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Department of Communications in the 1990's: Challenges and Opportunities

STRATEGY AND PLANS

STRATÉGIE ET PLANIFICATION

Department of Communications in the 1990's:

Challenges and Opportunities

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A BACKGROUND PAPER FOR THE KEY ISSUES FORUM SEPTEMBER 20, 1990

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Strategic Policy Planning
Strategy and Plans Branch
Communications Canada
September 12, 1990

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Introduction

Where is the world headed in the 1990s? And how can the Department of Communications meet the challenges of this rapidly changing environment?

These are the fundamental questions before senior managers at the Key Issues Forum. The Department is committed in its Mission to "Nation-Building: Helping Canadians share their ideas, information and dreams". But how do we do this when Canadian society and the economy are being challenged by forces from within and from without? When regionalization is gaining in momentum in Canada while consolidation of geopolitical blocs is taking place elsewhere? How do we help all Canadians (not just some) to express themselves culturally and to utilize the communications system for economic and social gain? What approaches will be most effective in the 1990s? Are we using appropriate instruments now? If not, what should we be doing to ensure that we get the right instruments for the 1990s?

This paper necessarily takes a longer-term perspective on the environment surrounding communications and culture. It is meant to be complementary to the departmental workplans, which focus on the next 6 to 12 months. However, it goes beyond them to examine the issues and the forces that are likely to affect DOC in the next two to five years (and, in some cases, beyond).

The analysis is based on an overview of emerging public policy, economic and social trends, and on the major themes arising from a series of Strategic Planning Workshops held in DOC between June and September 1990. These workshops, at which personnel from all parts of the Department participated, dealt with the following topics:

Globalization of Communications and Culture: Can Canada Keep Up?

Emergence of the New Media: Are Our Policies Adequate?

Communications and Culture Towards the 21st Century: How Can We Help Canadians Share Information, Ideas and Dreams?

Managing Into the Future Through Creativity and Innovation: How Can DOC Create the Right Climate?

Complementing these four workshops, a Background Paper was prepared by DGFP on how the DOC should manage its federal-provincial relations in the post-Meech era.

Putting together the information from all these sources creates a cross-Sectoral view of the challenges that face us.

The consultations that were part of this strategic planning process indicate that Departmental employees are deeply concerned about many of the issues that face the Communications portfolio and are strongly committed to dealing with them. But they also believe that they lack many of the tools needed to deliver on this commitment. They look to senior management to provide leadership -- leadership that is sensitive to the issues and committed to developing the tools that are needed to meet the challenges of the 1990s. The balance of this paper will focus on those challenges and their strategic implications for DOC over the longer-term.

The Context - DOC in the 1990's

The purpose of an environmental overview is to examine Canada's current situation from a number of angles -- public policy, economic, and social. It provides general information on both external pressures from outside the country and factors from within which may affect the response of decision makers to specific events. For federal decision makers, it is also useful to have a sense of the "mood of the country" as derived from public opinion polls, since individual Canadians are our primary clients and their views provide feedback on how well the public sector is doing its job.

Accordingly, the following section will briefly sketch:

- the public policy context
- the economic context
- the social context

Since this is not meant to be an exhaustive treatment of these subjects, much of the supportive data has been left out or condensed for the convenience of senior executives.

Public Policy Context

Since nation-building is a central aspect of DOC's mission, it is important to understand the public policy context in which the Department operates. The past few months have been particularly stressful for Canada. The major areas of concern are as follows.

1) Canadian Identity

Concern about national unity has increased dramatically in the last few months. In its December 1989 survey, Environics found that only 7 per cent of Canadians listed national unity as one of Canada's dominant problems. By June 1990, this percentage had increased to 25 per cent, up nine points since April.

There is also increasing evidence of fragmentation and polarization within Canada. For example, there has been a sharp decline since 1980 in the number of Canadians who identify themselves first as citizens of Canada and second as citizens of their provinces. In 1980, the figure was 62 per cent. By 1990, this had declined to 49 per cent.

2) Interregional Tensions

Negotiations on the Meech Lake Accord have also caused a variety of regional grievances to surface over the past months. In a recent poll, Environics found that 39 per cent of Canadians view Ontario as most favoured by the federal government, followed closely by Quebec at 37 per cent. Only 3 per cent thought the West was favoured, and only 2 per cent believed that the Atlantic provinces got preferential treatment from the federal government.

