The Game They're Playing: Analyzing FPT Governments' Cooperation and Conflict within Canadian Health Care Negotiations

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BACKGROUND

Canadian Health Care & Collaborative Federalism

In Canada, health care falls under section 92(7) of the *Constitution Act, 1867* which grants the provinces primary jurisdiction for establishing and maintaining Canadian health services. Although the constitution grants the provinces jurisdiction over healthcare, budgeting and fiscal spending power continues to fall under the federal constitutional jurisdiction, funding which is needed by the provinces to uphold the health care system (Bakvis, 2020).

Due to this, health care has become a policy domain in which intergovernmental collaboration is essential for upholding national goals. This collaborative process, termed **collaborative federalism**, is achieved by having some or all of the 13 provincial governments and the federal government attempt to coordinate national action within their respective domains (David & Simeon, 2002).

We have recognized 6 key instances within the history of Canadian health care that can be seen to exemplify attempts at this collaborative behaviour: the 2000 and 2003 Health Accords under Jean Chretien, the 2004 Health Accord under Paul Martin, a 2011 unilateral declaration under Stephen Harper, and the 2016-17 and 2023 health care discussions under Justin Trudeau.

Game Theory

Commonly used within the study of economics, game theory analyzes the optimal decision-making process actors take within various competitive situations. It provides a framework that outlines and explains both how different competitive games are structured as well as the specific strategies individual actors within the game take (Brams, 2000).

Three common games seen in game theory are: **(1) Prisoners Dilemma**, a non-sequential, non-zero-sum game played by two players, the **(2) Ultimatum Game**, a sequential move game based on one party proposing a distribution of wealth, and the second party either accepting or rejecting the distribution, and the **(3) Dictator Game**, which is akin to the ultimatum game, but contains only one actor deciding how to distribute wealth between two parties, with no opportunity to reject by the second party. (Axelrod, 1980; Shor, 2005).

While frameworks of game theory have been used in the past to model national security games and international relations (Brams & Kilgour, 1988; Brams, 2000) there have been very few applications of game theory to Canadian intergovernmental relations.

OBJECTIVE

This project seeks to use game theory to model the relationship between the federal, provincial, and territorial governments with respect to health care by attempting to answer the following questions:

1. **What explains the dynamics and outcomes of intergovernmental negotiations in Canada?**

2. **Are there patterns in how intergovernmental games are played across time in one policy area (Health Care)?**

METHODS

Data Collection

*   From May 2023 to July 2023, news articles were collected using Factivia and NexisUni related to the health care negotiations within Trudeau's 2023 and 2017 instances. Government news releases and position papers were also collected from individual FTP governments' newsrooms, the Council of the Federation, and the Intergovernmental Secretariat (n = 590).

Data Analysis

*   For each news article, the mentioned FPT government's demands, responses to others FPT governments demands, and conflictual/cooperative tone were coded and inputted into R.

*   2 types of cooperation were coded:

    *   **Vertical (V):** Between the Federal government and PT governments.
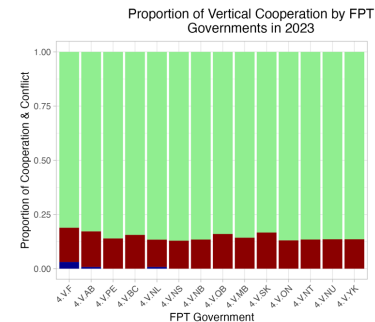   *   **Horizontal (H):** Between individual PT governments.

RESULTS

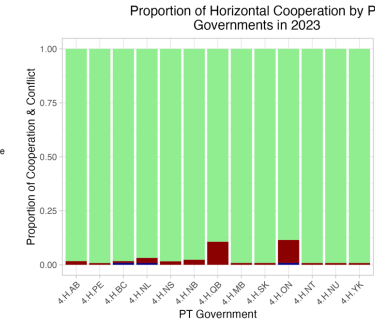**Figure 1a.** Proportion of Vertical Cooperation by FPT governments in Trudeau's 2023 instance of Health Care Negotiations**.**

Figure 1b. Proportion of Horizontal Cooperation by PT governments in Trudeau's 2023 instance of Health Care Negotiations**.**
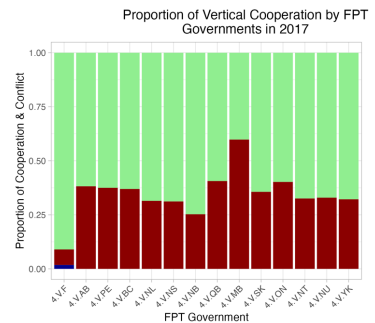

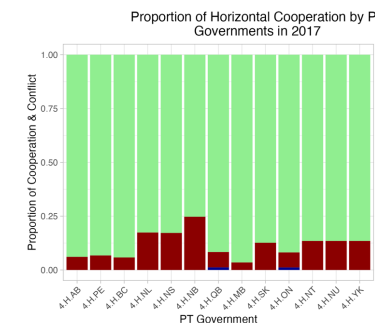**Figure 2a.** Proportion of Vertical Cooperation by FPT governments in Trudeau's 2017 instance of Health Care Negotiations**.**

Figure 2b. Proportion of Horizontal Cooperation by PT governments in Trudeau's 2017 instance of Health Care Negotiations**.**

PRELIMINARY CONCLUSIONS

*   Across both the 2017 and 2023 health care negotiations, the Trudeau government possess, in general, a cooperative tone in more than half of all articles discussing vertical (V) cooperation/conflict:

    *   **81.12%** of cases had a **cooperative tone** in 2023 (Figure 1a).
    *   **91.02%** of cases had a **cooperative tone** in 2017 (Figure 2a).

*   PT governments were more cooperative in the 2023 instance rather than the 2017 instance within vertical (V) cooperation/conflict.

    *   Notably, in 2017 **59.81%** of Manitoba's cases had a **conflictual tone** (Figure 2a). In 2023, only **14.29%** of cases had a **conflictual tone** (Figure 1a).

*   Horizontal (H) cooperation is generally large across both cases, with the PT governments being more horizontally cooperative in 2023 (Figure 1b) than in 2017 (Figure 2b).

*   Our findings suggest that the Trudeau government played the vertical (V) negotiation game as a sequence of **repeated Ultimatum Games** where the PT governments played the horizontal (H) game as a **repeated Prisoners Dilemma**.

    *   In both 2017 and 2023, all FPT governments strategically proposed different demands to change the payoff matrix of the game.
    *   In 2017, the federal government attempted to change the number of players in the vertical game by shifting from a multilateral to bilateral deals.

Future Steps

*   Extend the analysis to the 4 additional Canadian health care negotiations from Harper's 2011 unilateral declaration to Chretien's 2000 Health Accord (N = 1685).
*   Develop a theoretical framework describing what types of games lead to unilateral, bilateral, and multilateral agreements in health care.
*   Create strategic profiles for each FPT government outlining the dominant strategies they utilized across the 6 instances of negotiations.

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