

Big Promises, Small Government

*Doing Less with Less in the
BC Liberal New Era*

GEORGE M. ABBOTT



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The New Era in Brief

“This is the story of how we begin to remember.”
– Paul Simon, “Under African Skies”

THE BC LIBERAL New Era began with high hopes and a massive victory at the polls. Although Gordon Campbell’s Liberals were widely expected to win the provincial election of 17 May 2001, the scale of their triumph – seventy-seven of seventy-nine seats – was unprecedented in British Columbia. High hopes were fostered by the party’s electoral manifesto, *A New Era for British Columbia*. It promised a future of “vision, imagination, hope and prosperity,” in which the Liberals would “act boldly and decisively to open up government, to rebuild our economy and to lead the way to a New Era full of promise and potential for you and your family.”¹

New Era offered over thirty pages of promises such as a public health care system that would “guarantee all patients the care they need, where they live and when they need it” and “a top-notch education system for students of all ages.”² *New Era*’s lofty promises, and a campaign strategy aimed at reassuring nervous voters, offered little hint that a BC Liberal government would mean doing less with less. But beneath the relentless optimism of the *New Era* document lay tension between big promises and small government. The 1996 version of Gordon Campbell had vigorously and repeatedly promised smaller government, including pledges to “roll back government’s share of the economy by

15%” and to “cut the number of MLAs from 75 to less than 60.”³ Had Campbell embraced a more expansive role for government in 2001?

The potential tension between Campbell’s larger government promises and his smaller government aspirations emerged in 2001 pre-election interviews with journalist Frances Bula. She described him as an “introverted extrovert who believes in both an activist government and a smaller government.”⁴ When asked by Bula to describe himself politically, Campbell “paused for a long moment” searching for the right turn of phrase. “Zen federalist,” he responded, presumably tongue-in-cheek, but loath then as always to use traditional labels of left and right, liberal and conservative, in describing himself. Asked to further clarify, he stated (probably more in earnest): “Zen federalism means you do less and by doing less, you actually do much more. If they [government] did a few things that everybody wants them to [and did them] well, there’d be far more benefits than trying to do everything.”⁵ In short, government could do more with less if it just focused on services of vital public importance and dispensed with the wasteful or redundant.

Big Promises, Small Government is the story of how the dream of doing more with less was transformed into the harsh reality of doing less with less. It focuses on the New Era from the election of 2001, which ushered in the Liberal government, to the Throne Speech of 2005, which signalled its profound shift from austerity and retrenchment to a more expansive social agenda headlined by “Five Great Goals for a Golden Decade.”

In 2001, Campbell sought nothing less than the immodest goal of remaking government.⁶ The initiatives he unleashed in the wake of the election were largely unprecedented – for the province but not for the world. Campbell and his government drew policy inspiration from many sources, national and international. The ideas and experiences that propelled the remaking of government wind like strands of DNA across both time and space, then find expression in the *New Era* document’s thematic content, as well as in post-election processes.

Campbell's remaking of government got under way quickly. One day after being sworn into office, the newly minted premier announced a 25 percent personal income tax cut, potentially relinquishing over \$1 billion in tax revenue. He believed, on the basis of the experience of other jurisdictions, that a tax cut would generate economic growth and induce concomitant revenues. The day-one tax cut proved to be, in Christopher Pollitt's words, prescription before diagnosis: implementation of important public policy reforms without the benefit of thorough analysis, typically by politicians who are driven by ideological zeal.⁷

A tax cut was anticipated, but its timing and magnitude surprised some observers.⁸ *New Era* mentioned a "dramatic tax cut" at least ten times.⁹ However, unlike *The Courage to Change*, the BC Liberal platform of 1996, which had promised a 15 percent drop in personal income taxes, *New Era* did not specify what its "dramatic tax cut" would entail. This lack of specificity was consistent with Campbell's comments before and during the 2001 campaign. As he told Vaughn Palmer on 26 October 2000, he "won't know how dramatic a tax cut is possible until the Liberals get an unhindered look at the state of government finances."¹⁰ Campbell's pre-election caution promptly surrendered to post-election ideological zeal.

