Varieties of Capitalism and Welfare State in Canada? Comparing Ontario and Quebec Responses to Globalization and Post-Industrialism

Rodney Haddow
Associate Professor, Department of Political Science
University of Toronto

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This paper compares provincial spending and revenue levels in Canada, overall and in selected areas of social and economic development policy, since the 1980s and seeks to ascertain whether significant differences in these levels have persisted over time, in the face of influences that might be expected to cause them to decline and converge. The discussion draws particular attention to the differences in these levels between Quebec and Ontario, and whether these differences persist once the leading independent variables often thought to affect social and economic policy are controlled for. The present paper forms part of a larger comparison of Ontario and Quebec policy responses to globalization and post-industrialism since the 1980s in the fields of budgetary policy, microeconomic interventions (or industrial policy), social assistance and child care. The purpose of the broader study is to determine whether concepts that have been developed in the literature on the comparative political economy of industrial societies, and that resulted in research that often stresses the persistence of economic and social policy differences among these nations in the face of globalization and post-industrialism, can be applied usefully to sub-national policy comparisons in Canada, and in particular to a comparative study of policy development in Quebec and Ontario. A large part of this broader study consists of a qualitative investigation of policy-making in these four fields since the late 1980s, based on media accounts, public documents, the available secondary literature and confidential interviews. Another component will be an analysis of micro-data from Statistics Canada's Survey of Labour and Income Dynamics (SLID) on the degree to which the tax and transfer system of these two provinces redistribute market incomes to different degrees or in different ways. Neither of these components is treated below, where the discussion will concentrate exclusively on aggregate-level spending and revenue data, for which inter-provincially comparable statistics are available from Statistics Canada's CANSIM data base.

The first section of the paper reviews features of recent literature on the comparative political economy of industrial societies that are of most relevance to the argument made here. Section B then addresses the relevance of this discussion to a comparison of public policy among Canadian provinces; the third section then elaborates a comparative model of the political economies of Quebec and Ontario, and formalizes the hypotheses that will be tested with the data. Section D discusses the features of the Statistics Canada data used herein, and explains the methodological choices that were made in analysing it. Section E reviews the regression results, which are reported in the tables included at the end of this paper, in light of the hypotheses; it is followed by a conclusion.

[A] Is Welfare State and Production Regime Variety Diminishing in the face of Globalization and Post-Industrialism?

A long tradition of scholarship in comparative political economy has stressed that while sharing crucial institutional features, developed capitalist democracies nevertheless exhibit considerable variety in how they organize the relationship among the state, business and labour in structuring market activities, and in the manner and extent to which their welfare states attenuate inequality and poverty (Shonfield, 1965; Goldthorpe, 1984). Since the 1980s these nations have been exposed to influences judged likely to be likely to attenuate this variety. Developments associated collectively with the rubric ‘economic globalization’ have witnessed a substantial increase in trade openness for all affluent nations, an expansion of the reach of multinational corporations, a rapid extension of foreign direct investment and an explosion of trans-border financial flows as new technologies facilitated the rapid transfer of funds at the same time as states abandoned most financial controls. There has been much speculation that these developments signal the ‘demise of the nation-state’, at least insofar as individual polities would prefer to persist with economic and social arrangements that are less market-friendly than their neighbours’. How could it be otherwise, many commentators, both popular and academic, have argued, when these globalization dynamics expose all nations to an increasing exigency to compete with ever-more market-friendly arrangements in these neighbours by themselves adopting more market-friendly economic and social policies (Ohmae, 1995; Strange, 1996)? Where states have intervened in domestic economies, they must curtail practices; where economic actors have relied on cooperation rather than competition, they must do less of this; and where redistribution and the taxes and transfers require to finance it have been comparatively ample, these ‘market distorting’ habits must be attenuated. The transition evident in all advanced economies from industrialism to service sector employment, a phenomenon that is not part of the core definition of economic globalization, but that has nevertheless accompanied it, is thought to point in the same direction – reducing the potential role of the state in animating economic life, and causing a secular increase in inequality and a decrease in ideologies that support the welfare state. To the extent that the rise of post-materialism can be linked to this post-industrial transition, it is frequently judged likely to also weaken welfare state-friendly class solidarities.

The foremost characteristic of comparative political economy scholarship on welfare states and production regimes over the past fifteen years has been the degree to which it has called into question the verities adumbrated in the preceding paragraph. This literature does not conclusively ‘refute’ the contention that globalization and post-industrialism are eliminating differences among capitalist political economy, but it has permitted a more nuanced and qualified understanding of their impact.

While the adequacy of Esping-Andersen’s three-regime typology of welfare state forms (1990) is frequently contested, most students of comparative social policy agree that enduring differences persist among social policy models in different capitalist democracies. Welfare state expenditures have not declined, or not by much, in most of these countries over the past two decades, whether measured as a percentage of GDP or in real per capita dollars. Increasing need – in the form of an aging population and declining labour market participation rates – does mean that programme adequacy has generally declined somewhat in spite of this fiscal constancy, but probably not by much (Castles, 2004). Moreover, fundamental regime shifts in a market-oriented direction have been more likely to occur in Esping-Andersen's liberal welfare states, i.e. in countries whose social regimes were already among the more modest before the onset of globalization, which suggests that convergence among disparate regimes is not occurring (Huber and Stephens, 2001).

Scholarship on production regimes – the nature of the nexus among the state and other economic agents in structuring goods and services production in market economies – is more divided than the welfare state literature on the question of regime change. Hall and Soskice's division of advanced capitalist economies between liberal market (LME) and coordinated market (CME) variants (2001) is widely accepted as an accurate characterization of differences between, for example, the US and Germany. But a critique of what is widely perceived as an excessive functionalism and ahistoricity in this model (Hancké et al, 2007) has, for some, extended to sustained critique of the view that the CME model, in particular, is not fraying considerably in an era when multilateral trade agreements, the extension of the EU's often marketizing reach, persistently low labour market participation rates in many non-Scandinavian CMEs, and the impact of global financialization, are reducing the advantages of coordinative institutions, or appearing to do so for state- and firm-based decision-makers. Yet even here, there is little support for the thesis that production regimes are converging, the dominant view instead being that many of these – mainly, but not just, in CMEs – are now experiencing complex and variable changes that may alter them significantly, but that are unlikely to result in their resembling Anglo-Saxon economies (Thelen, 2004; Streeck, 2008).

For each of these literatures, the durability of institutions, and of the paths along which they guide change once established, is the anchor that impedes a straightforward homogenization of political-economic institutions in the current era (Pierson, 2004). It is this conceptual tool, I argue below, that permits us to consider adapting insights from the comparative political economy literature summarized here to a study of sub-national states in Canada. For the comparative welfare state literature, the relevant institutions include the social programmes themselves, but also the social constituencies that both gave rise to and benefit from these, and the party system that sustains these, along with the cultural assumptions about what social entitlements should be that are emerge in an established welfare state. While the 'New Politics of the Welfare State' perspective has argued that the class-coalitional factors thought by Esping-Andersen to have generated distinctive welfare state designs no longer are central to social politics in the post-Golden Age era, it also attaches considerable importance to entrenched social rights and the interests that benefit from and deliver them as forces impeding radical retrenchment (Pierson, 2001). For Hall and Soskice, production regimes are anchored by institutions that differ radically between CMEs and LMEs, but are highly complementary and mutually-reinforcing within each, that foster efficiencies for firms – forms of financing, patterns of inter-firm relations, industrial relations systems and training regimes. The most consistent criticism of this account – that it omits also-important variations in the extent of state intervention in the economy, still a powerful force in shaping the four aforementioned institutions in some advanced capitalist economies (Schmidt, 2002) – is of particular relevance to our discussion below.