Trends also show an increasing preference for provincial jurisdiction in a number of areas. In June 1990, 41 per cent of Canadians indicated they would like to see provincial powers increased, compared to only 15 per cent who want a stronger central government.

3) **Aboriginal Tensions**

Economic pressures in many parts of the country are bringing the aboriginal community into increased conflict with other Canadians, many of whom view native concerns about the environment and aboriginal rights as barriers to economic development. If Canada's economic situation deteriorates, this type of conflict will also become more pronounced.

Economic context

The economic outlook for Canada over the short to medium-term does not appear promising. As a result, the Department can expect greater pressure on the telecommunications and cultural industries, as well as the creative community, over the next few years. The ability of DOC to provide assistance to communications and cultural organizations will, however, be limited by the fiscal situation, particularly by the deficit, which places the government in a difficult situation vis-à-vis growing interest group demands.

1) Confidence in the economy

The Conference Board of Canada's survey of consumers in the second quarter of 1990 indicates that their confidence index (based on a level of 100 in 1961) now stands at 77.0. This is the lowest level since the 1982 recession.

The Conference Board's index of business confidence also plunged 27 points in the second quarter of 1990 to 82.7 (based on a level of 100 in 1977). This is a fall of 96 points since the peak of 178.4 registered in the first quarter of 1988.

2) Inflation and interest rates

Although interest rates are dropping at the moment, in the medium-term most economic authorities predict they will remain at historically high levels due to the tight monetary policies of the Bank of Canada in response to inflationary trends.

For example, the Conference Board of Canada predicts that, due to the introduction of the Goods and Services Tax (GST) inflation will rise from its current level of 4.2 per cent to about 5.8 per cent in 1991. Informetrica predicts an inflation rate of 6.3 per cent in 1991, while the Economic Council of Canada sees a rate of 6.9 per cent in that year. In the longer-term (1992 and beyond), inflation rates are expected to decline to the 3 to 4 per cent range. These

predictions do not, however, take into account the possible inflationary effect of higher oil prices due to instability in the middle East.

3) **The deficit**

The federal government has made significant progress in closing the gap between expenditures and tax revenues and in reducing its debt/GDP ratio (from 7 per cent in 1984 to 3.4 per cent in 1988). However, high interest rates on the accumulated deficits of the past years have prevented it from lowering its overall borrowing requirements. Currently, the federal government's interest payments of $32 billion on its debt constitute the largest and most rapidly rising expenditure item in its budget.

The Economic Council of Canada has constructed a number of scenarios to explore potential avenues for reducing the federal deficit. It found that even with an expenditure freeze and immediate lowering of interest rates, the deficit would probably not be eliminated until 1994. If expenditure freeze alone were to be adopted, the deficit elimination date would recede to 1997. Under the most likely scenario -- implementation of the GST in 1991 and slow growth but no recession over the short-term -- the deficit will not be eliminated until 1999. A recession at any time during the next few years would postpone the deficit elimination date well into the next century.

4) **Revenue enhancement measures**

Faced with the fiscal situation described above, the federal government must implement the GST as planned in 1991 if it hopes to make progress against the deficit.

However, it should be noted that the public reaction to the implementation of the GST is likely to be considerable. Public opposition to the GST stood at 76 per cent in June 1990. In January 1990, Goldfarb found that 60 per cent of Canadians expected the GST to make the economy somewhat or much weaker, and 76 per cent expected it to hurt them personally.

5) **Adverse effects of the U.S. economic situation**

Both the Canadian and American economies are in the seventh year of an expansion, although both are now showing signs that this expansion is at an end. The biggest question for Canada is whether the U.S. economy, to which we are closely tied, will achieve a "soft" or a "hard" landing.

Two problems continue to plague the American economy -- the large federal deficit and the large trade deficit. Both must be reduced if the U.S. is to remain competitive with the vigorous Japanese and European economies. The prospects for this appear remote, despite George Bush's changed position on the subject of taxes, due to the fiscal liabilities that are likely to result from the bail-out of the savings and loan industry.

On the trade side, the high value of the American dollar will continue to limit growth in exports, thereby maintaining the current account deficit. Foreign capital is needed to finance this shortfall, and attracting this capital will require continuing high U.S. interest rates. If U.S. rates remain high (which seems likely once energy price increases due to the situation in the Persian Gulf hit the economy), Canadian ones will have to follow suit.

