

Multi-Level Governance and Ideological Rigidity: The Failure of Deep Federalism

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The ideas of economists and political philosophers, both when they are right and when they are wrong, are more powerful than is commonly understood. Indeed, the world is ruled by little else. Practical men, who believe themselves to be quite exempt from any intellectual influences, are usually the slaves of some defunct economist.

John Maynard Keynes, *General Theory of Employment, Interest and Money*

Introduction

It is a curiosity of the study of multi-level governance that those who agree on its importance often disagree on the reasons for its importance. Proponents for multi-level governance fall broadly into two categories, statist-decentralists and anti-statist public choice advocates. Statist-decentralists advocate jurisdictional unity and coherence, and place a great deal of faith in collective decision making, while insisting that it be organized according to the principle of subsidiarity, whereby each of the various activities of government is carried out at the lowest level possible (Norton, 1994: 28–31; Schwager, 1999; Saint-Martin, 2004; Bradford, 2005). Hooghe and Marks refer to multi-level governance that reflects this conception simply as type I (2002).

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Anti-statist public choice advocates see multi-level governance as a way of increasing efficiency and maximizing individual choice through the introduction of market mechanisms and procedures into the process of governance. They advocate jurisdictional fragmentation and argue that a large number of intersecting, task-specific jurisdictions will allow for governance that introduces market mechanisms in order to maximize efficiencies and internalize relevant externalities. A number of commentators call this approach to governance type II (Casella and Frey, 1992; Frey and Eichenberger, 1999; Weingast, 1995; Garcea and Pontikes, 2004; Hooghe and Marks 2002).

Although both sets of concepts represent ideological positions that are forcefully and tirelessly asserted, Blatter rightly observes that the real world is more complicated. After four careful case studies of multi-level governance in Europe and America, he found different practices in different centres and no clear lines of inevitability in any particular direction. He concluded, “There exist very different stimuli for political institution-building ... and it is time to get beyond simple dichotomies” ((2004: 546). This is equally true of Canada, where, in an extensive series of multi-level governance studies, simple type I—type II dichotomies were nowhere to be found (Young and Leuprecht, 2004).

We did, however, find type II represented in our study, despite our wish to avoid debates over simple dichotomies. The present article is part of a wider research initiative on multi-level governance, which was designed to avoid entanglement in the well-worn debates over collective versus market-oriented governance by establishing a rationale for multi-level governance, with criteria of good governance flowing from it. Particular instances of multi-level governance could then be judged on the evidence of what works, rather than on ideological grounds.

The rationale for multi-level governance, as defined in our research, is to strike an appropriate balance between the realization of national objectives, on the one hand, and the achievement of governance appropriate to the requirements of local communities on the other, leaving open the question of which particular constellation of organizational forms is best suited to accomplish a particular task (Leo, 2006). This conception treats appropriateness to the particular circumstances of each community, rather than any preconceived organizational theory, as the final arbiter of appropriate governance.

In its application to Canadian circumstances, this conception involves going beyond the federal–provincial arrangements that have long been a conventional feature of the Canadian federal system to draw cities and communities into the process of governance. We dub this state of affairs, where it can be achieved, “deep federalism,” defined as the formulation and implementation of national policies in a manner sufficiently flexible and responsive to take full account of the very important differences

Abstract. This article addresses multi-level governance by posing the following question: How can we have policies that are truly national and yet fully take into account the very significant differences among regions and communities? A major objective of this approach is to get beyond ideologically driven, dichotomous debates, which often leave the impression that the study of multi-level governance can be reduced to a choice between two alternatives—for example between neo-liberalism and the welfare state, or local autonomy and centralization. Our inquiry is focused on the implementation of a federal–provincial agreement on immigration and settlement in Vancouver. The implementation took place under the authority of an aggressively private market-oriented provincial government, and our close examination of the process and the fall-out from it suggests the existence of fundamental contradictions in the theory the government applied. In particular, we find a contradiction between the intention of introducing market mechanisms in order to reduce bureaucracy and the reality of new bureaucratic burdens that accompanied the introduction of market competition. We also confront the government’s claims of democratic bona fides with the reality that the introduction of contracting out posed fundamental obstacles to government responsiveness to democratic demands. Our findings suggest that straight-line, ideologically driven approaches to governance are unlikely to meet the challenge of adapting national policy to the distinct requirements of particular communities.

Résumé. Cet article étudie la gouvernance multi-paliers en posant la question suivante : « Comment formuler des politiques gouvernementales qui soient réellement nationales tout en répondant aux différences importantes qui existent entre les régions et les communautés? » Un objectif important de cette méthode est de mettre de côté les débats idéologiques dichotomiques qui donnent l’impression que l’étude de la gouvernance échelonnée se ramène à un choix entre les deux termes d’une alternative : entre néolibéralisme et État - providence, par exemple, ou entre autonomie locale et centralisation. Notre enquête porte sur l’exécution d’un accord fédéral provincial concernant l’immigration et l’intégration des immigrants à Vancouver. Le gouvernement provincial auquel il incombait d’exécuter cet accord était fortement axé sur la libre entreprise. Et les résultats de notre enquête suggèrent qu’il y ait des contradictions fondamentales dans la théorie appliquée par le gouvernement. L’intention de ce gouvernement de réduire la bureaucratie en introduisant la libre entreprise et la réalité que l’introduction de ladite libre entreprise a entraîné de nouvelles charges bureaucratiques, nous paraissent contradictoires. Il en est de même pour l’argument que l’action du gouvernement tiende de la bonne foi démocratique et la réalité que le recours aux sous-traitants crée des obstacles fondamentaux qui entravent la capacité du gouvernement de répondre aux réclamations démocratiques. Les résultats de notre enquête suggèrent que les conceptions de la gouvernance qui sont linéaires et rigoureusement calquées sur des idéologies ne pourraient probablement pas répondre au défi d’adapter la politique nationale aux besoins des communautés particulières.

among communities (Leo, 2006). The attempt, therefore, is to open a discourse through which we can debate the question of how multi-level governance can serve both national and community ends, while avoiding entanglement in the undoubtedly never-ending debate over collective vs. market-oriented means.