Premier Campbell formed his conclusions about the state of the books remarkably quickly. The first act of the new government – or more precisely of its premier and finance minister – was to define "dramatic" as a 25 percent drop in personal income tax, a revelation that came less than twenty-four hours after inauguration. Seven weeks later, the finance minister added another billion in corporate and related tax cuts. In taking these steps, the government may also have deliberately or inadvertently defined its public image for years to come. Although the tax break was undoubtedly popular among many British Columbians, few understood that it would come at a very high cost.

Some may have believed the claim, prominent in the *New Era* document and tirelessly repeated on the campaign trail, that provinces "like Ontario have proven that lower personal income

tax rates lead to *higher* revenue – not less.”¹¹ However, unlike in Ontario during the latter 1990s, where very strong economic growth masked tax-cut revenue losses, British Columbia’s tax cuts failed to “pay for themselves,” at least in a timely way. World economic conditions and events quickly extinguished any prospect of a magical made-in-BC turnaround.

Within months of taking office, the new government found itself in a \$4.4 billion fiscal hole.¹² It faced a dilemma of its own making: it was boxed in by its commitments to decrease taxes by more than \$2 billion, to balance the budget in 2004, and to exempt the Health, Education, and Advanced Education budgets from reduction (as *New Era* promised). Those three ministries comprised some 70 percent of the overall provincial budget, leaving billions in savings to be found in the 30 percent of government that was not Health, Education, or Advanced Education.

The dramatic day-one tax cut proved to be a defining moment in the New Era. Lofty *New Era* aspirations “full of promise and potential” quickly surrendered to the New Era reality of austerity and retrenchment. Ontario’s tax cut siren song of “higher revenue – not less” faded all too soon, prompting a host of questions: Why were the cuts less effective (at least in terms of paying for themselves) than the government had anticipated? Were they the wrong policy at the wrong time, destined to fail amid weakening local and world economies? And would their failure have a negative impact on vital social programs?

The prime authors of the cuts, Premier Gordon Campbell and Finance Minister Gary Collins, appeared to nurse a genuine belief in their efficacy. That confidence was fostered by apparent successes elsewhere, particularly in Ontario, where the tax cuts of the late 1990s coincided with a period of very strong economic growth averaging 4.7 percent per year. In stark contrast, British Columbia’s 2001 cuts were introduced during a period of steeply declining energy and commodity revenues and negligible growth, which improved only marginally over the next two years.¹³ Given this, were the cuts something more than an instance of prescription before diagnosis? Were they designed to produce a budgetary

crisis – a “burning platform” – whose ultimate purpose was to diminish the size of government?¹⁴

Certainly, nothing in the *New Era* document suggests that this might be the case. As well as promising to cut taxes, it made more than two hundred platform commitments across a broad range of policy areas – social and environmental, as well as economic – involving substantial operational and capital expenditures.¹⁵ It was far from a recipe for smaller government. The document offered a generous and expansive vision for social programs while concurrently slamming the New Democratic Party (NDP) government for mismanagement. It contended that children had particularly suffered under the NDP. Children and families deserved more and better programs, such as early identification of at-risk children, subsequent prompt intervention, enhanced preventative drug and alcohol efforts, and improved “training, resources and authority for front-line social workers.”¹⁶ *New Era* gave no hint that radical cuts might be on the horizon for social programs.

Premier Campbell took *New Era* commitments seriously; the first task of every ministry was identifying its role in fulfilling them. The document was framed and mounted on the wall of the cabinet room, immediately adjacent to the premier’s chair. Ministers and deputies were frequently and pointedly reminded of their progress, or lack thereof, on their New Era commitments. Failure to fulfill those commitments was not an option, but success confronted multiple barriers, the most daunting of which were budget reductions flowing from tax cuts that failed to pay for themselves.

A “no excuses” pursuit of success was demanded, notwithstanding the ongoing tension between smaller government aspirations and larger government promises. At the quantitative level, the relationship between electoral platform and policy agenda appeared powerful and direct. Campbell regularly pointed to progress on, or completion of, a high percentage of *New Era* promises.¹⁷ At the qualitative level, the reality of the New Era was a stark departure from the optimistic vision in the *New Era* document, whose uniformly cheery character offered no warning of the harsh retrenchment that would soon arise.