[B] Can Insights from Comparative Political Economy be applied to Sub-National States? Prolegomena to a Comparative Study of Provincial Public Policy in Canada

The importance of well-specified institutions for recent scholarship on the comparative political economy of welfare states and production regimes is a vital starting-point for any attempt to extend its insights to the comparative study of sub-national jurisdictions in general, and to Canadian provinces in particular. This scholarship has identified institutions as national, usually without making an explicit case for this premise. For most advanced capitalist democracies, perhaps even most federations, this assumption is probably warranted – styles of state-business relations, firm finance, skills formation and business-labour relations can be characterized in broadly similar ways across most countries' regions or sub-units (Crouch and Streeck, 1997); and the party system, and the associated politics of social policy, is organized nationally (Caramani, 2004).

In some federations however, this assumption is likely to be less justified, and this is particularly true in Canada, an especially decentralized federation, and one in which inter-state principles, not intra-state ones, largely govern relations between the national and regional governments (Watts, 1986), with the result that provincial authority is exercised largely autonomously of federal oversight in many policy domains. The British North America (BNA) Act, as was long interpreted by the province-friendly Judicial Committee of the Privy Council before World War Two, effectively granted authority over most areas of social policy to the provinces. During the post-war years, when most of Canada's modern welfare state emerged, federal control of most fiscal resources, a legacy of wartime centralization, nevertheless allowed Ottawa to use cost-sharing arrangements to guide the provinces towards the national government's preferred goals in many fields and, using its unlimited spending power, to enter other areas by extending cash benefits directly to individuals. During the post-war years, however, Ottawa gradually lost its fiscal predominance. By the 1960s or 1970s, the provinces, or at least the larger and more affluent among them, possessed the financial and administrative resources to manage their own social programmes; by the 1990s, the federal government had largely abandoned any effort to use the conditionality of its financial transfers to the provinces to set national programme standards, except in the politically-salient health care field. The provinces also acquired considerable budgetary autonomy in general, setting their own tax rates though – except in Quebec – continuing to abide by the federal tax structure; yet this latter constraint too was abandoned by the 1990s (Stevenson, 2004). Contemporary provincial social policy arrangements continue to bear the imprint of wartime and post-war centralism; but the provinces' subsequently enhanced stature has persisted long enough to warrant consideration of the possibility that they may now be following distinctive trajectories, even in areas where the erstwhile federal presence was strong. In some fields, such as social assistance, it never was, and the argument has been made that distinctive assistance 'regimes' have long existed across the provinces (Boychuk, 2003). The provision of child care services, largely neglected during the post-war era, and restricted to needs- or income-tested models by federal cost-sharing arrangements under the federal Canada Assistance Plan (CAP) before that legislation's demise in 1995, is another area where we can expect post-war legacies to be limited. I have contended elsewhere that limited federal oversight, combined with distinctive party systems and production regimes (see below) across the four largest provinces, has resulted in policy-making process and outcomes differing significantly among them (Haddow and Klassen, 2006). It would now seem reasonable to examine whether the provinces have, in fact, achieved broad-based social and budgetary policy autonomy from Ottawa.

And yet, it might be replied, even if provinces do have the capacity to go their own way in policy-making, why should we anticipate that they will do so? Here again, there are good reasons to hypothesize that they will indeed use their enhanced capacities to follow distinctive paths. A number of scholars have stressed the heterogeneity of provincial political cultures in Canada (Wiseman, 1996; Nevitte and Gibbins, 1990). The provinces also have highly diverse party systems – the main conduit of influences on social policy formation according to the comparative welfare state literature – ranging from the preservation of the 19th century two party system of Liberals and Conservatives in three of the Atlantic Provinces, though a classically left-right polarized system in three Western jurisdictions, and one-party dominance in Alberta to something like the reproduction of the current '2 party plus' constellation in Ontario and, recently, in Nova Scotia (Carty and Stewart, 1996). Quebec's party system, I have argued elsewhere, represents another distinct pattern: one where, following a distinction made by Herbert Kitschelt, cultural-ideational factors are more important than class-economic ones in dividing the main parties, a pattern that Kitschelt associates with a stronger disposition for coordinative decision-making and a weaker propensity to engage in market-oriented retrenchment in the current era (Kitschelt, 2001; Haddow and Klassen, 2006). Moreover, while the question does not appear to have received systematic attention in the scholarly literature, the provincial economies have since the temporally-uneven settlement of the country's various regions possessed radically different factor endowments, industrial compositions and levels of prosperity. The resulting conflicts of interest have always been foremost among the preoccupations of national politics and of federal-provincial relations; and these have fed back into, and reinforced, the heterogeneity of provincial partisan landscapes (Haddow, 2008a; Haddow, 2008b).

The Canadian provinces do, of course, belong to a shared national space, which leaves them with many common characteristics. A shared constitution, the legacies of federal policy frameworks under both the First and Second National policies, the likelihood that policy 'learning' and 'contagion' is more likely to happen within than across international borders – even boundaries as porous as Canada's, all ensure that there are strong commonalities. In a broader international-comparative setting, so too does the fact that they are located in North America, beside the American paragon of welfare state and production liberalism, and profoundly shaped, even in Quebec, by the legacies of British constitutional and political-economic practices. Provincial polities are therefore variations on the adulterated liberalism that is generally judged to characterize Canada as a whole – a broadly market-oriented production regime, where the national state has frequently been significantly more active in guiding economic development than in either the U.S. or the U.K (Howlett and Ramesh, 1992); and an also broadly-liberal welfare state, whose universal health care and substantially greater success in redistributing income nevertheless sets it apart from its southern neighbour (Myles and Pierson, 1997).

[C] Comparing Political Economy and Public Policy in Quebec and Ontario: What should we expect to find?

Provincial variations on these quasi-liberal themes nevertheless sometimes appear to be quite pronounced. Moreover, there are compelling – and perhaps obvious – reasons to contend that these variations are most pronounced for Quebec; in the case of Ontario, by contrast, a case can be made that its institutional setting most closely resembles the national norm, or what this has been understood to be. This, along with the fact that these two provinces are by far the country's largest in population, make them a suitable focus for an examination of the hypothesis that institutional differences of the kind identified as salient by the comparative political economy literature reviewed in the previous section may lead to persistently-distinctive outcomes in social and economic policy-making of the kind identified by that literature.

What, then, are the relevant institutional differences between the Quebec and Ontario political economies, and what hypotheses do they give rise to about policy differences between them?[1] First, the organization of both labour and business in Quebec, as well as the texture of the relationship that has emerged between them since the 1980s, bears a certain resemblance to patterns that are more typical of Hall and Soskice's CMEs. The level of union density in Quebec is well above the national average, and the union movement is widely thought to have more consistent political influence – whether or not its political ally, the *Parti Québécois*, is in power – that is greater than in any other province. In the *Conseil de patronat*, the province's business community possesses an association that offers it a much higher level of organization than exists for business at the federal level or, with the possible exception of British Columbia, in any other province. Internationally, the emergence of a well organized business community is typically associated with the presence of strong labour unions. During the 1970s, conflict between business and a militant labour movement was widespread in Quebec. By the early 1980s, the provincial government was working with business and labour to create more collaborative mechanisms for resolving conflicts between them. Since then, what is widely termed *concertation* in Quebec has become widely practiced in provincial and regional bodies that oversee training and other aspects of labour market policy, economic development, pension funds and other social benefits. It must nevertheless be stressed that corporate governance and industrial relations institutions in Quebec remain fundamentally liberal and closely resemble those in Anglo-Saxon countries: firms mostly do not belong to 'families', do not conduct extensive industrial training along the lines of European apprenticeship systems, rely on capital markets for funds and negotiate with unionized firms at the firm level. Quebec clearly is more of an LME than a CME, but the variations from this liberal pattern noted above are sufficient to justify investigating whether they are associated with policy outcomes that diverge from liberal norms. Second, Quebec's party system is configured to be friendly to social redistribution, and less receptive to neo-liberal retrenchment ideas, than is the case in other provinces. The *Parti Québécois*, one of the two main parties, supports a broadly

