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## **Confidence in Public Institutions: Restoring Pride to Politics\***

*David Zussman*

I stand before you, Australia's most important public institution, with a somewhat daunting invitation—to talk about the decline in confidence in public institutions across the world.

Canada and Australia are among the oldest of the Westminster democracies, and I am particularly pleased to be here in this chamber as you celebrate one hundred years of nationhood. But our countries share much more than a proud political tradition. Both countries are physically vast, geographically and climatically diverse, rich in natural and human resources and populated by mosaics of—in order of historical priority—aboriginal peoples, European settlers and immigrants drawn from every part of the world. We are very fortunate indeed to be considering the issue of confidence in government institutions against such a backdrop of abundance.

First, however, I'd like to tell you how I came to be here today. I'm the President of the Public Policy Forum; an independent, non-profit, non-partisan organisation dedicated to improving the quality of public policy and public sector management in Canada. The Forum was created in 1987 at a time when tensions between the public and private sectors were running high. Its founders, from both government and business, recognised that there was a need for open, research-based dialogue among

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leaders from all sectors, to ensure that Canada achieved the quality of government it requires to succeed in a globalised economy.

The Public Policy Forum is unique in Canada. It is not an advocacy or lobbying organisation. Its 150 members are drawn from government, business, labour and the voluntary sector. The Forum truly is one of the few venues where leaders from all sectors can have a frank, open and off-the-record discussion of major policy challenges. Our goal is not to advocate a particular stand on an issue, rather we strive to ensure that all points of view are heard and, when possible, achieve a consensus. In addition to tackling policy issues, our private sector members have been particularly supportive of the public sector's efforts to improve public sector management practices and adapt to the information age, thereby acknowledging the importance of good government in our society.

Greg Wood, who has provided strong representation for Australia as your High Commissioner in Canada for the past several years, became interested in the Forum's work and has participated in a number of our roundtables and seminars. I understand that there is no similar organisation in Australia. So, as a consequence, the Department of Foreign Affairs and Trade invited me to visit your country to meet with business, academic and government leaders to discuss our approach to public policy development. And while I am here basking in your summer sunshine, Greg is back in Ottawa, where Australia is the major sponsor of our major winter festival this year, called Winterlude. Ottawa is the world's coldest capital, but we make the best of it by celebrating winter on a frozen eight kilometre long canal that runs through the heart of the city—now dotted with kangaroo ice sculptures.

Today I will be addressing the issue of confidence in government. What do we mean by confidence? And what do we mean when we say there has been a decline in confidence? It's easy enough to identify those who feel there has been a decline. We're talking about the 'general public', the people who live and work and vote and answer surveys in Canada and Australia and around the world. But what is it that they're losing confidence in? And how do we know?

The conventional wisdom is that the general public has lost confidence in the capacity of governments regardless of political stripe, to manage their affairs efficiently, prudently and effectively—and to act in the public interest.

I will therefore begin my presentation with a brief overview of what we know about declining public trust and confidence in the institutions of government, something I've been following as an academic and a policy adviser for the last 15 years.

First, I'll discuss some of the data. Then I'll talk about what may have led us into this situation, and what the implications are both now and in the foreseeable future; about why we should be concerned; and then I'll talk about some solutions—some of which are practical, while others are not.

But as we think about going forward, we must recognise that the world is changing in powerful ways that affect the meaning of 'government', and I would like to spend a few minutes talking briefly about some of them.

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As you would expect, the first of these changes is globalisation, a term that is losing currency from excessive use. But there is no denying the phenomenon it describes. Globalisation means—for the purposes of this discussion—that the power of the nation-state is being challenged by many emerging forces, including the development of transnational organisations, both public and private. A study just issued by the Institute for Policy Studies reported that 51 of the 100 largest economies in the world are now corporations, not countries.

As fewer and fewer countries are able to match the economic power of the largest corporations, and autonomy is surrendered through regional and global arrangements like the North America Free Trade Agreement, APEC, the G-20, ASFAN and the European Union, the challenge to individual governments becomes clear—show your relevance. Show that you make a positive difference in our lives. Show that you deserve our confidence.

Technology, one of the drivers of global economic integration, also merits mention on its own. For governments, technology—faster, higher capacity communication networks—is a two-edged sword. The protests that captured world attention in Seattle on the occasion of the World Trade Organisation Conference last year would not have happened without the Internet as an organising tool. Electronic media are widely considered to have played an important role in bringing down regimes from the Philippines to the former Soviet Union. So technology allows citizens the opportunity to challenge their governments in very dramatic ways.