Social context

The social context is of interest to DOC for a number of reasons. First, it indicates which issues are of most concern to the Department's primary client, the individual Canadian, and provides an indication of where social values and priorities are headed. Second, since dealing with social issues is usually the prerogative of government, an understanding of where the problems lie can provide the Department with an idea of future government priorities. Third, several social issues, such as the changing composition of the workforce and the changing ethnic profile of the population, will have a very direct impact on communications and cultural consumption patterns and on the way DOC organizes itself in the 1990's.

1) Social Issues of Concern to Canadians

The Goldfarb poll of January 1990 showed that the social issues of most concern to Canadians are, in descending order, the spread of AIDS, drug abuse, water pollution, air pollution, acid rain, alcohol abuse, juvenile delinquency, family violence, adequacy of pensions for the aged, abortion, racism, immigration, treatment of minorities. native rights and the availability of day care.

An analysis of these findings would appear to suggest that Canadians' social preoccupations fall into three categories. They are first and foremost, worried about threats to their health caused by behavioural or environmental factors. They are also concerned by erosion of the family due to poverty or a breakdown in traditional values. Finally, attitudinal shifts and government policies which are linked closely to changes in the ethnic composition of the country appear to be a source of concern.

Certain structural realities of the Canadian social fabric will have an impact on the directions of federal social policies in response to these concerns. Among these are:

2) **Poverty**

While the incidence of poverty declined by one-third between 1969 and 1986, about 15 per cent of Canadians still fall below Statistics Canada's poverty line. About 12 per cent of Canadian families and 34 per cent of Canadians living on their own are considered poor -- or 3.7 million people. Poverty rates are highest in Newfoundland (23 per cent) and lowest in Ontario (11 per cent).

3) **Changing composition of the workforce**

In 1971, only 38 per cent of Canadian families had dual incomes. By 1986, in almost 60 per cent of all families both the husband and wife worked. In the 1960s, only 31 per cent of all women were in the labourforce. Today, that figure is about 58 per cent.

The labourforce is also aging. In 1986, about 49 per cent of workers were over 34 years of age. By 2000, this figure will increase to 60 per cent. On the other hand, the number of people aged 15 to 24 in the workforce, which stood at 26 per cent in 1971, is expected to fall to about 17 per cent by 2000.

4) **Skills shortages**

Almost 25 per cent, or 4.5 million Canadians lack basic literacy skills. According to a recent survey by the Conference Board of Canada, the number of functionally illiterate employees in Canadian business is over 1 million. These employees have difficulty dealing with printed material and cannot handle basic mathematics, making it impossible for them to become computer literate.

Consequently, more than one-quarter of the organizations surveyed reported difficulty with the introduction of new technologies in the workplace.

5) **Changing ethnic profile of the population**

While over one-third of the Canadian population is of ethnic origins other than English or French, the major impact of ethnic diversity is on large cities west of Montreal. The three largest cities in Canada -- Toronto, Montreal and Vancouver -- attracted two-thirds of all metropolitan immigrants coming to Canada between 1976 and 1986. About half of these new arrivals were visible minorities.

Toronto, which was about 75 per cent of British origin in 1951, now has a population which is almost 50 per cent of non-British origin. The foreign-born make up 36 per cent of Toronto's population, 29 per cent of Vancouver's and 16 per cent of Montreal's, but only 3 per cent of St. John's.

The Issues - Challenges and Opportunities for DOC

The four strategic planning workshops focussed on a variety of subjects -- globalization, the emergence of the new media, the changing context of communications and culture in the 1990s and the management challenges that will face the Department as the decade advances. While the discussions at each of these workshops were wide-ranging, four major themes of significance to the Department of Communications in the medium to longer-term emerged:

1) **Globalization - The Imperative to Compete**

2) **Nation Building - The Importance of National Identity**

3) **Increasing Complexity and Fragmentation of the Policy Environment**

4) **The Changing Role of the Public Sector**

The following sections will elaborate on each of these themes in some detail drawing on points discussed at the various workshops.

1) Globalization and the Imperative to Compete

All of the workshops, to a greater or lesser extent, recognized the impact that globalization was having on both the communications and cultural sectors. However, it became obvious that a distinction could be made between the effects of "globalization" and "internationalization" -- two terms which refer to phenomena with opposite cultural impacts.