[1] A fuller account of the institutional distinctions outlined here is provided in Haddow and Klassen (2006), chapter 2.

social democratic perspective. In recent years, its main rival, the Quebec Liberal Party, has generally steered clear of radically-marketed oriented policies when in office, instead hewing to a centrist position. During the Quiet Revolution of the 1960s and early 1970s, indeed, the Quebec Liberals were vigorous champions of social policy expansion, a position that still has some support in the party. The party that clearly departs from this pattern, explicitly espousing neo-liberal ideas, is the ADQ; while one cannot safely rule out the possibility that it will remain a significant actor in Quebec politics in the future, it has not, to this point, established itself securely in the province's party system. Finally, as noted above, the core preoccupation with the national question in Quebec politics can be expected, according to Kitschelt's comparative party systems typology, to immunize its politics to a degree against neo-liberal policy options. Thirdly, during the Quiet Revolution years, the Quebec state adopted a far more *dirigiste* stance in relation to its economy than was the case in any other, a stance that was closely linked to the desire of leading political and bureaucratic actors in the state to foster an indigenous and French-speaking business class in the province, and to diversify its industrial base. This commitment attenuated considerably by the 1990s, as the business class that had, in fact, emerged in the province by then became a political force in its own right, and sought to curtail state intervention. The emergence of the concerted decision-making forums alluded to above can be seen in part as a substitute for direct state intervention as a mechanism for securing balanced economic growth in Quebec. The old statism nevertheless has in no way evaporated entirely. Quebec's state is still far more likely than those of other Canadian provinces – with the possible exception of those in resource-dependent and financially-advantaged Alberta and Saskatchewan, to intervene in its economy to ameliorate perceived imbalances and vulnerabilities. Finally, it is evident that Quebec nationalism has played a crucial role in honing the province's institutional distinctiveness since the 1960s, and has also no doubt been strengthened by these in its turn. The scholarly literature on Quebec nationalism draws a clear connection between the emergence of modern nationalism in the province after the Second World War, culminating in the election of the Lesage Liberal administration in 1960, and the provincial state's subsequent economic interventionism. The rapid rise of labour militancy and union power in the province during the same years, is also closely linked in the historical literature with the new nationalism, and the perception that the needs of overwhelmingly French-speaking workers had long been neglected by a predominantly English-speaking, or perhaps 'disloyal', business class in the province. Increased cohesion within the business community was in good part a response to this atmosphere and, perhaps, also reflects the manifest linguistic distinctiveness of the province's new business elite and its need to grapple with the other quite distinctive features of the province's political economy.

[A parallel discussion of the Ontario political economy will be inserted here, stressing the extent to which it much more closely approximates a liberal norm].

With these institutional variations in view, what hypotheses differences would the comparative political economy literature outlined in section [A] of this paper suggest about likely policy differences between these two jurisdictions? The main hypotheses in this regard that I am testing in the broader research project of which this paper forms a part, as well as the sites of institutional difference described above, are summarized in figure 1. First, the policy-making process in Quebec should involve much coordination among leading state and societal actors, and above all business and labour in the latter context, then is typically the case in Ontario, where decision-making is much more likely to reflect the pluralist norm of informal and influence from societal actors over government decision-making, where the (disaggregated) views of unorganized business are much more likely to have an impact than are those of relatively weak and politically-marginalized organized labour. Evidence of this difference would emerge from qualitative case comparisons between the provinces across the fields examined here: budgeting, economic development, social assistance and child and family benefits. Second, state intervention in economic development (or 'industrial') policy should still be far more extensive in Quebec than in Ontario, where the 'default setting' for decision-makers remains laissez-faire, and a reliance on framework policies set by the federal government. This difference should be evidenced in qualitative comparisons of cases of economic development initiatives in the two provinces, where provincial agents should be much more directive in Quebec than in Ontario, and where reliance on concerted decision-making forums should also be more evident. It should also be evident in spending levels – the degree to which, controlling for the main possible mitigating variables, each province allocates funds to economic development objectives. Third, Quebec policy-making should display a much greater commitment to social measures and to redistribution than is the case in Ontario. Qualitative evidence of this should again emerge from 'controlled comparisons' of comparable cases of policy-making in the two provinces, which would indicate a greater willingness to innovate in social fields in Quebec, stronger pressures for social reform (and weaker support for neo-liberal retrenchment) from Quebec's partisan arena, and policy outcomes that can reasonably be interpreted as more redistributive, solidaristic and market-curtailing. Two kinds of quantitative evidence are also relevant here: first, following a standard methodology in the comparative welfare state literature, evidence of higher aggregate spending in Quebec than in Ontario, again controlling for the mitigating independent variables that might be expected to influence such spending measures independently of institutional influences. The second type of data consists of a comparison of micro-data, such as that available in the SLID survey referred to at the outset of this paper, to determine which province's tax and transfer measures are the most redistributive. Finally, and reflecting its greater largesse in each of the economic development and social policy domains, Quebec's budgetary framework should consistently settle upon much higher levels of taxing and spending than is the case in Ontario. Qualitative evidence would again be sought from a detailed comparison of budget policy-making in the two provinces, seeking evidence that in Quebec this process is characterized by more pressures to increase or sustain taxing and spending, less pressure for curtailment and, among bureaucratic elites, a broad acceptance of the advisability or necessity of such levels, than is the case in Ontario. Quantitative evidence would consist of aggregate evidence that Quebec taxes and spends significantly more than Ontario, again with the proviso that the main influences that represent alternatives to regime differences as explanations for such a difference are controlled for.

As the above summary makes clear, only some aspects of the hypotheses that derive from our account of institutional differences between these provinces can be tested with aggregate data on provincial revenues and expenditures, and only these are tested in this paper. These aspects are: [1] Quebec will spend more on economic development than Ontario; throughout the data analysis, this spending will be measured as a share of provincial GDP. [2] Quebec will spend more on potentially-redistributive social benefits. While our particular interest is in comparing Quebec and Ontario policy on social assistance and family benefits, the aggregate data available from CANSIM does not allow a specific measurement of spending in these two areas; I therefore use a number of categories designed to approximate these fields as much as possible, as well as their broader social policy setting. [3] Overall, Quebec should tax and spend more than Ontario. In each of these three fields, finally, the discrepancy between Ontario and Quebec should not attenuate during the period for which consistently comparable data is available, and may even increase.

[D] Data and Methodology:

The regression results presented in tables 1 to 5 seek to establish whether Quebec government revenues and expenditures differ significantly from those of other provinces, with particular attention to Ontario, in relevant social and economic policy categories. Using data over a relatively lengthy time period and across multiple jurisdictions increases a statistical model's sample size, expanding its statistical power. On these grounds, increasing the number of years and of cases included in a regression is a good thing. But data comparability and theoretical considerations impose constraints on sample size. Since I am testing for the resilience of differences in provincial policy regimes in the face of globalization and post-industrialism, it is appropriate to include data for years during which these processes can, by wide agreement, be said to have been occurring. This suggests a cut-off point of around 1980. Data availability considerations lead to similar results. The spending and revenue data analysed here comes from two separate CANSIM sources: Statistics Canada's Financial Management System (FMS) and its Public Expenditure Accounts (PEA). In most cases, FMS figures are available in a consistent time series only since 1988, and are now available until 2007; comparable PEA data exists from 1981 to 2006. For some of the independent variables – such as provincial trade statistics, which are based on the PEA – 1981 is also the starting point. The number of cases included in the regressions is limited to the universe for which generalizations are being tested – the ten Canadian provinces. The sample sizes for the regressions, consequently, are 200 for most of those using FMS data and 260 for those drawing upon PEA figures. The dependent and, where appropriate, independent variables are calculated as shares of provincial GDP, reflecting the most common practice in comparative political economy scholarship.