At the same time, technology links citizens to government in a one-to-one relationship that is unique and full of potential.

A third factor is that societies in the developed world have grown accustomed to growth and affluence over the past 20 years. And the deference to authority associated with societies of scarcity has given way to the more demanding attitudes of people who are better educated and more confident.

Given the context I've just described, it's obvious that governments' relations to citizens have been significantly redefined. I think it's pretty clear that there is no possibility of returning to the old days of high confidence by resorting to the old ways. Government can't spend its way back into public confidence.

So let's look at the current situation in a little more detail, and decide where we can go from here.

In the 1981 World Values Survey, 39 percent of European respondents expressed 'a lot' or 'quite a lot' of support and confidence for public institutions. By 1990 that had fallen to 25 percent. In 1981, 50 percent of Americans expressed high support for public institutions. This fell to 32 percent by 1990, and 21 percent by 1999. In 1981, 37 percent of Canadians expressed high support for public institutions, a figure which fell to 29 percent by 1990, and to 22 percent by 1998.

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A survey in July 2000 found that 92 percent of Canadians expressed trust in our friends and families. More than 70 percent of us trust voluntary organisations and the police. Around 40 percent of Canadians trust the legal system and, as individuals, public servants. More than 30 percent trust business, union and student leaders. Twenty-nine percent trust ‘the government’—one percent less than the media, and exactly the same as special interest groups. And politicians? They are trusted by 12 percent of Canadians. Only car dealers are less trusted than politicians.

In the 1960s, 80 percent of Canadians trusted governments to ‘do the right thing’. Today this level of support has fallen to 30 percent.

Americans are most inclined to trust the military and the medical profession. In India, high levels of trust are placed in the military, the supreme court and the police. In a study of the new democracies of Eastern Europe, trust for governments or parliamentarians was the lowest among all the options.

Australians’ trust in state and federal MPs alike has fallen over the last 30 years, although not as steadily as their trust in bankers and lawyers. Last year this address was given by Professor Murray Goot of Macquarie University. He talked about how Australian public opinion on politics, politicians and parties has changed, as well as the very significant extent to which it has remained the same. Professor Goot associated Australian fluctuations in confidence with domestic issues, events and personalities. He found Australian voters ‘no more disengaged from politics now than they were in the years before Whitlam.’

Explanations describing the decline in confidence in public institutions as the result of unique circumstances within particular countries appear much less persuasive to me when we consider this as a global phenomenon. The decline in confidence in public institutions seems, in fact, to be well documented everywhere except in Australia.

I will not try to explain this difference. I will talk to you about the part of the world I know best, where the loss of trust in public institutions has been most significant.

Before we propose any remedies, we need to look very closely, to try to identify the causes of these recent changes in attitude. Too many people have jumped to conclusions about solutions without first identifying the sources of the problems.

One factor may be that, for the greater part of the Twentieth Century, most industrialised countries experienced relentless growth of the state. In the last quarter century however, these industrialised countries have had to dig their way out of huge deficits and debts resulting from their efforts to fund the cost of these ambitious government programs. Today, most western governments have just completed reducing the size of the state and withdrawing from many traditional public sector initiatives.

In addition, globalisation and the information technology explosion have rendered traditional approaches to policymaking and regulation less effective than previously, as the role of the government became more focused and smaller, and markets began to play a greater role in allocating global resources.

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So part of the reason for the loss of trust and confidence is clear—governments do not have the fiscal capacity or the economic reach to deliver in the changed environment, and as a consequence, many have had difficulty defining new roles for themselves in this challenging context.

This analysis is further complicated by something that is at first glance counterintuitive—while confidence in public institutions appears to be falling, interest in them is not. For each of the dozen North American and European countries in the World Values Surveys, there has been a distinct and sometimes impressive increase in the percentage of respondents who express an interest in politics and government. In Canada, the proportion claiming to be ‘very interested’ in the work of political leaders nearly tripled between 1981 and 1990.

This growing interest in politics and politicians may be a very significant factor in explaining some of the decline in confidence. As more attention is paid to politics by a better educated, informed and interested electorate, and as the media bring us into ever more intimate contact with politicians and other leaders, politicians cease to be ‘larger than life’. A growing interest in politics has, ironically, been accompanied by a tendency to distrust political authority and big government. Citizens are less deferential than they were in the past.