Differences between "Globalization" and "Internationalization"

"Globalization" refers to the growing amalgamation of national economies, to the creation of world-wide information and telecommunications networks and to the growing concentration of industry ownership. Most of the participants at the workshops expressed concern that globalization was **imposing many forms of standardization in the name of competitiveness, resulting in homogeneity of the world's culture.**

"Internationalization", in contrast, was felt to signify the emergence of a "global village" characterized by contributions and exchanges made between distinct, individual nations on the basis of equality. In this vein, national competitive advantage would be based on diversity, rather than uniformity.

Although some participants questioned the extent to which nation-states can influence the course of globalization, most of the discussion confirmed that nations have an important role to play in promoting the competitiveness of their countries. The focus then very rapidly shifted to the question of "what role?" and, as a corollary, "what instruments?"

Competitiveness in a Global Economy

The competitiveness of domestic firms on a global basis, and of nations as a site for business and industrial activity, is of growing importance in a globalizing world economy. There was consensus at the workshops about the importance of the Canadian telecommunications sector to Canada's future competitiveness. Participants also emphasized the need to improve international competitiveness of Canadian cultural products, which face a different set of problems in the world marketplace.

It was agreed that Canadian communications and culture must seek success in differing ways – communications looking to the international market and culture to the domestic one as a springboard into the international market.

In both cases, national markets have become too small to generate the revenue needed to support world-class communications and cultural industries. **Nevertheless, despite the existence of world-class products, maintaining Canadian leadership in the telecommunications field would be made easier is Canadian companies possessed a strong, unified market as a domestic base.**

Numerous commentators at the workshops also emphasized that in order to compete in the changing cultural/entertainment market, Canada must first get its domestic scene in order. This means **improving the competitiveness of Canadian cultural products in their home market first**. It was suggested that the development of more international quality products was a necessary prerequisite to gaining a greater slice of the domestic market **and** improving international sales.

The workshops discussions were inconclusive as to whether Canadian cultural and communications interests would be best served by encouraging more home-grown multinationals such as Northern Telecom or Maclean-Hunter or by providing more government aid to small firms serving niche markets. In both cases, however, **Canadian communications and cultural enterprises will likely have to form more strategic alliances with compatible foreign firms**

to fully exploit global market possibilities. The priority for governments will be to find ways to encourage such alliances without sacrificing national communications or cultural objectives.

Ways and Means: How Can Canada Remain Competitive?

One message that was delivered loud and clear by participants was that **globalization was outpacing the Department's policymaking initiatives.** It was felt by some that **many of the policy instruments previously used by DOC risk being surpassed by economic, technological and social events.**

For example, the question was asked if the 20 per cent ownership rule in telecommunications was sustainable beyond the medium-term. Similarly, some participants questioned the wisdom of continuing to pour huge sums into cultural production and infrastructure when theatrical halls are empty and Canadian cultural products are largely invisible in the domestic marketplace.

There appeared to be an emerging consensus among participants that **more emphasis needed to be placed on product development in the communications sector and on distribution and marketing in the cultural sector to overcome current competitive disadvantages.** In the new media area, which tends to cross existing organizational boundaries between communications and culture in the Department, it appeared that the competitive imperatives were different. It was suggested that **in new media DOC would have to take the lead in acquiring technical expertise, setting standards, encouraging the development of content and resolving difficult technical issues, such as the assignment of copyright to multimedia products.**

Workshop participants emphasized particularly that **the window of opportunity for the use of certain policy instruments was closing.** Regulatory instruments are increasingly outflanked by technological developments and trade agreements, and government expenditures can never be large enough. They therefore urged that **legislative measures to unify the domestic telecommunications market, update the broadcasting regime, restructure the film distribution system and improve the status of artists be passed quickly while there is still**

time. In less than ten years, it was suggested, it may be too late to use any of these instruments.

Discussion on the nature of new instruments was inconclusive, but most participants agreed that the best defence would be a strong offense. **Rather than being protective, DOC policies and programs should be proactive, and above all they should be flexible to accommodate an increasingly volatile and competitive environment.**

2) Nation Building -- The Importance of National Identity

One of the paradoxes noted by participants at the workshops was the co-existence of globalization with a resurgence of nationalism throughout the world. Although no conclusions were reached about this phenomenon, it appeared that **the same media that threaten the standardization of culture and regional tastes have also stimulated demands for national and regional autonomy.** (The example of Eastern Europe was frequently cited.)