Statistical analyses of this type – figures for a relatively lengthy time period and a modest number of cases – are typically referred to as Time-Series Cross-Sectional (TSCS), a form that is most commonly used by political scientists examining aggregate state-level developments. In a seminal article, Beck and Katz argued that the accuracy of analysis performed on TSCS data can be undermined by two aspects of their cross-sectional dimension (the relationship across the cases, not over time): causal dependency and heteroskedasticity (1995). Statistical tests not reported here show that each of these does, in fact, characterize the data analysed here. As a remedy, Beck and Katz recommend an Ordinary Least Squares (OLS)-based technique that they terms Panel

Corrected Standard Errors (PCSE); this approach is now widely applied to TSCS data, and is adopted here for all equations. Another potential pitfall for the analysis of data that included repeated observations of the same cases over time is serial correlation – the tendency of subsequent observations to be causally dependent on antecedent ones. To address this problem, Beck and Katz propose that researchers include a lagged dependent variable (LDV) among the regressors in TSCS models; only if this does not eliminate serial correlation do they recommend that an autocorrelation (AR1) structure be adopted. Tests showed that serial correlation continued to characterize most of the models reported here even after an LDV was added to them; all models therefore were instead calculated with an AR1 adjustment.

Because these TSCS models seek to measure whether one of the cases experiences spending and revenue levels that are significantly different than the others, they were performed in a fixed-effects (FE) version, a method that calculates a separate intercept level for each case (province), but imposes a common slope on all of them. This approach allows one to determine whether there is, in fact, a statistically-significant different level among the cases for each dependent variable. For all equations reported here, Quebec was treated as the 'reference' case, i.e. the baseline case against which the others are compared; consequently, the coefficients reported in the tables for the other nine provinces all measure the magnitude and direction of the difference between that province's level and Quebec's. FE models are also termed 'unobserved effects' ones, because they seek to measure the impact on the dependent variable of influences that cannot be measured effectively in numerical terms. This is, in fact, the case for most of the causal influences illustrated in figure 1: the level of organization of a province's business community, the role of coordinative forums in policy deliberation, the provincial state's predisposition to economic intervention and the extent of provincial-level cultural solidarity that animates and reflects this patterns; it is also true of the influence of interactions among the factors identified in the figure. Statistical measures are available in part for two causal factors: the level of union strength (measured here by union density) and differences in provincial party systems. These are discussed further below.

Fixed-effects TSCS models can help us ascertain whether Quebec's political-economic regime differs importantly from Ontario's only if the regressions control for alternative explanations of inter-provincial differences. As is widely known, poorer provinces tax and spend a larger share of their GDP than affluent ones simply because the need for services is greater in poorer provinces, while the revenues to address these are more limited. Similarly, there is a strongly positive correlation between the level of transfer payments that a province receives from Ottawa – itself largely a reflection of a province's relative poverty – and spending and revenue levels. If these and similar factors are not controlled for, it would be reasonable to surmise that higher taxing and spending effort in Quebec than in Ontario merely reflects the former province's greater poverty, not the regime features hypothesized here. To address this possibility, and also to measure the impact of globalization and post-industrialism, all regressions include ten control variables which are grouped into three categories in the tables. These variables also paralleled those most commonly used in research of this kind by comparative welfare state and production regime scholars. Inter-provincial and international trade (by province) are included to measure globalization; fiscal and economic resources are measured by GDP per capita, growth, fiscal transfers from the federal government and debt-to-GDP ratios; social need is measured by the annual unemployment level, the number of immigrants per capita, a measure of postindustrialism (primary-extraction and manufacturing employment as a percentage of all employment) and the dependency ratio (the share of the population that is under the age of 18 or over 64). The data is also detrended with a linear time variable (year); tests on the equations found that doing this eliminated unacceptable levels of multicollinearity, which could otherwise distort the results.

The equations also include measures for union density and for partisanship (dummy variables are included for each of left and centre parties, excluding right parties as the reference category).[2] Unlike the control variables discussed above, these variables effectively capture influences that are part of regime effects hypothesized to exist between Quebec and Ontario. On these grounds, it might have been justifiable to exclude them from the equations reported here; this, in effect, would have permitted the full effect of the posited regime differences to be captured in the regressions' residuals – i.e., in the reported fixed effects. They were nevertheless included, for three reasons: [1] they are among the most important regressors whose influence is measured in comparative scholarship; [2] they are of obvious interest in their own right, and independently of the regime effects that are the main focus here; [3] including them permits us to isolate, in part, the regime features of most importance in accounting for variations across the provincial cases: the remaining fixed effects are net of the impact of union power, to the extent that it is measured by union density, and of party system effects, to the extent that they are measured by the partisanship variable used here.[3]

An important feature of any data analysis is its robustness – whether its findings are sustained in the face of adjustments in data sources and model configuration. The availability of both FMS and PEA figures, compiled separately by Statistics Canada using different methodologies, permits us to probe the resilience of our findings to changes of this kind. The FMS provides more refined categories of revenue and expenditure; the PEA is available in a consistent form for more years, permitting larger data sets. Neither offers precise measures for the three policy domains addressed here other than overall spending and revenues: microeconomic interventions, social assistance and child and family benefits. Table 1 reports models based on FMS data for overall revenues, and for provinces' largest revenue sources: personal income taxes, property taxes and consumption taxes. Drawing from the same source, table 2 reports figures for overall revenues, 'social expenditures', 'social services' and heath care. The latter is included because of its prominence in provincial budgets and because results for this variable stand out as exceptional (see below). The social expenditures category includes social spending and health care, as well as spending on provincial government pension schemes. Consistent with the typical approach in comparative welfare state research, it does not include educational spending. Social expenditures, in turn, includes provincial

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[2] Provincial parties were coded following the methodology developed by Pétry and others, and commonly used in inter-provincial research in Canada, with the exception that the British Columbia Liberal Party is coded as 'right', rather than 'centre'. (This adjustment alone had no significant consequences for the findings of interest to this paper).

[3] Separate regressions (not reported here), which excluded the union density and partisanship variables, revealed that the provincial FEs, and Ontario's in particular, are generally stronger without these variables, though the difference is often modest. These variables in isolation therefore do capture some of what is distinctive about the Quebec political-economic regime, though usually a relatively small part of it.

social assistance spending, the cost of other income transfers and supplements and of social service expenditures, other than education and health care. It comes closest to providing a (combined) measure of provincial spending on social assistance and family and child benefits, though it also includes mostly-minor spending on certain other transfers and services. Based on PEA figures, table three reports results for overall revenues, current expenditures (the PEA's broadest measure of spending), and for expenditures' two largest components in the PEA: current goods and services and transfers to persons. Measures of economic development (intervention) spending are reported in tables 4 and 5. From the FMS, table 4 reports data for the investment income of government enterprises and the value of government business assets (unlike other FMS data reported here, these are available from 1981 to 2005); the table's first two columns, drawing on the PEA, and a separate Statistics Canada estimate of research spending, report data for transfers to business and for provincial research and development spending. Table 5 is based on FMS data for corporate tax income and for 'microeconomic' expenditures, a category that includes four components of spending that are reported separately by Statistics Canada: resource conservation and industrial development, labour and employment regulation, research establishments and economic planning. All figures are calculated as shares of GDP. To permit an easier grasp of the magnitude of the results reported in the tables – especially of the crucial differences between the FEs for the nine reported provinces and Quebec's – all of the measures of levels in the tables are standardized as beta coefficients: differences are measured in standard deviations. For instance, when table 1 reports that Ontario's fixed effect for revenues over the 20 year period between 1988 and 2007 differs from Quebec's by -.2534, this tells us that its expenditures are lower than Quebec's, controlling for the influence of all other variables in the equation, but a little more than one quarter of a standard deviation. The level of statistical significance for each beta coefficient is reported, conventionally, with asterisks.