The news media has played a role in this as well. The eight-second spot, the quotable quote, the sound-bite and live television in the House of Commons have all helped to turn Canada’s political process into a public spectacle. The economics of the news media—concentrated ownership and a high level of competition—encourages sensationalised reporting. Saying ‘Hey, the government isn’t as bad as it looks’ is not likely to sell many newspapers. The mistakes and misdeeds of politicians at every level of government—however trivial—tend to be trumpeted and exaggerated.

Citizens’ attitudes—especially on issues of trust—toward each other form the glue that holds a society together.

Social cohesion is, in essence, the ability of people in a society to work together in groups. It is based on shared norms dealing with issues like truthfulness, honesty and reliability. It is the foundation of the sort of trust that makes a society work. It is what Dr Francis Fukuyama describes as the ‘art of association’. It’s been suggested that with the weakening of that trust, the loss of that social capital, North Americans particularly are becoming as individualistic as they were always believed to be.

The erosion of social capital can be seen as both cause and effect of changes in the way citizens relate to their families, their employers and their communities. A generation ago there was a lot of discussion of how television was changing our family life. Families didn’t talk any more. They just sat together and passively absorbed whatever was on the television screen. Who could have predicted then the potentially far more isolating impact of the new technologies of video games and the Internet?

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Employers were once much more paternalistic towards their employees than they are today. People could work for the same company for 30 or 40 years. In the face of globalisation, deregulation and increased competition, careers for life have become a thing of the past. Now we tell our young people to expect to change jobs and employers many times during their working lives. We teach them that loyalty is something that they should neither expect from nor offer to an employer.

The recent trend to individualism in North America is not, for the most part, based on a great philosophical movement. The writings of Ayn Rand and Milton Friedman have not taken on a new popularity. The driver here is simply self-preservation. People are electing to take care of their own interests because they do not believe anyone else will. The necessity of self-help has, in fact, been compounded by cuts in public spending, in areas where citizens really care. As a consequence, people are also losing confidence in those programs that help define their quality of life, such as health and education programs.

This has prompted people such as Canadian union leader Buzz Hargrove to comment recently that if governments don't demonstrate the importance of their programs and services to the quality of life, Canadians will conclude 'more from frustration than from mean-spiritedness' that they want their money back.

Confidence in the system may also be eroded by the failure of past governments to deliver on their promises. Sadly, we have pretty low expectations of truthfulness on the part of politicians, especially during election campaigns. There has been a great increase in cynicism about politics and politicians. In 1984, Brian Mulroney became Prime Minister of Canada with the biggest majority in Canada's history. Shortly after he left office nine years later, his party was reduced to only two seats in the House of Commons—a decline of more than 150 seats in four years. A lesson to all about the danger of promising the sky and failing to deliver.

Another important development in Canada and elsewhere has been the introduction of various kinds of charters of rights and freedoms. These charters, empower individuals by allowing them to challenge for their rights in court at the expense of Parliament. The frequent overturning of legislation has further undermined the legitimacy of government.

Why should we care about loss of confidence in public institutions?

We should care—we should worry—because that confidence is an essential part of our social capital. Its erosion will undermine not only those public institutions, but also civil society in general. Some have argued that this decline in trust is a positive development—the result of the attention of a better informed, better educated public. And were this simply the result of more light being cast upon the deeds and words of politicians and public servants, I would agree. But it is not simply a matter of more being seen—the problem is the more cynical eye with which government is being seen.

Government is now more complex and perhaps more important than at any time in history. And we need a realistic view of government—of all its strengths, of all its

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weaknesses. Within the next five years, about 75 percent of the executive category in Canada's public service will be retiring. I suspect the same is true in Australia. We will need to attract a new wave of equally capable, equally committed people to replace them. An inappropriately negative view of government and of elected officials will drive away the very best of the people we need, both as public servants and as political leaders. Public service must be seen as a worthwhile and honourable vocation, not as the oldest profession.

We must begin by remembering that public trust has been eroded in all sectors of society, but especially our public ones. Restoring that trust will be difficult—some would tell you it's impossible. But if we're a little flexible, a little creative and if we don't waste our time searching for that one magic bullet—if we recognise that the solution will come in many small pieces—then we have a real chance of restoring public confidence in our public institutions.

Here is how I think we might approach the project.