Christopher Pollitt and Geert Bouckaert suggest that in public policy “different kinds of objectives will sometimes trade off against each other ... Decision-makers are obliged to decide what they think is most important – they can seldom hope to have everything at the same time.”¹⁸ Cover to cover, *New Era* promised British Columbians that they could have everything at the same time. Confronted by the reality of tax cuts that failed to deliver as expected, the social agenda articulated in *New Era* gave way to its economic agenda. With their budgets slashed by 40 to 45 percent, resource ministries such as Forests and Agriculture were hit particularly hard, but even this measure could fill only a small portion of the \$4.4 billion budget hole. The focus then turned to social ministries, producing a second and stark example of prescription before diagnosis: the belief that social ministries could manage deep budget and staffing cuts without any serious impacts to the disadvantaged and vulnerable British Columbians whom they served.

As a consequence of steeply declining resource revenues in 2001, British Columbia was headed for an approximately \$2 billion deficit, with or without tax cuts. Under such straitened circumstances, did the magnitude of cuts and their application across tax brackets really matter?¹⁹ Indeed they did, especially given the stated exemption of Health, Education, and Advanced Education from budget cuts and the demand for a balanced budget in 2004. Ultimately, three social ministries were forced to make sweeping cuts in their services, the magnitude of which were in direct correlation to the tax cuts that exacerbated the province’s budgetary woes. The decrease in taxes did not pay for itself in rebound revenues prior to 2004, so reductions in government services would be required to fill the breach.

As ministries struggled to meet daunting budget targets, they encountered another powerful example of attempting to have everything at the same time: a process barrage – core review, deregulation, outsourcing, regionalization, devolution of service delivery, and much more – that was largely drawn from other jurisdictions through their experience with the tenets of New Public Management (NPM), a managerial doctrine whose roots

are in Margaret Thatcher's Britain. NPM espouses a reduced role for government, particularly in programs and services that might ostensibly be delivered more efficiently by the private sector (or through private-sector-style strategies). Once again, participation was obligatory, as was achievement of process goals.

The process parade kicked off with Premier Campbell's post-inaugural mandate letters of 25 June 2001, which set out his priorities and vision for government and how, specifically, each minister would work to achieve them. The parade was quickly joined by the "90-day agenda," which begat the "6 month agenda" and the "270-day plan," each containing its own mind-bending deliverables to be rendered despite staff and budget cuts.²⁰

Confronted by seemingly endless and intractable problems, ministries looked nationally and internationally for policy experience that might provide them with solutions. Gordon Campbell's British Columbia was not the first jurisdiction to boldly launch a remaking of government or to boldly redesign the complex subsystems – such as health, social services, and resource management – that comprise it. Much could be learned from the rest of the world and quickly – no small concern given the rigid deadlines that applied to many processes. But policy transfer produced mixed results, generating more than a few vital lessons for government.

The New Era was an intense and demanding time for many politicians and public servants. I was among the ranks of the former, a minister in Gordon Campbell's cabinet throughout the period and now author of belated reflections on those tumultuous days. The New Era story is one of miscalculation, frustration, and angst but also one of perseverance, innovation, and – particularly among civil servants – courage and professionalism in the face of remarkably intimidating challenges.

Gordon Campbell's New Era Leadership in Context

The New Era story unfolded within a challenging economic environment, soon exacerbated by broader geopolitical turmoil; it was also shaped by its institutional setting.²¹ In Westminster-style

parliamentary systems, premiers (just like prime ministers) hold great power, and Gordon Campbell's emergence as the dominant (and often dominating) figure of the New Era should come as no surprise. Premiers arrive with a vision of what government can or should do. They use their many levers of power to impose their will: they hire and fire ministers and deputies, they set agendas through mandate letters and throne speeches, they design and fill critical cabinet committees, and much more. The extensive literature in this area suggests that centralization of power is increasingly the norm across parliamentary institutions, whether in Victoria, Ottawa, or Westminster.²²

The New Era offers a remarkable story of Premier Campbell's drive for power and control. He used his authority not only to direct the political agenda but also to mould government processes and institutions. He immediately set the direction for his government with his announcement of the 25 percent tax cut. He followed up with mandate letters to cabinet ministers, laying out his ambitious reform agenda. Mandate letter content was provided as information, not as a subject for debate. Cabinet ministers were effectively boxed into that agenda, a fact of life that was less than subtly reinforced by a 20 percent holdback on ministerial stipends. Failure to achieve the goals set out in ministerial mandate letters within prescribed timelines would have immediate financial (as well as unstated political) consequences.

