

Executive Summary

2012 has been another year of turbulence and uncertainty in many parts of the world, with ongoing economic turmoil spreading across Europe, continuing ethnic tensions throughout much of the Middle East and central Asia, and natural disasters wreaking havoc around the globe. Canada remains largely insulated from these global challenges, and this is reflected in the public's comparatively positive view of their country and circumstances.

Once again, Canada is one of only a few nations where a majority believe their country is generally heading in the right direction, and despite fault lines on many issues, trends over the past year are more often than not positive. Since 2011, Canadians, as a whole, express increased confidence in their overall system of government, less concern about their health care system, continued comfort with the level of immigration, less worry about the economy, and a better opinion of the USA now that Barack Obama has secured a second term in the White House.

As well, most continue to be comfortable with the level of household debt they have taken on, consider themselves to be part of the middle-class, and are no less than before to feel satisfied with their standard of living. An important caveat is that those at the lower end of the income spectrum are becoming less comfortable with their economic security, and losing ground to those higher up the ladder.

One issue the public believes is not receiving sufficient attention is climate change. Despite the absence of attention given to this challenge by the mainstream media and federal politicians, an increasing majority of Canadians have concluded that climate change is a reality and requires serious attention from their governments. And proof of this viewpoint can be found in an expressed willingness to help pay for action through higher prices and taxes, as British Columbians are now doing through their provincial carbon tax.

What is the state of the "ties that bind" in terms of Canadians feeling connected to the country, against the many centrifugal forces in today's globalized, segmented and

wired world? In broad terms, the ties appear to be holding, although not without cracks. Canadians' level of pride in their country and its national symbols remain strong, and most continue to believe there are commonly-held values, including a strengthening commitment to the aspiration of bilingualism. The west has now replaced central Canada as the economically favoured region, but regional tensions have lost much of the energy from past decades. A national mindset is reflected in the belief expressed by a majority in all provinces (save Alberta) that the benefits derived from natural resources (like oil and gas) are a national resource that should be shared rather than reserved for the host province.

At the same time, the country's two solitudes seem to be moving apart. Quebecers may not be agitating for political sovereignty, but they do appear to be drifting away from a broader national vision. Their expressed pride in Canada and sense of shared values have declined to record low levels, and they are antagonized by a federal government seen as favouring other regions (with Alberta replacing Ontario as the undeserving beneficiary). Quebecers now seem to be the grumpiest of Canadians, expressing the most negative sentiments, be it about the economy, their standard of living, management of health care, cultural integration of immigrants, Canada's place in the world, or trust in ones neighbours.

Another trend is a growing generational gap, as Canadians under 30 also appear to be losing interest in the traditional national narrative about what makes Canada a nation. This is reflected in declining importance placed in national symbols, and especially traditional ones such as the national anthem and flag. Today's youth are also less likely to have a sense of commonly-held values across the country or express confidence in Canada's system of government. At the same time, Canada's millennial generation is not exhibiting signs of anti-social ennui; among age cohorts they express the most positive sentiments when it comes to bilingualism, immigration and the need for government and consumer action on climate change.

Finally, the Conservative Harper Government in Ottawa has passed its seven year anniversary, but has yet to put a clear stamp on public opinion. On most issues, Canadians' views show remarkable consistency over the past decade, and in many cases the trend has been in a progressive rather than conservative direction (e.g., on the role of government, climate change, immigration, same sex marriage, abortion).

Opinions often vary by political party support, but few of these differences are stark (except among supporters of the Bloc Quebecois) and show no clear sign of widening over time. So far, Canadians have avoided the poisonous partisan division on issues of the day that now paralyzes politics south of the border. Canadians may not be all that impressed with their politicians these days, but this has not yet caused most to lose faith in the democratic system or the country they call home.