I am a psychologist by training, so it should come as no surprise that I'm proposing what is more or less a social psychological approach. First, it's worth noting that totally efficient and totally open and totally honest government would be the ideal. That is not a realistic expectation, but we could we have government that is more efficient, more open and more honest.

The way in which we measure legitimacy is by comparing what we see with our expectations, and we have to moderate our expectations by being honest about what governments can do. Our present Prime Minister, Jean Chretien, is exceptionally good at that. He has a very modest, self-effacing style—'understated' would be an understatement. Is it genuine? Yes. It's certainly quite a contrast to our earlier Prime Minister, Mr Mulroney, who had a fondness for grand and even reckless metaphor. Bragging to reporters, for example, about how he had 'rolled the dice' in constitutional negotiations with the provinces. It's largely a question of understanding that our judgement of performance is a function of our expectations.

And expectations tend to escalate. A politician who promises the moon makes it a virtual certainty that his or her opponents will promise the planets or the stars. Such escalation makes it inevitable that both sides will end up promising the impossible, making promises that cannot be honoured. And once we have toned down the rhetoric and moderated expectations, let's deliver good government.

If I made that sound a bit too simple, let me break it into five prescriptive areas: parliament, the behaviour of political leaders, the educational system, the role of journalists and, finally, the role of technology.

## **1. Parliament**

We need to rebuild the legitimacy of our institutions. A large part of that will be to find less confrontational ways of holding government to account. While occasionally entertaining, Question Period (at least the Canadian version) is an increasingly ineffective tool for enforcing accountability. And nothing that happens there has much effect on government decision-making. Our most

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prominent tool for holding government to account for its actions has virtually no effect on our quest for ‘good government’.

I see important work to be done with regard to parliament in at least four areas:

- i) Make the idea of serving in parliament more appealing to those who are interested in public service. Members of Parliament can begin this process by treating each other with the respect the institution deserves.
- ii) Deal with the allegation that members of Parliament have limited roles by loosening the bonds of party discipline, and by involving individual members of Parliament outside the Cabinet—government backbenchers and members of the opposition alike—in the governing of the country.
- iii) Parliament must become more responsive to the public will. I’m not proposing that parliamentarians abandon their consciences and try simply to mirror the views of their electors, but they must recognise that the input and views of citizens are not irrelevant.
- iv) Develop new approaches to holding governments to account and possibly limiting the Question Period if it can’t be made a more effective instrument.

Overall, we need to engage citizens in the process of government in ways more meaningful than simply voting every few years. This will require creativity and openness to innovation, particularly in the use of technology to transform government, perhaps using it to solicit views on an ongoing basis.

## **2. Behaviour of political leaders**

It goes without saying that it is not enough for the behaviour of a politician to be within the law. The legitimacy of the system requires that they meet a higher standard, a more rigorous code of behaviour. The use of ethics commissioners or counsellors in Canada has already proven most helpful with respect to cabinet ministers. Howard Wilson, Ethics Counsellor to Canada’s Prime Minister, spoke to your Senate two years ago. He said then, and I agree, that often all that is needed to keep ministers from placing themselves in compromising positions is some well-considered advice, to stop them from doing things which, while legal, would be seen by most members of the public as ‘wrong’.

The ground I have covered today has some overlap with Mr Wilson’s presentation. Some of the ethical problems that he discussed are important factors in the decline in confidence in and support for our public institutions.

Conflict of interest remains a large problem with respect to Canada’s upper House, which most senators consider a part-time job. And senators who rarely leave the boardroom or (in one well-known case) the beach to earn their Senate salaries have given the Senate a bad reputation.

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In order to avoid either the appearance or the reality of conflict of interest, public servants and ministers are subject to strict prohibitions on making representations in their own interests or as agents, for one and two years respectively, after leaving the public service. Senators and backbench members of Parliament are not, however, covered by these rules at present.

The point of conflict of interest rules and post-employment codes is to encourage a standard of behaviour that *is* above reproach, and that *appears* to be above reproach. Citizens have the right to expect that their elected officials always work in the public interest. Any appearance to the contrary erodes confidence in the system.

### **3. The educational system**

Our school systems do a poor job of developing political literacy and knowledge of civics. This is not a question of purely academic interest. If an appreciation of the role of government in our society is not developed in young people, it's certainly not going to be found in adults. I am therefore interested in a new policy of the Province of Ontario, for instance, that requires young people to perform a certain number of hours of community service as a condition of graduating from high school. I support this for the same reason I support education in civics. In particular, we need to provide our young people with a better understanding of the role of the member of Parliament.

