



University
of Victoria

Graduate Studies

Notice of the Final Oral Examination
for the Degree of Doctor of Philosophy

of

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MA (University of Victoria, 1978)
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**“Prescription Before Diagnosis: The Dynamics of Public Policy
Construction in the BC Liberal New Era, 2001-2005”**

Department of Political Science

Thursday, April 11, 2019
1:30 P.M.
Clearihue Building
Room B021

Supervisory Committee:

Dr. Colin Bennett, Department of Political Science, University of Victoria (Supervisor)
Dr. James Lawson, Department of Political Science, UVic (Member)
Dr. James Tully, Department of Political Science, UVic (Member)
Dr. Evert Lindquist, School of Public Administration, UVic (Outside Member)

External Examiner:

Dr. Allan Tupper, Department of Political Science, University of British Columbia

Chair of Oral Examination:

Dr. Andre Smith, Department of Sociology, UVic

Dr. David Capson, Dean, Faculty of Graduate Studies

Abstract

The BC Liberal New Era was an intense and often controversial period in the province's political history. One day after being sworn into office with a massive majority, Premier Gordon Campbell announced a 25 percent personal income tax cut, potentially relinquishing one billion dollars in tax revenue. Seven weeks later, Campbell and his Finance Minister followed up with another billion dollars in business and corporate tax cuts. Based on the apparent success of tax cuts in provinces like Ontario, where tax cuts coincided with very strong economic growth, they believed deep tax cuts in 2001 would prove efficacious despite sharply declining economic indices. They initiated tax cuts in the face of cautionary advice from the Ministry of Finance and without the benefit of a report from their Fiscal Review Panel. Their decision proved to be a compelling, real-world example of prescription before diagnosis.

The 2001/02 fiscal year saw only 0.6 percent economic growth, much as the Ministry of Finance had predicted, not the 3.8 percent growth anticipated by the Premier and Finance Minister. An overall \$4.4 billion deficit quickly translated into deep expenditure reductions for ministries other than Health, Education, or Advanced Education. The latter ministries accounted for seventy percent of BC's budget and were protected from cuts by a campaign commitment. Resource ministries were hit hard with cuts of up to 45 percent but could not come close to filling the budget hole. The New Era thus offers a second and stark example of prescription before diagnosis: the belief that social ministries could also manage deep budget cuts without detrimental consequences to the disadvantaged and vulnerable clients they served.

Long before tax cut optimism began to fade, Campbell introduced an array of processes – like core review, deregulation, devolution, and alternative service delivery – drawn from other jurisdictions and, indirectly, from the tenets of New Public Management. Those processes were clearly designed to foster smaller government, prompting a critical question: was the introduction of dramatic tax cuts into a recessionary environment intended to produce a self-induced crisis, thereby underlining the imperative of austerity? My dissertation supports that suggestion, but also concludes that the “burning platform” became a far greater conflagration than its authors anticipated. The BC Liberal *New Era* campaign platform's ambitious social policy agenda was consequently sacrificed to sustain its economic agenda.

The *New Era* campaign document aimed to maximize voter appeal by promising “everything at the same time” and similar expectations drove New Era processes. Ministries were obliged to deliver on process goals as well as expensive *New Era* platform commitments while simultaneously cutting staff and programs. Confronted by seemingly endless and intractable problems, ministries looked nationally and internationally for policy experience that might inform provincial solutions. Policy transfer produced mixed results. The New Era experience suggests that the frequency and intensity of process demands – compounded by budget-driven resource attrition – inhibited rather than fostered policy success.