In other words, the devil is in the details, and there are many possible ways deep federalism may be achieved in particular local circumstances: different permutations of public and private initiative, different forms of co-operation among the various levels of government, and different means of securing the necessary degree of local participation in policy formulation and implementation. In multi-level governance, there are no straight lines, and no one-dimensional solutions. The straight lines

and simple dichotomies, however, have a life of their own, and, in the present study, we find ourselves embroiled in them, despite our best intentions, thanks to the ideological zeal of the government of British Columbia.

Background

In a previous study, one of the authors of this article outlined a number of policy models for the achievement of deep federalism, and identified one of them as federal–provincial agreements but pointed out that this method leaves the question of whether or not community difference will be appropriately respected entirely up to provincial governments (Leo, 2006: 502–03). Two of the cases that were investigated in the deep federalism series (the impact on Vancouver and Winnipeg of federal–provincial agreements regarding immigration and settlement) proved to be textbook examples of the contrast between provincial policies that respect community difference and ones that do not.

One of these case studies—the one dealing with Winnipeg—shows how a provincial government that is open to community involvement in policy making is perfectly capable of respecting community difference in both the formulation and implementation of policy while entirely bypassing municipal government, in this case a municipal government whose record of responsiveness to community involvement is less than stellar (Leo, 2006: 497–98; Leo et al., 2007; August and Leo, 2007). In these pages, we look at the other case, one in which the provincial government, in its fervour to impose a new ideological direction, placed serious obstacles in the path of a famously effective network of community organizations.

The government of British Columbia operated on the premise that the introduction of private market-like incentives into the process of governance offered the right answer to the considerable problems the province faces in achieving the integration of daunting numbers of immigrants, most of whom settle in the lower mainland. During the period covered by our study, the outcomes were less than promising, and presented a striking contrast to the largely successful implementation of the Canada-Manitoba Immigration Agreement. In order to understand what happened in British Columbia, some background is necessary.

Vancouver's Immigrants

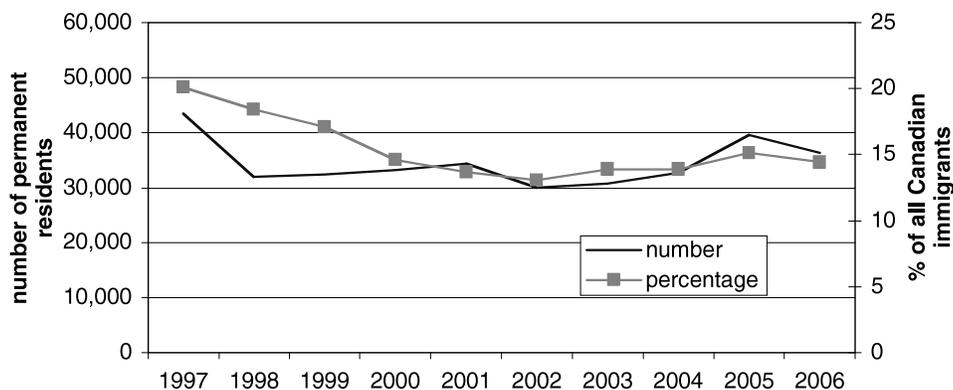
In the matter of immigration and settlement, Vancouver faces a unique set of circumstances, and has evolved a well-developed service infrastructure to deal with them. An overview of Vancouver's situation offers insights

into the reasoning behind federal–provincial agreements that contain different provisions for each province, enabling programs that respect community difference.

With 37 per cent of the population foreign-born, the Greater Vancouver Regional District (GVRD) ranks fourth among the world's cities in terms of immigrant concentration. A good deal of this immigration has taken place over the last twenty years. Arrivals to British Columbia rose steadily between 1985, when 12,245 immigrants came to the province, and 1996, when the number peaked at more than 52,000 for the year (BC Stats, 2001) on the eve of Hong Kong's return to the People's Republic of China. After that, the number declined somewhat, levelling out at 30,779 in 2003. In 1996, Vancouver's share of Canada's immigrant arrivals reached a high of 20.1 per cent, declining to 13.1 in 2002 and then rising to 13.9 in 2003 (Citizenship and Immigration Canada, 2008, Figure 1 and Table 1).

In comparison with Toronto and Montreal, Canada's other two major immigrant centres, Vancouver receives a disproportionate share of newcomers from Asia, who accounted for almost three-quarters of arrivals in 2002. More than 25 per cent of British Columbia's immigrants that year came from mainland China, reflecting a trend that is well established (Citizenship and Immigration Canada, 2003). With a high proportion of immigrants from China, India, Taiwan, and the Philippines, Vancouver has to tailor settlement programming to meet the needs of these large communities. For example, immigrants from these countries tend not to have an English proficiency beyond beginner and intermediate levels, and because English is in a different language family, people from Asia typically find it difficult to master (BC Coalition for Immigrant Integration, 2002c: 3).