Change was not unidirectional. Institutions and processes also shaped Campbell's perspective throughout time. In retrospect, when viewed across his full decade in power, Campbell is a difficult politician to categorize. For example, some of his public policy initiatives in the environmental and social spheres are inconsistent with the neo-liberal label that he sometimes bears.²³ He was, at best, a climate change agnostic in 2001, but seven years later his government introduced North America's first revenue-neutral carbon tax. Similarly, when he took office, he firmly opposed the Nisga'a Treaty and advocated for a populist referendum on treaty rights (one of several policies strategically adopted from the Reform BC party in 2001). By 2005, in contrast, he was personally

leading the drive for a provincial New Relationship agreement with First Nations and for a federal-provincial-Indigenous Transformative Change Accord.

Were these profound shifts something more than short-term, strategic politics? Campbell not only learned through his voracious reading, but he also listened and learned during his many public and private interactions with First Nations leaders and Indigenous citizens, as well as with academics who were alarmed by climate change.²⁴

Some elements in the Campbell ideology (such as Indigenous relations and concern for climate change) shifted over time, whereas others (such as the advocacy for tax cuts in 1996, 2001, and 2010) remained consistently neo-liberal. The ideological perspective he brought to bear on government in 2001 was shaped by the experience of other jurisdictions, notably those of Alberta, Ontario, and New Zealand. That perspective regarding tax cuts, smaller government, and NPM-style processes would in turn fundamentally shape the New Era. Viewed solely through a New Era lens, Campbell fits the neo-liberal label much more comfortably. The austerity and retrenchment triggered by the 2001 tax cuts left scant room for public policy innovations beyond those necessitated by demands to do more with less.

Campbell's core beliefs and objectives were far from new, a premise I explore in subsequent chapters. His expectations for government were honed by the experiences of leaders such as Alberta's Ralph Klein and Ontario's Mike Harris. In 2001, Campbell was simply the latest exponent of "a jolt to the system" as an essential element in the rebalancing or remaking of government in the wake of freer-spending reformist liberal or social democratic administrations. His deputy minister, Ken Dobell, articulated (in what he thought was an in camera setting) the obligatory character of the painful jolt: "We're 10 years behind everybody else. We have the misfortune to be doing it [budget reduction] now, but nevertheless we have to do it."²⁵

In 1993, Klein had condemned the "uncontrolled spending" of his predecessor, Don Getty.²⁶ Two years later, Harris promised a

hard-edged remaking of the Ontario government, following five years of New Democratic Party leadership. In both cases, claims of lavish spending signalled severe spending cuts. Similarly, the *New Era* critique of the BC NDP's ostensibly profligate spending was soon followed by austerity and retrenchment.

The remaking of governments in Alberta, Ontario, and British Columbia hinged on three key elements: the size of the tax cut, the economic environment in which it was introduced, and the subsequent distribution of budgetary pain that was required to produce a balanced budget. British Columbia's 25 percent tax cut was greater than both the two-stage 15 percent cut that Campbell had promised in 1996 and the 10 or 15 percent that he called for in 1998.²⁷ It was also larger than anything suggested in the 2001 campaign. The *New Era* document specifically promised that British Columbia would have the lowest tax rate of any Canadian province for the bottom two tax brackets, deliverable during the first term in office, along with a "dramatic tax cut" that it never defined.²⁸ Furthermore, Ontario's tax cuts were spread over time, whereas British Columbia's entire package of approximately \$2 billion in tax reductions was fully implemented in 2001. Even more importantly, Campbell's cuts were introduced into a precariously weak economic environment, in striking contrast to that of Ontario during the late 1990s.

Ontario could argue in 2001 that its cuts had fuelled its record economic growth of the late 1990s. British Columbia's cuts clearly did not; nor did they pay for themselves in the pinched economic circumstances of the early 2000s. New Era budgetary challenges were worsened by the platform promise, as noted above, to exempt Health, Education, and Advanced Education from any expenditure reductions. In contrast, Ralph Klein's bitterly controversial inclusion of Health and Education in across-the-board cuts in Alberta several years earlier had diffused the pain throughout the entire government. The failure of New Era tax cuts to deliver rebound revenues, in combination with the exemption of Health and Education, drove dramatic cuts to large social ministries and,

subsequently, to the often disadvantaged clientele whom they served.