[E] Findings and Discussion:

What, then, are does our data tell us? This section will concentrate on the FE differences between Ontario and Quebec, our central concern, making more secondary reference to the other FE results, and to coefficients for other variables.

The evidence for a regime-level distinction between Quebec and Ontario on budgetary policy – reflected in the regression equations for aggregate spending and revenue – is very strong. Even with the many independent variables included in the regressions controlled for, both Quebec's aggregate spending and level and its aggregate revenue level are significantly higher than Ontario's, whether this difference is measured with FMS or PEA data. All four beta coefficients for the Ontario FE (those presented in the first columns of table 1 and 2, and in the first two columns of table 3) are negative and statistically significant at the .01 level. While the coefficients are somewhat higher for the FMS-based calculations (-.25 compared to -.19 for revenues, and -.43 instead of -.36 for expenditures), they are consistently very large. Quebec taxes and spends substantially more than Ontario. The data nevertheless also reveals that this difference is not reflected evenly in subcategories of revenue and spending. Thus, while the Ontario FE for personal income tax revenues is an enormous -.84 (significant at the .01 level), i.e., almost a full standard deviation below Quebec's level, Ontario's taxes are actually higher, a difference that is significant at the .05 level, for property taxes. There is hardly any difference between the provinces in corporate tax levels, while consumption tax levels are again somewhat higher in Ontario, though this difference is not statistically significant. In short, if Quebec revenues are substantially higher than Ontario's, adjusted for the more important relevant mitigating variables, this is largely because of its higher personal income taxes. The data also confirm that Quebec is something of a high-spending outlier compared to the other English Canadian provinces in respect of overall revenues and spending. Quebec's revenue levels are higher than those of all eight of these provinces, adjusted for the control variables, a difference that is statistically significant at the .05 level or higher for five of the FMS-based estimates, and at the .10 level or higher for six of the PEA-based ones. All eight of these FEs are again negative, on the FMS calculation, for overall expenditures, with seven of these significant at the .05 level or higher; 7 of the 8 PEA-based calculations current expenditures also show Quebec's intercept to be higher than these other provinces', 4 of them at the .05 level or higher. The one exception to this pattern is Newfoundland's current expenditures according to the PEA calculation, which are higher than Quebec's and significant at the .05 level. Overall, the evidence of Quebec's revenue and expenditure state being importantly larger than that of the other English Canadian provinces is strongly supported by the data. This pattern is again uneven across revenue and expenditure categories though, as table 1 makes clear, the Quebec revenue 'premium' over many provinces relies less on the personal income tax than it does in the case of Ontario.

The results regarding social spending, especially those categories that come closest to reflecting the social assistance and child-related expenditures of greatest interest to this research, again support the contention of a regime-level distinction between commitments to these goals by Quebec on the on hand and Ontario and, in most cases, the other English Canadian provinces, on the other. Quebec's FE is almost .50 higher than Ontario's on each of these measures, a substantial difference that is significant at the .01 level. The FEs for all of the other eight provinces are also lower than Quebec's on both measures, and all of these, except Newfoundland's, are significant at the .01 level. In most social spending categories, Quebec is a distinctively more generous expender of funds than all other provinces. The one dramatic exception, reflected in the 4th column of table 2, is health care. Quebec's spending level on this measure is slightly higher than Ontario's, but the difference is not statistically significant. Moreover, Quebec's spending has no significant advantage over that of any other province; it is statistically significantly less, at the .01, than that of three of the four Atlantic Provinces. Qualitative case study evidence is likely to be needed to elucidate the causes of this exceptional pattern; but the existing literature, and speculation, suggests some possible explanations. Thus, Tuohy's comparative study of health care politics in several Canadian provinces and in other countries does identify state intervention as a distinctive feature of policy-making in Quebec. But in this case intervention has served to constrain the influence of the medical professional, a perennially powerful force in the field and, in so doing, to curtail medical incomes. One might surmise, moreover, the at the kind of concerted decision-making that is most distinctive to Quebec, granting organized labour and, sometimes social actors a larger policy role than they have elsewhere in Canada might be antithetical to, and undermine the potential for, the much more exclusive and closed collaborative relationship with the state that doctors can often count on in Canada, and that help secure their incomes and to push up medical costs.

Quebec's spending advantage in comparison with Ontario's is again very substantial in the areas of economic development spending for which data is reported in tables 4 and 5; this suggests that the legacies of Quiet Revolution state intervention in the economy remain strong enough in Quebec to distinguish is clearly from its western neighbour. The two most comprehensive measures reported in these tables are those for government transfers to business, based on PEA data (table 4, column 1), and for the composite microeconomic spending variable, derived from FMS figures (table 5, column 2). For each of these, Quebec's spending premium over Ontario is substantial: its FE for these two variables, respectively, is .45 and .49 higher than Ontario's; in each case this is significant at the .01 level. Quebec's levels are also substantially above Ontario's for each of the other variables reported in table 4: a beta .16 higher (significant at the .05 level) for government R and D spending; .76 higher for government business investment income (.01) and .64 higher for the value of government business assets (.01). On the other hand, state intervention in Quebec is not accompanied by a desire to use corporate taxes either to finance this spending or, in contrast, to promote business investment in a manner favoured by laissez-faire thinking, i.e., by maintaining very low corporate taxes. Quebec's corporate tax revenues do not differ importantly from Ontario's, and are only significantly different (in both cases, higher) than those of two other provinces – Saskatchewan and Alberta. Only with respect to these same provinces, especially Saskatchewan, does the data not suggest strong support for the contention that Quebec's microeconomic interventions are broadly and significantly higher than those of other provinces. Relatively high scores on many of these measures for these two provinces may suggest that distinctive features of their political economies, analysed some years ago by Pratt and Richards' study of *Prairie Capitalism* may continue to induce them to share with Quebec a predisposition to actively promote economic change that is otherwise untypical for Canadian provinces.

Aggregate spending and revenue data for which regression results have been reported in this paper strongly support the hypothesis stated earlier in this paper that Quebec's spending and revenue levels are substantially and statistically significantly higher than Ontario's and, in most cases, those of other Canadian provinces. This remains the case in spite of the presence in regression equations of variables that parallel those used in comparative political economy research to explain spending and revenue outcomes; the presence of these variables in the equations controlled for the main alternatives to the regime-based account proposed here as possible explanations for the observed differences. The evidence is, then, consistent with the claim advanced at the beginning of this paper that Quebec's political-economic regime has features that are distinctive compared to those of other provinces, and that these differences reflect the presence therein of coordinative and statist features that are more typically associated with non-Anglo-Saxon political economies. The comparative literature on welfare states and production regimes, reviewed in section [A] of these papers, has established a strong link between the presence of such features and a much stronger commitment to coordinative decision-making, social redistribution and to state economic intervention. Consequently, if features of this kind are indeed present in Quebec's political economy, one would expect it to differ from those of other provinces in broadly similar ways. The analytical results reported above suggest that this is indeed the case.