FIGURE 1
Flow of Immigrants to Vancouver, 1997–2006



Source: Citizenship and Immigration Canada, 2008.

TABLE 1
Immigration of Permanent Residents to Vancouver, British Columbia and Canada

Year	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Vancouver	43,392	32,005	32,402	33,303	34,336	30,087	30,779	32,700	39,506	36,271
British Columbia	47,836	35,973	36,126	37,430	38,474	34,055	35,231	37,028	44,771	42,079
Canada	216,038	174,195	189,957	227,459	250,641	229,051	221,351	235,824	262,239	251,649
Vancouver %	20.1	18.4	17.1	14.6	13.7	13.1	13.9	13.9	15.1	14.4

Source: Citizenship and Immigration Canada, 2008.

Vancouver also has a unique problem with immigrant poverty. While poverty rates for immigrants that arrived during the 1990s have climbed considerably throughout Canada, Grant and Sweetman showed that Vancouver's rates were 5 to 6 per cent higher than the national average for immigrants ((2004: 12–13).

To deal with the particularities of this situation, a well-developed settlement sector has been working with immigrants to Vancouver for more than 30 years. A number of non-profit settlement service providers, as well as neighbourhood houses dot the GVRD's landscape. These are usually community-oriented, grassroots organizations, staffed by dedicated employees and volunteers, who are often immigrants themselves. The largest and oldest of Vancouver's organizations are the Immigrant Services Society (ISS), founded in 1972, SUCCESS, established in 1973, and the Multilingual Orientation Service Association for Immigrant Communities (MOSAIC), which traces its roots to 1976. At the time of our study, the BC settlement sector's services had earned international recognition, with a number of European countries looking to the province for guidance in developing their own settlement models (BC Coalition for Immigrant Integration, 2002c).

Immigration, Settlement and Federal–Provincial Agreements

Immigration is primarily a federal responsibility, but by the 1990s, governments at all levels had recognized that a uniform national policy for immigration and settlement lacked the flexibility to address the social, economic, and political considerations at play, especially in a country marked by dramatically disparate regions and distinct communities. As a result, British Columbia and other provinces have negotiated federal–provincial immigration and settlement agreements, with different provisions for each province, premised on the assumption that provincial politicians and officials are better placed than those of the federal government to determine what is best for particular communities.

The differences among communities are dramatic. For example, in 2006, the most recent year for which Citizenship and Immigration Canada (CIC) offers a tabulation, Saint John, New Brunswick received 547 immigrants, or 0.2 per cent of the Canadian total; Winnipeg received 7,698 (3.1 per cent), and Vancouver received 367,271 (14.4 per cent) (CIC, 2006). Both Saint John and Winnipeg, for reasons particular to each community, were keen to attract more immigrants, while Vancouver was primarily concerned with the challenges of settling the very large volume of immigrants that could be counted on to arrive at one of Canada's three primary immigrant destinations (Leo and Anderson, 2006; Leo and August, 2005). As a result, while Manitoba and New

Brunswick concentrated on trying to attract immigrants, the main focus of British Columbia's immigration and settlement programs was on immigration settlement. The focus of BC policy, therefore, and of this study, was the British Columbia Settlement and Adaptation Program (BCSAP).

The findings presented in these pages are based on a careful, detailed evaluation of the implementation of the Canada–British Columbia agreement, focussing on its impact on Vancouver. Our research draws on government documents, secondary materials, and 18 in-depth, unstructured interviews with seven officials of organizations providing settlement services—three provincial, two federal and two municipal officials, most of them face to face. In evaluating the information we gathered, we treated interviews primarily as an invaluable source of background and context, because no one understands a situation better than those who have lived through it.

However, in assembling the facts—times, places, precise questions at issue—we bore in mind that the facts cited in interviews are likely to be shaded by the frailties of human memory and the reality that we are all prone to remembering things as we wish they were, not necessarily as they are. Accordingly, we looked for confirmation in documents or secondary sources of any facts gleaned from interviews. At the same time, we were mindful that neither documents nor secondary sources are infallible. The best way to get near the truth is to triangulate, to look to all three types of sources for mutual confirmation, and never to settle for less than two. This is what we did.

Drawing on material gathered using these methods we begin with a depiction of the political context and then turn to an examination of the Agreement for Canada-British Columbia Co-operation on Immigration (1998a), its implementation, and the issues that arose from it.

A New Era

In theory, a federal–provincial agreement should lead to a jointly formulated “state strategy” (Brenner, 2004), but the BC government had its own ideas about what to do with federal government immigration and settlement funds, ideas that were not readily compatible with federal government policies. The result, to paraphrase Lord Durham, was two state strategies warring within the bosom of a single policy.

One of the incompatibilities we found between conflicting state strategies carries potentially important theoretical implications. Proponents of market-oriented governance, or public choice, often claim democratic bona fides for their ideas. They argue that their policies promote democracy, both indirectly by offering more individual choice and bet-

ter “customer service,” and directly, by being more responsive to the community, and less beholden to social theories and elite agendas. Such claims were very much in evidence in the objectives the British Columbia government set for its implementation of immigration and settlement programmes.