A host of vital and interrelated questions arise from the New Era experience: Did a coherent ideological framework support the Campbell vision? Did the rapidity, intensity, and complexity of the reform agenda move some New Public Management (NPM) processes from being mutually supportive to becoming mutually contradictory, hence undermining prospects for success? And did the scope and intensity of change undermine the quality and sustainability of provincial public services?

Gordon Campbell contemplated nothing less than a fundamental remaking of government, aided by process tools drawn from NPM, which was notable both for the breadth and speed of reforms. He attempted to implement all mandated changes simultaneously: delivering *New Era* promises despite budget cuts, reforming service delivery amid severe staff layoffs, and much more as detailed below. The economic situation of the day proved incompatible with this approach, and Campbell was obliged (as Pollitt and Bouckaert would have predicted) to decide what changes he thought were the most important. In doing so, he sacrificed his *New Era* social agenda to protect his New Era economic agenda. This outcome had profound implications for the lives of those who operated inside government.

Reflections on Life inside Government

Political scientist Rod Rhodes enjoyed the rare opportunity, as an academic, of spending time within the senior reaches of the British government. “Observation,” he argues, “is conspicuous for its absence in the political science armoury of research methods.” His book, *Everyday Life in the British Government*, seeks to relieve that absence.²⁹ As a cabinet minister from 2001 to 2012, I also enjoyed a first-hand opportunity to observe and participate in public policy construction. However, unlike Rhodes, I am not a conventional participant-observer. I did not enter political life with the intent of writing a book on the subject. My focus during

the New Era was day-to-day survival while leading a large ministry with an expansive mandate and a daunting budget cut.

Rhodes chose the role of participant-observer as a proactive research method. Although I maintained a personal journal throughout my time in office, my account of the New Era is largely retrospective; my conclusions are shaped by knowledge and evidence that I gathered more than a decade later. Politics has always been an object of fascination for me, both personally and academically. I was fortunate to teach political science prior to spending seventeen years in provincial politics, before returning to it in 2013 as a late-onset doctoral student. What I read and learned as a student moulded my understanding of the New Era experience.

I was struck by the similarity between Rhodes's observations and those I gleaned as a cabinet minister. For example, he notes that "most ministers had close relationships with their Permanent Secretary," a benefit that I too enjoyed with my deputy ministers throughout my tenure in government. Rhodes highlights the roots of such relationships in observing that "distinctions between policy and management, politician and civil servant, are meaningless when confronted by the imperative to cope and survive."³⁰ The daily grind of tackling frequent and sometimes intractable problems brings politician and public servant together toward a common goal: the resolution of those problems in ways that meet the expectations of the Premier's Office.

Coping and surviving through the New Era was no small feat. I served as Community, Aboriginal and Women's Services minister through much of that period, a new and expansive ministry that comprised all or portions of seven former NDP ministries.³¹ It was home to two ministers of state, twenty-four New Era commitments, and dozens of programs that excited detailed scrutiny in the Campbell drive for smaller government. The New Era demanded high levels of candour, trust, respect, and collegiality between minister and deputy.³² I was privileged to enjoy such a relationship.

David Cameron and Graham White also capture the relationship between minister and deputy minister as "a state of mutually

dependent professional intimacy; neither can do his or her job properly without the other's assistance and support."³³ Not all New Era ministers were willing or able to cultivate such relationships, a reality that is probably true everywhere. As part of New Zealand's package of 1980s reforms, the appointment of deputies by the prime minister was replaced by appointment of chief executive officers through a public service central agency. As Martin Lodge and Derek Gill suggest, that shift does not appear to have altered ministerial relationships: "Some chief executives saw their main role as providing their minister with strategic 'free and frank' advice and being in a 'partner' role, others saw a change in their role toward an executive-type 'do as you are told' understanding."³⁴ Ministerial character and style, rather than title and mode of appointment, appear to be the prime determinants of these relationships.

My experience across seventeen years as an MLA and twelve as a cabinet minister leads me to conclude with Thea Vakil that "BC's senior public servants hold strong traditional Westminster-based values concerning public servants' commitment to serve the public good, be respectful to the government of the day, behave responsibly and be willing to be held accountable and above all, take pride in public service integrity."³⁵ But in these same respects, the BC Liberal New Era proved an extraordinarily challenging period for civil servants.