[F] Concluding Remarks:

There is now much discussion within political science about the merits of combining different research methodologies in scholarship – mixing qualitative process-tracing in small-n comparative case studies, for instance, with large-n quantitative analysis and, within the latter, exploiting the advantages of both aggregate- and micro-level data. Some scholars have recently been particularly adamant about the potential shortcomings of stand-alone reliance on the kind of aggregate-level TSCS data analysis reported here. This does not suggest that scholarship of this type, still widespread in comparative political economy, is not of value, and I have attempted to illustrate its potential utility here in the study of Canadian political economy in what appears to me to be a novel way. The plea for methodological diversity nevertheless remains an important one; important aspects of the hypotheses stated in section [C] of this paper can only corroborated using qualitative or micro-level quantitative data. Regarding the former, the claim that policy-making in Quebec is more collaborative than in Ontario in the four domains of interest to this enquiry can only be sustained through controlled comparisons of policy-making in these two jurisdictions and policy fields over a significant part of the time-period since the early 1980s, the period to which the hypotheses were applied. The role of the state in economic and social policy-making, similarly, is only very partly captured by spending statistics, and data on the size of the state business sector. As Dyson long ago alerted us, the ways in which 'stateness' varies significantly across capitalist political economies is as much embodied in the cultural predispositions of state and economic actors as it is reflected in specific policy initiatives; the presence of such predispositions too can only be corroborated by comparative process-tracing. Finally, many aspects of social redistribution are only poorly measured by aggregate spending figures which, as we have seen, are in any case only available at too general a level for inter-provincial comparison in Canada to allow us to measure expenditures on the programme areas of particular concern to us with any precision. Social measures may differ from each other in their redistributive or egalitarian potential in ways that require qualitative assessment. Micro-data, now available for relatively lengthy time series for all provinces from, for instance, the SLID survey, are also indispensable for measuring social redistribution: that one jurisdiction spends more money on social assistance or family benefits does assure that these expenditures have more redistributive results; moreover, the degree of redistribution in one jurisdiction or another may be affected as much by the structure of the tax system as by measures explicitly identified as social programmes. Here too, more research must be undertaken using different tools to make a plausible case for the claims made here. But I would like to think that this paper is an important first step.

Figure 1
A Framework for Comparing Quebec and Ontario Political-Economic Regimes & Policy-Making

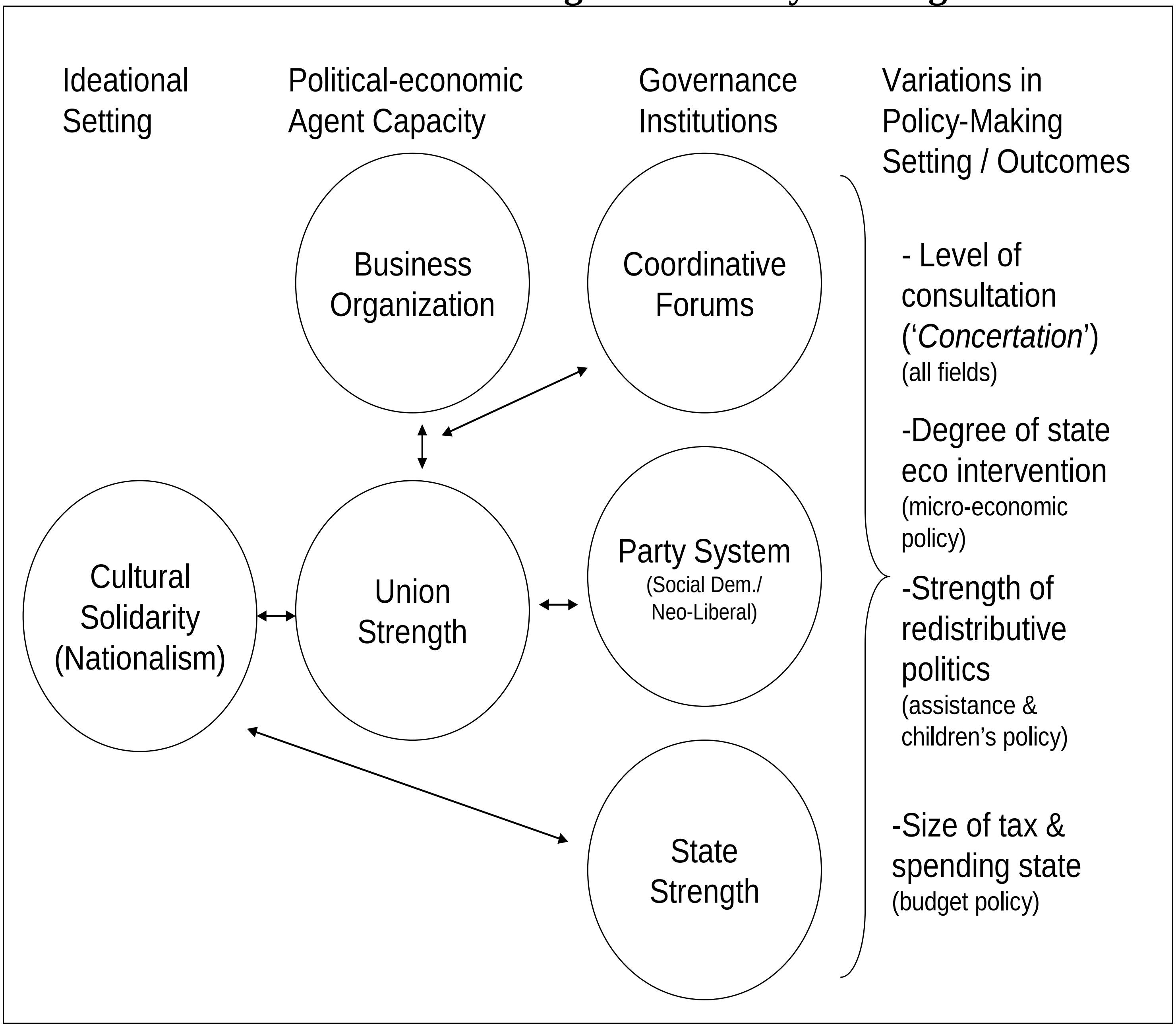


Table 1
Provincial Revenues, 1988-2007
(FMS basis)

	(1) Revenues/GDP	(2) Personal Income Tax/GDP	(3) Consumption Tax/GDP	(4) Property Tax/GDP
Globalization:				
International Trade	0.0734	0.1478	-0.0841	0.0378
Interprov. Trade	-0.2480***	-0.5300***	-0.2641***	-0.1014
Economic & Fiscal:				
GDP/capita	-0.2717***	-0.2721**	-0.0320	-0.3413***
Growth	0.0419	-0.0739**	0.0122	-0.0310**
FederalTransfers	0.9535***	-0.1448*	-0.0912	-0.0219
Debt/GDP	0.0344	-0.2125	0.2772***	-0.0643
Social Need:				
Unemployment	-0.1620**	-0.3529***	-0.2736***	0.1624***
Immigration	0.0572	0.0761	-0.0084	0.0949**
Postindustrial	-0.1460**	-0.1570	0.1317	-0.1221**
Dependency ratio	0.0059	-0.3487***	0.1765*	-0.0470
Politics/Power Resources:				
Density	0.2524***	0.1732**	0.3407***	-0.0386
Left	-0.0015	0.0758**	-0.0291	0.0243
Centre	-0.0185	0.0338	0.0083	-0.0362
Year	0.0898	-0.0691	0.1659**	0.1114
Provincial Fixed Effects:				
Ontario	-0.2534***	-0.8359***	0.0820	0.1284**
Newfoundland	-0.3385***	-0.3280***	0.4356***	-0.7878***
PEI	-0.1374	-0.2151	0.7263***	-0.5831***
Nova Scotia	-0.2115***	-0.4092***	0.4361***	-0.3620***
New Brunswick	-0.1294**	-0.4148***	0.5384***	-0.3324***
Manitoba	-0.1631**	-0.4491***	0.1573**	0.0134
Saskatchewan	-0.0394	-0.5265***	0.2157*	0.0861
Alberta	-0.0319	-0.8298***	-0.0804	-0.2688***
British Columbia	-0.2479***	-1.0797***	0.1609*	-0.2483***
N	200	200	200	200
R-squared	0.959	0.871	0.922	0.908