We cannot continue to assume that young people will gain an adequate understanding of the institutions of civil society from what they absorb from their family, their friends, and the media.

### **4. The media**

Journalists have an important role to play here—or at least they could. I understand that I am treading on dangerous ground. Freedom of the press is an important and fundamental right. It exists because it is considered instrumental for the functioning of—here's that phrase again—civil society.

I think journalists too often react in a knee-jerk way to any suggestion that they could better serve society than by automatically mocking or minimising every accomplishment of a government or politician. I think there is room for a useful discussion of journalists' instrumental role in serving the public interest—of where to strike the balance between freedom of the press and social responsibility.

Our journalists need to dig deeper—to move the focus from the sensational to the important. As I mentioned earlier, people are becoming better educated and better informed—they can handle more in-depth analysis of policy issues.

### **5. Technology**

We've already talked about the two-edged sword of technology. It has contributed to the problem, and it could be part of the solution

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Information technology can be a tool to build trust and confidence in public institutions by making government more open and accessible to citizens on their own terms, by building transparency. For example, by 2004 Canada's federal government plans to establish an electronic portal that will provide citizens with a 'single-window' for information about and transactions with federal, provincial and municipal governments.

Credibility is tied to accountability. New technologies can be used to better hold governments accountable for their actions, and competing sources of information can help to make government more transparent. There are three cornerstones to this transparency:

- i) *Access to information.* This gives the opportunity to dispel some of the distrust of governments by providing citizens with direct, unfiltered access to information on what their governments are doing with their money. Remove the information barrier and we can build trust. Access to information within appropriate limits can make government transparent and therefore more accountable.
- ii) *Privacy.* The big—and not unjustified—fear with regard to access to information is, quite naturally, that some information that should remain private will become public. There is a related question of what information governments should appropriately be gathering on their citizens, but that genie is out of the bottle. The question of whether or not this sort of information should have been gathered is not irrelevant—it can be destroyed—but the first question to deal with is whether people's privacy is being respected and protected.

Striking that balance between public access to information and citizens' right to privacy is one of the most difficult challenges facing government. The ease with which technology allows us to share information complicates it enormously.

- iii) *Accountability.* Technology also gives us the ability to track and measure performance and hold governments accountable in ways never before thought possible. But we have to take great care in selecting performance indicators. Technology gives us the ability to measure the wrong thing with great ease. We still need to do the hard work of developing good indicators.

Citizens of every country expect—from government *and* from the private sector—good service. If they don't get good service from the private sector, they can usually take their business elsewhere. With government, while they may not be able to take their business elsewhere, citizens have a right to expect high levels of attentive service. In the public sector, there is a higher duty to learn from mistakes and, to the extent possible, to get things right the first time.

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Finally, I will say again that there is no magic bullet. The job of rebuilding people's confidence in government will be a long and hard one. The solutions will take time, but if we succeed it will have been worth all the effort—so of course we must try.



**Question** — In regard to the point you made about the need for the public service to try harder, a lot of things that have happened in Australia in recent times seem to be aimed at trying to transfer the culture of the private sector to the public sector. That would seem to be counterproductive. Can you tell us your views on that?

**David Zussman** — We have been going through the same sort of exercise in Canada for the last decade or so, and I think we have learned a lot on the voyage. After initially embracing most private sector principles, we began to realise that, although there are many things in common between the public and private sectors, there are still many things that differentiate the two. We have now gone back to a more balanced point of view. I think, frankly, that the greatest contributions from the private sector come in the area of service. In my mind there is absolutely no reason why the public sector cannot benchmark itself against the best of the private sector in terms of being able to provide levels of service. There is some degree of departure, from a management point of view, given the huge differences in management structures between the types of institutions. But I am quite unrelenting on the service issue. It is totally appropriate for the public service—particularly now with the use of technology—to offer a level of service to its citizens that you would expect from a bank or a pharmaceutical company.

**Question** — Your talk sets out some issues that are very pertinent to Australia. Public attitudes, expectations, and an understanding of government require something which clearly sets out the role of government in the changes that are occurring in the world today—particularly against the background of globalisation and economic drivers which are linked to technology. You mentioned a number of roles for various other groups and sectors in the economy, but skirted around the role of government and tended to describe it in terms of transparency, accountability and so on. In Canada, has that issue been picked up head on by your Committee, and can you add anything about the role of government?

