skeptical to be gulled by the hyperbole of hucksters selling silicon snake oil, and too phlegmatic to join in the chorus of those who saw revolutionary change in each new and improved mousetrap, Canadians were happy to applaud genuine progress, but unwilling to slap that label on every new product. Moreover, according to one bureaucratic insider, Canada was inundated with the prognostications of pessimists who outdid Chicken Little in forecasting environmental, urban, economic and other "nightmare scenarios."[iii] Suspicious of cybernetic "Sam Slicks" from the south, and seeing mainly dystopian descriptions and apocalyptic accounts from gloom mongers at home, official Ottawa pretty much gave "futurism" a pass.

At least with respect to those who were cheerleaders for change, cautious Canadians may have been on to something. In the 1950s, GE spokesman and future US president Ronald Reagan, warmly assured consumers and citizens alike that "at General Electric, progress is our most important product." By the 1990s, the social and ethical ambiguities inherent in the inventory of "things to come" was becoming apparent. The promised rewards of the future had always been balanced with implied threats, but now the dangers were becoming explicit. Paul Ehrlich's "population bomb" might not have been dropped, the Meadows' warnings of the "limits to growth" may not yet have become fulfilled, acid rain may not have destroyed all the forests, and the codless oceans still had fish (temporarily). Nevertheless, people were beginning to grasp that ATMs, ATVs, SUVs, PCs, VCRs and other abbreviated entertainments and experiences all had ill effects. Even the comforting chemical transition from beer and marijuana to valium, vioxx and viagra had a dark side.

Citizens began to see techno-wizardry in the context of AIDS, underemployment, and the anxiety produced by the realization among baby boomers that their children were not merely being exposed to bad music and bad drugs, but they were increasingly unable to speak standard English, read a complete book, anticipate a meaningful career or find Africa on a map. Multimedia illiteracy combined with the realization that the joys on the far side of the bridge to the new millennium would be available only to those who could compete in an ever harsher world. Possessing marketable skills with short shelf

lives was the only hope for personal success in a world wherein it was necessary to outperform not just neighbours and friends but equally stressed-out challengers in Chile and China and Chad as well. Absent familiarity with both information and technology, careers would be limited to asking: "Would you like fries with that, ma'am?"

Once, there had been speculation that the chief hazard of the twenty-first century would be excessive leisure time with the great problem being boredom as we coped with a twenty-hour work week and full retirement at fifty. Now, we discovered the reality of two-income families, sixty-hour workweeks, constant job insecurity and constitutional challenges to mandatory retirement for people who were still carrying mortgages at the age of sixty-five. At last, one of Marx's images of capitalism seemed fulfilled:

> *Constant revolutionizing of production, uninterrupted disturbance of all social relations, everlasting uncertainty and agitation, distinguish [this] epoch from all earlier times. All fixed, fast-frozen relationships, with their train of venerable ideas and opinions, are swept away, all new-formed ones become obsolete before they can ossify. All that is solid melts into air, all that is holy is profaned ...*[iv]

With the emergence of "globalization," the recognition of the socially transformative power of "high technology," and the development of the "information society," government and the private sector alike endeavored to discover the keys to the elusive kingdom of future survival, if not prosperity.

And where was Canada's voice in all of this? Well, our intellectual community was certainly paying attention, but much of that attention was critical. Canadians had long been innovators and interpreters of changes in transportation and communications, but academics like Harold Innis and George Grant had inquired into the implications of vast technological empires and found much to lament. Even the iconic Marshall McLuhan, who had seemingly sloganeered on behalf of the emerging global village, personally preferred the message to the medium, and his ultimate epistle was philosophically and theologically conservative. In the corporate boardrooms and cabinet meetings, however, the movers, shakers, transients and tremblers of Canadian economic and political life seemed ever so slightly sedated. Descendents of a mercantile economy and disdainful of robust entrepreneurship, the socioeconomic elite that perched atop John Porter's "vertical mosaic," were little more than a colonial caste; their thinking (if any) was derivative.

As the millennium drew to its awful conclusion, however, new interest was quickened. Integration into the US economy and culture had proceeded apace despite the cavilings of bourgeois nationalists from Walter Gordon to Mel Hurtig and free-floating critics like James Laxer, Danny Drache, Wallace Clement and sundry contributors to *The Canadian Forum, Canadian Dimension,* and other vehicles of inchoate liberal-left anti-globalism. Backed up by "think-tanks" which captured headlines and filed deep background reports in the news media, free trade promoters and Free Trade agreements not only altered the way of doing business but also persuaded opinion makers that the trend toward globalization was as unavoidable as Monday morning.

The priorities of the World Trade Organization insinuated themselves into domestic life. A new enthusiasm for the unfettered market rendered social programs vulnerable, if not obsolete. The *National Post* was published. Andrew Coyne, Tom D'Aquino and Paul Frum became celebrities. Giving added urgency to the quest for change was the pervasive belief that, whatever awaited us in twenty-first

century, its rules would be unmercifully competitive; safety nets would be dismantled for individuals and increasingly less sovereign nation-states. Giving added impetus to deal with this "hopeful monster" was the artificial but no less potent symbolism of the "new millennium." Much attention was paid to the need for innovation in technology (formerly called work) and information delivery systems (formerly called education). Nothing less than the quality of our future lives depended on taking these things seriously, for if Canadians neglected to pay obeisance to the gods of change, our consequently low rates of productivity would result in a rapid decline in our standard of living as the best and the brightest of our youth sent their brains down the US drain, and as investment and employment evaporated only to rain down on parts of the globe where wages were low, health care spotty and concern for the environment absent. The pressure was on; something needed to be done.

