The Canadian Distinctiveness into the XXIst Century - La distinction canadienne au tournant du XXIe siècle

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Toward a Baroque Governance in Twenty-first Century Canada

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Our natural mode is therefore not compromise but 'irony' – the inescapable response to the presence and pressures of opposites in tension. Irony is the key to our identity.

Malcolm Ross (1954)

Canada must meet the test of living with three fundamental challenges of twenty-first century society: complexity, new forms of collaboration, and citizen engagement. The new information and communication technologies, and the greater connectedness they have generated, constitute only one of the families of forces – albeit an important one – that has increased the level of relevant complexity, uncertainty, and turbulence in the Canadian system. Over the last thirty years, Canada has also become, partly by design and partly due to circumstances, dramatically more demographically variegated, culturally diverse, socially diversified, and politically complicated. Canada has also evolved into a country of citizens who are better informed and better able to express their dissent; better equipped to assert their multiple identities and to demand participation in governing their affairs. As a result, the co-ordination problems that Canada has confronted and has had to resolve have become increasingly daunting.

This quantum of additional variety and complexity has been denied or downplayed significantly by ideologues from the left and the right – ces terribles simplificateurs whose purpose is to propose a flat-earth view of reality in order to rationalize the choice of "the solution"

* The assistance of Anne Burgess and Danna Campbell and the comments of Robin Higham have been most helpful.
(more state intervention, lower taxes, etc.) they are propounding. These calls by solutionists for univocal responses, whether the solution is meant to rely on the powers of the invisible hand of the market or of the hidden – or hiding – hand of government, have only compounded the difficulties.

Fortunately, ordinary Canadians have been more pragmatic. Acknowledging the greater variety in the environment as *incontournable*, they have built on this premise a more pluralistic set of reactions better able to deal with that diversity. In other words, they have embraced the old Ashby law of requisite variety (Ashby 1970). Such an approach has required more of a bottom-up, muddling-through, distributed, and collaborative governance – one based on the more or less successful efforts of co-ordinating a large number of actors and participants – in lieu of the simple top-down, hierarchical process of governing that was in good currency in earlier and less complex times.

This paper proceeds through four stages. Firstly, it defines Canadian distinctiveness as *habitus* characterized by irony and *bricolage*. Secondly, it explains why Canada has been rather slow in adapting its governance to cope with the challenges of its disconcerted, learning socio-economy. Thirdly, it suggests that repairs for the many different forms of disconcertion here noted require a more vibrant *bricolage communautaire* – dealing with disconcertion differently from place to place, using different assets, skills, and capabilities, and doing so in a low key. Fourthly, it illustrates, through vignettes of what is happening on three construction sites, how the Canadian governance system of the twenty-first century is evolving.

**From Bonding to Loose Intermediation**

While much has been written about the decline of social cohesion and the transformation of Canadian sociality over the last few decades (Helliwell 1996; Paquet 1996, 1997a, 1998), most of it has been couched in terms of the erosion of the old social capital bonding, once so good at undergirding reciprocity and mobilizing solidarity (Coleman 1988; Putnam 2000). This erosion of the superglue of family, church, community, hierarchies, etc., can be ascribed to the fact that these institutions were not nimble enough to fit the requirements of the new, knowledge-based learning economy. Much less work has been done, however, on what would appear to be required to construct a new
sociality, one based on much weaker ties and more loosely-coupled networks (Granovetter 1973; Paquet 1999a).

In Canada, the transition from bonding to loose coupling has been less smooth and rapid than it should have been because of a significant resistance to this sort of *virage* by a portion of the federal elites. This has led to the mounting of a vigorous counter-argument in favour of "bridging social capital" – the need to maintain a fairly high degree of centralization in order to bolster redistribution and thereby save the country from falling apart. This has been presented as "the Canadian way" (Paquet 1995a; Chrétien 2000).

Fueling this rear-guard action has been the degree of diffraction of Canadian society, generated by its greater complexity and heterogeneity and the demand for greater citizen participation. It was wrongly presumed by Pierre Elliott Trudeau (among other leaders in Canada) that a response to these challenges could be found in overarching principles, abstract norms, or grand designs and narratives. One of the most prominent of these intellectual devices has been the focus on human rights and the judiciarization of governance via charters, courts, commissions, etc. This has acted as an extraordinary support for a more centralized and hierarchical system. Such schemes, however are most often intellectually disingenuous, practically unhelpful, and perhaps even dangerous for democracy.

More recently, attempts have been made in Canada to hide such centralizing schemes behind efforts at 'branding' Canada – a language falling halfway between the lingoes of business and rodeo – or efforts at creating new devices aimed at 'bridging' divisions. These novel ways of redistributing income and wealth across regions, social groups, and organizations seek to equalize their circumstances and thereby reduce social tensions and envy. Many people involved in public discourse now even declare these redistributive schemes to be the social cement that binds Canadians and constitutes their "distinctiveness."

But distinctiveness is a matter neither of branding nor bridging. Distinctiveness connotes a dynamic *habitus* or *manière d'être* whereas branding refers to static 'markers' and 'identifiers.' As for the seemingly innocuous language of bridging "across big divisions in a society" or "across what are potentially big fractures in a society between rich and poor, between language groups,” – the language used by the Senate Standing Committee on Social Affairs, Science, and Technology (Canada 1999) – this is an equally misleading way of trivializing a *manière d'être* by reducing it to fiscal plumbing.
Bonding, with its exclusiveness, is an echo of the traditional society; it does not fit the realities of modern Canada. Nor does bridging, with its emphasis on mechanical, redistributive schemes. Though circumstances would appear to call for looser and more temporary coupling — cohabitation avec commutation (i.e., a system in which anyone can claim or deny attachment) — these weak ties can nonetheless provide much strength (Granovetter 1973; Guillaume 1999; Putnam 2000). This last statement is the paradoxical result of a number of reflections on Canadian perplexities generated by Canada’s experience in creating a new “multiculture” (Paquet 1999d: chap. 7; Iyer 2000: Part 4).