It turned out, however, that market-oriented governance, as practised in BC during the period covered by this study, militated directly against community input. Applying methods common to public choice policy making, the provincial government defined community-based service providers as contractors. Once so defined, they were all but excluded from providing feedback to the government on the successes or failures of its policies, on the grounds that a contractor making representations to the contractee was in a conflict of interest. This could be an internal contradiction in public choice governance theory with far reaching implications, but in this article our interest is limited to pursuing its implications for multi-level governance.

The implementation of the British Columbia Settlement and Adaptation Program (BCSAP) needs to be understood in the context of the ruling Liberal Party’s so-called “New Era” and the state of the provincial economy upon which it dawned. The BC Liberals rode a wave of discontent into the legislature in May 2001, capturing all but two of the assembly’s 79 seats. Campaigning on a slogan of “hope and prosperity,” the Liberals were the beneficiaries of voter anger with the incumbent New Democratic Party.

The main plank of the Liberal platform was a wide-ranging package of income and corporate tax cuts, which, it was argued, would invigorate the economy and actually generate more tax revenue. The Liberals also declared their intention to be the “most open, accountable and democratic government in Canada” (BC Liberals, n.d.: 2). To reverse what was perceived as years of government mismanagement of the economy, the party promised to establish performance targets for all government programs and, by introducing open tendering on government contracts, to give all British Columbians “a fair chance to compete for work on taxpayer-funded projects” (3). At the same time, citizens would get a strong voice in decision making, and all-party legislative committees, in consultation with the populace, would have a “vital role” in policy making (9). With the opposition in tatters, the field was open for the new government to begin implementing its agenda.

The first order of the day was tax cuts with a price tag of \$2.1 billion (Caledon Institute of Social Policy, 2002: 1). These cuts, together with BC’s poor economic performance, produced a projected deficit of \$4.4 billion the following year and compelled the province to introduce a series of cutbacks to health, education, welfare, women’s services, and legal aid. For the period of 2002 to 2005, the province planned to shave

a full 25 per cent off every department's budget, with the exception of health and education (1).

Under the new government, therefore, the implementation of settlement services proceeded under the influence of service cuts, which reduced the accessibility of the social safety net and left immigrants more reliant on settlement service providers than ever before for assistance during their crucial first years in the country. Meanwhile, beginning in spring 2004, the community-based, non-profit, volunteer organizations that delivered settlement services were obliged to fund their activities by bidding for contracts. We return to this point below.

The Canada–BC Agreement on Immigration

Signed in May 1998, the Agreement for Canada–British Columbia Co-operation on Immigration devolved responsibility for design, administration, and delivery of settlement programming previously funded by the federal government. In the first transition year, BC would receive \$23.4 million, and then \$45.4 million in the 1999–2000 fiscal year. Beginning in the 2000–2001 fiscal year, a complex formula for settlement programming, based on a rolling three-year average of a province's percentage share of total newcomers to Canada has determined funding.

Although the province now assumed complete responsibility for most aspects of settlement, it remained obliged to provide services generally consistent with what was available in other parts of the country. Additionally, a section on accountability required the province to provide an annual report that would demonstrate that the funds were spent in a way “consistent with the shared principles agreed to by the Parties [and] spent exclusively on settlement and integration services or the design, administration and delivery of those services” (CIC, 1998a: annex B, s. 9.2). Finally, the agreement provided for “regular community involvement in identifying existing and emerging settlement and integration needs and in setting priorities for the provision of settlement and integration services” (CIC, 1998b: annex B, s. 5.2). The agreement expired in 2003, at which time it was extended for another year. In May 2004, another five-year agreement was concluded. This study evaluates the results of the first five-year term.

Between 1998, when the federal-provincial agreement was reached, and 2001, when the Liberal government replaced the NDP in British Columbia, the provincial Ministry of Multiculturalism and Immigration was responsible for immigrant settlement programming. As a result of departmental restructuring after the Liberal victory, responsibility for settlement was turned over to a branch of the Ministry

of Community, Aboriginal, and Women's Services (MCAWS), a decrease in the visibility of immigration and settlement that, as we will show, accurately reflects the new regime's priorities regarding settlement issues.

Under the new government, settlement services, which had been in the purview of the BC Settlement and Integration Program (BCSIP), were instead delivered through the BC Settlement and Adaptation Program (BCSAP). This was a significant shift. Under BSCAP, the program consisted of four streams of service:

- Information and support, including orientation services and referrals to other services.
- Community bridging services, to put immigrants in touch with volunteers in the community.
- English Language Services for Adults (ELSA), which became a bone of contention, partly because it funded language to level 3, a basic survival level of proficiency and the lowest in the country. (By comparison, Manitoba funded language training to level 8, considered to be university ready.)
- Sectoral support and delivery assistance, to work on improvement of settlement services delivery.

These four streams represented a reduction of the programming under BCSIP, which had funded a variety of additional services, including such classic targets of public choice-minded politicians as life skills education, peer support groups, counselling and community development; support services for refugee sponsors and caregivers, as well as support for volunteer development, agency co-ordination, and sectoral advocacy (British Columbia, n.d.[a]). The overall shift represented by the termination of these services was clearly articulated by the fact that the word "integration" was dropped from the program's name and replaced by "adaptation."

Settlement service providers reacted sharply. In 2002, the BC Coalition for Immigrant Integration (BCCII) was assembled from a broad spectrum of representatives in all sectors of social service to respond to a perceived lack of provincial government commitment to British Columbia's immigrants. Members of the coalition reacted unhappily to the provincial shift away from integration to adaptation, insisting that settlement is a complex process most effectively managed through a continuum of services. One declaration stated that the differentiation of "adaptation" and "integration" was "a false dichotomy" that negatively affected service and that responsive, client-centred services assisting immigrant progress along the continuum were needed (BCCII, 2002d: 1).