Despite the imperatives of global competitiveness and homogenization, **it appears likely that growing importance will be attached to the social and cultural goals of nations within the global media marketplace.** Acceptance of this trend implies that **Canada's future political strength and her competitive advantages in both communications and culture will therefore be based on diversity rather than uniformity.**

New Media and Canadian Identity

Although all the existing media can be effective instruments for cultivating national identity, participants at the New Media workshop agreed that the new media will become an increasingly powerful means of communicating Canadian ideas, information and dreams in the 1990s.

It was not possible to develop a complete definition of the new media in the time available at the workshop. However, it was generally agreed that whatever the technology that may be used in various forms of the new media, they will all be characterized by **interactivity, multisensory interfaces and personalization of content.**

New media will result from **the merging of several existing media -- broadcasting, film, sound recording and publishing -- combined, manipulated and transmitted by computing and telecommunications technologies.** Ultimately, users will be able to select, combine and organize digitized text, sound, graphics and video into personalized information packages. **What will make new media so different from existing media will be the fact that the consumer, rather than the supplier, of information will be in control.**

Despite the fascinating technological wizardry surrounding the new media, **participants ultimately agreed that the central new media issue for Canada in the 1990s will be that of Canadian content.** As such, **questions of cultural sovereignty will probably loom larger in the long run than questions of industrial competitiveness (with the latter likely to depend on the former, as seems to be the case with the cultural industries.)** All the challenges facing the Canadian cultural, information services and software industries in a global economy will therefore also face domestic providers of new media products and services. Complicating this situation will be the same difficulties outlined in the sections on fragmentation below and globalization above -- an array of policy instruments that appear to be unsuited to the diverse and competitive environment of the 1990s.

Given the continuing convergence of transmission technologies, along with the content they carry, the new media are likely to be <u>the</u> Departmental policy issue for the 1990s. The elements of a strategy to deal with this emerging issue were the subject of considerable discussion at the workshops. Stated in their most basic terms, this strategy would include:

* **development of a global media policy framework to define, elaborate and integrate Canadian objectives for the existing media and cultural industries as a prelude to formulating a policy on the new media;**

* **development of copyright provisions to facilitate access of new media product developers to Canadian content;**

* demonstrating leadership by encouraging the use of existing Canadian content in the federal domain (e.g. NFB films) in new media products;

* taking action, in partnership with other key players and stakeholders, to ensure that a diversity of new media sources continue to exist, that affordability of access to new media services is maintained, that individual privacy is protected and that regional balance is promoted;

* establishing stronger industry linkages to promote standards and product development in the new media.

Canadian Identity in a Diverse Environment

Fears about globalization and homogenization of cultural content can be partially off-set (as noted below) by the growing demands of a variety of constituencies for a greater voice in the dominant culture. However, while such demands will likely strengthen the fabric of Canadian identity in the longer-term, they do pose some medium-term challenges for the Department as **questions of access become more central to the policy environment for both communications and culture.**

The workshops examined in some detail the impact that diversity was having on the DOC policy environment. They were told by several speakers that many minorities had different cultural models that were not now being reflected in cultural products, either produced by Canadians or imported from abroad. They were told by other speakers that existing communications networks were not meeting the economic, social and cultural needs of the outlying regions of Canada. They also heard many times that Canadian cultural industries lack access to their own market and therefore are handicapped in their essential work of reflecting Canadians to other Canadians.

The central policy question for DOC which arises from these diverse observations is: How can we help to increase access of Canadians to what other Canadians produce? This question must be addressed equally by both the cultural and communications policy sides of the Department.