The following are key highlights from the research:

The economy and standard of living

- Canadians continue to be more satisfied (54%) than dissatisfied (42%) with the general direction of their country today. This is down marginally from one year ago, but Canadians remain among the most upbeat among citizens of 22 nations, trailing only urban China (82%), and well ahead of the USA (29%) and most of Europe. Residents of the Prairies are now the most satisfied, while Quebecers and low-income Canadians are least apt to share this view.
- The economy and jobs continue to be the dominant "top of mind" concerns facing the country (mentioned by more than four in ten), but this focus has leveled off after several years of growth and fewer Canadians now see the national economy as weakening. Over the past year, however, confidence in economic conditions has strengthened in the Prairies, while declining in the east (especially Quebec).
- Ongoing concerns about macro economic trends notwithstanding, Canadians are as positive as they have been in two decades about their own standard of living. One-third are now very satisfied, compared with one in six expressing dissatisfaction. But this positive view is not evenly distributed, as satisfaction levels have improved since 2010 primarily among Canadians under 45, while the gap between the highest and lowest income households has widened to record levels.
- While household debt levels continue to climb, Canadians are no less comfortable than in pre-recession times with the amount of debt they are carrying. Just one in five (19%) report owing more than they can afford, a proportion unchanged from 2008 and lower than in 2005. Only among top income households has this proportion increased noticeably over the past four years.
- A general sense of economic security is also reflected by the fact that more than half (52%) of Canadians believe they are better off financially than their parents were at their age, compared with only 24 percent who say they are worse off. This compares favourably with the assessment in 1996, although not as positive as in 1990. At the same time, Canadians are less likely to anticipate the next generation will do better than themselves (25%), although this is more optimistic than in the mid-1990s when the economy was expanding.

Canadian identity and symbols

- Most (71%) continue to say they are very proud to be a Canadian, but this proportion has declined marginally for the first time in almost 20 years. This trend is evident across the country, but most notable is an ever widening divergence between Quebecers (34%) and other Canadians (83%), now the largest yet recorded. Strong pride in country is also diminishing among Canadians under 30, increasing the gap with the oldest generation. As in the past, people are most likely to attribute their pride to Canada being a free and democratic country.
- A majority of Canadians outside of Quebec continue to identify personally more with the country (57%) than with their home province (37%), with these numbers roughly reversed for Quebec. This is largely unchanged from 2010 at the national level, with minor shifts within western provinces (strengthening in Alberta and Saskatchewan while weakening in Manitoba and B.C.). As before, eight in ten immigrants identify more closely with Canada than their country of origin.
- Canadians continue to place strong importance on a number of established symbols of national identity, at the very top being the country's health care system (81%) and Charter of Rights and Freedoms (73%). The strength of attachment to these symbols has declined in almost all cases since 2010, returning to 2003 – 2007 levels. This downward trend is most evident among Quebecers, but

also among youth in the case of such traditional symbols as the flag, national anthem and RCMP.

- Most (67%) agree the values driving Canadian society today are similar to their own, and this view has held largely steady since 2000. At the same time, considerably fewer also believe there are shared values across all provinces (41%) or between urban and rural residents (38%). Opinions about shared values varies across the country (e.g., Quebecers are least apt to see common ground among provinces), but also across age cohorts with youth increasingly at odds with older generations.

National governance and federalism

- Public confidence in the country's system of government has improved marginally over the past year, reversing a previous one year decline. Seven in ten (71%) Canadians are now very or somewhat satisfied, just shy of the record high in 2010. This improvement is most evident in central Canada, although Saskatchewan residents are the most satisfied with the system of government, while Quebecers are the least so. Opinions vary dramatically across supporters of different federal political parties in a predictable fashion, but all except Green Party supporters are now more satisfied than in 2011.
- A majority (64%) of Canadians continue to believe the federal government favours one region over others, but this view has declined since 2005 and is now at its lowest point since 1986. This trend accompanies a major shift toward viewing the west (and especially Alberta), rather than central Canada, as the favoured region. Canadians invariably see as favoured a region other than their own, but Quebecers now focus on Alberta rather than Ontario, and western Canadians have shifted their resentment from Quebec to Ontario.
- Similarly, the public tends to think their own province gets back less from the federal government than they pay in (e.g., through taxes), but this view has softened over the past two decades, especially in Saskatchewan and Manitoba. Canadians are also more likely than in the past to believe the amount of money transferred in equalization payments from rich provinces to poor provinces is about right.
- Natural resources are a provincial jurisdiction, but two-thirds (67%) of Canadians believe the royalty revenue