The Innovation Initiative

In the late 1990s, Canadian Industry Minister and (briefly) prime ministerial hopeful Brian Tobin took up the torch. For a time, he was at the centre of a well publicized program of promises for investment in innovation for the future. Early announcements were made about such things as the plan to construct and operate a broadband network to connect academic research institutions. Talk was abundant about another billion dollar broadband Internet project linking rural areas of the country. Computers, it was said, would appear spontaneously in classrooms from coast to coast to coast. Certain that the country had fallen dramatically behind the US, and was in danger of being overtaken not just by Ireland and Italy but by Latvia, Bulgaria and quickly modernizing Pacific rim nations, the Government of Canada stepped up spending on innovation while encouraging the private sector to provide capital for the exploitation of new technologies. Government understood its role as filling the gaps in an economy that was morphing from "brick to click."

Public investment was contemplated in research, education and training. By the year 2000, abundant new spending plans were announced for new research chairs at universities, the Canada Foundation for Innovation, and new "centres of excellence" across the land. According to Industry Canada's web site, the federal government's efforts would "improve conditions for investment, improve Canada's innovation performance, increase Canada's share of global trade and build a fair, efficient and competitive marketplace." On September 11, 2001, however, Ottawa's long-promised innovation agenda became a secondary priority as the perceived threat of terrorism, the economic fall-out from the terrorist attacks in the United States, and the sudden primacy on national security and economic stability threatened to run the innovation initiative right off the rails.

The plucky Tobin soldiered on. A contemporary tabloid headline read "Tobin pushes for net gains; War won't stop Fed's Innovation Industry Minister Tobin's Agenda." Pressed by reporters, the Minister stated "I find it actually, personally, a little surprising that anybody would say that because the country is involved in a response to a threat posed by a gentleman hiding out in a cave in Afghanistan that all other business has to stop."[v] He said at that time that he was awaiting permission from Prime Minister Jean Chrétien to table a white paper on the plan.

This seemed a sensible way to begin. Governments, when confronted with difficult problems, try not to rush in with impromptu plans and serendipitous solutions. Careful thought is sometimes required. "White papers" give governments the opportunity to test ideas, invite commentary and open discussion on important issues, without necessarily making a commitment to a particular policy. Submitted to Parliament, they stimulate public discussion and sometimes form the basis for policy at a later time. Sometimes, however, circumstances call for even more impressive beginnings. In the case of innovation,

something more inspiring and fully within the tradition of Canadian policy making would be forthcoming.

A Fine Canadian Tradition

On those fortunately infrequent occasions when I despair of representative democracy's capacity to facilitate government in the interest of the people it purports to serve, I occasionally indulge in a wistful reverie. I imagine a society in which avarice and ignorance remain but which is saved from their worst consequences by the firm but gentle hand of a wise and compassionate matriarch. Instead of annoying bickering, endless impasses, short-sighted deal-brokering, malignant bigotry, relentless banality, remorseless hypocrisy and simple venality, I dream of perceptive analysis, thoughtful reflection and prudent counsel to a dispassionate and benign authority. I think, in short, of Canada and the venerable institutions of Canadian governance-the Royal Commission, the Special Parliamentary Committee, and the host of government sponsored studies that have punctuated partisan political debate on a multitude of issues over the years.

So often have Canadians been the beneficiaries of the collective expertise and judicious advice from women and men who are largely uncorrupted by personal or party ambitions that a small library of reports could be amassed which, had they been taken more seriously, might have made Canada a significantly better place to live.

Although legislatively a by-product of the United Kingdom's *Inquiries Act* of 1868, Canada displays a unique proclivity for calling public inquiries. Whether conducted for purposes of investigation, information or recommendation, Canadian enthusiasm for Crown-sanctioned deliberations in one form or another is unparalleled. No less than 450 Royal Commissions and Inquiries have been called by the federal government alone since Confederation. Add to this a plenitude of independent studies commissioned by cabinet ministers, special Senate investigations and other assorted official peeks at policies and practices, and it would be difficult to avoid the conclusion that Canada is the most intensely self-scrutinized country on earth.

Often popularly known by the name of the principal investigator(s), the documents that make up the record of accomplishment, especially of Royal Commissions, have received some mixed reviews. According to CBC news analyst Martin O'Malley, "Some have done excellent work, brought in far-sighted, workable recommendations, and changed the country for the better. Others have been costly fiascoes. Many were called to deflect attention from a political hot potato, allowing the government of the day to deflect attention from the matter that is under investigation, knowing that when the heat's off the report will benignly gather dust."[vi]

The "Policy Wonk's" Wonderland

This judgement seems a trifle negative. Whatever their form and whatever their fate, it is possible to examine the contributions of government studies to knowledge and understanding, and assemble a robust inventory of excellence. In the arts and mass media, for instance, advocates of an autonomous Canadian culture might have been well pleased had the governments of the day followed more precisely the recommendations of the *Royal Commission on Broadcasting* (Aird, 1929), the *Royal Commission on National Development in the Arts, Letters and Sciences* (Massey, 1951), a second *Royal Commission on Broadcasting* (Fowler, 1957), the *Report of the Special Senate Committee on Mass Media* (Davey, 1970), and the *Federal Cultural Policy Review Committee* (1982). As well, the future of science and technology was treated with some intelligence in *A Science Policy for Canada*: *Report of the*

Senate Special Committee on Science Policy (1972). At a time when it might have mattered, Canadian-American relations were critically examined. Canada's economic independence might have been stronger if the reports on *Foreign Ownership and the Structure of Canadian Industry* (Watkins, 1968) and *Foreign Direct Investment in Canada* (Gray 1972) had exerted more influence. Broad economic issues were likewise considered at length in the controversial report of the *Royal Commission on Taxation* (Carter, 1966) and in *Poverty in Canada: Report of the Special Senate Committee on Poverty* (Croll, 1970). Moreover, even when open disagreements arose, as in the case of the Croll report, the inquiry led to the commercial publication of a dissenting opinion by some of its staff and to the subsequent stimulation of a vigorous debate among Canadians.[vii]

In addition to federal inquiries, there exist at the provincial government level, a profusion of estimable parallels such as Ontario's *Royal* Commission *Inquiry into Civil Rights* (McRuer, 1968) and *Royal Commission Inquiry into Labour Disputes* (Rand, 1968), as well as the *Report of the Aboriginal Justice Inquiry of Manitoba* (1991) to name but three of many documents that have led to positive changes in areas of important social interest.