The answer to this question will not be easy for a number of reasons. First, while the changing nature of Canadian society demands that the regions have better communications and cultural services and better access to funding for innovation, competitive pressures are dictating, as one speaker put it, that "solutions must come from industry" with the government acting quickly to facilitate these solutions. **How does DOC reconcile greater regional equity with industry demands for "a level playing field"?** Second, the demands of alternative groups, such as visible minorities and women, for greater access to cultural resources to serve growing audiences must be balanced against the fact that scarce government resources can barely serve

the existing cultural creators. **Where will the resources come from to serve both these pressing needs?**

For the most part, the workshop participants appeared to lean toward "marketplace" solutions to these problems. On the cultural side, many suggested that Departmental policy should place a greater emphasis on marketing and distribution to ensure that consumers are aware of and have access to what is available. On the communications side, emphasis was placed on listening to industry and creating the framework in which it could meet the central challenge of the 1990s, as one speaker put it, of "bringing organized information to the consumer". **However, this opinion was by no means unanimous, with several participants questioning whether the role of public policy could be limited in this manner when significant inequities between regions and groups continue to limit access to full participation in the economic, social and cultural life of Canada.** In the end, no firm conclusions were drawn, suggesting that this is a debate which needs to be pursued further within DOC.

3) **Increasing Complexity and Fragmentation of the Policy Environment**

All of the workshops, but especially the workshops on globalization and on communications and culture towards the 21st century, focussed on the **increasing complexity and fragmentation of the policy environment.** There are many factors contributing to this phenomenon. Among them are:

- the forces grouped together under the heading of "globalization"
- rapid technological advances (particularly in communications and information technologies)
- changing Canadian demographics
- the shifts in values and patterns of consumption that have resulted from the first three forces.

Globalization and policy interlinkages

Under the rubric of globalization, workshop participants noted that investment and trade policies, foreign policies, multilateral obligations and monetary and fiscal policies all had a profound impact on telecommunications and cultural issues falling under DOC's mandate. For example, telecommunications is gravely affected by the lack of a strategic alliance between Canadian foreign policy and national development objectives. Cultural production and distribution will also be affected by the emergence of a world economy and by changes in trading patterns which are already beginning to make themselves felt. A substantial shift in tax policies can undo years of the Department's work and progressive policy implementation (for exemple, the anticipated impact of the GST on the publishing industry). **Hence, the participants agreed, the interrelated nature of these and many other factors requires that DOC be more aware of the external policy environment in its communications and cultural policy formulation in order to effectively use the instruments at its disposal.**

New Technologies and Regulatory Fragmentation

Fragmentation and complexity is also a critical characteristic of the regulatory environment. At both the workshop on globalization and on the new media, participants heard how advances in new technologies and cutthroat global competition among firms are affecting the Department's ability to make policy and to regulate industries. It is becoming harder to compete, even within formerly sacrosanct domestic markets.

Stakeholders (particularly from the high tech sector and the business community) stated repeatedly that **one of the most serious threats to the future competitiveness of the Canadian telecommunications industry is the fragmentary nature of the domestic market.** A unified approach to telecommunications services is needed because current discrepancies across the country in terms of interconnection, services and prices threaten to place a whole range of Canadian businesses at a competitive disadvantage. Cultural stakeholders were also vocal about **the need for Canada to get its domestic scene in order before Canadian cultural industries can compete on a global scale.** There was a sense that regulation may soon be outflanked by the power of mass media technology as an instrument for fostering the Canadian cultural industries.

The emergence of the new media, which will integrate telecommunications, information technologies, publishing, broadcasting, film and sound recording into a new form of communications, **will complicate the regulatory environment even further. It will become very difficult to impose rules aimed at formerly discrete media which are now in the process of converging.**

Fragmentation and Demographics

At the workshop on communications and culture towards the 21st century, participants discussed at some length how changing demographics were affecting departmental policies and programs.

It was generally concluded that the changing demographic profile of Canada was having a profound effect on the nature of the "individual Canadian" who is DOC's primary client.

Most obvious is the changing ethnic composition of the population. Over 60 per cent of immigrants to Canada now come from countries outside Europe and the United States. Moreover, this growing population of visible minorities is concentrated in Canada's largest urban centres, and is becoming not only visible but also vocal.

It was also noted that **those moving into positions of power in society are members of the "baby boom" generation, a demographic group that is accustomed to less hierarchical, more flexible and more egalitarian social structures.** However, this massive group (some 8.2 million people) is by no means homogeneous. It includes **increasing numbers of working women, aboriginals, the disabled and minority ethnic groups, as well as a significant number of the poor, all of which are demanding a place within the power structure and a greater degree of personal control over their own lives.**

In short, the demographic environment is being reflected in an increasing pluralism in the political sphere and in a proliferation of lobby groups, all of which are determined to better their position within the communications and culture policy arena.