**David Zussman** — I deliberately skirted the role of government because I think that is very much where political parties should function. My expectation for any general election is for the parties to articulate the very role of government, because that is the essence of what parties are seeking when they seek election. They are in fact defining for the citizenry the role which the government might play.

As citizens we make choices among the various options which array themselves along a continuum. Some political parties see a much more activist role for government; some see a minimalist role. And that is the ultimate, real choice you are going to make. All of the other things I talked about apply to any government, regardless of where it sits on the political spectrum.

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So, as we've seen in recent elections, when you go into the ballot box and put numbers next to names, at the heart of this decision, which is one of the more important decisions you make on a regular basis, you are defining the extent to which you are giving a government its role, and the breadth of that role. And it's the collectivity of that, and the result of all the citizens making their choice, that you end up with a government which, hopefully, will have spelled out to you in advance what they see their appropriate role to be.

One of the great innovations in Canada in the last ten years—which I understand has been going on in Australia for a long time—is that our political parties now actually publish a platform in advance of an election. In the good old days, the platforms were about three pages long and they all said more or less the same thing. We have now become quite insistent towards our political parties as they seek our vote and are saying to them: 'Tell us more—much more.'

So in the 1993 Canadian election, for instance, which was a landmark election, one of the parties had a 115-page document, which outlined in great detail—with costings—what they were going to do for us. And for three or four years they then, relentlessly, checked off each of those promises as they completed them. That government was rewarded with a majority in 1997, and just got another majority in November last year, using pretty much the same argument. Many people said: 'You know, I don't really particularly like these guys, but by and large I'm comfortable with what they want to do and they run an honest government, so I'll vote for them again.' And they came back with a much larger majority in 2000 than they did in 1993, which—as all of us know—is pretty hard to do in modern politics.

So, in answer to your question, I think the parties have to articulate their positions.

**Question** — And perhaps by politicians lowering expectations themselves?

**David Zussman** — When you have a document out there which says 'this is what I'm going to do', it does tend to moderate some of the rhetoric.

**Question** — I don't think you covered the question of attitudes in the public service. After 25 years in the service, I would say that there's probably been a trend in the way public servants see their own work. In 1980 perhaps it would have been easy to have people subscribe to the view that their work was honourable and was something which was a career and so on. They would be people with a degree of professionalism and, hopefully, some judgement about these matters.

In the last few years I think it has been harder to get people subscribing to that sort of view, and these are obviously the people who work in the political sphere. We've probably had ten or fifteen years of internal 'staff attitude' surveys within departments which, to some degree, reflect on the view of the integrity in the system and senior management in the public service. So it should be possible to track some of the trends in that way, but it doesn't go back to that earlier time that I would call, perhaps, the 'high water'. Do you have indicators from inside those sorts of areas?

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**David Zussman** — One of the most interesting pieces of research I did was in the 1980s, on a number of occasions, where I surveyed senior public servants and senior executives in the private sector. I asked pretty much the same questions of both populations—about 2000 in each group. One of the things I found, which surprised a lot of people, is that each side characterised the other as being ‘lazier’. On the question of who’s more efficient, everyone said the private sector. When it came to the question of whose job was more interesting, the public servants always had higher numbers. The public servants have always felt that they make a real contribution through their job. They may not be paid as well, but the job is interesting. So in fact, inherently, there is a good reason for many people to find employment in that sector.

We’ve done surveys of university students in the last few years, and we find that young people would not consider a career in the public service. It remains an enormous challenge therefore, to find good people and to make them to appreciate the value of an interesting career working in the public interest. The challenge will come, as I mentioned earlier, because so many of the executives will be leaving—as they will in Australia in the next five years. People are not attracted to public service for a number of reasons, some of which are the more obvious ones, like compensation.

But I don’t think compensation is really at the heart of it. I think at the heart of it is the notion that governments don’t matter much. There is an attitude of ‘Why would I spend my life doing that sort of silly stuff, when I could do something important, like working in a private sector organisation?’ Because I’ve been quite bothered by this, I’ve been working on a project that has not yet been launched, but I have in fact secured the agreement from five or six major CEOs of companies who used to work in the public sector, asking them to make some public statements in the coming months to explain how valuable it is for people to consider careers in the public sector.