Fortunately, these subtleties have not been lost on Canadian citizens. Their response qua citizens — both to the new circumstances and to the ‘magnificent’ efforts to deal with them grandiosely — has been much irony vis-à-vis grand schemes and a plea for bricolage, first and foremost to effect the needed repair to the institutional order.

The drift from bonding to loose intermediation has, however, been slowed down by various efforts to impose either-or choices on Canadians when the new realities confronting them called for choices of the ‘more-or-less’ variety — less centralization, more subsidiarity in the name of efficiency, etc. The drift has also been slowed by redistributive bridging schemes when better insurance schemes were required to facilitate risk-taking and to ease transition in a high-risk society. As a result, Canadians have, over the last decades, defined their distinctiveness almost despite their leaders. In fact, they have been quite effective at it. It is worthy of note that this distinctiveness as habitus has been characterized by expressions such as “a passion for bronze” (Valaskakis 1990) or “slow adrenaline” (Iyer 2000).

At times, the rejection of grand schemes by the majority of Canadians has been deplored as occasions manquées. But Canadians, with their hefty dose of tolerance and apathy, are ironistes, “never quite able to take themselves seriously because [they are] always aware that the terms in which they describe themselves are subject to change,” and they spend much time worrying about the possibility of having been initiated into the wrong tribe and taught to play the wrong language game (Rorty 1989:73-75). Thus Canadians prefer understatement, irony, and self-mockery in their rhetoric and they most certainly resist being “branded” like cattle or “bridged” in a crippling way in the face of liquid modernity (Bauman 2000). They also prefer to practise a sort of pragmatism and ad hoc bricolage and to gamble on a combination of plural, partial, and limited identities, even
though this often actually increases the distances between groups of Canadians. This, then, is the Canadian distinctiveness.

Malcolm Ross put it very aptly almost fifty years ago when he said that “we are inescapably, and almost from the first ... the people of the second thought. To remain a people at all, we have had to think before we speak, even to think before we think. Our characteristic prudence is ... this necessity for taking second thought” (Ross 1954, ix). In 2000, an outside observer (Iyer 2000) has come to almost the same conclusion, using almost the same words.

This pragmatic liberalism, couched in a prudent pluralistic and ironic language, has often led to discourses that are difficult for outsiders to decode and understand. Canadians will often pretend ignorance and a willingness to learn from others for the sake of making the others’ errors conspicuous through adroit questioning. They will even slide into a manner of discourse in which what is literally said is meant to express its opposite.

Canada as a Disconcerted Learning Socio-economy

The transition from an industrial age to a knowledge-based economy of the last few decades has revealed a separation between the world of physical objects and the world of ideas. These two worlds live according to quite different rules. The world of physical objects, characterized by scarcity and diminishing returns, focuses mainly on allocative efficiency in a static world. The world of ideas is essentially scarcity-free, inhabited by increasing returns, and focused on Schumpeterian efficiency — i.e. the discontinuities in the knowledge base over time and in the dynamic learning ability of the new evolving arrangements these entail (Boisot 1995). Canada is still deeply-rooted in the old economy; it is, however, shifting more and more toward a world dominated by the logic of the new learning economy.

The Learning Socio-economy

In the new economy, individuals, firms, regions, and national economies seeking success have come to depend upon their capacity to learn to a much greater extent than ever before. In such a context, responsive or passive flexibility cannot suffice. What is required is innovative flexibility — learning and not simply adapting (Killick 1995).
The emergence of the learning economy has transformed both the division of labour in Canada and the Canadian social fabric. In the industrial world a technical division of labour based on hyper-specialization was efficient; such *travail en miettes* did not promote learning. In order for learning to proceed, one must build on conversations, communities of interpretation, and communities of practice. Specialization must proceed to a greater extent on the basis of *craft* or competencies. To effect this requires a cognitive division of labour (Moati et Mouhoud 1994) – a division of labour based on learning blocks (innovation systems, skill-based production fragments, etc.) – that entails a very different mode of co-ordination.

In the old system, co-ordination meant standardization and economic integration was a way to effect standardization. As a result, hierarchical co-ordination prospered. But in the new system, where the challenge is to harmonize the capacity to learn and to progress together, the organization (private, public, or civic) must focus on its core competencies, consciously recognizing that it operates in an ecosystem and must mobilize its community of allies (Moore 1996).

The challenge to foster collective learning calls for the development among all the stakeholders of a much more horizontal, looser co-ordination. And since relationships with stakeholders (suppliers, customers, partners, etc.) cannot be built on simple market relations (because these may not promote efficient co-learning), *networks of relational exchanges* have emerged. In such arrangements, long-term relations based on trust are negotiated. Forms of co-operation that would never have otherwise materialized evolve as a result of the emerging, important, positive feedback and self-reinforcing mechanisms – each generated by external economies or neighbourhood effects – and learning curves yielding increasing returns (Goldberg 1989).

These dynamic processes, involving the interrelationships of groups of actors, generate a variety of *conventions of identity and participation* among these different agents. Proximity (in the different senses of that word – spatial, technological, social, etc.) plays a not insignificant role in the learning process. Co-learning entails co-evolution in an ecosystem that evolves by finding ways to “charter” cross-functional teams from which no important power players are left out and, if feasible, in which “all major players have some stake in the success of the strategy” (Moore 1998:177; Arthur 1994; Krugman 1996; Durlauf 1998).

Such are the trends as Canada drifts into the twenty-first century.
Slouching Toward the Learning Economy

These challenges facing Canada are well known. Yet little in the present structure and functioning of the Canadian economy, be it in the private, public, or civic sectors, would appear to indicate that Canada is progressing as well as it might in this transition.