Despite the host of pressures recounted below, they transformed – sometimes with, sometimes without, supportive ministers – a complex and occasionally contradictory political agenda into coherent public policy. They "may live in the era of new public management," Rhodes writes, "but long-established patterns of behaviour exist."³⁶ Similarly, Evert Lindquist, John Langford, and Thea Vakil note that the post–New Era public service of British Columbia "may be directed, lean, and constrained, but it is not politicized and, in our view, remains competent, professional, and merit-driven."³⁷

The New Era proved to be a very long four years for deputies and at least some of their ministers. Advocates of smaller government

may have thrived in their pursuit of that goal, but for others the New Era was a period of puzzlement, frustration, ambiguity, and uncertainty. My account of its unfolding uses ministerial experience both to enrich the narrative and to offer a unique perspective on the “black box” of government policy making. Such experience can also come with certain downsides, among them lingering emotional baggage and hindsight bias. Fortunately, personal experience and observation can be complemented by the range of methodologies and sources detailed below.

Why write a book on the New Era? My aim is not just to provide an honest and compelling account of an intense and controversial period in BC history but also to identify some vital political and public policy lessons that it taught. Continuing education and mentoring are commonplace for public servants, but far less so for politicians. The latter are expected to arrive in office wholly equipped for their roles, having convinced their electors that they and their party have all the answers to the problems of the day. Alas, the New Era demonstrated that politicians are not immune to periodic miscalculation and misjudgment.

I hope that current and future politicians and public servants can learn from my account of New Era adventures and misadventures. For example, tax cuts remain a frequent visitor to the political stage, particularly among parties of the centre-right. Aspiring policy makers would be well advised to heed the cautions offered here. Among the most critical of such lessons is that failures in tax policy reform can all too quickly translate into the attrition of social services. Learning from this painful episode in our recent history, to paraphrase George Santayana, may help us to avoid repeating it.

Methods and Sources Employed in the New Era Story

The New Era story offered below is supported by evidence and argument from a broad range of sources. Interviews with former public servants were among the most fruitful of these. Although nearly two decades have elapsed since the New Era began, it still

excites emotions. Former public servants, by and large, were more than willing to tell their stories, which are drawn from what was (for many) the most difficult period in their professional lives. All interviews were conducted on the basis of strict anonymity; direct quotes are used but never attributed to an identifiable source.

My account also draws on the experience of cabinet ministers. Ministerial quotes come largely from media interviews, the annual Estimates debates of the legislature, and its daily Question Period.

Media stories and columns provided colourful and often insightful comments and analyses. The legislature's press gallery frequently exposed the inevitable shortcomings and unintended consequences of public policy initiatives. In the age of omnipresent mainstream and social media, very few government "secrets" remain secret for long. Like all ministers, I took an oath of confidentiality prior to service in cabinet. Respecting that oath (as indeed I have done in this book) proved less challenging than I anticipated. Important or controversial issues discussed in cabinet or caucus during the New Era almost invariably found their way into the public realm.

Estimates debates proved a very rich source of information and insight, as ministers confronted the challenges of the New Era. In Estimates, they are joined on the benches by senior public servants, and it is customary to take at least a few minutes for consultation on questions tendered. Prodded by Opposition or private-member questions, ministers provide an account of their responsibilities and headaches – usually carefully but occasionally candidly. In contrast to Question Period, Estimates offer a less adversarial and more detailed explanation of what ministries are attempting to achieve and through what means. One consequence of a very small Opposition (only two of the seventy-nine MLAs) was that the Liberal MLAs had extensive opportunities to ask questions of their ministers. In an atmosphere of ostensibly "friendly fire," ministers sometimes provided surprisingly frank answers to questions from their colleagues, in contrast to their more carefully couched responses to the Opposition.

Exchanges during Question Period (QP) also contributed to the narrative, though less substantively than those from Estimates. Both government and Opposition parties expend a great deal of time and energy on preparing for QP. Stakes are high, and theatrics often abound. The Opposition attempts to demonstrate the government's utter failure to deliver on its promises, whereas ministers attempt to portray the Opposition attack as ill-conceived, inconsequential, and hypocritical. The press gallery pays close attention to their interaction. A successful QP (particularly from the Opposition's perspective) can deliver a lead story for the six o'clock news or a banner headline in the papers. However, as others have pointed out, QP is "question period, not answer period." QP answers are typically less substantive and thoughtful than those furnished in Estimates.

