

September 25 Northern Speaking Notes

- 1 I'd like to start by saying why a person who lives on the shore of Lake Ontario is talking with you today. I have a long history in the north, starting with working on some of the documents associated with the creation of Thunder Bay in 1970 and continuing with my work at the Ontario Development Corporation and the Ontario Hospital Association. When my children were young, my family and I vacationed on Lake Temagami for several summers.
- 2 I have visited every substantial community in the north, including the Ontario communities on James Bay, except Red Lake. I also learned that northerners have long memories. When I mentioned my small role in relation to the creation of Thunder Bay to the editorial board of the Thunder Bay newspaper, sometime in the late 80's or the 90's, I was greeted, next day, by a front-page story indicating that a former provincial bureaucrat had "admitted" his role in the amalgamation!
- 3 The theme for our discussion today is Decision Devolution in Northern Regions. In my presentation, I will focus on Northern Ontario but I take the use of the plural seriously and will refer to other northern regions. I will also make some brief comments on economic development because in circulating among the audience, I've learned how important that subject is to many who are present today.
- 4 Devolution, like any other direction in public policy, should be driven by circumstances and strategy. If it isn't, it has no place as a

possible policy - it would be more like a reflex than a positive direction for the future.

- 5 This means that decision devolution is really a matter of governance. Viewing it in this way is important because without good governance, a region cannot be a high performing society with a high performing economy over time. There is lots of evidence for this but I will not go into it in detail because of time limits.
- 6 The central question, consequently, is whether decision devolution would contribute to good governance and economic development or detract from them. A second question which I will explore is if devolution is a choice for the future, what form should it take?
- 7 From the perspective of these considerations, devolution has risks as well as possible rewards.

Devolution could lead to more looking inward and more local decisions that ignore the wider environment and could be a retrograde step. This is the last thing Northern Ontario needs.

- 8 Thinking on the future of Northern Ontario is already far too narrow. Academic studies, government policy documents and most media commentary almost always make no reference to other global northern regions and jurisdictions and display astonishingly isolated thinking.

9 This isolated thinking is dangerous when addressing governance or any other issues because Northern Ontario looks quite different when viewed from a national or global perspective rather than a local one:

- it would be the second largest northern jurisdiction in the world, if it was a jurisdiction. Measured by population, it is larger than the State of Alaska or Iceland which is, of course, an independent country;

- Northern Ontario is growing more slowly than the other northern regions of all other provinces or the Northern Territories or most northern regions in other countries. The region is not doing well at all, relative to others, and hasn't during the nearly fifty years that I have been exposed to it;

- while Northern Ontario is often viewed in terms of its relationship with the south, in fact it has much more in common with other northern regions, including many that are outside Canada;

- Northern Ontario economic thinking is focused on making things and the commodities needed to do that and rather less on the extent to which businesses have become enterprises whose principal assets are software. Think Twitter, Airbnb, Facebook and many others;

- issues relating to First Nations and Metis people are shared with many northern regions in the rest of the world and their experiences are relevant to us.

10 In economic terms, the economic and political future of Northern Ontario is likely to be determined more by developments outside the region than local circumstances, particularly because of the wide impact of many very important businesses where software is

their principal asset. If decision devolution contributes to even more isolated and local thinking, it could result in less effective governance, a weakened society and impaired economic performance.

11 There is another reason to be very careful about devolution. In recent decades, devolution has often been tried elsewhere.

Whether devolution in Greenland, the Faroe Islands, Scotland and several other northern jurisdictions has resulted in improved governance is certainly debatable.

What is not debatable is that devolution in these places has been very divisive. If we are to successfully manage the large global forces I have summarized, we probably do not need more divisive relations with any of our neighbours.

12 So far, I have been cautious about devolution but this is not to say that all forms of devolution are inappropriate. From everything I have seen over more than forty years of studying Northern Ontario, I recommend that the region, in cooperation with the Ontario government, implement a new system of regional governments. This new level could exercise some powers now discharged by the province but it could also exercise some powers transferred from existing local governments.

This would have the following advantages:

- It would permit greater economies of scale and greater sophistication in delivering some public services;

- these arrangements would enable more united voices for the region. Senior governments dealing with Northern Ontario must deal with a cacophony of diverging, often discordant voices;
- regional governments in the north could draw on the experiences of Southern Ontario and Northern Quebec, the region's closest neighbours. Northern Quebec has two regional governments and southern Ontario has many;
- enhanced regional governance could provide opportunities for expanded First Nations and Metis participation in mainstream government.

13 I think it would be unwise of me to complete this presentation without talking more about devolution and indigenous people. Major changes are certainly needed for First Nations. The needs of Metis people are different because of population dispersion and generally higher income levels in the Metis population.

14 In recent months there has been much comment about the Indian Act. Some commentators – Bob Rae is one - believe that the Indian Act effectively makes good governance impossible.

15 I find it hard to judge this. Certainly, some First Nations have been ingenuous in managing around the shortcomings of the Act and many of the most troubling issues relating to First Nations communities lie outside the act. There is little doubt, however, that there are major issues with the act and its philosophical underpinnings.

16 Most observers would agree that dramatic change to existing arrangements should only be made when there is agreement on

and commitment to new directions. This kind of agreement and commitment does not yet seem to me to be in place.