As a matter of fact, while Canada does score well in terms of certain indicators in international comparisons, when other indicators are used (gross domestic product per capita, Tobin's measure of economic welfare, the so-called Genuine Progress Indicator, or Fordham's index of social health), Canada's relative performance seems to be deteriorating (Paquet 1997b). This deterioration is also reflected in the relative measures of productivity growth, in the coefficient of attraction of foreign capital by Canada, and so on.

One broad hypothesis has been suggested to explain the loss of ground by the Canadian political socio-economy: the general failure of the Canadian system not only to adjust its governance to the new requirements of the learning economy but also to abandon its antiquated, hierarchical, and confrontational governance structures. According to this diagnosis, the Canadian socio-economy is suffering from disconcernion. That is, there is a disconnection between its governance and its circumstances (Baumard 1996) which, because it has not been noticed, has not been repaired. Indeed, as R.D. Laing would have put it, Canadians have failed to notice that they have failed to notice this discrepancy.

Many observers have noted that the Canadian socio-economy remains marred by important cleavages and torn by adversarial systems (federal-provincial, public-private, labour-management, small firm against small firm, etc.) that have prevented it from developing into an effective learning economy (Valaskakis 1990). Indeed, the major conclusion of a recent study by the Public Policy Forum is that the most important source of Canada's relatively lacklustre performance on the productivity front is the lack of a culture of co-operation, especially between government and business (Public Policy Forum 1993). Burelle (1995) has shown clearly that the federal-provincial quagmire is not far behind as the major source of friction that prevents the development of an effective co-ordination/governance system.
States as Catalysts

Some have argued, quite rightly, that tension and disconcertion may not be all bad. They can serve as a fount of novelty and a source of enhanced learning. Indeed, heterogeneity and somewhat weaker interpersonal ties – less groupthink – may yield more innovation than a very homogeneous order. But excessively confrontational patterns of interaction do slow down learning. Thus, the central challenge is ensuring the requisite flexibility of the institutional system so as to bring “the skills, experience and knowledge of different people, organizations and government agencies together, and get them to interact in new ways” (Johnson 1992:43). But this requires an important social capital of trust. In Canada, the social capital needed for such co-operation is eroding.

The World Values Surveys provides a very rough gauge of the evolution, over the past few decades, of the degree of interpersonal trust and associative behaviour. Despite the jelly-like character of the available data, some important trends have emerged:

1) the degree of confidence and trust in one’s neighbours has remained higher in Canada than in the United States;
2) a significant erosion of social capital has occurred in the United States;
3) the gap between the two countries has declined, meaning a more rapid decline in Canada than in the United States; and
4) the decline of trust and associative behaviour has been even more rapid in French Canada than in the rest of Canada over the post-Quiet Revolution period (Paquet 1996, 1997a; Helliwell 1996).

Given this significant, relative erosion of the social capital of trust in Canada (and even more in Québec), one should not be surprised by the failure of various initiatives, à la Gérald Tremblay, to stimulate networks or industrial clusters in Québec. The requisite social glue was not there and there is little evidence that public policies have been at work to develop the requisite new type of social capital that would allow learning networks to thrive (Paquet 1999a).

The state has to rethink its action in the learning economy. As Dalum et al. suggest (1992), this means intervening to improve the means to learn (education and training systems), the incentive to learn (government programs supporting co-operation projects and net-
works), the capability to learn (promoting organizations supporting interactive learning – more decentralized organizations), the access to relevant knowledge (through relationships between agents and sources of knowledge, both through infrastructure and mediating structures), and lastly, fostering the requisite amount of remembering and forgetting (acting to preserve competencies and capabilities but also helping groups to move ahead and to let go of older ways). This, in turn, requires a well-aligned nexus of relations, networks, and regimes.

States can be important catalysts in constructing the new “loose intermediation” social capital in several ways, such as improving relationships here, fostering networks there, and developing more or less encompassing formal or informal regimes in other places. This is the central role of what some have called the catalytic state or the resurgent state (Lind 1992; Drezner 1998). Currently, this catalytic action is not too vibrant. Canadian governments appear to remain characterized both by a certain centralizing mindset and by a chronic neglect of governance issues (Paquet 1995a; Canada 2000). This does not mean that the Canadian governance system is not evolving nor that it is not inventing innovative ways to meet the present challenges (Paquet 1999b). But fiscal imperatives do seem to have mesmerized our governments to such an extent in the last decade that those in a position to act as a catalyst have missed key opportunities (program review, for instance) to effect the sort of repairs to the governance system that might have gone a long way toward providing the Canadian political socio-economy with the non-centralized guidance regime it requires (Paquet and Roy 1995; Paquet and Shepherd 1996).

If one had to characterize Canada retroactively, one might describe it as: 1) a disconcerted socio-economy caught in a tectonic transition between an old, somewhat centralized, political economy and a new, somewhat more decentralized and subsidiarity-driven one, and 2) experiencing a relative lull in its socio-economic performance and a mild form of midlife identity crisis. Moreover, in the face of these circumstances, Canadians are perplexed yet believe not only that 1) there is no simple fix to their predicament and, 2) their “passion for bronze” (Valaskakis 1990) – in other words their belief that le mieux est l'ennemi du bien – may not be such a bad thing after all.
New Capabilities and Bricolage Communautaire

There are times when the evolution of the institutional order is such that one can really speak of a change of kind and not simply a change of degree. Such a tectonic but silent change has been under way in Canada over the last few decades (Paquet 1999c). To cope with an ever more turbulent global environment, Canadian organizations have had to evolve and to learn to use their environment more and more strategically, in much the same way that the real surfer catches the big wave.

Managers in the private, public, and civic sectors have had to exploit not only favourable environmental circumstances but also the full complement of imagination and resourcefulness of each team player. They had to become team leaders of a variety of task force-type projects, quasi-entrepreneurs capable of cautious suboptimizing in the face of turbulent environments (Paquet 1996-7, 1998, 1999d). This dual sort of challenge has pressed public, private, and civic organizations to design lighter, more horizontal, and modular structures, to create networks and informal clanlike rapportS, and to develop new rules for the game. In general, this has generated some pressure for non-centralization, for an expropriation of the power to steer that was once held by the top managers.