I am very bothered because government, as I argued earlier, is no less relevant than it was when you joined the public service. And if we don’t have first class people, as we’ve traditionally had, trying to work on these very intractable, difficult problems, we’re not going to have the best policy advice going to ministers. As you know, the public service does provide the bulk of the advice to political leaders, and they really deserve the best and most contemporary thinking possible.

**Question** — As you noted, there are many difficult and intractable problems in the public sector, and many of those require long term solutions, whilst much public decision making seems to be on the basis of short term political interest. How can you get over that problem?

**David Zussman** — Well we’re never going to be able to do that. I think we just have to recognise that we have to find better processes. One of the things we argue at the Public Policy Forum—and in fact it’s pretty much our mantra—is that most real big public policy issues cannot be solved by government alone. Whether it’s one level or three levels of government, that sector can’t solve all of our problems. We have a better chance of succeeding, I think, if we can engage all the other sectors of society—the not-for-profit, labour, academia, the private sector—to engage or to

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challenge them to contribute to the solution. To do that, though, requires governments to actually allow them to participate in the formulation of the response.

This is a learning process, and I can't say we have had huge successes at doing that.

For a long time, we've fooled ourselves by saying: 'Well I consulted with those people, I don't know why they're so angry, we did tell them what we were going to do, and they told us it wasn't a good idea and we did it anyway, and now they're angry, and what are they angry about?' That's not what I'm talking about. I'm talking about a situation—and we're working on this quite actively in a number of different areas in our own organisation—by saying, 'Look we have a problem—we don't know the answer—but maybe together we can fashion a solution. We'll work the finances out later on, because the finances may frankly be equally shared.'

That may be the way in which one runs modern government and governance. It's a model that we've been pushing for ten or fifteen years, and we're about to engage.

As an example, we were asked just last week by the minister responsible for employment what jobs are going to look like ten years down the road, and how to prepare a workforce for these new jobs. We don't know the answer to that—we don't even know what those jobs are going to look like. We don't know what the training is going to be. But we *do* know that if we don't do anything, then no one will be prepared. So we're now going to start very active and real dialogue with all the major stakeholders in the country: with the CEOs of the large corporations, asking what they need; with the universities, asking what they are going to do for us to provide the skill set that is necessary; with high schools, asking what the school counsellors will be telling kids about the future, and what are the curricula going to look like?

That's going to be a major effort of ours, and I can't tell you if we're going to succeed, frankly, at this stage. But I don't think there is any other way to do it. If we are even halfway successful in getting an engaged debate going, where citizens can begin to see that something is emerging and where government is saying: 'We don't know the answer, we're not going to fool you by saying one billion dollars is going to get us the answer—all we're saying is that we're going to start a dialogue and we're going to see where we end up.' It took an enormous amount of courage on behalf of the minister to do that. Now that's a minister looking down the road. This is not a minister looking at the short-term solution. She knows that she may not succeed, but she will be way out front by telling all the citizens she's going to try it and that it may not work out that well. But I think citizens will give her credit for trying. As I said earlier, I don't think citizens have the level of expectation they did. We are now too well informed about how difficult it is to do good things in a multifaceted and very complex society.

So that's what we're trying to do, and I'll report back in a couple of years if you like.

**Question** — I think it is still part of the political culture here that to be a successful politician you have to pretend that you know all the answers to every question. And to say that you don't know the answer to some problem would be a fatal concession, which would doom you. That seems to be the prevailing culture.

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**David Zussman** — I'm a parent, I try that with my kids. I used to say that I knew all the answers—and they said: 'No, you don't.' Now I say that I don't know all the answers and ask them how we're going to solve it together. I think sometimes that the politicians are way behind citizens on this issue, actually. I don't think citizens have that expectation—they do not expect the politicians to know all the answers. It may take some courage for some of them at the outset, but I think it's frankly a pretty easy transformation.

**Question** — I don't want to draw you into a debate that perhaps is raging only in Australia, however when you mentioned the role of the press, you didn't seem to be offering a solution to the issues you raised. Would you care to comment on public broadcasting in Canada?

**David Zussman** — I don't have any solutions because I have failed miserably in getting the media involved in this discussion. I have on four occasions invited the media to a round table with senior public servants to talk about their reporting of Parliament and their reporting on the public service in general. Although well intentioned, we have never actually been able to schedule it, and this is because the media feel awkward about it. They know exactly what's going on. And they know exactly the awkward position they find themselves in. Private conversations always validate this point: 'I have editors and publishers who demand that I write stories that we can sell.'