There are, moreover, the much anticipated annual reports of various government "watchdogs" such as the Auditor General of Canada, whose revelations of political and bureaucratic ineptitude and waste regularly delight opposition parties. In recent years, as well, the public has anxiously awaited the annual report of the Privacy Commissioner. In the current climate of concern over the Middle East and related matters of national security, the Privacy Commissioner has alerted the public to increased domestic surveillance, invasive security measures and civil rights issues arising out of the creation and sharing of both public and private institutional databases containing sensitive personal information. Criticisms of government policies and procedures has focused public attention and has intensified political debate over responses to the perceived problem of terrorism.

The Cons and Pros of "Navel-Gazing"

Many Canadians, of course, do express concern about the national preoccupation with what they consider official "navel-gazing." They worry that they are too often required to subsidize prolonged and expensive rituals that produce too few pertinent effects. *The Royal Commission on Aboriginal Peoples* (1997), for instance, took over five years to complete, was widely regarded as a classic case of avoiding engagement with a contentious issue, and cost taxpayers a jarring total of $60 million. For all that, it died an ignominious death almost immediately upon its delivery. More distressing still was the abrupt termination of the work of the *Commission of Inquiry into the Deployment of Canadian Forces to Somalia* (1997). It was an investigation of shameful behaviour by some members of the Canadian armed forces who were supposed to be performing noble work in that troubled country. When the inquiry was ended, many citizens suspected that it had been brought prematurely to closure for reasons of potential political embarrassment. Such complaints, however, are softened by the realization that even those reports that do not result in immediate policy innovations may have far-reaching consequences because they raise public awareness. They can be, as political scientist David Cameron told CBC News Online, "valuable as vehicles for consciousness-raising."

There have also been some extraordinary and very direct achievements. The topics of the non-medical use of drugs, drug abuse by amateur athletes, and miscarriages of justice in individual criminal cases have all received attention and seen worthy results. *The Royal Commission on Bilingualism and Biculturalism* (Dunton-Laurendeau 1967-70) redefined Canadian confederation as an equal partnership of French and English. *The Royal Commission on the Status of Women* (Bird, 1968) established basic

standards of gender equity. Aboriginal peoples and environmentalists in Canada's north were surprised and gratified at the results of *The Mackenzie Valley Inquiry* (Berger, 1977), which reduced the threat of oil exploration and pipelines to the northern land and its people, and was seen as a triumph for ecologists and native activists alike. Finally, with regard to health care, a matter of intense interest to Canadians, *The Royal Commission on Health Services* (Hall, 1965) led to the nation-wide establishment of the Province of Saskatchewan's innovation, "medicare," across Canada and, recently, *The Royal Commission on the Future of Health Care* (Romanow, 2002) promised to help guarantee this popular social program for some time to come.

As with all organized matter, the special task forces, inquiries and royal commissions established by Cabinet decree have a history and a pattern of evolution. Originally intended to look into delicate domains where suspicion of government malfeasance or negligence had arisen, the mandates eventually broadened. *The Royal Commission on Dominion-Provincial Relations* (Rowell-Sirois, 1940) took on no less a subject than the modernizing of confederation in light of social and political changes over seven decades in Canada. According to one constitutional expert: "The commission, whose findings were in part based on the massive collective efforts of Canadian scholarship, sought to relate the original plan for Confederation to the problems and needs of the twentieth century."[viii] One of its keenest supporters, however, lamented that "in spite of the scope and quality of the commission's work, its analysis of federal-provincial relations has had surprisingly little influence on the direction that the theory and practice of Canadian federalism since 1945."[ix] Things would change.

Moving toward Management

The Rowell-Sirois report was followed by other substantial studies of governance. *The Royal Commission on Administrative Classification in the Public Service* (Gordon, 1946), had an especially unspectacular title, but its effects were considerable. Concerned that the Canadian civil service was disorganized, inefficient, untrained and irresponsible, providing a sort of sinecure for the incompetent sons of the aforementioned colonial elite, the main recommendation was to impose a rigorous, hierarchical model of bureaucracy headed by what was (given the times) inevitably called a "czar." This unpopular idea was rejected, but many other reforms deemed appropriate for a meritocracy were adopted. *The Royal Commission on Government Organization* (Glassco, 1962) attempted to provide a still more efficient "business model" of governance and was thought to carry "a tone of covert hostility to government activity as such."[x] Though perhaps displaying attitudes that would not be culturally acceptable for some time, the Glassco report plainly showed that even government was not exempt from governmental inspection. Together with innovations that came largely from within the civil service itself, public administration was transformed in the very process of transforming the role of government inquiries. Both adapted to changes in the size and complexity of government, as well as the expectations placed upon it.

With respect to royal commissions, changes were evident and well established by the mid-1960s, a time that was arguably the apogee of the era of policy-oriented inquiries. In the past, commissions had been small, inexpensive and usually headed by a judge, who was given a narrow mandate and expected to supply information about a specific matter of public concern. Later, these "*ad hoc executive support agencies*" grew in size, increased in expense, and changed in terms of personnel. Once reliant upon superior court judges and a few helpers, they went on to build formidable organizations dependent on acknowledged experts with large staffs of scientists, economists, physicians or practitioners and academics in whatever field required by the topic addressed.

