



Money Matters: Fiscal Performance in Minority Parliaments

Kevin Page

Former Parliamentary Budget Officer, Founding President and CEO of
the Institute of Fiscal Studies and Democracy, University of Ottawa

April 3, 2020

9:00am – 4:30pm

Summary

The current parliamentary session is playing out in a politically divided House of Commons. This is only the second time in Canada that a governing party will form a government with less than 35% of the national popular vote. The key to governing in a minority Parliament is confidence. The current Liberal government can remain in power as long as it maintains the confidence of the majority of members in the House of Commons.

Are minority governments the new normal? It is often assumed that minority parliaments can be unstable and unpredictable, while majority governments imply steadiness and predictability. Does this mean Canadians should expect little legislative progress on policy issues over the next few years? Similarly, it is often assumed that fragile governments are more likely to choose expensive policy options and deficit financing. Does this mean the federal government will not be able to achieve its fiscal rule of a declining debt to GDP ratio over the next five years?

In this workshop, we will review evidence and advice from international studies on minority parliaments. What lessons and strategies can be gleaned to promote legislative productivity on important policy issues and promote fiscal responsibility? We will examine Budget 2020 (to be tabled in Parliament in March) to determine if the Liberal government is employing collaborative strategies to drive better policy outcomes for Canadians. We will review 2019 political party platforms to determine potential opportunities for future collaboration.

The purpose of this perspective is to deepen our understanding of the political dynamics on policy and budget implementation in a minority parliament scenario to better position us (as citizens and rational voters) to demand progress on important economic, environmental, social and fiscal issues. As a former Parliamentary Budget Officer, Mr. Page will draw on his own experience in this workshop to collaborate with participants on assessing Budget 2020 and developing budget and political strategies.

Outline

The day will begin with an overview of Budget 2020 and a comparison of policy measures with commitments in the 2019 Liberal Party Platform. Lessons learned from international studies on enhancing performance in minority parliaments will be used to assess government performance and to develop (in class) new policy and fiscal strategies for Budget 2021.





Required Readings

Consult the following:

- Page, Kevin and Nzabonimpa, Melyne, Nov-Dec 2019 "Money Matters: Fiscal Performance and Minority Governments", Policy: Canadian Politics and Public Policy <https://www.policymagazine.ca>
- Page, Kevin with Carmichael, Kyra, Liban Dahi, Nicholas, Khan, Hiba, Mar-April 2020 "Budget 2020: Managing Risk and Uncertainty", Policy: Canadian Politics and Public Policy <https://www.policymagazine.ca>
- Askari, Mostafa and Page, Kevin, 2020, "Assessing Party Platforms for Fiscal Credibility in the 2019 Federal Election", Canadian Tax Journal (forthcoming) **SEE LIBRARY RESERVES***

Familiarize yourself with the following texts:

- Federal Budget 2020 (to be tabled in Parliament in March 2020), <https://www.canada.ca/en/department-finance.html>
- Potrafke, Niklas, August 2019, "Fiscal performance of minority governments: New empirical evidence for OECD countries", SAGE Journals, <https://doi.org/10.1177/1354068819866080>

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