generated by such industries as oil and gas, mining and forestry should be treated as a national resource and shared by all, rather than just going to the province in which the resources are found (28%). This national perspective is most widely held in Ontario, but is the majority view in every province except Alberta (where 41% agree, versus 53% who endorse provincial control).

- Quebecers' views about their place in Confederation have changed little since 2010. Public support has increased marginally for both the status quo (37%) and full independence (26%), while declining for the less clear cut options of special status (17%) and sovereignty association (16%). But perspectives on the economic impact of separation have evolved significantly over the past 15 years, as Quebecers increasingly see independence as harming their economy, while Canadians elsewhere are more likely than before to conclude it would make no difference to the national economy.
- Despite limited priority given to the country's official policy of bilingualism in recent years, public support has reached an all-time high. More than six in ten (63%) Canadians personally favour bilingualism for all of Canada, and almost as many (61%) favour it for their own province. Support continues to be most widespread in Quebec, but it is in B.C. where support for bilingualism has increased most noticeably since 2010. Alberta is moving in the opposite direction, with support for provincial bilingualism declining to 37 percent.

Foreign investment

- Most Canadians appear to appreciate the value of foreign investment, with six in ten (60%) endorsing more active government efforts to promote such investment to help create jobs. This largely reflects the view expressed in previous decades at the national level, but since 1992 support for increased foreign investment has strengthened in Atlantic Canada, while declining sharply in the west where fewer than half now agree (as low as 30% in Manitoba).
- At the same time, the public is growing increasingly skeptical about the security of jobs created through foreign investment, with an increasing majority (71%) agreeing that foreign-owned companies are less likely than domestic ones to protect jobs in this country. Similarly, only one in three (34%) Canadians believe that

foreign investment results in a clear “net benefit” for the country, in terms of contributing more to the country than it takes out.

- In light of such concerns, it is not surprising that Canadians care where this investment is coming from. Most Canadians approve of the purchase of Canadian-based companies by companies based in such countries as the USA (71%), Australia (71%), Germany (68%) and France (67%). Smaller majorities give such approval to companies from Brazil (60%) and India (55%), but only 42 percent say this should be allowed for companies based in China. Opposition to foreign-takeovers is most evident among B.C. residents outside of Vancouver, women, older Canadians and those with the lower education and income.

Health care

- Despite growing pressures on the health care system, public confidence has strengthened, and for the first time since 2002, as many Canadians believe the health care system is basically in good shape (49%) as say the system is in a state of crisis (48%). When asked about the main cause of problems in the health care system, a majority of Canadians continue to point to inefficient management of the system (62%) over insufficient funding (26%).
- Increasing satisfaction does not mean Canadians oppose changes to health care delivery which are seen as improvements. Timely access to needed services has been an ongoing public concern, and there is majority (54%) support for allowing citizens to purchase care outside of the public system if it is not readily available within the system. As well there is widespread public support (88%) for expanding drug coverage to cover all medications that doctors and their patients agree as most effective.
- There is less openness to change when it comes to reforms for controlling rising health care costs, and the public appetite for such change has not grown over the past decade. Fewer than half express support for such reforms as paying out of pocket for faster service (48%), paying a small user fee for every visit (46%), paying extra for use of the system beyond an allotted amount of care (41%), higher taxes (42%), and cutting back on the types of services covered under the public system (24%).