Issues

For many settlement service providers, the methods used and procedures followed in implementing the federal–provincial agreement raised serious issues. In this section, we look at the most important ones and consider their significance, taking into account both government and service providers' perspectives. Our account of the community viewpoint is based upon interviews with officials of non-profit settlement service agencies and umbrella organizations, as well as government officials. Most of these informants, whose opinions follow, must remain anonymous.¹

Provincial Policies

We have already made the point that, because of the provincial government's New Era reforms, immigration settlement after 2001 was implemented in an atmosphere of sharp government cutbacks. Funding issues, therefore, were a prominent source of contention. We also noted the intention of the Liberal government to be the "most open, accountable and democratic government in Canada" (BC Liberals, n.d.: 2). That claim too was up for discussion.

Two other features of provincial government policy are important for our purposes: the introduction of open tendering as a means of determining which organizations would be funded to deliver programs and the use of performance measures. The two were linked. In the government's view, competitive tendering provided an assurance of fairness, transparency, and accountability and reflected the concerns of community groups (Fung, 2004). Initiated through a request for proposals (RFP) issued by the government, the tendering process is open to a broad range of service providers in both the non-profit and for-profit sectors. In addition to ensuring fairness, the RFP is intended to address the grievances of smaller community organizations, which complained that, in the past, funding for settlement services had only been available to a charmed circle of providers with a long experience working with the government.

The desired outcomes specified in an RFP were linked to performance measures, which were intended to clarify objectives while at the same time affording contractors a measure of freedom from the need to adhere to line-by-line budget allocations by being judged instead on whether or not they met clearly defined objectives. With its emphasis on outcomes, therefore, the RFP was also intended to herald the end of provincial micro-management. Settlement agencies awarded contracts through the open tendering process gained considerable discretion in delivering services, leaving the Settlement and Multiculturalism Branch of the Ministry of Community, Aboriginal, and Women's Services free to focus pri-

marily on the outcomes of the service. This was in line with the ministry's goal of moving "from prescriptive regulation to objective-based codes and standards" (British Columbia, 2004b: 52).

That was the provincial government's view of what it was trying to accomplish in its implementation of federal-provincial resettlement policy. The differences between that and the community perspective on the same issues underline the importance of obtaining a community perspective on policy formulation and implementation, because the two views were as day and night. The relationship between the provincial government and community service providers were poisoned from the outset by funding issues that went back to the beginnings of the federal-provincial agreement. But in an evaluation of whether the provincial government's immigration and settlement policies met the criteria of deep federalism, the analytical meat is in the linkage among three other issues that separate service providers from provincial politicians and officials: the provincial government's reluctant approach to consultation with the community, its promotion of open tendering and the barriers service providers faced as they tried to advocate for settlement policies they could support.

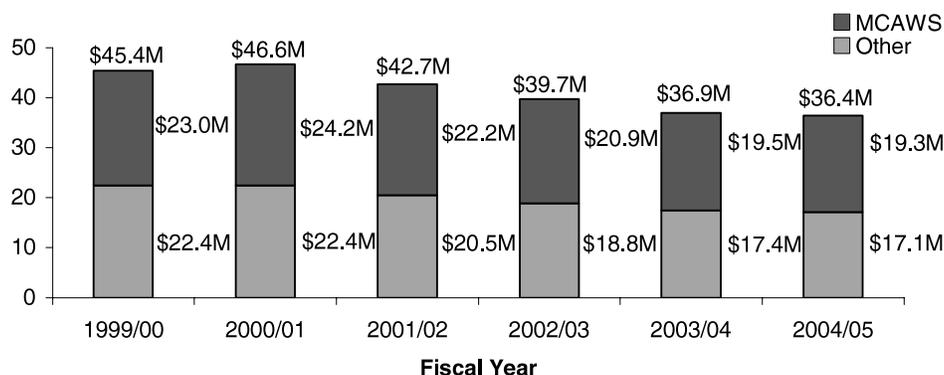
Funding

When the first federal-provincial agreement was signed in 1998, Ujjal Dosanjh, Minister of Intergovernmental Relations in the NDP government that was then in power, told the BC legislature that, of the \$45 million transferred under the agreement, \$23 million "is for the services that the federal government was providing and that we're going to be providing, and \$22 million in recognition of the services that we have been providing that the federal government should have been providing" (British Columbia Legislative Assembly, 1998). This interpretation set the pattern for allocations from then on, with the money allocated for the BCSAP each year representing only about half of the federal transfer for settlement provided for in the agreement. (British Columbia, 2004a: slide 13).

As Figure 2 shows, the money the federal government transferred to British Columbia for the delivery of settlement services ranged from \$45.4 million in fiscal 1999-2000 to \$36.4 million in fiscal 2004-2005. Drawing on that funding, the BC government allocated amounts ranging from \$23 million in 1999-2000 to \$19.3 million in 2004-2005 to MCAWS, the provincial department responsible for settlement.