While governments still may have wished to use inquiries to defuse controversy, it became more difficult to do so. The results of royal commissions and other bodies are normally published, their hearings are often public and widely reported, if not directly televised, and they frequently conduct their business using the device of local hearings across the country. Well-funded, the *Royal Commission on the Economic Union and Development Prospects for Canada* (MacDonald, 1984), for instance, had thirteen commissioners, a staff of hundreds, and (as a former employee acknowledged) "managed to eliminate, almost completely, unemployment among Canadian social scientists."[xi] With greater depth, resources, transparency and responsibility, it might easily be believed that, with few exceptions, the consideration of public problems had been placed in good hands.

Stark awakening, of course, interrupts such daydreams, and sober reflection recollects the reality that constrains all imaginings about philosopher-kings, Platonic guardians and disinterested experts providing opinions that are thoughtful, accurate, reliable and non-partisan. As sloppy and sometimes depressing as democratic politics may be, and as obvious as efficacious reforms might be, there is no convincing argument for vesting overweening authority in appointed experts or even attentive amateurs. No one, we are learning, is exempt from harbouring suspicion, indulging in pre-judgement, maintaining self-interest or yielding to ideological bias. Investigation of the investigators of ancient issues and deconstruction of antique texts would no doubt yield jaded interpretations of past efforts to bring sagacity to the hurly-burly of political life. Equal and very human limits no doubt compromise the purity of government inquiries today. An agenda is almost always hidden, or at least partly out of sight. Such matters, however, are for historians to disclose and doctoral theses to detail in years to come.

The Politics of Partnership

What strikes us now is more a question of "optics," of the apparent virtues of Caesar's wife. The crucial test of the value of public inquiries has always been their integrity. Partisanship in the appointment of a commission, a task force or any other kind of inquiry designed to enhance the public interest by offering objective information, informed commentary, and sage advice to government was certain to destroy all credibility. Likewise, favouritism or bias in the reported results would ensure failure. For this reason, the selection of a public inquisitor has always required a delicate process and a deft hand at opinion management. Only individuals of known probity, both personal and professional, need apply. Any hint that a special interest might have sullied the deliberations or the results of a body deemed to be acting in the sole and singular interest of the public would doom an inquiry and the political future of anyone associated with its appointment.

It is therefore of interest that, when the Government of Canada chose to embark on a major process of policy making and planning, it decided to conduct its preliminaries neither by using exclusively the expertise of its own civil servants, nor by appointing an individual or a small group who independently would delve into the matter and remain at arm's length from political or administrative officials. Instead, two ministries, Industry Canada and Human Resources Development Canada joined together and entered into a partnership with the Conference Board of Canada to examine the state of Canadian innovation and learning, and to develop Canada's "innovation strategy." This unusual approach culminated in a "National Summit on Innovation and Learning," held in Toronto in November 2002. It was the climax of "a seven-month, country-wide engagement process that involved the participation of more than 10,000 Canadians who attended regional summits, sectoral meetings, expert round tables and best practice workshops" to discuss the Canadian innovation strategy. "The objective of the summit," it was said, "was to engage partners from the private sector, non-government organizations, academia and government in shaping the priorities for *Canada's Innovation Strategy*." In

the process, those identified as "stakeholders" were encouraged to contribute their "input" and affirm their commitment to "a Canadian innovation and learning action plan."

Unusual the approach may have been, but it reflected a view of policy development based on consultation that was by no means unique. Both the federal and the provincial governments had experimented with a more inclusive approach to policy making in the past. In 1991, Keith Spicer, was appointed to oversee the *Citizen's Forum on Canada's Future*. The exercise came in the wake of Prime Minister Brian Mulroney's unsuccessful 1990 attempt to amend the Canadian *Constitution Act*. An agreement, called the Meech Lake Accord, had been signed by provincial premiers and the Prime Minister. Provincial ratification was required and failed. Public concern had been expressed that the "deal" was procedurally flawed, that it was a secret agreement among old white men in suits, and that it did not take into consideration the wishes of Canadian citizens. So, in 1991, under the leadership of a widely respected public servant, Canadians were invited to participate in a monumental public discourse. In church basements, college classrooms and corporate offices, small groups chatted about what kind of country they wanted Canada to become. The level of participation was remarkably high. The quality of the discussion was of surprising excellence. The results were taken very seriously. Then the premiers and the Prime Minister met again at Charlottetown and produced a document that was said to represent the best interests of Canada and the best ideas of Canadians. A referendum was announced. Leaders of all federalist parties campaigned for the accord. Some said that to turn it down was to assure the destruction of Canada. Former Prime Minister Pierre Trudeau scoffed at the document. The Canadian people rejected it. The country was not destroyed, but some Canadians were unimpressed at the pertinent results of the consultation process. The people had risen above all expectations; they had spoken eloquently and in good faith; they had conducted a national dialogue on a higher plane than politicians, experts and analysts had thought possible; and, they were let down.

Once again, however, the importance of the process was not in its disappointing results, but in its long-term effects. One of the long-standing arguments against participatory democracy suffered a blow. Political "realists" had long contended that democracy imposed a burden on people, that politics was too demanding of average citizens, that ordinary people lacked the information and intelligence to understand and resolve complex issues that had confounded their leaders for decades, and that measures such as low levels of voting turn-out were not indicators of democracy in decay but rather were signals of an affable apathy and of the overall contentment of the ruled with their rulers. The *Citizen's Forum on Canada's Future* proved, on the contrary, that Canadians were able and willing to take part in important political discussions after all. As for the belief that public apathy was a good thing because the people were uninformed and incapable of sustaining an enlightened public debate, the people had shown themselves to be at least as wise as the politicians. They, at least, knew that the so-called constitutional crisis was a display of hyperbole and that an inflated sense of urgency was no reason to take rash and irresponsible action that would have implications for generations to come.

