

What a minority government means for business

A primer from the Ontario Chamber of Commerce

On Monday millions of Canadians went to the polls to mark their ballot and, in so doing, created a little piece of election history.

For only the ninth time in Canada, a minority-led parliament will govern this country.

In very basic terms, this means that in order to pass any legislation, the governing party must obtain the support of other parties (or at least their members) to form a majority.

For instance, if the new government wanted to create a new statutory holiday they would draft and introduce legislation.

For that legislation to become law, it must pass three votes – first, second and third “reading”.

With the governing party only having 135 members – 20 short of a majority – at any time the combined votes of the opposition parties could outnumber the government. Of course recounts of ballots are expected in several ridings over the coming weeks.

What this means, though, is that compromise is needed.

Typically, this would mean that in drafting and debating the legislation, the government would consult and negotiate heavily with the other parties (or at least some of them) to get their support when it comes to a vote.

It also means that the vote of the individual member is a much more powerful bargaining chip than would be the case in a majority government, which allows lobby groups and individuals to petition backbench members of all parties – with a reasonable hope of affecting public policy.

Typically, a minority government would not advance a heavy legislative agenda.

Government Glossary

Minority Government: Forming the government with less than half the total number of members.

Vote of Confidence: Sometimes called a “confidence motion” – the loss of which will dissolve the government.

Backbencher: A member of a political party that is not in the Cabinet or Opposition Shadow Cabinet – or a parliamentary assistant. Typically a very junior member of parliament.

Private Members’ Bill: A piece of legislation introduced independent of a political party – typically unlikely to become law, though the chances under a minority government are improved.

In fact, it may be some days before the nation even knows exactly how the coalition of parties will form the government – and after that – it may be months before the Prime Minister recalls the legislature.

During that time, he will work to form a coalition of support that crosses party lines, and will likely have to include the Bloc Quebecois to obtain a needed majority vote, as the NDP combined with the Liberals still fail to obtain the magical 155 seats.

At the end of the day, this means that the government will not put forward any highly contentious items. It also means that budget and financial bills – those most likely to attract “confidence” motions (more on that later) will be very conservative and are not likely to contain any measures that would spoil a coalition – in other words the budget would have to appeal as much to the left-leaning Bloc – as to the more “right-winged” Conservatives.

The government will collapse when a motion of confidence comes to vote, and the government fails to win that vote.

Items of a financial nature – budgets, tax legislation and the like – are said to be indicators of the confidence in the government. If an opposition member calls a “confidence motion” vote, and the government loses that vote, parliament is dissolved and the Governor General will either call for new elections, or can ask the leader of the next largest party to try and form a new government.

Either way, a minority government only typically lasts about a year and a half – so Canadians will in all likelihood be back to the polls very soon.

What this means for the Chamber network

With every vote in the legislature being far more valuable under a minority government, and party discipline far more difficult to maintain, the local business community must keep its local Member of Parliament informed of its views on issues before the House of Commons.

While there is not likely to be an aggressive legislative agenda, on occasion Private Members’ Bills (PMBs) will be introduced to the House – that will lead to important and hotly contested votes. And unlike in a majority government where few PMBs actually pass – in a minority government PMBs stand a better chance of becoming law.

The local chamber or board of trade should try to meet with the new (or returning) Member of Parliament from each riding in the area at least one per month – and more often when the House is in session – to discuss items of importance to the riding and to the business community – in addition to discussing what may be on the legislative agenda of the government, the opposition, and of private

members. The local chamber or board should also not be shy about expressing its views and priorities to the MP.