Governments emit almost continuous signals about what is on their agenda, and the associated documents frequently tell the story. Mandate letters from the premier to incoming ministers are one of the first indicators of the government's agenda and the processes envisioned to realize it. The 2001 mandate letters from Premier Campbell were new to British Columbia (but not to Canada). They were an early signal of the looming barrage of processes that lay at the heart of the New Era. Ministers are appointed at the pleasure of the premier, whose ability to dominate the agenda is highest in the days immediately following cabinet formation. Viewed collectively, mandate letters reflect the premier's vision, goals, and priorities – in Gordon Campbell's case, a detailed "plan of action" in combination with ministerial marching orders.

Other government documents provided vital clues. Throne and budget speeches detail what the government considers or acknowledges as core challenges. The speeches also set out suggestions about how the government intends to meet those challenges, though typically at a high level of abstraction. Words are carefully chosen to convey precisely what the government wishes to convey. Subtle nuance, and even calculated ambivalence, may also be employed to mask discordant messages or awkward compromises

among leaders or factions. Similarly, government press releases – despite their frequently self-laudatory content – can flag new priorities or shifts in direction.

The passage of time has allowed us a small window into cabinet discussions and decisions. Cabinet minutes, typically very brief but occasionally informative, are protected for fifteen years (via freedom-of-information and protection-of-privacy laws), so those from the early days of the New Era are now available on the Internet. They are used at several points in my narrative to illustrate the character of cabinet discussions and the relationship between Campbell and his ministers. Briefing and communications notes provided as “Advice to the Minister” (and again protected from public exposure for fifteen years) were a useful complement to the minutes.

Reports generated by the auditors general and other independent officers of the legislature proved very valuable, particularly in assessing the experience of social ministries. The New Era was a controversial and challenging time for independent officers. Two of them – the children’s commissioner and the child, youth and family advocate – were eliminated early in the New Era (a move characterized by the Opposition NDP as governmental silencing of critics). All officers were subject to substantial budget cuts, but their various reports were nonetheless professional, respectful, and well evidenced.

Among non-government documents, party platforms from the 1996 and 2001 elections proved essential in understanding the New Era. Deeply disappointed by the 1996 election results, the Liberals attempted to win over Reform BC’s base by adopting select portions of the Reform platform. Party platforms are also important to the administrative side of government. In 2001, senior public servants carefully assessed the *New Era* document as they prepared for the probable transition to a Liberal government, and fortunately so. The fulfillment of *New Era* commitments was a critical measure of success for every minister and deputy. Failure to tick off a *New Era* box was a failure of courage, replete with both pecuniary and political consequences.

Publications and articles from non-government organizations such as the conservative Fraser Institute appeared to influence government policy intermittently.³⁸ Conversely, papers produced by the Canadian Centre for Policy Alternatives – though typically ignored or disparaged by the Campbell government – offered pithy and critical analyses of Liberal policies, particularly in the social policy realm.³⁹

My exploration of the New Era was also assisted by a tremendous body of literature around politics, political agendas, public management, and public policy development. An emerging body of scholarship on BC politics and government focuses on the decade of Gordon Campbell's premiership.⁴⁰ This book aims to enrich that pool. It does not offer a formal literature review but instead cites important learnings from the relevant literature.

British Columbia is often described as a small, open trading economy; it is similarly a small and open trading jurisdiction in the world of public policy. Governments and ministries often face a long list of policy challenges and, as was commonly the case in the New Era, short time frames in which to find or develop solutions. Other jurisdictions may have dealt with similar challenges, and their answers can sometimes inform responses in the recipient jurisdiction (via lesson drawing and policy transfer).⁴¹ The case studies of social ministries presented here illustrate the use of policy transfer – sometimes successfully, sometimes not – in the New Era. Context and compatibility of political cultures are among the key determinants of their success or failure.

Policy inspiration is derived from both endogenous (domestic to British Columbia) and exogenous (external to the province) sources. Prominent among these was New Public Management (NPM) – or local variants of it – which were influential in the construction of both the *New Era* document and New Era change processes. NPM fostered many characteristic New Era ideas, approaches, and goals: tax cuts, deregulation, private-sector-style management, competitive outsourcing, and much more.⁴² As detailed in [Chapter 2](#), the phrase “smaller government” does not appear in *New Era*, though the 1996 Liberal platform, *The Courage*

to Change, included it several times. However, its absence in 2001 did not indicate that it was off the menu. The robust body of NPM literature from New Zealand, Great Britain, and elsewhere enables us to better understand Gordon Campbell's drive for smaller government.

