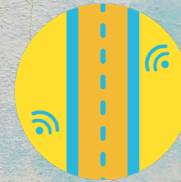# Canada Next

12 Ways to Get Ahead of Disruption

By Edward Greenspon and Drew Fagan

In the past 18 months or so, new governments have taken power in three of the four largest provinces—British Columbia, Ontario and Quebec. The fourth, Alberta, will go to the polls this year, as will Canada as a whole. Regardless of the result of the federal election, much of the country is under control of governments new to office and rethinking things in light of new mandates.

They have plenty to ponder. The world is changing at a pace akin to the Industrial Revolution. Decision makers in all fields face intense challenges to even keep up—from geopolitical transformation, including rising U.S.-China rivalry, to the new concentrations of power and wealth caused by the sweeping innovations of the digital age, to the impacts on autonomy and the world of work sparked by artificial intelligence, to the catastrophic effects of climate change.

Phenomenal powers of insight are required not just to grasp the pace and impact of these changes, but also to anticipate and respond in timely fashion

Canada, like other countries and societies around the world, is in flux. Technological disruption will have a profound effect on the workforce and on the public services Canadians depend on. Meanwhile, climate change, shifting demographics and evolving social values are having an impact on the well-being of Canadians and how they interact with one another. **How can policy-makers stay on top of emerging public policy trends and plan for this disruption?** In this report, scholars, think tank leaders and former top public servants share their ideas on a range of topics demonstrating how policy can be nimble and responsive in an **age of great uncertainty.**

or, better yet, to get ahead of things and shape the future we want.

It falls primarily to two groups to represent the public interest in shaping the future: elected officials and the public servants who advise them.

Planning is one of the key functions of a non-partisan public service as exists in Canada and other countries that operate under the Westminster system. Many governments have cabinet committees focused on priorities and planning, and corresponding units in the public service to support them.

The priorities part gets most of the attention because it is about delivering on a government's programs and responding to events of the day. It's the bread and butter of government.

Planning is different. Planning entails lifting one's eyes from the messy table of daily government functions to look around the corner or out to the horizon. In some circles, the word foresight is used to describe this long-term thinking. No one can divine the future but any government is smart to try.

In addition to helping the government deliver on its current policy priorities, then, policy-makers need to plan for the medium and longer term, including developing policies and advice to address emerging trends that will affect the future well-being of Canadians.

Meanwhile, Canada's political parties and non-political public servants also consult more widely than they did not long ago as each learns, sorts and synthesizes to govern well. In the digital age, nobody holds a monopoly on understanding the future. Planning in a period of extreme change is humbling and necessary work.

It is with similar humility that the Public Policy Forum is releasing Canada Next: 12 Ways to Get Ahead of Disruption as part of Canada's planning conversation.

This report is composed of papers by professors, think tank heads, former senior government officials and respected researchers, and follows extensive consultations with thought leaders and doers. It is aimed at helping policy-makers identify potential future policy directions to address a range of emerging trends. Officials from the federal government and seven provinces also provided their perspectives about what's going to matter next and how policy-makers can best get prepared.

Two messages from those consultations were that disruption can be both positive and negative. While the contributors to this report have focused in particular on technological change, including its implications on the workforce and on the public services Canadians depend on, their preoccupations for Canada's future extend beyond planning for disruption to include the impacts of shifting social values, demographics and climate change.

Simply put, there are three ways to deal with what has come to be known as disruption:

- let it do its own thing and adjust accordingly;
- implement policies intended to hold back the tide; or
- use policy levers to manage change for competitive advantage and harm mitigation.

Under the first approach, the damage to individuals or groups (for example, residents of rust belt areas, fossil fuel-producing regions, rural areas, or those with little education) is difficult to bear. And in the internet age those individuals can be swept

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easily into a reactionary force fighting the tide of change. Smooth adjustments are hard. During the farm-to-factory adjustment of the 19th century, anti-market philosophies arose in response—the most notable being the writings of Karl Marx and Friedrich Engels. Communism exacted a heavy toll in the 20th century, as did fascism, which arose in response to political, economic and social pressures of 1920s and 1930s Europe. When such extreme ideologies arise, it is a sure sign that enlightened public policy leadership has failed.

Under the second approach, long-term national benefit is damaged for short-term advantage. Freedom itself—political autonomy, economic agency—is sometimes the victim. This suppression of expectations also can lead to greater shocks to the system later. Creative destruction cannot be denied without profound costs. At best, it can be channeled.

The third approach is the moderate course. It has enjoyed the greatest success, albeit by different measures in different circumstances by a varied array of social democrats, liberals and conservatives. The moderate course employs different blends of market reliance and political intervention to set free, to channel or to mitigate the process of change.

For example, the Munk School's **Daniel Munro** suggests in his article three ways to address issues arising from artificial intelligence, including a laissez-faire approach to allow AI "to develop and diffuse without limit" and a precautionary approach to restrain development until "risks are better understood and capacity to manage them is in place." Between these bookends is "a case- and context-sensitive risk management approach." This, he argues, allows space for "AI technologies and applications to develop while monitoring and managing possible risks as they emerge in specific applications."

Other writers in this report have sought to find the same sweet spot; to put forward ideas that manage disruption such that innovators aren't handcuffed and the tech savvy can ride the crest of change. But their proposals also ensure that those not so well-placed to benefit from the new economy aren't left behind.

Some papers propose strategies to ensure that Canada gets the most out of the digital economy.

Teresa Scassa writes about the value of data—the new oil, or perhaps the new plastics—and the values needed to manage them, and suggests a national data strategy to grapple with the trade-offs.

Shannon Macdonald writes about how the digital environment can transform Canada's publicly financed healthcare system and make it a "playground for invention".

Lori Turnbull suggests ways to combat the prevalence of cyberattacks and fake news made easy by digital platforms, and ways to maximize the benefits of interchange between public- and private-sector employees.

Wendy Cukier suggests strategies to reduce the urban/rural divide and build the broadband infrastructure needed for citizens outside urban centres to prosper in an innovative, modern digital world.

Brian Topp proposes a sweeping strategy to reconfigure Canada's balkanized electricity system.

Glen Hodgson writes about the key implications and necessary responses to climate change from the perspective of a northern economy.

Drew Fagan suggests ways that Canada's infrastructure spending can be made more effective through data and technology-driven planning and construction.

Other papers focus on improving Canada's capacity to prepare citizens for the digital economy.

Jon Shell proposes a multinational effort of unprecedented scale to link people with training and job opportunities.

Sunil Johal and Wendy Cukier write about achievable strategies to provide portable benefits to those working in the gig economy.

The Public Policy Forum hopes that these papers are of broad interest, but particularly to those charged with the difficult task of planning smart public policy: the elected officials and public servants making Canada battle ready for what's just around the corner or out on the horizon. Public policy is difficult to execute at the best of times but it is hugely difficult in times of sweeping change. We wish them the best of luck.

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