Distributed Governance

As globalization proceeds, international economic integration increases and the component parts of the system become more numerous, the central driving force is the pressure to organize for faster learning and more innovation, and this occurs when the actors, confronted with different local realities, are empowered to take decisions on the spot. In this way, international integration has led to some erosion of the relevance of the nation-state – globalization has led to localization of decision-making, to the dispersion of power, and to a more distributed governance process.

These new, modularized organizations cannot impose their views on their clients or members. Indeed, there has been a significant decline in deference to authority in all sectors. To compete effectively, firms, in much the same way as state or civic organizations, must consult: they are moving toward a greater use of the distributed intelligence and ingenuity of their members. A good example is Linux. The strategic organization is becoming a broker, an animateur; and, in this network, a consultative and participative mode obtains among firms,
states, and communities. The reason for this is that the best learning experience appears to be effected through flexible, intersectoral teams, woven by moral contracts and reciprocal obligations negotiated in the context of evolving partnerships (Paquet 1992, 1994a, 1995b, 1996-7, 1997c).

This entails a major qualitative change. It introduces the network paradigm within the governance process (Cook and Morgan 1993; Castells 1996, 1997, 1998). This paradigm not only dominates the transactions of the civic sector, but permeates the operations of both the state and market sectors. The network is not, as is usually assumed, a mixed form of organization existing halfway along a continuum ranging from market to hierarchy. Rather, it is a generic name for a third type of arrangement, built on very different integrating mechanisms: networks are consensus/inducement-oriented organizations and institutions (Kumon 1992; Amin and Thrift 1995; Acs, de la Mothe, and Paquet 1996).

Three Learning Capabilities: Relations, Networks, Regimes

In the best of all possible worlds, learning relationships, networks, and regimes would materialize organically as a response to the need for nimbleness in the face of accelerating change, and would become a new form of co-ordination capable of promoting and fostering effective learning in a society of flows, where commutation is omnipresent. Moreover, in such a world, when linkages among actors can be modified and interrupted at any time, culture would become an important bond that would make these networks and regimes operative and effective at collective learning.

Culture refers to those unwritten values and principles that generate a relatively high level of co-ordination, at low cost, by bestowing identity and membership through stories of flexible generality about events of practice that act as repositories of accumulated wisdom. The evolution of these stories constitutes collective learning: a way to interpret conflicting and often confusing data and serves as a social construction of a community.

De Geus uses an analogy from evolutionary biology both to explain the foundations and different stages of such collective learning and to identify the loci for action in correcting learning failures. He addresses the ability of individuals to move around and to be exposed to different challenges (new relations), the capacity of individuals to invent new
ways to cope creatively in the face of new circumstances (new networks), and the process of communicating these new ways from the individual to the entire community (new regimes) (de Geus 1997).

First, as noted earlier, a certain heterogeneity is an important source of learning since a community composed of identical individuals with similar histories or experiences is less likely to extract much new insight from a given environment. However, there must be a sufficient degree of trust to sustain learning. This in turn requires a ‘cultural’ basis of differences that members recognize and share (Drummond 1981-82). The cultural basis of heterogeneity and trust, the mastery of weak ties (i.e., the capacity to build strong relations on weak ties) – these are all obviously dimensions that can be nurtured and represent a critical capability (Laurent and Paquet 1998).

Second, learning is not about the transmission of abstract knowledge from one person’s head to another’s. It is about the “embodied ability to behave as community members.” It is fostered by contacts with the outside, by facilitating access to and membership in the community of practice. Trust is at the core of the fabric of such networks and communities of practice that transform “labourers into members,” an employment contract into a membership contract (Handy 1995).

Third, belonging is one of the most powerful agents of mobilization. Therefore, what is required is an important “moral” component to the new membership contract, to make it less contractual and more relational. This new refurbished moral contract is “a network of civic engagement ... which can serve as a cultural template for future collaboration ... and broaden the participants’ sense of self ... enhancing the participants’ ‘taste’ for collective benefits” (Putnam 1995). These loose arrangements, or regimes, require a certain degree of interaction and proximity; both of these are important features of the learning process.

Relations, networks, and regimes constitute layers of capability in the process of governance. They evolve as the Canadian socio-economy is transubstantiated. But many observers believe that this is happening neither fast enough nor in a sufficiently integrated way: the process is evolving lentement et par morceau. As a result, the emerging governance process resembles a patchwork quilt, becoming evermore complex as the environment evolves from placid (Type 1) to turbulent (Type 4) (Emery and Trist 1965).

In our new high-risk and turbulent environment, strategic, hierarchical management is no longer sufficient. We need to develop capacities for collaborative action in managing large scale reorganiza-
tions and structural changes at the macro level. The ground is in motion; acting independently may not only compromise effectiveness but may even make things worse and amplify disintegrative tendencies. What is required is collective action by dissimilar organizations whose fates are, basically, positively correlated. This requires trust-enhancing mechanisms such as stronger relationships, networks, and regimes.

Metcalfe (1998:28) has synthesized these sorts of predicaments and the challenges underpinning them, in a catastrophe theory type graph depicting the major aspects of the issue in three dimensions: the degree of complexity of the environment, the quality of management/governance capacities, and the level of governance effectiveness. He shows that as complexity increases (from Type 3 to 4), management capacities must improve to avoid the disintegration of the system. If these capacities already exist, they must be brought into use; if they do not exist, they must be developed. If they do not exist and no development effort is made, or if the capacity-building is inadequate, disintegration ensues.

Deficits on the Capabilities Front

The decline of trust and the erosion of social capital are easy to document. So too is the weakening pattern of networks that defines the old Canada, as well as the consequent relative unhelpfulness of the governance structures. This situation has not been improved by the Canadian tradition of self-doubt which is so difficult to shake off.