Other less sensational public consultation processes have followed; however, the public may be forgiven for skepticism since many of them, too, have failed to produce the results that citizens were urged to expect. Indeed, many have produced no results at all. One reason may be that public consultation processes are inherently disorderly and, some would say, ultimately unmanageable. Another may be that when citizens speak, the authorities are displeased with what they have to say and decline to listen. In any case, the current trend seems to be one in which efforts are made to popularize the process but to keep in under control. The chief instrument for accomplishing this balance has become a new part of our political lexicon: the "stakeholder."

By identifying specific groups with special interests in a policy domain as "stakeholders," it becomes possible to open issues up to broad public discussion but to restrict the number and kind of discussants. Stakeholders, then, become a sort of privileged citizen with access to decision makers explicitly because of their material interests in a particular topic. Being a stakeholder means that one either has expertise or can requisition expertise to participate meaningfully in discussion. Being a stakeholder confers a kind of prima facie legitimacy on one's opinions and demands, in return, a display of responsibility to avoid confrontation, to limit outrageous demands, to be "reasonable." Designation as a stakeholder guarantees a "place at the table," and once in place, one is expected to behave appropriately, to have good table manners. No doubt those who sat at the National Summit on Innovation and Learning were well schooled in etiquette.

The Policy in Bytes and Pieces

A consideration of *Canada's Innovation Strategy* can usefully begin with the document that deals with the National Summit. Overall direction came from the Prime Minister. The aim was to encourage Canada to become:

- A learning society;
- A knowledge society;
- A market society;
- A smart society;
- An inclusive society.

Crucial sub-texts throughout focused on intensification of productivity (for example, for universities to double the amount of research they perform and to triple their "commercialization performance") and deregulation (cast as "renewing regulatory frameworks and making environmental approvals more effective"). The motif is nicely captured in the term used to identify meetings around significant themes: they are called "breakout sessions." If not in a Weberian iron cage, Canadians were certainly thought to be in need of encouragement to think "outside the box." Once released from the confines of what the *National Post* calls traditional Canadian thinking, thought can be given to academic commercialization, regulatory downsizing, corporate tax minimization, and a peculiar trend toward clumping. The "cluster philosophy" it seems, is intended to "improve how ideas are brought to market." Specific emphasis is given to the pharmaceutical industry and agribusiness. New drug approvals will be accelerated and genetically modified organisms will be fast-tracked into supermarkets with no delays caused by pesky consumer groups preoccupied with "old Europe's" commitment to labeling. A seamless social structure of innovation will be constructed featuring: harmonized and simplified funding programs; managed networks of government laboratories, business and financiers; broad-based evaluation standards based of commerciability; financial incentives for private sector innovators and the strengthening of "receptor communities." Canadians will, it seems, be very busy indeed.

Learning and Earning

If the "summary" seems a little inflated, *Knowledge Matters* brings things back to earth. Helpfully segmented into considerations of the education of children and youth, issues of accessibility and excellence in post-secondary education, building a "world class" workforce, and immigrant assistance, this document offers straightforward assessments of present circumstances, current practices, new demands and potential government contributions.

Employing a causal model based on an ascending spiral, skills and learning are said to promote innovation, which leads to productivity and competitiveness, which creates a higher economic standard of living, which yields a better quality of life, which produces more skills and learning, and so on. Truck drivers, we are told, use global positioning systems, students work in on-line classrooms, and investors take the stock market home in their laptops. The world is transforming itself, and Canadians wishing to keep up or catch up are advised to get on board.

In brief statements, we are told that children need good parenting as well as excellent science and math classes, that youth must possess computer literacy, that companies would do well to put on training sessions for their employees, and that the Government of Canada should mount a campaign to attract skilled immigrants. Special programs for aboriginal Canadians, a large commitment to e-learning (impishly described by computer wizard Clifford Stoll as "a first-rate way to get a third-rate education") and apprenticeship training are among the strategies advanced to meet "the challenges of the future." More generally, a keen interest is also expressed in the establishment of national standards (bound to be a controversial constitutional issue) and the engagement of "a wide range of partners and stakeholders in discussion of national goals and the actions needed to achieve them."

Out of this document, three concerns immediately arise. First, the only aim of education appears to be the instrumental value of employability and economic performance. Second, the chief means to achieve the goals appears to be training facilitated by and promoting skill in high technology. Third, the major "stakeholders" who will be invited to shape educational policy appear to be those who are already in charge or who stand to gain from the particular educational practices that are soon to be developed. The question to be asked in all cases is the same: *cui bono*? Who truly profits?

Taking Care of Business

Making money requires money makers; and, for the foreseeable future, money makers are going to be pieces of technology or people who know how to use it. Our old friend the star-crossed truck driver returns to open the door to the future. The Global Positioning System not only shows him the way to Winnemucca, but tells prairie wheat growers what part of the field is starved for pesticide. Indeed, "leading-edge technologies" are becoming essential elements in eco-efficiency (bioremediation) health (gene-based therapies) and airport security (facial recognition systems, iris scans and automatic thumb printing). "Canada," says *Achieving Excellence: Investing in People, Knowledge and Opportunity, "*will secure its competitive advantage in the global, knowledge-based economy by maximizing its capacity to innovate. It will be quite a chore.

