

# In Conversation

Public Policy & Governance Review

## An Interview with David Zussman

*David Zussman has had a long and distinguished career both in and out of the public service in Canada. He is the current Jarislowsky Chair in Public Sector Management at the University of Ottawa, and has worked in the offices of Rt. Hon. Jean Chrétien, the Privy Council Office, and for organizations such as the Public Policy Forum and EKOS Research. Prior to the most recent federal budget, the Public Policy and Governance Review sat down with Professor Zussman to discuss the lessons he has learned throughout his career in public policy, and policy challenges in the current era of fiscal constraint.*

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**Could you start off by talking about your career, and, in your different roles, where you felt you could affect change the most. Did it depend on the role or the people who were there in the situation?**

For students in public policy reading this interview, I think one of the interesting things about my background is that my first degree is in computer science and math, and my doctorate is in psychology, so I'm not typical by way of entry into the world of public policy.

After my doctorate at McGill, I started my career at Statistics Canada, taking advantage of my statistics background by doing a series of large-scale studies. In those days, there were huge data sets, and not a lot of experience in the federal government with manipulating data, which I had done as part of my graduate work. So it was a very satisfactory two-year stint for me. But increasingly, I became interested in the policies that gave way to the outcomes I was measuring in surveys.

So I looked for and found a job at the Treasury Board Secretariat, again finding myself in a rather different environment. Whereas I had previously been working in the world

of statisticians, I was now working in the world of economists with people like Mel Cappe, and it hammered true to me one very important point: public policy truly is interdisciplinary. And those who do it best practice interdisciplinary work either by being themselves an expert in social sciences, or more typically, forming a team of people who have all these various skillsets. Over the years it has been hammered home to me how unbelievably crucial this is. On specific terms, this means understanding the history and context of public policy (politics), economics, and sociology—the impact that policies are going to have on people, and how that is going to play out. If you don't do your due diligence at the outset, you will pay for it afterwards, as we've seen in many instances in Canada and elsewhere—bad public policy that would have been predictable if people had thought through the issues more fully.

Later in my career, I went and taught at the University of Victoria School of Public Administration for three years, which was a great experience. I learned a lot about provincial governments, and spent a lot of time in the Premier's office. Then I moved back to Ottawa, getting a job in the Privy Council Office in the Communications Secretariat. I did a lot of work around communicating public policy—a very valuable lesson—and analyzing data, but this time analyzing public opinion data for Cabinet and Cabinet Committee. This was another good experience because it brought me face to face with politicians on a weekly basis, which gave me an important appreciation of where policy and politics overlap. You've got so many people teaching [at the School of Public Policy and Governance] now who know all about that.

Being captured by this interesting world of politics and its interface with public service, I then joined Jean Chrétien's staff as a policy advisor when he was Minister of Energy, Mines, and Resources (now Natural Resources), and that was a wonderful experience because he wasn't the least bit interested in my political skills—which were non-

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existent—but he always has relied heavily on his staff and the public service. So I learned from a person who had a strong model: that the public service and political leadership would work closely hand in hand. That was pretty much how he operated as Minister, and as Prime Minister.

I then went to the University of Ottawa, realizing I was never really interested in full-time work on the hill, and I subsequently became Dean of the business school. After that, I headed up the Public Policy Forum for seven years in Ottawa. During that period of time, I was responsible for his [Chrétien's] policy work in his 1990 leadership campaign, and headed up his transition in 1993, 1997, and 2000. After the PPF, I joined EKOS Research where I was President and COO of a national polling firm, and I accepted an offer to become the Jarislowsky Chair in Public Sector Management. So I can't keep a job, as you can see, but it's all been anchored around public policy, and I actually don't think my jobs have been all that different—just that the emphasis that one places on the work changes whether it's a for-profit or non-profit, inside the system or outside. It's been a fun career for a psychologist.

**We'd be interested to hear more about the communications aspect of your work, and the interface of politics and public policy. What are the lessons you took from that work?**

There are a number of things that I think differentiate people who are successful in public policy and those who are not. First of all, at the lowest level, you have to communicate your ideas well—verbally and in writing. I've never met a successful policy person who was not good at both. Everyone, of course, has different skills and styles. But notwithstanding that, your job as a policy person is to convince others that your idea is a good one, based on solid research, analysis, and assumptions about what the impact is going to be—because clearly in most cases you cannot predict it with any degree of certainty. Part of the certainty element of this conversation is being able to communicate with some confidence that you actually have an answer.

The other element is to have strong analytical skills of one kind or another—it could be

legal, historical, econometric, etc.—to be able to say on the basis of evidence, not just gut feeling, that this is the way to go. So that’s the right answer.

The next part is persuasion. Convincing the political people that this is in the best interest of the country, and also politically; that it will garner support for their party and point of view, and will resonate with voters.