Climate change

- An increasing majority (57%) of Canadians believe the scientific evidence confirming that climate change is happening and primarily caused by human activity. This view has strengthened marginally over the past year and now at its highest point since 2009. Half as many (28%) say climate change is real but do not feel the science proves humans are the main cause, while one in ten (12%) remain skeptical that climate change is happening. Among those not yet convinced, half believe we should deal with the uncertainty by taking actions now to avoid worst case scenarios.
- In terms of who can be counted on to make serious progress on climate change, Canadians have consistently looked first to government implementing new standards and regulations (59%), and this view has strengthened over the past year and now at the highest level since 2007. By comparison, the public is less apt to say the most essential actions must come from industry making new investments (17%) or consumers making lifestyle adjustments (10%).
- Are Canadians prepared to help pay for solutions to climate change? An increasing majority (57%) say it is reasonable for households to pay an additional \$100 per year in higher taxes and prices to help address this problem. Almost two-thirds (64%) of British Columbians now support their provincial carbon tax, the highest level of support since the groundbreaking policy was first announced in 2008. And elsewhere across the country, six in ten (59%) Canadians would support a B.C.-style carbon tax in their province as a way to address climate change.

Immigration

- Canadians continue to hold largely positive views about the current level of immigration to this country. Six in ten (59%) disagree with the view that current immigration levels are too high, and seven in ten (72%) reject the notion that immigrants take away jobs from other Canadians, while eight in ten (83%) say that immigration is good for the Canadian economy. Education level continues to be the primary driver of attitudes about immigration.
- The arrival of illegitimate refugees has been an ongoing source of public concern since the 1980s, but is becoming gradually less so over time. Just over half (55%) of

Canadians now agree that many people claiming to be refugees are not real refugees (unchanged from 2011), with a rising minority (36%) expressing disagreement with this view.

- Canadians' principal concern about immigration continues to centre around the issue of cultural integration. Seven in ten (70%) now agree with the view that too many immigrants do not adopt Canadian values, up marginally over the past year and now at its highest level since the 1990s. Concerns about immigrant integration remain most widespread in Quebec, among rural Canadians and those with less education, but is clearly evident across all segments of the population.

Canada's role in the world

- Eight in ten (82%) Canadians feel positive about their country's role in the world, although this sentiment has declined moderately since 2010. Peacekeeping (20%) continues to be most widely identified as the country's number one contribution to the world, although not nearly to the same extent as just a few years ago. Other contributions (mentioned by smaller proportions) include foreign aid, multiculturalism and accepting immigrants, the economic system, natural resources, being a voice of moderation or neutrality, and human rights/democracy.
- Close to seven in ten (68%) Canadians now have a positive overall opinion of the USA, rebounding over the past year (likely influenced by Obama's re-election), although not back to the high point recorded in 2010. While Canadians appear happy to see a second term for Barack Obama, they are divided on whether this will lead to Americans to finally moving past their current political stalemate to more seriously address their country's challenges.
- Despite China's rapid ascent as an economic and world power, Canadians continue to believe it is the USA (56%) rather than China (41%) that will be the more important country for Canada over the next decade. Moreover, this view has strengthened marginally over the past two years, most noticeably in Quebec and B.C., as well as among Canadians 45 and older.

Social capital

- Canadians are most likely to describe their sense of belonging to their local community as "somewhat" strong (53%), compared with 28 percent who say it is "very strong", and those who describe it as "somewhat" (15%) or "very" weak (3%). Close community connection tends to be stronger among older Canadians, rural residents, and those who have lived at the same address for longer periods.
- Just over half (55%) of Canadians believe that most people can be trusted, a decline over the past decade that has taken place across most of the population (excepting B.C.). Despite this trend, Canadians are as likely as they were a decade ago to have confidence in recovering a lost wallet containing \$200. As before, people are most likely to believe a lost wallet would be returned if found by a police officer (72%), compared with someone who lives close by (47%), a clerk in the nearest grocery store (46%) or a complete stranger (12%).
- Social capital (as measured by a combination of all indicators) varies noticeably across the country: it is strongest in Toronto as well as in rural communities, among high income Canadians and those aged 60 plus. Social capital is weakest in Quebec, among Canadians under 30, and those with the lowest levels of education and income,