17 My professional experience relates to finance, economic development and for the past twenty years, health care. I was not involved in the debates that have taken place on the relationships governments and other Canadians should be building with First Nations and Metis peoples. However, like many others, I have been following developments in these from a distance and see them through the prism of my own experience and expertise. I have, as mentioned, also visited several First Nations communities in the north during my duties in the region.

18 From this perspective, the recent federal statement on the principles governing the federal government's relationships with indigenous people, while admirable in many respects, appears stilted and excessively formal. It appears to be only indirectly related to the real problems confronting First Nations and Metis people.

19 Those real problems are the problems of people everywhere – how to build healthy communities, healthy social structures and healthy economies. My impression is that much of the senescent language we use when talking about First Nations and Metis issues obscures the fact that fundamentally we are or should be moving in the same directions.

20 Good governance is a part of that. I'd like you to think about my earlier comments about the relationship between economic development and governance. Those comments are also applicable to building healthy communities and encouraging economic development as well. Effective governance is a precondition for all good public policy.

21 From this personal perspective, I do not think there is a place for further devolution of decisions to First Nations communities in the north but that other devolution possibilities exist.

22 Former Globe and Mail columnist Geffory Simpson provided a clear explanation of why existing and additional devolution of the kind traditionally practiced with respect to first nations communities is impractical. He stated:

“Pouce Coupe B.C. has a population of about 700 people. Estevan, Saskatchewan has a population of 10,000. Gravenhurst, Ontario boasts about 11,000 people....Would we think it fair, plausible desirable or doable to give Gravenhurst, let alone Pouce Coupe the responsibilities that go with provincial sovereignty – justice, schooling, health, policing, roads, welfare? Of course, we wouldn’t...their numbers are too small, their tax bases too constrained, their capacities too limited. We wouldn’t do it, not because there aren’t good capable people in these communities, but because the numbers would defeat their best efforts”.

23 Devolution of some decisions to historically defined First Nations Territories rather than individual communities, to existing organizations that serve many First Nations communities and to Friendship Centers and similar organizations that support First Nations people living in cities is certainly possible. All involved in devolution discussions relating to First Nations people should remember that there are as many First Nations people living in cities in Canada as who are living in reserves. The recommendation I’ve made for regional governance is directly

related to better serving the needs of the urban First Nations population.

24 The recommendation on regional governance that I've made could be structured to give indigenous people a stronger voice in mainstream governance. This is urgently needed, at least in relation to economic development, because First Nations and Metis people have the same need to compete against citizens living in Seattle, Bangalore and Chongqing as other citizens. The global economy is here.

25 Regional governments might serve as forums to develop ideas to ensure that local government programs serve everyone better including First Nations and Metis people. This would enable First Nations leaders and Metis leaders to more sharply focus on the central economic problem they and other northerners face together: ensuring that First Nations and Metis people have the leadership, the skills and the motivation to participate effectively in the global economy of the twenty first century. I think that northerners, whatever their background, will succeed in this environment only if they work together.

26 I'd like to make a personal plea, this time addressed to the federal and provincial governments

27 Good economic and financial decisions by governments, however they are organized, can only be made with good facts and data. This has been an underlying principle of the Northern Policy Institute since it commenced operations and it has greatly

improved understanding of local and regional matters in the north.

28. However, much more is needed, as I and others have frequently noted. Local leaders should ensure that Statistics Canada prepares a set of economic accounts for the region, similar to the economic accounts it prepares for all provinces. This is one of the most important but least understood tools to improve governance and decision making by all northern governments and organizations.

29 There are niches where more decision devolution is appropriate in Northern Ontario and I think I have outlined what some of these are.

30 Standing back, however, and looking at the question of devolution from my own experience, the region needs to be far more outward looking and should focus on building the institutions and gathering the data to make that possible. Regional governments would help achieve this. What is at stake is survival in the global community of the twenty-first century.

31 Looking out should be the directional priority in a world that has changed more in the past decade than the previous thirty years with prospects for more of the same. Dealing with these tidal forces should be the overwhelming priority of all northerners, not devolution activities with the sole exception of establishing regional governance across the north. I think that step is important.

32 I would now like to make a few concluding comments relating to economic development.

33 The first comment I'd make is that Northern Ontario should avoid the central economic problem the Atlantic Provinces face – a subsidy regime that is so large in relation to the private sector that the economy cannot be competitive. I grew up and was largely educated in Atlantic Canada so I say this with great regret: if Northern Ontario wants to prosper in the world, do not look for never ending subsidies from senior levels of government as provincial governments in Atlantic Canada have done.

34 My second comment is closely related. For as long as I have been exposed to Northern Ontario, I've observed that northerners have excessive expectations about leadership from governments. Everywhere I've travelled in the north, I've heard the comment that our problems stem from the activities of governments and that governments could change the economic trajectory of the region if only they would do this or do that.

35 I think this is nonsense for reasons I've explained earlier.

36 There are many areas where northerners, acting together, could change that trajectory without much government leadership. I don't have the time to elaborate on this, but my choices for independent steps by northerners are modernization of apprenticeship programs, ensuring full high-speed Internet access everywhere, looking to the example of Iceland in relation to tourism, focusing on encouraging tourist development relating to First Nations and Metis people and encouraging northern

agriculture where important possibilities exist, partly because of global warming.

37 Thank you for listening and thank you to the Northern Policy Institute for its leadership in organizing this event and others like it.

David MacKinnon

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