Public servants, who are non-partisan, and don’t get this second part of the conversation are not going to be successful policy people. This doesn’t make them partisans—and I have this problem in trying to convince my own students of this point. They are not taking sides, but they have to recognize that ultimately for decision-makers there must be some political payoff. It may be in the long-term, with pain in the short-term for long-term gain. But even the pain part must be seen to, in one way or another, enhance the political fortunes of the party in power; they can argue that they’re making some tough decisions in the interest of Canada, that may look difficult today but in the long-run is good for Canadians, and therefore, they argue, “we hope that you’ll continue to support our government”—that’s the argument.

I’ve seen too many public servants who resist this conversation, and characterize it as partisan. My impression typically is that they have a real problem career-wise, at the senior levels, if they don’t understand this particular point. Ultimately it’s the politicians who decide. They are accountable to parliament and taxpayers for their actions, and that’s where the accountability, and therefore responsibility, resides. It’s not in the hands of well-meaning public servants or analysts who think they have the right answer; they are accountable to no one, other than their bosses for the way in which they spend their time.

I think there was a period of time in the 1970s when the policy people ran way too fast ahead of the politicians, and the government approved all sorts of bad ideas because it wasn’t attentive enough or policies weren’t being vetted enough. There were a number of things done in the 1970s and 80s to change the process to make the politicians own

the policies more apparently. Trudeau introduced something in the late 60s where the Minister had to present the policies in Cabinet, not the public servants. Previous to that, the Minister would just introduce a public servant who would present the issue and not be responsible for fully understanding the issue. Minister's never took ownership, never took time to learn the policy, but ultimately, though, they were accountable. So today, Minister's must present in Cabinet—not public servants.

**You have likely experienced times in your career where you have had to speak truth to power. How do you deal with difficult situations like that, and what advice would you give young policy people who are starting their career?**

First, I think public servants, generally speaking, don't appreciate one important principle that is at play everyday in their lives. There is something at the federal level called the Public Service Employment Act, which did away with patronage; it's a merit-based system, and it protects the public servants against reprisals from politicians. No other place of employment operates like this—and why is that? We do that to protect the public servant so that they can speak honestly in the context of their work environment. So there is a legal issue here that provides assurances and encouragement for public servants to speak truth to power. It's a difficult game, and anyone in a senior position has had to say difficult things, knowing full well that the people they are giving advice to are not looking forward to hearing it. It's no different, frankly, than telling an employee that they are underperforming and there will be a consequence, or telling a family member the truth about something.

Everyday in our lives we are confronted with speaking truth to power, and some people do that more easily than others. In government, in my view, it's an obligation; we fought hard for your rights to have this job. Now I'm not naive enough to think that you won't be punished sometimes from an uncaring or unappreciative Minister who didn't want to hear that news. I remember years ago on the Energy portfolio working with one of the Associate Deputy Ministers who went on about the assumptions underlying the econometric model which made presumptions about what the cost of a barrel of oil would be. He went on and on about worst-case scenarios, and eventually they got so tired of hearing his naysaying, that he was moved to another job. He always spoke truth to

power, and found other jobs and retired happily, but he never compromised his principles, which were that policy advisors need to tell the truth.

Nothing is worse for a Minister than being told something that is not true. Good Ministers want the truth. The Ministers that I've worked for want to hear the truth. Now, how you tell the truth is a whole complexity, which is a challenging one, and you have to gage in the conversation where you are going to be truthful. But it's no different than any other responsibility you have as a professional. Nothing could be worse than working for a year on a project and having the Minister ask you what you think, and you don't tell the truth because you think they don't want to hear it. Actions like that are not useful and you've undermined the whole system. That is a very important element.

Now I know in Ottawa these days this is very hard to do; this is a government who doesn't like being told they are wrong. But there is no other choice.

The other thing is that most good clerks and Deputy Ministers either in fact, or notionally, have a letter of resignation in their top drawer. You've got to be able to say to yourself everyday that if this person is not going to listen to me, I should go do something else. That has happened on a number of occasions. If it's not honest, then what are you doing it for? You may pay for it in the short term, or forever, frankly, but I think a balance with good people will be recognized as being a valuable thing. I think I have actually been rewarded over the years for doing that.

**The Chrétien years are famous for tackling the deficit, and there some parallels to what we are experiencing now at the federal and provincial levels. Could you reflect on the differences and similarities between then and now, and the lessons from the past that can be applied today?**

Things were different in a big way. Leading up to the Liberals being elected in 1993, Michael Wilson, as Minister of Finance, had talked a lot about the deficit and debt; in 1992 or so, the IMF came out with a very important paper that declared Canada to be on the road to bankruptcy. So by the time the Chrétien government arrives, the public

has heard that the country is in trouble. That is not the case today. Canadians are totally ignorant of our financial situation; we are running up debt in record numbers and seem to have an insatiable appetite for spending money and not pay any taxes. So this government has got, in some ways, a more complicated environment than we had.

The second difference was that, Chrétien being Chrétien, he did a couple things I think were smart. He created a Cabinet committee that was headed up, not by Paul Martin like everyone thinks it was, but by Marcel Massé, who had been a recently elected Member of Parliament and new Cabinet Minister, and was a former public servant as a Deputy Minister. He had left for a number of reasons, particularly his total frustration with the Mulroney government as a DM. So he entered politics and was appointed head of this Cabinet Committee, because he knew everything about the spending of government and knew all the people there.