Standardized beta coefficients
* p<0.10, ** p<0.05, *** p<0.01

Table 2
Provincial Expenditures, 1988-2007
(FMS basis)

	(1) Expenditures/ GDP	(2) Social Spending/GDP	(3) Social Services/GDP	(4) Health/GDP
Globalization:				
International Trade	-0.2350***	-0.2878**	0.1029	-0.2864**
Interprov. Trade	-0.2760***	-0.0639	-0.0467	0.0363
Economic & Fiscal:				
GDP per capita	-0.4032***	-0.5503***	0.3064**	-0.6420***
Growth	-0.0296	-0.0462	-0.0147	-0.0475*
Federal Transfers	0.5022***	0.0803	0.0113	0.0281
Debt/GDP	-0.5108***	-0.4686***	-0.4250***	-0.4285***
Social Need:				
Unemployment	0.0838	0.2460**	0.1643	0.2094
Immigration	0.1304**	0.1991***	0.2013**	0.1459*
Postindustrial	-0.2299***	-0.1954**	-0.6836***	0.0524
Dependency ratio	0.1670*	0.0729	0.4349***	-0.1340
Politics/Power Resources:				
Union Density	0.1203*	0.1124	0.0304	0.0297
Left	0.0295	0.0586**	0.1480***	0.0198
Centre	-0.0221	0.0462	0.1272***	0.0073
Year	0.2998***	0.5929***	-0.0812	0.8257***
Provincial Fixed Effects:				
Ontario	-0.4279***	-0.4965***	-0.4970***	-0.0657
Newfoundland	-0.0912	-0.1827	-0.5213***	0.4013***
PEI	-0.4046***	-0.7267***	-1.3441***	0.0511
Nova Scotia	-0.3722***	-0.4044***	-0.9577***	0.2536***
New Brunswick	-0.2095***	-0.2981***	-0.9459***	0.3723***
Manitoba	-0.4228***	-0.5306***	-0.8841***	0.1485
Saskatchewan	-0.3818**	-0.6885***	-1.7293***	0.1593
Alberta	-0.4733***	-0.7675***	-1.1445***	-0.2337
British Columbia	-0.7603***	-0.8428***	-1.1802***	-0.1190
N	200	200	200	200
R-squared	0.940	0.879	0.764	0.823

Standardized beta coefficients
* p<0.10, ** p<0.05, *** p<0.01

Table 3
Provincial Revenues & Expenditures, 1981-2006
(PEA Basis)

	(1) Revenues/GDP	(2) Current Spending/GDP	(3) Goods & Services Spending/GDP	(4) Transfers to Persons/GDP
Globalization:				
International Trade	-0.0477	-0.3149***	-0.4162***	0.0454
Interprov. Trade	-0.0150	-0.2204***	-0.1166*	-0.3511***
Economic & Fiscal:				
GDP per capita	-0.1343	-0.0700	-0.1898*	-0.0374
Growth	0.0218	-0.0268	-0.0185	-0.0590**
Federal Transfers	0.8232***	0.0253	0.0723	0.1148
Debt/GDP	0.1450**	-0.2010**	-0.4265***	0.0673
Social Need:				
Unemployment	0.0846	0.2666***	0.2400***	0.2002**
Immigration	0.0951***	0.0901**	0.0907**	0.1575**
Postindustrial	-0.0898	-0.0778	0.0640	-0.3654***
Dependency Ratio	0.0615	0.2123**	0.1278	0.4133**
Politics/Power Resources:				
Density	0.1017*	0.0330	0.0053	0.1984
Left	0.0074	0.0345*	0.0546***	0.0549
Centre	0.0300	0.0148	0.0249	0.0557
Year	0.0757*	0.2733**	0.5161***	0.1953
Provincial Fixed Effects:				
Ontario	-0.1986***	-0.3623***	-0.3189***	-0.2606***
Newfoundland	-0.2524***	0.2079**	0.3769***	-0.4329***
PEI	-0.2399***	-0.1280	0.0103	-0.5992***
Nova Scotia	-0.2134***	-0.1345**	-0.0253	-0.4881***
New Brunswick	-0.3631***	-0.1660**	0.0880	-0.0857
Manitoba	-0.1327*	-0.1241	-0.0691	-0.6679***
Saskatchewan	-0.0992	-0.1999	-0.0533	-0.7697***
Alberta	-0.0506	-0.3621***	-0.3967***	-0.3208**
British Columbia	-0.1736***	-0.5301***	-0.4414***	-0.4554***
N	260	260	260	260
R-Squared	0.935	0.886	0.906	0.624

Standardized beta coefficients
* p<0.10, ** p<0.05, *** p<0.01

.

Table 4
Provincial Economic Development Activities, 1981-2005/6 (Various Surveys)

	(1) Transfers to Business/GDP (PEA Basis)	(2) R&D Spending /GDP (RDCI)	(3) Gov. Business Invest Inc/GDP (FMS Basis)	(4) Gov.Business Assets (FMS Basis)
Globalization:				
International Trade	0.1290	-0.4183***	0.0078	-0.0027
Interprov. Trade	0.0006	0.1128	-0.1094	-0.1735***
Economic & Fiscal:				
GDP per capita	-0.1110	-0.0090	-0.3767*	-0.1328
Growth	-0.0879	-0.0582	0.0244	0.0021
Federal Transfers	0.1241	0.0030	0.1361*	0.0996***
Debt/GDP	-0.1315	0.0186	0.0336	-0.1151
Social Need:				
Unemployment	0.2784**	-0.1465*	-0.0414	0.1383***
Immigration	0.0578	0.0546	0.2108*	0.0819**
Postindustrial	-0.1203	-0.0404	0.0199	0.1937***
Dependency ratio	-0.0840	-0.1375	-0.2909*	0.0977*
Politics/Power Resources:				
Union density	0.1321	0.1135	0.0525	0.0901**
Left	-0.0433	-0.0181	-0.0431	-0.0543**
Centre	0.0218	-0.0219	-0.0536	-0.0335*
Year	-0.1025	0.2393	-0.0459	0.0596
Provincial Fixed Effects:				
Ontario	-0.4546***	-0.1610**	-0.7628***	-0.6481***
Newfoundland	-0.6251***	-0.5144***	-0.6194***	-0.4594***
PEI	-0.2387	-0.8386***	-0.5873***	-0.8759***
Nova Scotia	-0.4275***	-0.5634***	-0.6239***	-0.6209***
New Brunswick	-0.6090***	-0.5405***	-0.4587**	-0.2069***
Manitoba	-0.1400	-0.5950***	-0.3003*	-0.1116*
Saskatchewan	0.2093	-0.1989	0.0374	0.0838
Alberta	-0.0589	0.1810	0.0539	-0.4391***
British Columbia	-0.3908**	-0.4851***	-0.4680***	-0.4472***
N	260	260	250	250
R-squared	0.394	0.728	0.531	0.890

Standardized beta coefficients
* $p<0.10$, ** $p<0.05$, *** $p<0.01$

Table 5
Provincial Economic Development Activities, 1988-2007 (FMS Basis)

	(1) Corporate Inc. Tax/GDP	(2) Microeconomic Spending/GDP
Globalization:		
International Trade	0.3216	-0.2026
Interprov. Trade	0.2138	-0.3250*
Economic & Fiscal:		
GDP per capita	0.5305**	-0.4605***
Growth	-0.1263**	-0.0045
Federal Transfers	-0.0341	0.4059***
Debt/GDP	0.5788**	-1.1135***
Social Need:		
Unemployment	-0.8213***	-0.0327
Immigration	0.0387	0.0364
Postindustrial	-0.2170	-0.2297
Dependency ratio	0.6032***	0.1379
Politics/Power Resources:		
Density	-0.0482	0.1702
Left	0.0879	-0.0498
Centre	0.0901	-0.0712
Year	-0.2086	0.2297
Provincial Fixed Effects:		
Ontario	-0.0133	-0.4899***
Newfoundland	-0.0766	0.0258
PEI	-0.1594	-0.0903
Nova Scotia	-0.1644	-0.4077***
New Brunswick	-0.1830	-0.3062**
Manitoba	-0.7839***	-0.4694**
Saskatchewan	-1.1949***	-0.0051
Alberta	-0.1937	-0.3075*
British Columbia	-0.0795	-0.8628***
N	200	200
R-Squared	0.537	0.655

Standardized beta coefficients
* p<0.10, ** p<0.05, *** p<0.01

.