And yet, as Jan Morris would put it (quoted in Iyer 2000:122), while Toronto is “a capital of the unabsolute,” it is also an extraordinary, successful experiment in multiculturalism and one of the most peaceful cities of its size in North America. Organically, Canada appears to be able to distill a way of life capable of accommodating this growing diversity and to do it somewhat unconsciously. This does not necessarily provide the basis for a satisfactory strategy for improvement in other realms; it simply indicates a general direction for action. The only apparently desirable approach then, is to encourage Canadians to use those local processes as catalysts to improve the situation on all three fronts: trust relations, networks, and regimes.

On the civil society front, repairs are needed to help to generate new forms of loose solidarity at the very time that diversity is growing exponentially and shared values appear to have diminished. Boutique
multiculturalism and the reliance on symbolic recognition devices do not appear to be satisfactory strategies (Fish 1999). Nevertheless, since Canadians are hypersensitive to any form of intolerance, such new weak ties cannot be constructed on a basis of a retribalization that carries with it any sort of exclusion.

On the political front, we in Canada now live in a world of plural, limited, and partial identities in which multiple citizenships are common currency. A rethinking of the notion of citizenship is necessary to accommodate these new realities (Paquet 1989, 1994b). We must also reconsider the existing political structures and modify them to permit a greater decentralization in order to provide maximum leverage for the strategic/catalytic state (Lind 1992; Paquet 1996-97).

On the economic front, the development of a stronger basis for stakeholder capitalism and the transformation of the property-rights regime is needed. That will require a shift from the absolute property rights doctrine of the English-speaking legal tradition, wherein shareholders own absolutely all the enterprise, and the formality of market contracting, toward a pluralistic and more encompassing view of property rights and a greater reliance on relational, trust-based, and moral contracts (Paquet and Roy 2000).

**Assets, Skills, and Styles behind These Capabilities**

To ascertain what might be required to improve the present situation in the private, public, and civic sectors, one must look behind these capabilities, probing into the assets, skills, and styles of co-ordination that currently underpin governance capabilities and shape the Canadian *habitus*.

First, in order to create and maintain these capabilities (relationships, networks, and regimes), there are certain requirements. These include a mix of 1) rights and authorities enshrined in rules; 2) resources (i.e., an array of assets such as money, time, information, and facilities made available both to individuals and institutions; 3) competencies and knowledge (i.e., education, training, experience, and expertise) and 4) organizational capital (i.e., the capacity to mobilize attention and to make effective use of the first three types of resources) (March and Olsen 1995).

Second, Spinosa, Flores, and Dreyfus (1997) have shown that the engines of entrepreneurship (private sector), democratic action (public sphere), and cultivation of solidarity (civil society) are quite similar. They are based on a particular skill that Spinosa, et al. call "history-
making.” that can be decomposed into three sub-skills: 1) acts of articulation – attempts at définition de situation or new ways to make sense of the situation; 2) acts of cross-appropriation – to bring new practices into a context that would not naturally generate them; and 3) acts of reconfiguration – to reframe the whole perception of the way of life. Such individual actions are necessary but insufficient – either to generate new capabilities or to trigger the required bricolage in the different worlds. As Putnam (2000) puts it, the renewal of the stock of social capital (relationships, networks, and regimes) is a task that requires the mobilization of communities. This in turn means that we must be able to ensure that these actions resonate with communities of interpretation and practice – what Spinosa et al. call “worlds.”

Third, there is no way one can hope to transform these ‘worlds’ (in the private, public, and civic spheres) unless one can first disclose these ‘worlds’ (in the sense we use when we speak of the ‘world of business’ or the ‘world of medicine’). By ‘world,’ we mean a “totality of interrelated pieces of equipment, each used to carry out a specific task, such as hammering a nail. These tasks are undertaken to achieve certain purposes, such as building a house. This activity enables those performing it to have identities, such as being a carpenter.” Finally, one may refer to the way in which this world is organized and coordinated as its style (Spinosa et al. 1997:17-19).

Articulation, cross-appropriation, and reconfiguration constitute kinds of style changes (making explicit what was implicit or lost, gaining wider horizons, reframing). In a turbulent environment, the styles of the different worlds are modified as are also the very nature of the equipment, tasks, and identities. This transforms not only the organizational capital but also the rest of the asset base of the system, stimulating a different degree of re-articulation and reconfiguration and enriching the possibilities of cross-appropriation.

The distinctiveness of the Canadian system is this ensemble of components: the way the Canadian system adopts certain patterns of assets and skills, distills capabilities, and constitutes its particular sort of world.

This dynamic has been synthesized in the graph below. It depicts the Canadian political socio-economy as an ‘instituted process,’ characterized by a particular amalgam of assets, adroitly used and enriched by political, economic, and civic entrepreneurs, through skillful articulation, cross-appropriation, and reframing activities. These are then woven into a fabric of relations, networks, and regimes defining the distinctive habitus of Canada as a complex adaptive system.
Such a complex world is disclosed by the examination of its equipment, tasks, and identities, which are organized and co-ordinated in a particular way with a particular style. Modification of the structure of assets, skills, and capabilities is echoed in a transformation of the Canadian world; such a transformation exerts a reverse impact on the pattern of assets, skills, and capabilities.

It is quite tempting to highlight one dimension or aspect of this nexus of forces and to suggest that it has a defining impact on the whole structure. Many commentators have elevated certain patterns of rights to this role; others have suggested that the whole system revolves around certain identities. In fact, this misses the central point: that this broad ranging canvas has an overall dynamic, the sort of dynamic that underpins all social systems. In the words of Donald Schöen, a social system "contains structure, technology and theory. The structure is the set of roles and relations among individual members. The theory consists of the views held within the social system about its purposes, its operations, its environment, and its future. Both reflect, and in turn influence, the prevailing technology of the system. These dimensions all hang together, so that any change in one produces change in the others" (Schöen 1971).
What defines the "Canadian way" is the transversal manner in which these assets, skills, and capabilities are integrated into a social technology; how they constitute an interpretative scheme and a stylization of the world; and how they translate into co-ordinating governance structures and schemes of intervention. Such schemes are inspired by a root framework, but take different forms *hic et nunc*, because the circumstances call for *ad hoc* action. Indeed, as was mentioned earlier, this is the very nature of the Canadian style.