Although Canada ranks seventh in the world in Gross Domestic Product per capita, productivity and real income are significantly below US standards. Only in crude petroleum and natural gas, lumber, wood and paper, is labour productivity significantly superior to the US and (at least in softwood lumber) superiority does not necessarily lead to success. What is more, Canadian workers can feel some pride, according to the Conference Board of Canada, for being among the most productive workers in the world. By contrast, Canada ranks poor to average in such performance measures as innovation, health, education and overall economic performance. Moreover, the OECD puts Canada fifth, sixth or seventh in seven innovation performance measures among the G-7 countries. Thus, Achieving Excellence insists, "Canada's corporate leaders need to become more passionate about innovation and commit their organizations to it."[xii] All data do not describe dismal performance, of course; between 1981 and 1999, Canada seems to have been playing "catch-up" with some success. In terms of external patent applications, technology balance of payments and other indicators, Canada's relative improvement in

innovation performance growth is the highest among the G-7 and, even in Government investment, where R & D expenditure declined in absolute dollars, Canada's growth rate was still third best.

Achieving Excellence takes note of the current situation, recognizes the job to be done, and brings forward the voice of commerce and industry to testify to the importance of innovation to Canada's future. Using no less redoubtable a source as the Business Council on National Issues, the document quotes approvingly the statement that "it is time for Canada to adopt a true culture of opportunity and innovation, one that will enable all of us as Canadians to get on with the building of better lives for ourselves, for our families and for our communities." Thus emerges the consensus on the topic at hand.

Considerable space is devoted to celebrating success stories. The Alberta oil sands, for example, are mentioned; "with $51 billion in new capital expenditures," it is reported that "the oil sands will be Canada's largest natural resource development opportunity in the next decade." On a smaller scale, the Keewaytinook Okimakanak First Nation is praised for partnering with government and the private sector to bring a high-speed broadband network to seven remote communities, thus enabling distance education, tele-medicine and multimedia production. As well, note is taken of a University of New Brunswick professor, assisted by the Natural Sciences and Engineering Council of Canada, who invented a device that produces three-dimensional images of concealed items that it detects in travelers' luggage. This leads to the comment that Canadian universities perform 31 percent of Canada's research and development, and more than twice the amount of industry-funded R&D than in any other G-7 country. "The strong tie between firms and academia in Canada," says the report, "reflects the private sector's need to access scientific knowledge that it does not possess in order to remain competitive, and universities' desire to diffuse their knowledge in ways that result in social and economic benefits for Canadians."[xiii]

The benefits for Canadians, of course, come from Canadians. Just as Canadian workers are regarded as highly productive, so Canadian workers are regarded as highly skilled if, that is, certified post-secondary education is a good indicator of skill. With a larger proportion of the population (almost 38%) bearing some sort of college diploma or university degree, Canada has more paper education than the US (though a larger percentage of Americans have university degrees), Japan, Germany and France. This information is presented as evidence justifying the expressed opinion of American CEOs that the quality of the work force is, by a considerable margin, the most important reason for investing in Canada by a survey.

And the future? A sharp call for action is sounded. Canadians must press on with the commercialization of education, the creation of a business-friendly tax environment, the reduction or elimination of bureaucratic obstacles to innovation and immigration (of skilled workers), vast increases in investment in R&D, clarified intellectual property rules to facilitate the tripling of "key commercialization performance outcomes," and, perhaps above all, the "branding" of Canada!

Canadians are told to "brand Canada abroad as one of the most innovative countries in the world." We are asked to "brand Canada as a destination of choice for skilled workers." We are assured that "the Government of Canada has committed to a sustained investment branding strategy" that might include "Investment Team Canada missions and targeted promotional activities." Who knows? If produced with the polish that is evident in this product, they might win!

Cultivating Consensus

The final volume is entitled *Canadians Speak on Innovation and Learning*. Here we find condensed versions of the will of the stakeholders. For the purposes of the report, the following groups are given a voice:

- The information and communications technology industry;
- Medium and small-business;
- The academic community;
- People in Canada's "regions";
- Young Canadians;
- Aboriginal peoples;
- Business, Labour and Economic Development Organizations.

In each case, the "engagement process" is described and opinions are delivered on the four topics:

- Skills and Learning;
- Research, Development and Commercialization;
- Regulatory and Tax Environment;
- Strengthening Communities.

Then, discussions with provincial and territorial governments are outlined, and a summary of the viewpoints is provided.

An insight into the weight given to various kinds of citizens can be had by noting that the contribution of organized labour are dealt with on half a page. "Labour organizations," it is said, "suggested that businesses and governments need to better respond to workers' expectations and priorities in training" and create opportunities that are not just "machine-specific." Labour also encouraged apprenticeships and opportunities to meet with management to discuss training issues. The more than ninety remaining pages are given over to special pleadings on behalf of youth and native peoples, and a great deal of business enthusiasm for commercialization, red tape reduction and lower taxes. In short, the closing document was a standard exercise in cheerleading, with corporate cheers prevailing.

The Predictable Response

In parliamentary democracies, it is the duty of the opposition to criticize the government. In Canada, Her Majesty's Loyal Opposition does that with vigor, both in and out of the House of Commons. For most of its history, Canada has been dominated by two political parties. The Conservatives held sway in the nineteenth-century and stood for monarchy, tradition and social order. The Liberals were the "natural ruling party" in the twentieth century and embraced closer ties with the USA, mildly progressive social policies and a greater commitment to individual liberties. Both were capitalist parties, although the Conservatives tended to win support from mercantile sectors (commercial and financial enterprises), whereas the Liberals were preferred by industrialists. Conservatives, as well, were committed to the British connection, while Liberals found their alter egos largely within the US Democratic Party.

After personalities, policy shifts and circumstances conspired to destroy the Conservatives in 1993, the country has been left without a coherent opposition. The official opposition has shifted

between the provincially-based and "sovereignist" party, the Bloc Quebecois, and the neoconservative Canadian Alliance which closely resembles the American Republican party, and is an ideologically-driven right-wing regional party from the Canadian west. Lingering behind are the remnants of the Conservatives and the social democratic New Democratic Party, the only party of the putative left with seats in the House of Commons.