The diversion of half of the settlement funds to the province's consolidated revenue fund has been a bone of contention ever since, despite the fact that the provincial government provided modest top-ups of the

FIGURE 2
Federal Settlement Funding: Distribution between MCAWS Other
Provincial Government Programs (Excluding Administration Funding)



Source: British Columbia, 2004a, slide 13.

money available for BCSAP. Service providers argued that the federal government's decision in the late 1990s to increase funding as an acknowledgment of British Columbia's high share of immigrants would have led to a doubling of funding for community groups if Ottawa and the province had not entered into an agreement on settlement services. That perceived loss of funding was more keenly felt in the wake of the Liberal government's wide-ranging tax and service cuts, which increased demand for settlement services and made settlement work more burdensome and stressful. In 2004, suspicion was growing among settlement service providers that the federal transfer money was being used to fill the hole left by tax cuts.

In response to these concerns, the province claimed to have made an effort to identify where the settlement money that went into the consolidated revenue fund was spent. In interviews, a provincial official claimed the money was used for adult English language training not covered by ELSA (Dudley, 2004; British Columbia, 2004a). However, despite considerable efforts, we were unable to document either that official's or anyone else's account of where the money went. This obvious failure to communicate regarding funding was characteristic of the tone of provincial government–community relations that we encountered in our research.

The funding issue was an ongoing irritant in relations between the provincial government and settlement service providers, affecting relations with both NDP and Liberal regimes. The other sources of discord between the government and settlement agencies, discussed below, began with the accession to power of the Liberal government.

Meaningful Consultation?

Although the funding issue had been an irritant ever since the federal–provincial agreement, other disputes dated back to the change of government in 2001, after which settlement service providers consulted for this study said that community involvement declined noticeably. Informants were almost unanimous in the view that the previous government had been considerably more responsive to community concerns and made a habit of consulting community representatives about policy. A City of Vancouver official related that the provincial NDP had regularly involved municipalities in program design. By contrast, the Liberal government was portrayed as leaving service providers out of the decision-making process and failing to inform stakeholders of its plans.

All our respondents reported that there was, at the time of our research, no direct communication between the province and service providers, other than when initiated by the province, with the exception of ELSA–Net, where the province was formally represented at the table. Even this consultation amounted to an occasional “show and tell” and was of little value, according to one service provider. Service providers had gained the impression that anyone involved in or familiar with the settlement sector would be in a conflict of interest if he or she played a role in policy development, by providing input.

Community contact with the Settlement and Multiculturalism Branch reflected this situation. Communication with representatives there was portrayed as limited and generally channelled to an individual in a position created to manage relations with the community. Provincial pronouncements and intentions were usually handled by the Public Affairs Bureau in Victoria, which subjected all information to filtering, and was obviously not an appropriate vehicle for community consultation. In preference to the maintenance of direct lines of communication with the community, the government appointed consultants to sound out settlement sector representatives. One informant said that he had spoken to a settlement consultant only once in the past three years.

Other evidence also pointed to an unresponsive provincial government. The City of Vancouver official said that, in addition to keeping the municipality in the dark regarding the province’s policy decisions and program design, the province showed little interest in municipal initiatives aimed at filling gaps left by the demise of BCSAP, the previous government’s more extensive settlement program. For example, the city, which was developing a project targeted at immigrant youth who are often the most vulnerable immigrants, invited provincial participation in the project, but received no response.

The community response to provincial examples of community participation suggested that the two parties were working at cross-purposes.

For example, settlement providers participated in the development of a client-satisfaction survey that was to serve as a tool for measuring the performance of contractors, but service providers said community input was disregarded and many suggestions were simply ignored. Significantly, the survey was paper-based, despite suggestions that focus groups would be a more effective and appropriate method for a number of cultural groups.

Service providers said formal consultations with provincial representatives only took place once a year and it was otherwise difficult to get the provincial government's attention. The province only infrequently attended meetings of the Affiliation of Multicultural Societies and Service Agencies of BC, an umbrella group, and, at the time of our study, some members had come to see little point in expressing their concerns to the provincial government.

The Open Tendering Process

Although the province represented the competitive bidding process as a way of achieving fairness, transparency, and accountability and heralded the development of the settlement services' tendering process as a model of community involvement, the apprehension of community groups tells another story. To be sure, the mood among our respondents was not one of unalterable opposition to the government's plans. There was some cautiously favourable comment about the province's intention of cutting down on micro-management and focusing on measurable outcomes. There was also favourable comment on the government's intention of offering two-year contract renewals to agencies that achieved the desired outcomes. This was seen as a possible opportunity to increase program and agency stability by allowing for longer-term planning.

But by the time of our study, the prevailing mood was strong apprehension. There were misgivings about the appropriateness of requests for proposals (RFPs) and performance measures as tools for the voluntary settlement sector, especially their ability adequately to take account of qualitative outcomes. There was concern that an emphasis on the short-term outcomes outlined as the measurement of success in RFP could impinge on the quality of service. It was feared that service providers might lose sight of immigrant needs as they become fixated with meeting targets. Some comments went beyond concern to fearfulness. One representative, voicing deep distrust, saw performance measurement and heavy reporting demands as a case of the government's use of accountability as a stick with which to beat community groups.

Fears were expressed of the effect of competitive bidding on organizations that had a long-term commitment to settlement work. Organi-

zations, such as school boards and colleges which do not deal specifically with settlement services, might win funding, and private language schools, private immigration consultants, as well as private, for-profit agencies offering services to visa students might enter the “market” for settlement services, draining money away from what was seen as real settlement work.