The other important point, unlike present times, is that the process that Massé kick-started (and I was Assistant Secretary of Cabinet then) was implemented by the public service. David Dodge, as Deputy Minister of Finance, had done his fiscal framework, and he with other Deputies and the Prime Minister's Office decided where the cuts would go. In the end, Massé presented to Cabinet a series of cuts that were going to be coming, which would add up to the number they were looking for. Where the dollars come from was left to the public service. The DM would be given a number that they had to find, in line with a number of principles, and would come back with cuts that sometimes equaled up to 40 percent (Industry Canada, for example). Massé drove this process where the Ministers were very engaged in the conversation.

This is different from today, because there is little public acceptance for the need for deficit reduction, and I think that is why this government appears to be waffling a bit.

The other element was that Massé initiated very extensive consultation with labour. The unions knew what we were doing and there was no secret about the coming cuts. If the program was cut, so too were the jobs. But we also allowed public servants who wanted

to stay, to swap their jobs with people who wanted to leave (if their programs were not affected, and they had similar skills). In the end, there were zero articles post-budget saying the unions were resisting this. They understood the need for it, we had gone over the numbers with them, and we had given them very generous buy-out packages. All of this could be going on right now, but since the unions are upset in Ottawa, I assume they haven't been consulted.

The other thing that was lucky for us was that the American economy started doing very well, and Ottawa's high tech community (Nortel) was rocketing along and there were so many jobs in Ottawa. I don't think the government will be as lucky this time around.

This government has chosen a different model; it's more about dollars than it is about doing things differently or better. They have engaged Deloitte to help them, who have done a good job as far as I can see (I am on their external advisory committee). What we don't know, of course, is if they have taken any of the advice they got.

**What are your thoughts on the state of federalism and intergovernmental relations in Canada? Would you support something like an independent, arms-length agency to deal with Equalization and other fiscal transfers?**

Well, it saddens me when people say that we have to de-politicize things, because these issues are inherently political. We have no longer places for conversation or dialogue that doesn't eventually disintegrate into name-calling. So this might be one elaborate way of getting some work done.

What we are really missing is a place for conversation—that's a failure of our governments. So you could establish an agency, or you could do it the old fashioned way of getting the Premiers and Prime Minister together and having a conversation. We haven't had a First Minister's meeting in years, and the current PM is clearly not interested in this because he sees it as a political risk—and it is. But this is a federation after all, and the only way for it to work is for both of the parts to coordinate and have a conversation, and disagree, and come to some resolution. We have done it before, and

frankly if we don't start doing it again we will end up with something much worse than just a dysfunctional federation – we might end up without a country.

This is a great fear for a federation. There's got to be some glue that keeps it going, and we have forgotten how to do that. Even though Trudeau, or Mulroney, didn't have good relations with the provinces, they met and debated and disagreed, but even then, things were accomplished. In my view, the last Health Accord was a failure—simply a transfer of money to the provinces without any conversation. And as a consequence ten years later, we haven't really made a whole lot of progress on improving our system—it's just more expensive now than it used to be.

So I think there is a more fundamental reform needed, and that is really getting a conversation going. Choose your issue, we could all benefit from more conversation.

**On that note, if you could pick the biggest policy challenge facing Canada, what would it be?**

I think in the long term, to my mind, national unity is still the biggest issue. We don't talk about it at all, and so I worry about the various parts flying off. Living in Ontario, we never sense that because everyone thinks it's the centre of the country—and it's really not anymore. BC, Alberta, and Quebec are all on their own in many ways. Since Chrétien there has been very little conversation about holding this all together and what that means. It's not just bilingualism, although that is important. It's about appealing to individual citizens about a national interest, as well as provincial and local interests.

In the medium term, it's our skills agenda; that has to do with education generally. It still remains a huge challenge; we're only half serious about it. Don Drummond addresses many of the issues in his report, which I think is first class—but there is more to do.

In the short term, though, it's health care. This is going to be a huge policy failure if we don't do something, because only for thirty years have we known that the next five begin the highest cost health demand timeframe that we've ever had. We have known that it's

coming and have done virtually nothing to prepare for it because we want to keep the health care costs low and don't want to increase taxes. We are bumping up against huge budgetary restrictions, and the Premier knows this. The Drummond Report showed 70 percent of the budget will go to health care in the not-too-distant future, so everything else will be crowded out. We have made a lot of changes, but they really just play at the margins. There are some profound questions to answer, and many people have answers. We aren't lacking analysis, but we are lacking conversation and courage.

Part of this comes down to the role of taxes. There is a perception that came from the Reagan and Thatcher years that we are wasting our money paying taxes, and that is just not true. Of course there are inefficiencies to manage and reform in government, and one should always do that, but taxes go to making life in this country of high quality. We have to continue to do that. To pretend that we can do it by paying less, as the current Mayor here does, is just incomprehensible. Perhaps the more urgent conversation needed is around the role of taxes, but that comes with looking at health care.