

Brief 1: The Intellectual and Policy Case for Comparing Social Policy Coordination in Canada and the EU¹

Key Messages:

- There has been little systematic comparative work of Canada and the EU because existing frameworks have been conceptually imprecise and failed to emphasize intergovernmental relations.
- Because policy-making in Canada is increasingly decentralized, while in the EU it is increasingly centralized, the two political systems are increasingly comparable.
- In both cases, there has been a need to promote coordination between different levels of government in order to meet shared goals, which suggests that the two might learn from each other.
- This comparison finds shared principles underlying intergovernmental relations in both Canada and the EU, but that institutional design (i.e. the centralized Westminster parliamentary model used by Canadian provinces and the federal government, and the porous design of EU institutions) plays an important role in deciding how open the process is to non-governmental actors.
- Coordination is an imperfect instrument for policy-making, but may be the only way to effectively govern large and diverse multi-level systems.

This brief is intended to synthesize the findings of Verdun and Wood, Hueglin, Bakvis, and Arban in *Canadian Public Administration*, June 2013 Volume 56 No. 2, entitled Comparing Modes of Governance in Canada and the EU: Social Policy in Multilevel Systems. Section 1 addresses the question of why the comparison is pertinent. Section 2 addresses the question of what specifically is being compared. More to the point, for these authors, despite their growing similarities, comparisons of these two systems has been hampered by a lack of a common conceptual framework. Section 3 concludes, arguing that for these authors, not only is the comparison intellectually and conceptually fruitful, in policy terms, it is indeed increasingly necessary.

Section 1: Ever Closer...Basis for Comparison

For the authors, the centralizing trajectory of the EU and decentralizing trajectory of Canada make them increasingly comparable cases. Certainly, as Hueglin notes, the two systems are not the same or even similar, and Canadian provinces are not sovereign nation-states along the lines of EU Member States (192). Nonetheless, Verdun and Wood note that Canadian provinces have become less willing to accept federal leadership in social policy (177), alongside a growing recognition in the EU that changes to national social models and greater coordination between Member States are needed (174-5).

In the EU, coordination takes the form of the Open Method of Coordination (OMC), a process of 'soft governance' where Member States work towards mutually agreed goals and targets, supported by regular peer reviews. Hueglin stresses the role of intergovernmental coordination in Canadian social policy-making which has long been marked by 'quasi-diplomatic intergovernmental bargaining' (186). Hence, in some policy areas, interdependence between levels of government necessitates shared decision-making, and thus makes policy-making very similar in Canada and the EU.

¹ This brief was prepared by Ivan F Dumka with feedback from Donna Wood and the authors.

In spending as well, the two cases look increasingly similar. As Verdun and Wood point out, while spending by the federal government had historically played a significant role in building its social policy role, since the mid-1990s, federal transfers have declined significantly (176). Certainly, while as a proportion of GDP these transfers far exceed spending by the EU, the point these authors underscore is that in spending power, the two systems are converging. Similarly, Bakvis points out that in Canada, transfers and equalization payments from the federal government to the provinces are increasingly unconditional (208), meaning that funding gives Ottawa still less influence.

Section 2: a Common Conceptual Base

Despite their growing similarities, systematic comparisons of Canada and the EU have been rare. For Hueglin, existing conceptual frameworks are based largely upon the American federal model, which fits neither the European Union, nor Canada (187). Hence, they fail to capture the reality of shared competence and intergovernmental bargaining that characterizes Canada and the EU, and most other federations. He also takes issue with multilevel governance for its conceptual imprecision and generous assumptions about the openness of intergovernmental relations in the EU (188).

Instead, Hueglin argues for a new framework emphasizing allocations of power between levels of government, stressing the importance of HOW MUCH of any given task each level does (192); membership guarantees and the degree to which they are flexible and asymmetrical (194); negotiated compromise and the form that this negotiation takes (196), and normative commitments to social solidarity (198). Reconceptualising policy-making in multi-level systems in this way, Hueglin argues that Canada and the EU are far closer than they might appear at first glance.

Building on Hueglin's framework, Bakvis highlights that it is the more closed institutional design of the Canadian provinces and federal government, as compared to the more open and porous design of EU institutions, rather than differences in type that explains why policy-making in the EU has been more open to non-state actors than in Canada (215). Arban examines the principle of subsidiarity, i.e. the practice of locating policy-making as close to the affected citizenry, and which is a guiding principle of intergovernmental relations in the EU. She finds that it has been referenced in rulings by the Canadian Supreme Court (220), and indeed is an unwritten principle of Canadian federalism in areas of shared responsibility (230-1). This suggests that the two might learn something from each other (220).

Section 3: Conclusion

Finally, for these authors, the comparison is not just intellectually worthwhile, but is indeed imperative in policy terms. For Verdun and Wood, in the current context, procedures developed under the OMC merit serious consideration for adoption in Canada (182). With reservations, Bakvis notes that the EU's approach appears more effective at coordinating between levels of government, and including civil society in the process (215-6). Hueglin as well argues that while coordination is an imperfect process it may be the only way to effectively govern social policy in complex multi-level systems (195). Likewise, Arban argues that while the application of subsidiarity is different in Canada and the EU, the European experience can still be a useful guide for Canadian policy-makers (221).

Bibliography

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