One very good anecdote concerns a good friend who works for a national newspaper. He got a call from an editor in Toronto saying: 'Our competitor, the other major newspaper, has done a story on this, why didn't you run a story on this yourself?' At which point the journalist said, 'Because it's not true.' The publisher then said: 'I don't care.' There's a tremendous conflict within that story.

Journalism schools are debating this issue among themselves—they don't know where they want to end up on this. That is because, in large part, newspapers and the media are businesses, and reporting 'truthfully' and getting the right answer is not necessarily the primary objective.

The question of where public broadcasting fits into this is one that we are grappling with in Canada today. Over the last ten years in Canada, spending on our public broadcaster, the Canadian Broadcasting Corporation, has been reduced by 500 million dollars a year. So we've gone from a budget of 1.2 billion dollars to about 700 million dollars a year. In a speech last week from the Prime Minister it was announced that more money would now be added to the CBC budget. Why is that? Because we suddenly recognised that there is something that goes beyond the need for commercial media—and that is a media that is really not preoccupied by sales or share ratings, but is more preoccupied with quality and getting the story. I was very surprised, to be perfectly honest, that the government decided, after seven years of severe cutting, that they had gone too far. While it was probably not an efficient organisation seven years ago, and for various reasons had allowed itself to lose its discipline—which is easy to do when you get annual appropriations which are not really scrutinised—there came a

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point at which the commercial broadcasters will not take on the type of programming that public broadcasting can do. So there's now more money going back.

In large part, by the way, I think this was prompted by a television series that's still running, on the history of Canada. There is no commercial value in this, they couldn't find any advertisers for it. Yet, ironically, they're getting about two million people a week watching it. So we've had a change in thinking in Canada in the last couple of years, in large part because the quality offered by our public broadcasting is just unmatched commercially, and that continues to be the case. I can't comment at all on Australia's situation.

**Question** — You glossed over outsourcing. In Australia, the government's policy in recent years has been to outsource enormous amounts of work and to severely cut the numbers of staff in public service. Many of us feel that the loss of career structure in the public service has resulted in loss of corporate knowledge gained by longevity in the service, loss of confidentiality, loss of loyalty and many other factors. We know that there is lip service to community consultation, but we've also learned to our cost that this is often *only* lip service, because it is so short term that the community cannot respond effectively. Has Canada tended to move away from outsourcing and downsizing its public service, or are they staying with that policy, which we have been following?

**David Zussman** — In 1995 I was in the federal government. I was Assistant Secretary to the Cabinet, for something called 'program review', where we undertook a fundamental review of all the government's expenditures. To make a very long story short, 22 percent of the public service left at the end of the exercise.

By the way, this review was driven largely by fiscal reasons—we were running a huge deficit of 42 billion dollars a year, and at moments it looked like it was going to get worse.

We're now in a surplus situation and have had a chance to look back at some of the things we did. You're absolutely right about a number of things you mention. We lost corporate memory to a great degree—and in fact we're buying it all back now. We're buying back the same people who left, because no one is going to remember exactly why we did what we did.

I don't know if we were totally enamoured of the private sector model, which was the question you asked at the outset. But we introduced some notions of competition in the delivery of services. And I think we've discovered now, after some experimentation, that the public service can often deliver services more cheaply than the private sector can—all costs and all factors in.

So in fact, while there has not been significant growth in the public service in Canada, it is certainly not getting any smaller. And the government has made it abundantly clear that the downsizing efforts are over, and that it was entirely driven by fiscal reasons—it was not ideological in the sense that the private sector could do it better than the public sector. The Prime Minister was very reluctant to go through this exercise, and felt that he had really no choice.

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There have in fact been some small innovations. What we have done is create what we call 'agencies', which are public service operations, placed somewhat at arms-length from the government, to be less controlled by our central agencies, and to give them more discretion in the way that they conduct business, contract work and enter into agreements and partnerships.

Our most significant example of that is our revenue agency, our tax collection agency, which is now no longer a government department, but a separate agency, with its own logo and its own advisory board to advise on management. It's been in existence for only two years, and in fact my organisation is just now completing a case study on the creation of the agency, and I hope in a few years to go back and take a look at its effectiveness, or otherwise.

So we have had some innovations, but certainly not any linked to downsizing, and certainly the downsizing was not ideologically driven.