Representatives of smaller agencies were unconvinced by provincial claims that open tendering would be a fairer process that would allow smaller community organizations to play a greater role in settlement. Thirty of the 100 points in the RFP evaluation process were allocated to capacity to deliver services and this was the only category that required a minimum score of 18 (British Columbia, 2004c). There were worries that smaller organizations, heavily dependent on provincial funding, would not meet the capacity requirements and would lose their funding and be forced to close their doors. Settlement services would then be less accessible, as immigrants would have to travel farther to receive them. Some community organizations were responding to the perceived threat by pooling their resources and merging into single organizations in order to secure provincial funding. This too would require closings as the new organizations consolidated their resources.

Considerable concern was expressed about the amount of time that would have to be spent on the preparation of RFPs, which were said to require 100 to 200 pages of material. The RFP is highly complex and, because it is a legally binding document, it was feared that a technical error might disqualify a proposal. Once disqualified, an organization would be hard put to overcome the barriers to resumption of funding. Even the settlement organizations with the most experience and largest infrastructures found RFPs a challenge. A representative of one of them reported that staff at her agency had put all of its RFPs together themselves because it was too complicated to trust to a lawyer. Nor were the RFPs themselves the only paperwork problem perceived by our respondents. There were also doubts about claims that the RFP process would end micro-management, in view of the fact that contractors were required to submit six reports a year.

Advocacy

We have seen that many settlement service providers believed funding designated for settlement was being diverted elsewhere; felt the Liberal government was doing a poor job of communicating with service providers, and entertained serious misgivings about the appropriateness of a system of competitive bidding and performance measurement for managing a network of community-based social service providers. The prob-

lem of communication, and those associated with competitive bidding, are components of one other concern expressed by service providers: the problem of advocacy.

According to one influential social service agency head with good contacts throughout the settlement service provision community agencies were under threat of having their funding pulled for advocacy but felt threatened in a manner sufficiently vague to induce uncertainty and anxiety. For example, when asked for clarification of what constitutes advocacy, the agency head pictured provincial representatives as telling service providers that it is “any effort to influence government policy,” and if that was not clear enough, they should consult the dictionary definition. Even complaining to bureaucrats could be construed as advocacy. Service providers are left unsure as to when they were crossing the line.

The inability to advocate and the uncertainty around what constitutes advocacy, added an extra dimension to the community’s challenge of improving settlement programming. One illustration offered by a respondent was the difficulty in seeking co-ordination with other ministries such as Health Services and Human Resources, as uncontrolled contact with government departments could be considered advocacy.

The provincial government’s *Standards of Conduct for Public Service Employees* offer some support for the suggestion of a chill on dialogue between the public service and voluntary agencies under contract. To be sure, the applicable guidelines themselves seem unremarkable.

A conflict of interest occurs when an employee’s private affairs or financial interests are in conflict, or could result in a perception of conflict, with the employee’s duties or responsibilities in such a way that:

- the employee’s ability to act in the public interest could be impaired; or
- the employee’s actions or conduct could undermine or compromise the public’s confidence in the employee’s ability to discharge work responsibilities, or
- the trust that the public places in the public service. (BC Public Service Agency, 2003: 2)

The potential chill inducer is a passage that follows on the next page:

Examples of conflicts of interest include, but are not limited to, the following:

- an employee is in a situation where the employee is under obligation to a person who might benefit from or seek to gain special consideration or favour
- an employee, in the performance of official duties, gives preferential treatment to an individual, corporation or organization, including a non-profit organization, in which the employee, or a relative or friend of the employee, has an interest, financial or otherwise. (BC Public Service Agency, 2003: 3)

These guidelines deal with the behaviour of government employees, not that of service providers under contract to the government. But what they suggest is that, if there is to be communication between government employees and service providers vying for government contracts, that communication had better not result in modifications of government procedures that might provide a benefit to the service providers.

Discussion

The British Columbia government's administrative measures and the discontent they induced constitute a classic case of a collision between market-oriented ideas about governance and more statist conceptions. This conflict, a routine feature of twenty-first century governance, is frequently dealt with as a battle between two straight-line, dichotomous approaches, with the implication that the necessary outcome is triumph for one and defeat for the other. Our findings suggest that it may be more useful to suspend judgment on whether one of the titans will fall and instead to take a closer look at what happens in such a collision and see what we can learn from it.

Value of the Data

Our data have limitations, as all data do. In our case, it is important to stress that a good share of the material critical of BC government policy and implementation is based on a series of unstructured interviews, necessarily introducing an element of subjectivity. At the same time, every effort was made to avoid judgments based simply on our opinions. The argument we are making in these pages was not formulated in advance of the research. The research mandate was simply to do a critical assessment of how well the federal-provincial agreement on immigration and settlement was adapted to the specific circumstances of Vancouver. Our argument was suggested by the data, not vice versa, and the principal investigator's instruction to co-workers (and to himself) was to unearth the truth, even if it proved uninteresting. This kind of research cannot be carried out without an element of subjectivity, but every effort has been made to ensure that it was not subjectivity that determined the findings.

Another limitation of the data stems from the fact that the part of the study pertaining to the RFP process was done when the process was just getting established. Some of the problems service providers were having with the system may have corrected themselves in time.

On the other hand, since some of the service providers saw the RFP process as a threat to provision of settlement services that are responsive to community concerns, a later finding of a more harmonious environ-

ment could either mean that those concerns had been allayed, or that community-responsive settlement services had become a thing of the past. In other words, there is no time frame for such a study that will avoid all sources of bias. In the final analysis, the best we can do is to be aware of each study's potential sources of bias and take them into account in judging the findings.