Volatility of Public Opinion, Values and Consumption Patterns

Participants at the workshops also discussed changes in public values, which are having an impact on Canadian attitudes and consumption patterns.

Values are the ideals, customs and principles by which Canadians govern their lives. **These values are changing rapidly due to the growing global dominance of market capitalism, the computer, mass education and the communications media, which have changed the way Canadians see the world and the way they look at themselves.**

One speaker suggested that these forces were making cultural differences among countries less obvious and making the Canadian consumer increasingly indifferent to the source of cultural or entertainment content. Greater consumer emphasis is being placed on **choice among competitors in the marketplace.** With the acceptance of the Free Trade Agreement with the United States, Canadians also signalled their **acceptance of the primacy of market forces.** There is a **lessening attachment**, as documented by the polls, **to the traditional symbols of Canadian identity**, such as the national anthem, the office of prime minister, multiculturalism, bilingualism, the Governor General and the Queen. At the same time, **empowered minorities are seeking more access to the media and other channels of communication.** Most of all, Canadians appear to be committed to **creating and maintaining a certain "quality of life"** -- a sentiment that owes less to altruism than to a conviction that other people's problems and behaviour can threaten personal well-being.

What does this all mean? Most obviously, it signals a high degree of instability in the external environment. It also suggests that while tradition is eroding, **a new Canadian value system, based on personal choice and personal empowerment is emerging to take its place.** Government solutions imposed from above will no longer be automatically and passively accepted by Canadians. **They want to be consulted on decisions that affect them and they want both government and the marketplace to be more responsive to their needs and their priorities.**

4). **The Changing Role of the Public Sector**

Participants at the workshops also spent some time considering the nature of their role as public servants in the 1990s.

What do we do?

They heard evidence to suggest that **the gap between public and private sectors was closing.** Private sector firms are becoming increasingly concerned about social issues, such as environmental protection and illiteracy, while the public sector is under considerable pressure, due to shrinking resources, to become more entrepreneurial and innovative.

Underlying this trend is **the sense that inexorable market forces are undoing the ties that once bound Canada together.** The country is being torn apart by competitive forces both from outside and from within its borders. "Chequebook federalism" is being viewed as inadequate on its own to penetrate global markets and, if the polls are to be believed, Canadians also view it as ineffective in counteracting regional inequity. Lobby groups are proliferating, and government departments are being asked to give bigger pieces of the pie to more people at the same time as the pie is shrinking.

As the world shifts toward a marketplace model of allocating resources, DOC employees at the workshops struggled to understand what this would mean to them in their everyday lives. **They acknowledged that "owning and operating" as a goal for public policy was giving way to "structural" solutions. The latter is often interpreted as meaning the creation of a framework for competitiveness, but in DOC's case, many participants also felt that it meant creating a framework for a strong Canadian identity.**

One speaker suggested that the role of public policy might have to be limited to protection of rights, protection of culture and identity and the creation of standards. However, even such a straightforward prescription when applied to DOC policies raises more questions than it answers. Whose rights? Which culture and which identity? Just technical standards or standards for

corporate behaviour? And where does our traditional role as a catalyst for innovation fit into such a framework?

How do we do it?

There was a sense at some of the workshops that **the public service would not only have to become more entrepreneurial and innovative, but also more reflective of the clientele it serves.** This would mean giving a greater voice to those demographic groups that have traditionally played a marginal role in the formation of cultural and communications policies and programs -- ethnic minorities, aboriginals, the disabled and women.

In the DOC workplace, it appears likely that a greater emphasis will need to be placed on leadership and consultation as a means of finding solutions to organizational problems. To better fill this role, managers in DOC would have to become more skilled at interpreting the pressures coming from the external environment, at seeing the "big picture" and at communicating a sense of corporate direction in this complex environment. In this context, rigid authoritarianism would have to give way to leadership and communications skills.

The workshops discussed how to give employees a greater say in decisions that affect them and how to encourage innovation and flexibility within the Department. **Balancing risk-taking with accountability** was one of the primary objectives of the PS2000 reforms, and DOC employees spent a great deal of time discussing how this ideal could be translated into reality at the working level. **Delegation of decision making authority appeared to most participants to be a necessity in an increasingly complex and fragmented environment.** This delegation, it was felt, should extend not only further down the hierarchy, but also outward to regional and district offices.