One may observe the "Canadian way" at work in various spheres — in key cauldrons where Canadian distinctiveness is being shaped (schools, workplaces, cities, arts and culture, politics and government, etc.). Each of these loci is a laboratory in which Canada has tackled, with greater or lesser success, the challenges of complexity, collaboration, and citizen engagement in designing an ensemble of assets, skills, and capabilities that gives shape to the Canadian *habitus*.

While no such local vignettes can pretend to exhaust the Canadian distinctiveness, they may act as powerful *révélateurs* not only of the nature of this distinctly Canadian *manière de voir et de faire* but also of some features of this distinctiveness that may be *en émergence*. Such illustrations are useful in understanding the ways in which the Canadian style may serve the country less effectively than it should and in disclosing where catalytic action might be required as a matter of priority.

But what may be most fundamental to the characterization of the Canadian style is the notion that Canada is the "capital of the unabsolute;" that Canadians are uncomfortable with any form of distinctiveness that excludes. This, in turn, generates a phenomenal degree of tolerance for diversity, and a robust rejection of any form of *embrigadement* that binds.

In certain circumstances, aloofness may become complacency, irony may lead to denial, tolerance to diffraction, openness to the erosion of the differences between the outside and the inside, and political correctness to greater social distance between groups. This particular *manière de voir et d'être* is not without a dark side that has sometimes been exploited by shrewd manipulators to manufacture denial and complacency.
Three Problematic Cauldrons

Three loci have been chosen to illustrate this Canadian distinctiveness en acte: workplace and enterprise, education and health, and the national multilogue about patriotism and social cohesion.

Workplace and Enterprise

Lately, Canada’s productivity growth has been relatively lacklustre. This is linked to co-ordination failures in the workplace and enterprise and to a lack of effective co-ordination among the different sectors (private, public, and civic). Yet there is a systematic denial of the seriousness of this situation. Moreover, feats of analytics attempt to demonstrate that, despite the stagnation of the material standard of living of Canadians, everything is all right with our total well-being.

Canadians have an uncanny capacity to occlude their macro-organizational problems. John Porter (1965) had considerable difficulty in persuading the equality-conscious Canadian population of the 1960s that Canada was a vertical mosaic of classes and elites. In the same way, in the face of ample evidence, Canadians currently are in denial that the Canadian governance apparatus is marred by hierarchy and confrontations. They also do not see that this situation translates into a relative lag in adopting new technologies, an immense lag in the productivity of our service sector, and a certain slowness in its capacity to transform.

Many of these difficulties result from a misalignment of Canada’s structural capital: its systems (processes and outputs), structure (the arrangement of responsibilities and accountabilities among the stakeholders), strategy (the goals of organizations and the ways sought to achieve them), and culture (the sum of individual opinions, shared mindsets, values, and norms within the organizations) (Saint-Onge 1996:13). The major barrier to good performance is the misalignment among these four elements and, in particular, the disconnections between strategy and culture.

In Canada, the ‘culture’ in which both enterprise and workplace are embedded and which also shapes them, is problematic: 1) the framework of corporate law is dominated by the shadow of the shareholders and does not provide much place for stakeholders (de la Mothe and Paquet 1996) and, 2) the culture of the workplace (which is a significant source of social capital) is not a culture of learning and
innovation, and is not geared to taking full advantage of alliances, partnerships, and network externalities (de la Mothe and Paquet 1997).

While in dozens of U.S. states, corporate law allows boards of directors to allocate portions of the net operating surplus to stakeholders other than the shareholders (through amenities, better conditions, etc.), in Canada, any shareholder has the power to sue the board if it were to adopt such a policy. This considerably cramps the style of the board in generating the requisite commitment of these other stakeholders.

The same sort of dysfunction can be seen in the workplace, where a discourse of confrontation is still prevalent, along with the centralality of job action as a method of conflict resolution. As a result, the sort of collaborative governance that might ensure better dynamic (Schumpeterian) performance fails to materialize. This has resulted in Canada's relatively poor showing in a number of areas in comparison to other countries of the Organization for Economic Co-operation and Development.

And yet the rhetoric of competition and confrontation continues to prevail at stage front, while new forms of co-operation, partnering, and joint venturing materialize every day en catimini in all sorts of quarters throughout the land. So it is not that there is no progress, rather that the progress is local and informal (as it should be), but without the benefit of a supporting infrastructure.

This is the Canadian way!

Education and Health

Canada spends immense resources on both education and healthcare. Both these systems are national icons and a source of national pride. This explains Canadians' sense of accomplishment with Canada's gold medal in the United Nations international ranking of nations in terms of 'human development.'

But Canadians also turn a blind eye to the critical signs of dysfunction to which experts—in Canada and elsewhere—point in both our educational and healthcare systems. Gross lapses in efficiency and effectiveness, counterproductive silo-type organizations, confrontational policy developments entailing important blind spots, no voice or role for the users, and so on—are all factors acknowledged by experts (Keating 1995; Angus and Bégin 2000; World Health Organization 2000) yet are deliberately suppressed in public debates in Canada. There is an amazing chasm, for instance, between the grim reality that
Canada spends 50 per cent more per capita on healthcare than the United Kingdom does with results that are inferior to theirs and the public display of sacramental denial that there might be any need for repairs in the governance of Canada's 'superior' healthcare system.

This has led to much damning of the two-tiered American system in both education and health. And yet all this occurs with many winks and nods acknowledging some degree of disarray in both Canadian systems. What is resented is radical, in-your-face criticism of the Canadian systems. This is regarded as most unhelpful (if not unpatriotic) and as likely to discourage action à petits pas meant to repair those systems.