Despite earnest hopes for the future among Conservatives and for a break-through by New Democrats, these long-standing parties have been at least temporarily relegated to positions of minor importance in the contemporary political scene. Instead, views critical of the Liberal government and, by extension, of the Canadian Innovation Strategy have come mainly from the dogmatic and strident representatives of the Canadian Alliance.

Charlie Penson, the Alliance's industry critic wasted little time trashing *Achieving Excellence: Investing in People, Knowledge and Opportunity* on 4 March, 2002. The report, he said, "reads like an economic horror story because it chronicles how Canada lags behind many developed countries in terms of our overall innovation performance." He complained that "business confidence to invest and innovate has been significantly eroded" under Liberal rule and insisted that the federal government stop handing out grants, scholarships and medals for innovation" and set about cutting corporate taxes instead. Said Penson at an Industry Policy briefing: "the federal government needs to encourage investment in new technologies, information systems and production capital by allowing businesses to reap the benefits of innovating."

Citizens and "special interests" also expressed skepticism. On 1 October, 2002, at a summit on Canada's innovation strategy held in Yellowknife in the North West Territories, local residents said that it was fine to talk about introducing broadband, but stressed that there was a greater need for more basic infrastructure improvements. High technology could wait until basic questions of housing and transportation were addressed. As one participant explained, paving the last 50 km of road into Yellowknife has been a necessity for years but the government of the NWT lacks the financial resources. So, the people make do with the existing road, an "abysmal, rutted, pot-holed dirt track that discourages both tourism and the transportation of basic goods." Before launching fancy communications strategies, he said, what the NWT truly needs is a "broadband of asphalt."

While one can certainly appreciate the frustration of someone invited to contemplate 21st century solutions in a land that has not yet solved 19th century problems, it is difficult to hear more systematic critiques. One step in that direction might come from a brief reflection on the partnership that produced the report itself. The making of *Canada's Innovation Strategy* was a departure from past practice, or at least from past perceptions. Canada has come some way since 1963, when Finance Minister Walter Gordon was compelled to resign after it became clear that he had sought out advice from a handful of experts who were not civil servants while he was crafting the federal budget. Recently, for example, Ontario Premier Ernie Eves saw fit to announce his government's budget in an auto parts manufacturer's training facility, by-passing the provincial legislature altogether. Though not as clear a violation of parliamentary tradition, the development of an important policy document by the federal government in "partnership" with a private research organization, the Conference Board of Canada, might once have created quite a problem of "optics."

The Conference Board is, of course, a highly respected independent research facility. It is unlike such openly "right-wing" think tanks as the Fraser Institute, which relentlessly advances a harsh

neoconservative political agenda, nor is it similar to groups such as the Canadian Centre for Policy Alternatives, which tends toward the liberal-left of the political spectrum. A "mainstream" institution with a reputation for thoroughness and integrity, it sets as its "mission" the enhancement of Canadian business and society within a moderate but unrepentantly (indeed, enthusiastically) "bourgeois" framework. In fact, its data have been used by extreme right-wingers such as Walter Robinson, Federal Director of the Canadian Taxpayers Federation, to assist in the preposterous argument that the Canadian Alliance has "basically adopted the NDP position on health care"[xiv] Still, its own position on the economy and public policy tends far more toward the middle of the political road, a space wherein government's role in a "mixed economy" is welcomed (especially if government munificence is directed toward enhancing corporate as well as citizen well-being.[xv]

Corporatism: the Fusion of State and Industry

The Italian dictator, Benito Mussolini, said somewhere that he regretted choosing the word "fascism" to describe his political movement, his party and his government. Such a singular and intimate arrangement of business and the state, he went on, should properly have been called "corporatism." Many critics from the margins of the political left would agree.

Early in 2003, a "progress report" on Canada's Innovation and Learning was delivered. The Canadian federal budget highlighted "substantial investments in innovation and learning" (details are available in the section "Investing in a More Productive, Sustainable Economy," in the official Budget documents at < http://www.fin.gc.ca >). Following consultations with 10,000 eager citizen advisors, the federal cabinet presented *Budget* 2003. It translated the pledge to support innovation into specific promises of funding. In addition to promising increased business and corporate tax reductions for demonstrably innovative companies, the list of largesse was long and lavish:

- $3 billion of incremental funding for infrastructure support over the next ten years;
- $1.7 billion over five years to support innovation and cost-effective measures leading to greenhouse gas emission reductions;
- $900 million over five years to childcare services to facilitate the entry or re-entry of many skilled workers into the labour market;
- $500 million to the Canada Foundation for Innovation to enhance its support for state-of-the-art health research facilities;
- $270 million over fouryears to the federal granting councils to support an additional master's and doctoral fellowships at Canadian universities;
- $225 million per year to support the indirect costs associated with federally supported research at universities, colleges and research hospitals;
- $200 million for investments in long-term climate change technologies;
- $190 million over five years to "create a better climate for research in pharmaceuticals;
- $190 million for the Business Development Bank of Canada to increase venture capital for knowledge-based industries, export oriented businesses and women entrepreneurs;
- $125 million a year to the federal granting councils (Natural Sciences and Engineering Research Council, Social Sciences and Humanities Research Council and Canadian Institutes for Health Research);
- $105 million Broadband for Rural and Northern Development Pilot Program
- $100 million in 2003-04 for the creation of the Canadian Learning Institute;
- $75 million for Genome Canada to support large-scale projects for applied health genomics;