It appeared that life-long learning would also become an employment necessity in DOC, requiring enhancement of training budgets and training opportunities for all staff.

The theme of communications and corporate values within DOC also emerged as one of the preoccupations of workshop participants. There was a sense that improvements in the Department's management climate would only occur if **a better communications action plan** were developed. Such a plan would focus on dialogue, as opposed to one-way communications, and would seek to develop **a greater sense of trust and responsibility at all levels of the organization.** It was felt by participants that both trust and responsibility were necessary in a public service environment where greater delegation was the norm. In such an environment, **human relations skills would become as important a management tool as policy or administrative expertise.**

The problem of resource constraints was never very far from the surface in workshop discussions. **Since human resources are likely to become scarcer in the coming decade, participants felt that more attention would have to be paid by the Department to attracting and retaining good employees.** They also felt that **strategic and operational planning would have to be more closely linked to ensure that priorities were delivered on time and within budget.**

Strategic Directions - Key Questions for DOC Decision Makers

Senior decision makers in the Department of Communications need to consider a number of questions arising from the context outlined above. These questions relate to the ability of the Department to deliver on in its Mission over the longer-term. They cannot be answered by employees alone, since the answers may entail a shift in DOC's strategic orientation requiring the full commitment of the Department's leaders. In organizational terms, they fall under four general headings - **questions related to policy instruments, questions related to the Department's mandate, questions related to strategies and questions related to tactics.**

Mandate

* Will DOC's mandate have to be expanded if it is to deal with some of the social issues related to access and privacy that have arisen or will arise in a new media environment? Or can these issues be dealt with in partnership with other federal departments and agencies? If so, which other departments and agencies?

* Do we accept that international competitiveness will be based on encouraging distinctive and diverse Canadian products? If so, does the Department have a role in maintaining equitable regional access to communications services and cultural products? Equitable access for the information poor? Equitable access for minorities? If so, what is that role?

Policy Instruments

* If many of the policy instruments used by the Department and the portfolio have been surpassed by economic, social and technological events (as suggested by the workshops), what new instruments should we be developing to promote Canadian culture and communications in the 1990s?

* Are Canadian ownership policies necessarily the best route to take in the fostering of Canadian competitiveness or Canadian identity? What is the case for and against in telecommunications? In the cultural industries?

* If the Department and the portfolio have to rely less on regulation and more on structural measures to achieve objectives, what are the constraints that have to be overcome? (Are the constraints really time and money?)

* With regard to **time**, if the "window of opportunity" is indeed closing, what do we absolutely have to do in the next decade to ensure that all our mission and mandate objectives are met?

* With regard to **money**, how is the Department going to get the resources it needs to improve the competitive position of Canadian cultural and information industries?

Strategies

* If new media becomes **the** policy issue in the Department in the 1990s, how do we best encourage Canadian content for the new media and the software industry needed to support it? What are the constraints? (Money and trade agreements?)

* Are we prepared to develop a global media policy framework which would define, elaborate and integrate Canadian objectives for the existing media and cultural industries? Do we have an organizational understanding of the underlying necessity for a New Media or Information Policy for the 21st century and the commitment to carry it out? If not, how do we go about acquiring this understanding and commitment?

* Do we, as one of the workshops suggested, have to pay more attention to supply on the communications side and demand on the cultural side? (e.g. assisting production of new information services for the world market, but better domestic marketing and distribution of existing cultural content)?

* Or do we, as another workshop suggested, need to develop more world-class products in the cultural industries and better marketing opportunities for the existing world-class products of Canadian communications companies in the global marketplace?

Tactics

* Our industry stakeholders seem to want us to move faster while our individual Canadian clients seem to want a greater degree of consultation regarding their needs. How can DOC organize itself to be both **more responsive** to a wider range of stakeholders and at the same time **more efficient** in the way we serve existing stakeholders?

* Since it appears unlikely that we will get significantly more human or financial resources in the medium-term, how do we get the most out of those we already have?

These are by no means the only questions that could be asked about DOC in the 1990s, but they are probably the most important and urgent ones. It is hoped that senior management will use the opportunity at the Key Issues Forum to begin the process of answering them and charting a course for the Department in the 1990s.

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