Summary of Chapters

Part 1 of *Big Promises, Small Government* examines contextual elements that shaped the New Era: political, ideational, and institutional. **Chapter 2** assesses the evolution of the BC Liberal Party between the elections of 1996 and 2001. That evolution was reflected in the doctrinal content of party platforms and in Campbell's concerted coalition building, which was largely aimed at shoring up support on the party's right flank. Key influences here included Reform BC, the federal Reform Party, and Mike Harris's Progressive Conservatives, through the use of their 1995 platform *The Common Sense Revolution*. The example of Ralph Klein's Alberta also significantly influenced both the institutions and processes of the New Era. Alberta provided strategies in Campbell's political game plan and was also a rich source for the institutional elements that helped shape the New Era. Finally, this chapter assesses the character and content of the Gordon Campbell approach to politics and his use of speed, intensity, and crisis as political weapons.

The role of New Public Management (NPM) and of policy transfer in shaping and guiding the New Era is discussed in **Chapter 3**. The interaction of speed, focus, and financial resources in addressing complex public policy problems is also considered. The chapter examines the comparative experiences of the Ministry of Health Planning and the Ministry of Children and Family Development in the regionalization of their operations. That episode prompts the question of whether inadequate resources and fragmented focus can exacerbate the risks of rapid political and institutional reform. **Chapter 3** also discusses the role of New Zealand and its 1980s government restructuring in shaping BC Liberal views on the pace of policy reform.

Part 2 focuses on policy and process. **Chapter 4** examines the genesis of the post-election tax cut, the debate that preceded its announcement, and its implications for public policy and programs. Here, I address a key question: Was the cut a leap of faith grounded in ideology, or was it a burning-platform pretext for the harsh medicine of smaller government retrenchment? Perhaps it was both. Textual analysis of throne and budget speeches helps inform my conclusions. The chapter also assesses why the BC experience of the early 2000s was so different from that of Ontario in the late 1990s.

Chapter 5 discusses the many and varied processes engaged in the New Era and their genesis in the world of NPM and elsewhere. All were ostensibly geared toward downsizing government. Among the most prominent and time consuming was a core services review, chaired by Premier Campbell and largely modelled on the federal government's 1994–97 "Getting Government Right" program review. Some processes aimed to reinforce the *New Era* narrative that the NDP government was bloated and wasteful. Others flowed from budgetary deficits that were produced, in considerable measure, from tax cuts that failed to pay for themselves. **Chapter 5** also explores the Heartlands Economic Strategy of 2003, an unofficial retreat from some controversial aspects of remaking government.

Part 3 examines the consequences – often unanticipated – of public policy shifts in the New Era. **Chapters 6, 7, and 8** provide three case studies involving large and socially sensitive ministries – Community, Aboriginal and Women's Services; Human Resources; and Children and Family Development. Although these ministries varied in size, scope, and range of responsibilities, each one offered experiences that were reflective of social policy challenges amid the austerity of the New Era.

Other ministries encountered pressures, some of a comparable character, but the stories of these three are especially important because each had a compelling (and potentially contradictory) mission set out in the *New Era* document. Each ministry struggled to fulfill that mission within budgetary parameters, and each one

faced demands for reorganization of service delivery along NPM lines within a highly charged environment. All attempted to utilize and sometimes adapt NPM tools to achieve their own mandates, and all were severely challenged by the confluence of change processes in the New Era.

The book concludes with [Chapter 9](#), which draws lessons from the New Era – particularly at the critical intersection of tax and social policy. As demonstrated in the pages ahead, a defining feature of the New Era was the frequency and intensity of the change processes initiated by the government, such as core review, deregulation, budget and staff reductions triggered by tax cuts, and reorganization of service delivery. The New Era has much to teach us, and most of its lessons are sombre ones. Nevertheless, more than a few must be gathered and visited for a final time. As Robbie Robertson sings in “Somewhere Down the Crazy River,” a potential theme song for the New Era, “this is sure stirring up some ghosts for me.”⁴³