As an example, young Canadians spend significantly fewer days in class each year than their colleagues in other advanced countries; a recent report suggested that up to 40 per cent of high school students in Ottawa were dysfunctional as learners (Keating 1995:82); our commitment to life-long learning is minimal; the resources dedicated to formal workforce development and training remain a fraction of the sums spent by Canada's industrialized competitors in Europe and Asia (one-third of Germany's commitment and one tenth of Japan's commitment). And the same critical diagnosis might be made about our healthcare system – a highly chaotic system that generates indices of morbidity and mortality well above what one might expect and at quite a high cost (Angus and Bégin 2000).

Obviously, in the face of suppressed criticism, a major overhaul of both systems is most unlikely. What is more likely will be a magnificent and uncompromising rhetorical defense of the status quo, with a concomitant selection, by certain establishments, of particular reforms, selected piecemeal and somewhat covertly implemented in a quasi-underground approach. Any radical challenge will continue to be denounced as a betrayal of Canada's 'perfect' institutions. This is the way 'universality' was assassinated in Canada: piecemeal, covertly, without a national debate, while on the hustings the political classes pretended that they were staunchly defending it.

This might explain what Harold Innis meant when he said "a social scientist in Canada can only survive by virtue of a sense of humour" (quoted in Neill 1972:93).

National Multilogue about Patriotism and Social Cohesion

As global integration proceeds, the nation-state is transformed. Its territoriality becomes problematic to the extent that its borders become
porous. Its sovereignty begins to become unbundled and this leads the citizen to re-assess what belonging means. The problem of belonging echoes the new situation where Canadians increasingly find themselves of mixed origins and authority is dispersed in a multiplicity of sites. A multiplicity of allegiances ensues. Thus, while citizens have traditionally associated their main loyalty with the nation-state, the state has lost its privileged position as the main anchor of belonging as non-territorial modes of organization become increasingly important (Elkins 1995:74–75).

New principles of social cohesion are en émergence. We know that they are likely both to evolve at the local level and to echo a non-centralizing philosophy, but the timing of the actual moment of tipping into a new sociality continues to be largely unpredictable.

Not all observers agree on the reality of this tectonic change. Many continue both to believe that ‘bridging capital’ was the basis of the Canadian ‘social glue’ that bound us together in the past and to build arguments that it should remain the central adhesive in the years to come.

This is the position of the Senate Standing Committee on Social Affairs, Science, and Technology (Canada 1999) which has suggested that the three pillars on which the sense of social cohesion of Canadians rested, in the post-World War II era, were: the federal programs of redistribution of income; the shared-costs programs through which the federal government provided federal grants to support health care, post-secondary education, and social assistance; and the grants system to equalize the average quality of public services throughout the country. Thus the Committee suggests that nothing short of a new wave of federal institutions can provide the requisite degree of security to Canadians through redistribution.

This is the central theme used by those who argue that medicare is what makes Canada hang together and that anything that threatens the present interregional process of money laundering is bound to put the Canadian edifice in peril.

This ‘bridging social capital’ interpretation may be nothing more than a slogan in order to aid rationalizing compulsive centralism (because it is necessary for redistribution). It has been propounded, however, by certain groups in English Canada as a founding national myth. The same people who defend this view of income and wealth redistribution as supplying the essential Canadian social glue have also found evidence of a latent demand for such glue, not to mention
Evidence of latent patriotism in the Molson beer commercial "My name is Joe and I am Canadian." This is surprising.

Indeed, in such a bizarre piece, Canadians are viewed as a people who defiantly harbour limited and multiple identities, all of which are characterized, almost in the same breath, as both crassly opportunistic (in defining themselves through some federal-provincial fiscal plumbing arrangement) and naively sentimental.

There is another interpretation, one rooted in our national irony and our taste for bricolage.

Medicare is a prime example of a popular federal redistributive scheme. It is a collectively expensive scheme in which healthcare is presented to the population as a free good, through the hiding hand of the state. It is hardly surprising that the population is favourably disposed toward such a scheme. The fact that elected officials have wished to be seen as providers of a valuable free good is also hardly surprising. This manufactured win-win situation (in which the population pretends that it receives free and universal healthcare and the politicians pretend that they provide that care for free) is, at best, sleight of hand. But only in government-sponsored polls or political harangues does this ever get confused with national identity and citizenship.

In the real world of healthcare, Canadians live by the principle that it is unhelpful to rock the boat. Bricolage, nevertheless, has already begun to effect the required repairs to the system through appropriation of whatever techniques appear to be most effective, including those emerging from the United States. This movement of silent reform will slowly replace the existing emphasis on redistribution (which is costly and ineffective) with more effective and cheaper insurance schemes (Mandel 1996). The same may be said about education: the staunch defense of our public education system has never been stronger than at the very moment when Canada is sotto voce creating both private schools and universities galore.

Canadian distinctiveness does not, therefore, lie with the safety net. And, because the safety net is under strain, this may be good news. Rather, Canadian distinctiveness rests with Canadian ability to master weak ties; with Canadian capacity to build on loose, casual social connections; and with Canadian facility to elaborate a modus vivendi of heterogeneous and diverse groups. Hence, the leitmotiv is likely to be appropriate insurance for our high-risk society, rather than income and wealth redistribution.
This emphasis on weak ties in the new social arrangements reminds one of Schopenhauer’s parable about porcupines: in the cold of winter, these creatures find ways to come close enough to bring each other some warmth, but not close enough to hurt each other. This means a new form of civic engagement, one that should not be confused with the sort of social cohesion and pacification that is supposed to ensue from massive redistribution of income and wealth (Paquet 2000).

As for the success of recent commercials about ‘Canadianness:’ it is an interesting illustration of Canadians’ general taste for self-deprecation and irony. The success of the Molson commercial is less evidence of suppressed patriotism than evidence of our immense taste for an ironic view of ourselves, for self-mockery. This is the same explanation for the popularity of La petite vie or This Hour Has 22 Minutes.