Table 6

Ontario & Quebec Revenues & Expenditures, 1988-2007

(FMS Basis)

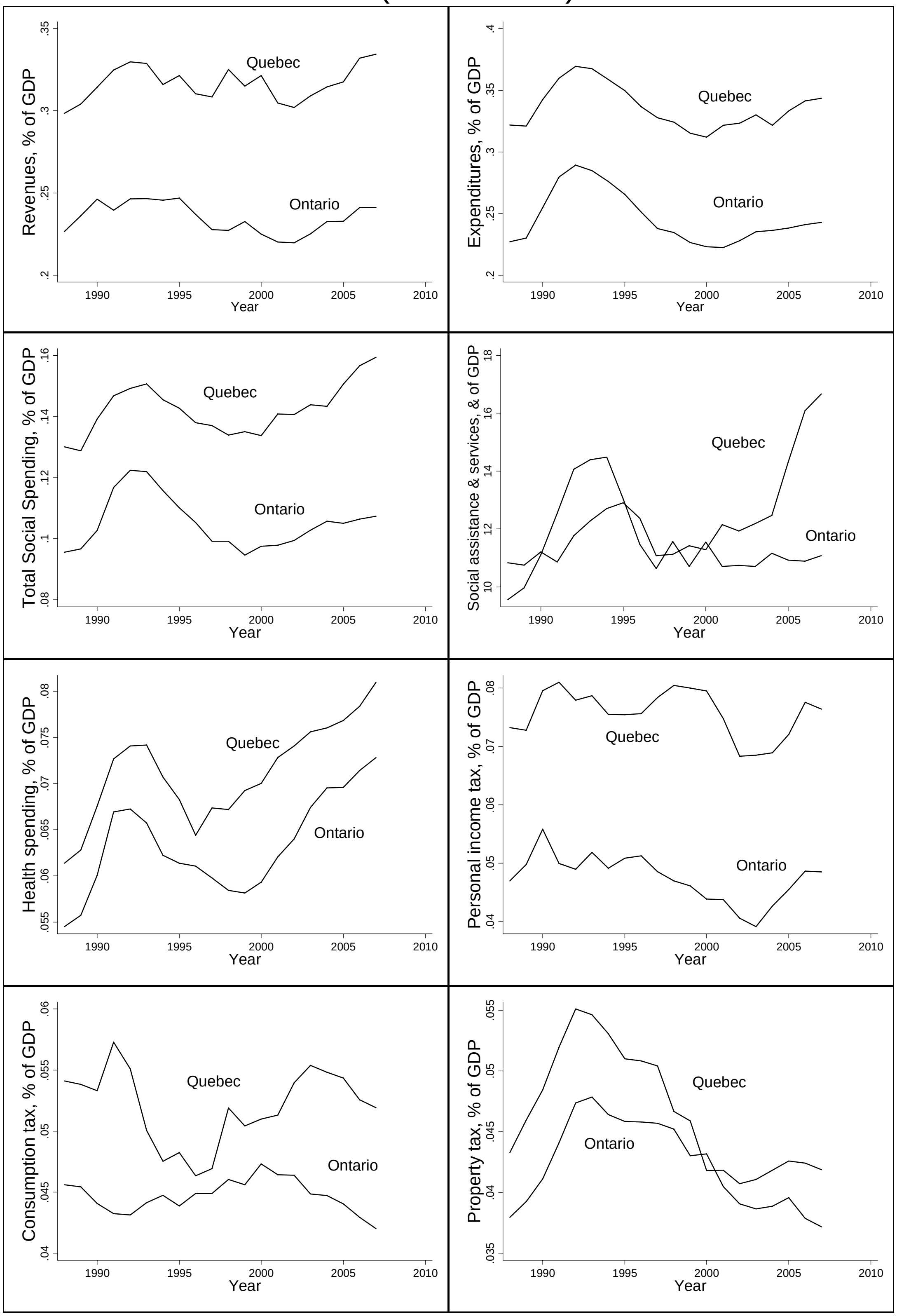
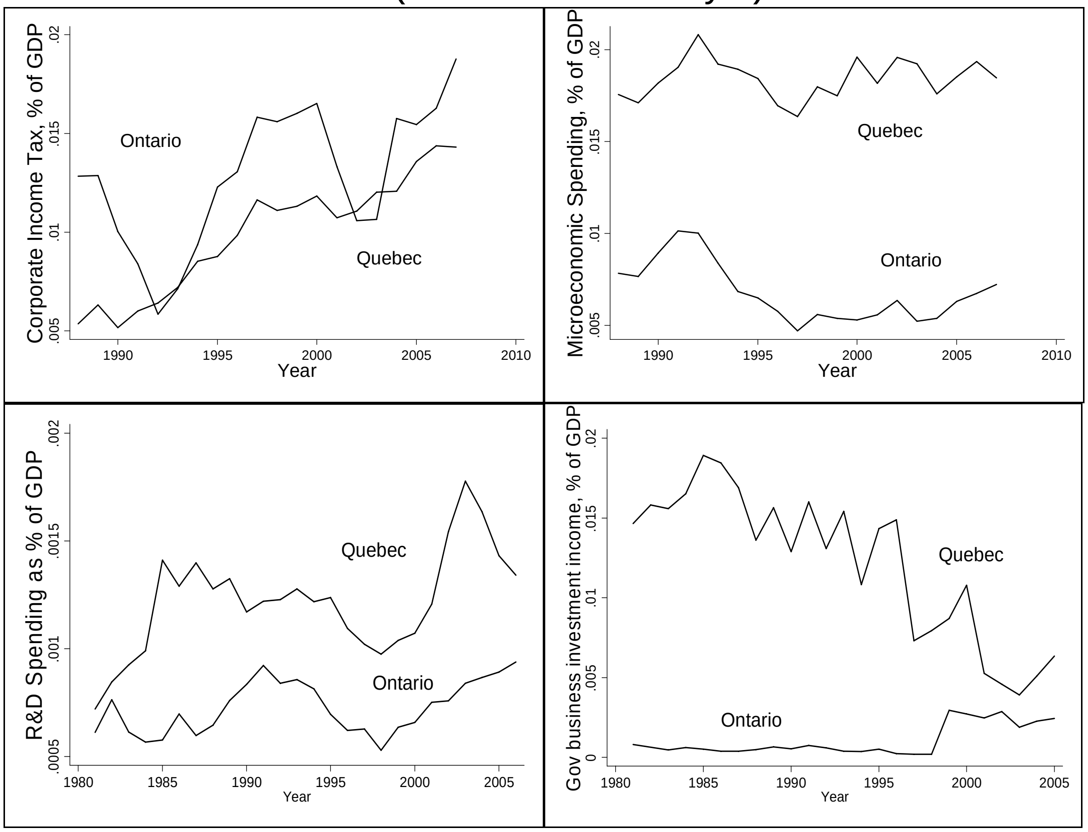


Table 7
Provincial Economic Development Activities
(Various Surveys)



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