- $60 million over two years to the Canada Student Loans Program to improve access to post-secondary education;
- $41 million over two years to attract and facilitate the integration of skilled immigrants into the Canadian labour market;
- $30 million SchoolNet and the Community Access Program (CAP) will receive in 2003-04;
- $25 million per year to expand the National Research Council's Industrial Research Assistance Program;
- $25 million over two years to facilitate Aboriginal access to training and employment opportunities;
- $20 million for the Medical and Related Sciences project will receive to fuel the commercialization of medical research;
- $20 million over two years for Aboriginal Business Canada;
- $20 million over two years to support Farm Credit Canada's launch of a new venture capital initiative that will promote agriculture and agrifood innovation;

This list includes only those promises with a price tag of $20 million or more. Few of the expenditures, it must be noted, involved an expansion of the public sector. In various ways, the bulk of the money was redistributed from ordinary taxpayers to private end-beneficiaries, mainly in the corporate sector. The government acknowledges that "reaching the targets set for the innovation and learning agenda will not be an easy task" but promises that Canada "will be one of the most innovative countries in the world by 2010."

To assist in the process of transformation, still more joint ventures are planned. In June 2003, for example, extensive research into "leadership" will culminate in another Conference Board event. This time the partnership will include other government ministries. Canadian Heritage and Indian and Northern Affairs Canada are the chosen departments. Added to the mix are the Business Development Bank of Canada, energy companies Enbridge and Syncrude, plus Alcan, Mercer Delta Organizational Consultants, Imperial Tobacco Canada, and (oddly?) the University of North Texas Health Science Centre. Its outcomes will centre on leadership-its core definition, strategies for its enhancement, awareness of its importance and access to its benefits (presumably among cigarette-smoking aboriginals seeking employment in the tar sands and access to good health, all at a healthy fee of $1500 for a three day "summit"). Why be wary of such endeavours? Because of lingering concerns that the blending of private and public domains may result in the domination of one by the other and that, in neoconservative times, it is not only pretty clear that private companies are not lining up to submit to federal regulation and higher taxes, but it is also possible that public institutions may soon define their success in terms of the networks which they build with the private sector.

"The state," someone once said, "is the instrument of the ruling class." It is not normally wielded like a hammer in the firm grip of a powerful elite. Political reality is not usually so crude, nor are the relations among its major structures commonly so unsubtle. No coarse conspiracy is evidently afoot. There are, however, like-minded, pragmatic people in business and government, who share a sensible worldview and admirable aims for progress and prosperity. Mutual assistance in their own and the public's interest seems so reasonable a strategy that none need defend it. Hands are extended to "First Nations, small and medium enterprises, and youth, and visible minority stakeholders." There will be "a by-invitation-only Leaders' Dialogue in the afternoon, followed by a gala dinner in the evening." No doubt there will be suitable entertainment for your dancing pleasure. *Plus ça change, plus c'est la même chose*?

[i] Among my own modest efforts are: Doughty, H. (1981) "Science Policy and Education in Canada," Canadian Studies Bulletin (April); (1981) "The Sweet Voice of Reason," *Canadian Studies Bulletin* (September), and (1985) "Risky Business: *Canadian Research and Development*," Bridges: *Explorations in Science, Technology and Society*. Vol. 2, No. 3 (March).
[ii] Marx, K. (1957) Grundrisse: *Foundations of the Critique of Political Economy* was first translated into English by Martin Nicolaus, in 1973 as a contribution to the Pelican Marx Library. The pertinent section can be found on pages 670-711. Much debate surrounds the question of whether or not Marx anticipated the economic consequences of automation. See "Foreward": 51-52: translated by Martin Nicolaus, M. (1973) New York: Penguin.
[iii] This term, coined during George Bush the elder's first Iraq War, seems to have replaced the earlier "doomsday scenario," made popular in the film *Dr. Strangelove, or How I Learned to Stop Worrying and Love the Bomb*. See Brian Morton (1991) "The Gulf War: Taking Sides," *Dissent* (Spring): 157.
iv Marx, K. and Engels, F. (1844) *The Communist Manifesto*. This passage is taken from the classic Samuel Moore translation, quoted in Berman, M. (1982) *All That Is Solid Melts into Air: The Experience of Modernity*. New York: Simon and Schuster: 95.
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[v] Rubec, S. (2001). "Tobin pushes for net gains." *Toronto Sun* (18 October).
[vi] O'Malley, M. (April, 2001) "An inquiry into inquiries," CBC News Online.
[vii] Adams, I. Cameron, W., Hill, B., and Penz, P. (1971) *The Real Poverty Report*. Edmonton: Hurtig.
[viii] Mallory, J., (1971). *The Structure of Canadian Government* (Toronto: Macmillan): 361.
[ix] Donald V. Smiley, D., (1962) "The Rowell-Sirois Report, Provincial Autonomy, and Post-War Canadian federalism," *Canadian Journal of Economics and Political Science*, Vol.28, No. 1 (February): 54.
[x] Mallory, *op. cit.*: 157.
[xi] *Ibid.*
[xii] This admonition is made by the Government of Canada despite the fact that its own commitment to research and development lags slightly behind that of Canadian business and is the only measure in which Canada displays the lowest performance among the G-7.
[xiii] Alternative explanations such as chronic government under-funding, and concerns such as the implications for academic freedom are not mentioned.
[xiv] Posted 3 April, 2001< www.taxpayer.com >
[xv] Considered "leftist" because of its endorsement of Canada's traditional blending of government and private investment, the Conference Board of Canada has been dismissed because it is allegedly stuck in the '70s, the alleged "heyday of Canada's public sector." Bereft of "new ideas," it is said to be missing out on the opportunity to restructure Canada's political economy along lines well established by economists such as Milton Friedman in Chile during the Pinochet regime. See Mike Byfield, "The Right Tools for Right Victory," *The Report: Canada's Independent Magazine* (7 October, 2002).