**Conclusion**

Let us clearly restate our main point. Canadian distinctiveness is not a set of static and arrested traits, but a certain *habitus* – that is, a certain set of propensities or proclivities which becomes the dominant logic in the face of challenges and pressures. This dynamic ‘réactique’ defines the characteristics of the socio-economic system in its dual process of *adapting* to its environment and *adopting* (i.e., bestowing a greater probability of success on) certain types of behaviour by actors or organizations in the system. This is what we mean when we refer to the ‘Canadian world,’ a distinctive world rooted in special equipment (physical, organizational, legal, etc.), tasks, and identities – all integrated into a certain style. This dynamic is in turn anchored in an integrated ensemble of assets, skills, and capabilities which are also evolving as a result of pressures both from the external environment and from the evolving internal ‘Canadian world’ itself.

It is not possible to define this dynamic Canadian distinctiveness in all its complexity in a few paragraphs. But one can identify the main features of the worldview underpinning it and the ways in which this distinctiveness has crystallized in reaction to anomalies and pressures in different sites.

Our hypothesis is that this *habitus* has been characterized by irony plus *bricolage* – that is, a certain denial and disingenuousness at the rhetorical level and a certain *ad hoc* characteristic at the level of practice. This approach, by avoiding grand narratives and grand designs,
generates an aloofness *de bon aloi* at the level of discourse, as well as the
sort of practicality in action that is capable of generating piecemeal
reform in a country that is relatively averse to change.

One major benefit of this approach - devoid of ideology, except
perhaps for some latent, soft egalitarianism - is that it dedramatizes
even the most ambitious endeavours, making adjustment appear less
painful than it really is. Some side malefics of this vision-less approach
are that it enables Canadians to avoid fully participating in a number
of major modern debates (the appropriate mix of liberalism, democ-
racy, and republicanism; centralization vs. decentralization; egalitari-
anism vs. subsidiarity; redistribution vs. insurance, etc.) and to surf
over change during major periods of transformation without a full
awareness of the depth of the reforms underway, or even an adequate
appreciation of the auxiliary precautions that might be required.

The other essays in this work illustrate very well the canonical
Canadian capacity for ironic denial and *ad hocery*. In all cases (the pol-
icy vis-à-vis Aboriginals, the multiculturalist strategy, and the ways in
which Canadians deal with the emergence of an ever more important
civic sector), evidence can be found to support my hypothesis.

Yet it should not be presumed that Canadian distinctiveness is
somewhat "arrested." Indeed, ours is a form of "dynamic irony" (Ross
1954:xii), with the institutional order an emergent phenomenon.
Though it is adaptable, evolvable, resilient, boundless, and it breeds of
novelty, our distinctiveness is also non-optimal, uncontrollable, unpre-
This explains why the discourses about social transformation of the
institutional order are so vague and non-committal (Drucker 1994). We
have to be ironic because we must be satisfied with observing the
"emergent properties" of the new order as they materialize.

In the transition period to the new millenium, we may expect a
strong affirmation of "limited identities," considerable disconnection,
and challenges to most of the rigid and centralized institutions. There
will also be a growing tendency for the emergent order to become
anchored at the meso-level and to be couched in informal rules of the
game agreed to by persons who share a "web of trust." One may even
expect that, at some point, key signposts or standards will mutate - the
minting and issuing of currency, for instance. The main challenge will
not be to master the switch from one dominant logic to another but
rather to learn to cope with multiple dominant logics and, therefore,
with concurrent, distributed, institutional orders (Paquet 1995b, 1997d).
The new so-called co-ordination *en chantier* will loosely intermedi-
ate the spectral and distributed network world generated by the infor-
mation age. In the network age, fluidity is the foundation of dynamism
and survival where institutional stability imposes constraints on rela-
tional fluidity. Many predict the emergence of an “imperial age” rem-
iniscent of the Roman empire under Hadrian, where the “institutional
order” will aspire to being no more than a loose web of agreements
that ensures compatibility among open networks (Guéhennou 1993;
Paquet 1994b). A baroque governance!

Obviously, this is not an ideal situation. But the optimal may not
be the ideal either. There is much to be deplored about the Canadian
way degenerating into denial and complacency and revealing a vul-
nerability to lethargy. Such a method of governing Canada will be
costly in the long run. But there is also much to be said for a country
that has decided not to take itself too seriously; one that takes to heart
the counsel of John Maynard Keynes to economists: avoid dealing
with big problems, emulate the dentists, and deal with the small holes
(Gordon 1975).

For those who welcome more passion, I suggest the cure of an
afternoon at a soccer game in Rome. There, they can experience passion about trivia: armed guards body-searching those coming into the stadium, vigilantly guarding the safety of the visiting team’s music band, and ready for the most gratuitous violence at any time.

Meanwhile, back in our aloof country, one can find on the editorial
column of the national newspaper - *The Globe & Mail* of 15 June 2000 - an editorial not calling the population to arms, but one entitled “a call to irony.”

*Qui dit mieux!*

On another occasion, in 1999 (Paquet 1999a), I suggested, rather
modestly, that when constructing the requisite new sociality in keep-
ing with the Canadian/Québec “spirit” – and Québec’s spirit is much
more akin to the Canadian spirit than Québécois like to admit – it
might not be unreasonable to start with tact and civility. Many
ridiculed such a modest start. It looked too much like a celebration of
a Band-Aid solution: “solving a problem with a minimum amount of
effort and time and cost” (Gladwell 2000:256).

This sort of approach always generates disdain in Canada – at
least at the rhetorical level – for it conveys a sense of dogged and indis-
criminate effort. This is missing the point. It is really meant to connote
the most effective way of responding to the central challenge – finding
ways to partition big, intractable problems into small, tractable ones. This is why the Canadian way is *une foule de petites choses*.

References


Toward a Baroque Governance