Significance of Findings

Our assessment of the BC government's market-oriented approach to multi-level governance raises serious questions about its ability to meet the objectives of deep federalism. Each reader will decide for him or herself whether our findings constitute a wholesale indictment of public choice, with the implication that statist methods should be substituted, or whether it simply indicates that a one-dimensional, ideologically driven approach to community governance is likely to be unequal to the formidable challenge of deep federalism. We incline to the latter view. Whatever interpretation is placed on them, our findings suggest two points of interest.

Public Choice Bureaucracy?

A fundamental of public choice ideology, so obvious that it barely needs to be mentioned, is the belief that the introduction of market competition will reduce the burden of bureaucracy and substitute for it both competition and individual freedom. Another shibboleth for many neo-liberals is volunteerism. Conservative politicians are fond of extolling the value of volunteer community work as an antidote to the heavy hand of the state (Kuypers et al., 2003). What then are we to make of the fact that the introduction of market competition to settlement services in British Columbia left members of a voluntary sector that was widely acknowledged to be effective and well organized complaining of the procedural burdens that accompanied the RFP process?

The burdens in question, the reader will remember, included both the 100–200 pages of intricate paperwork required for a proposal and the frequent reports demanded of organizations that had won contracts. If it proves true in more cases than this one that the introduction of market competition to the volunteer sector leaves volunteers struggling with bureaucratic requirements that are much more severe than those they experienced under the supposedly heavy hand of the welfare state, opponents of public choice have an ideological weapon within their grasp that they have not been using, and public choice advocates themselves have some hard questions to confront.

For our purposes, however, the salient point is that the imposition of an ideologically driven approach to multi-level governance posed serious problems, and strongly suggested that a more flexible approach would have been more successful in addressing the complex particularities of immigration settlement in Vancouver.

Openness and Accountability

We noted earlier that when the Liberal government took power in British Columbia, it declared its intention to be the “most open, accountable and democratic government in Canada” (BC Liberals, n.d.: 2). Open tendering was seen as a means to that end because it would give all British Columbians “a fair chance to compete for work on taxpayer-funded projects” (3). This line of argument is characteristic of the claims of public choice advocates that their policies promote democracy, both indirectly by offering more individual choice and better “customer service,” and directly, by being more responsive to the community, and less beholden to social theories and elite agendas.

However, if we are to believe service providers who dealt with the government after its accession to power, the reality was very different. Respondent after respondent drew unfavourable contrasts between the Liberal government’s failure to communicate as well as its alleged unresponsiveness and the previous government’s more approachable stance. In itself, that may or may not have anything to do with the realities of market-oriented governance. Governments of any stripe may prove inaccessible.

But service providers also complained of another problem related to the government’s responsiveness. The government, it was alleged, took the position that communications between a contractor, or prospective contractor, and the department awarding the contract, constituted a potential conflict of interest, thus putting a barrier in the way of making representations to government about problems that might be arising in the process of policy implementation. This allegation, if accurate, potentially raises more fundamental questions.

It does seem that there is a problem here. A contract, by definition, involves profit, especially if bidding for it is open to both public and private sector organizations. Profit is irreducibly a personal matter. The head of an agency that is funded by government in what used to be the conventional manner—funding an agency’s activities, rather than contracting for specific services—can make representations on behalf of her agency and claim, with some credibility, that the concessions she seeks are unrelated to her personal interests. Such a claim would be much more questionable, however, if her relationship with the government were that of a contractor.

The question we face, therefore, is this: Is it possible, in a contracting relationship, to engage in the kinds of consultations between government and service providers that have long been considered essential to intelligent policy making and effective implementation? Does the contracting-out of social services provided by community organizations pose a fundamental challenge to conventional notions of democratic responsiveness? This is another potential weapon in the hands of opponents of public choice, as well as a serious question for public choice advocates to ponder.

Ideology and Community-Oriented Governance

It was not our intention when we undertook to assess respect for community difference in national policy to engage in a war of words over public choice or any other ideology, but our analysis inexorably led us down that path. Our conclusion, however, is not a wholesale condemnation of market-oriented governance. Wider experience suggests that markets do some things well and others badly, and that the same is true of the state. The sooner we abandon straight-line, one-dimensional, ideologically driven governance of whatever stripe, the sooner we will be able to enter a serious dialogue about good governance in general, and effective, sensitive multi-level governance in particular.

With regard to the specifics of settlement services in British Columbia, if the government's aim was to improve the fairness and objectivity of the process of dispersing settlement funds, it is at least imaginable that that could have been achieved short of bringing the sledgehammer of a full-dress and necessarily highly bureaucratic tendering and program evaluation process down on community organizations. It is always possible, for example, to provide avenues of appeal for agencies that may have been unfairly treated in funding decisions.

By the same token, it seems unlikely that genuine responsiveness to the subtle particularities of community problems can be achieved without personal relations and informal communications. We are most likely to achieve effective multi-level governance, and deep federalism, if, as Blatter suggested, "we get beyond simple dichotomies" (2004: 546), divest ourselves of our ideological baggage, and use whatever tools are available to meet complex policy challenges.

Note

- 1 Much of the information we obtained from interviews entailed an obligation on our part not to reveal the identities of our informants. Even where anonymity was not requested, we refrained from using names in any cases where we judged that interviewees might suffer repercussions if their comments were revealed publicly. We have

notes of the interviews, embodying careful summaries of what was learned from each interview, and they can be made available with identifiers removed.

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