



**CANADA-EUROPE TRANSATLANTIC DIALOGUE:  
SEEKING TRANSNATIONAL SOLUTIONS TO 21<sup>ST</sup> CENTURY PROBLEMS**  
<http://www.carleton.ca/europecluster>

**European Launch  
of the Canada-Europe Transatlantic Dialogue Project  
Berlin, 2-3 June 2009**

**2 June 2009**

**Opening and Roundtable Discussions**

**Welcome and Introduction:**

**Joan DeBardeleben** (Director, Canada-Europe Transatlantic Dialogue)

DeBardeleben noted the two complementary locations for the Berlin launch -- the Canadian Embassy in Berlin and the Freie Universität Berlin. The Canada-Europe Transatlantic Dialogue is a seven-year project, currently in year two. EU funding has helped to set up EU centres of excellence in Canada. Now Canada must and in fact is stepping up with its own funding. The goal of this project is to improve public discourse and policy deliberations between Canada and Europe.

DeBardeleben discussed two emerging issues in the Canada-Europe relationship -- climate change talks and immigration. Five key research themes form the foundation of the project. In total, 17 participating universities and 60 Canadian collaborators take part alongside 23 EU collaborators. There are 12 partner organizations in Canada and 13 in the EU. In order to publicize the work of the Canada-Europe Transatlantic Dialogue, the project will hold events such as the one in Berlin. In addition, there are publications as well as youth activities including internships.

**H.E. Peter M. Boehm** (Ambassador of Canada to the Federal Republic of Germany)

Summary not available

**Jean Saint-Jacques** (Deputy Head, Canadian Mission to the European Union, Brussels)

*“Challenges and Opportunities in the EU-Canada Relationship”*

(Both French and English versions of the presentation can be downloaded from the following website: [www.carleton.ca/europecluster/events/2009-06-02-\(E\)BerlinConference.html](http://www.carleton.ca/europecluster/events/2009-06-02-(E)BerlinConference.html))

## Roundtable Discussion

### “Canada, the EU, and the Future of Transatlantic Relations”

Moderator: **Frédéric Mérand** (Université de Montréal)

Panelists :

**Frédéric Mérand** (Université de Montréal)

**Markus Kaim** (Stiftung Wissenschaft und Politik, Berlin)

**David Haglund** (Queen’s University, Canada)

**Catherine Boucher** (Canadian Mission to the European Union, Brussels)

**Rory Domm** (Transatlantic Relations, Secretariat of the Council of the EU)

**Frédéric Mérand** set out three focal points for the panel -- trade, security, and the economy. He noted that Canada is often seen as the odd-man out. In general, a Canada-Europe economic partnership is not seen as natural. Mérand related such a partnership more closely to saving Doha rather than to building closer political ties. While the recent summit in Prague was a reality, it came on the back of five years of political divergence -- not necessarily disagreement, but not convergence. Mérand said it will be interesting to see how the Canada-Europe relationship adapts to the Obama era.

In addition, Mérand mentioned that fewer Canadians look to Europe for cultural influences offering room for other partners to become influential. He said, however, that travel remains strong between Europe and Canada -- citing French immigrants to Montréal as an example of strong relations in particular areas.

**David Haglund** examined the Canada-Europe relationship through a NATO lens. He said that there are three important considerations: Harper syllogism, estrangement, and the desire to be an important ally, which is intrinsic to the Canadian national identity. Canada is not Eurocentric, but important nonetheless.

Harper syllogism: According to Canadian Prime Minister Stephen Harper, if NATO cannot win in Afghanistan then it has no purpose. However, NATO, despite Harper’s comments about the mission losing in 2009, has been around and functional for 60 years. NATO has experienced challenges every decade since it was formed. Since 1952, when NATO first took in additional members (Greece and Turkey), it has continued to expand (article 10 of the treaty), and no member has seriously considered leaving (article 13). NATO’s history is defined by crises.

Estrangement: following from events such as German unification. German growth has not led to closer ties, but rather a normalization in relations and less ‘smoke’. Haglund reminded us that this is not a bad thing.

Identity: it is important. The transatlantic alliance is capable of weathering many storms.

In conclusion, contemporary relations are not necessarily weaker, just more realistic.

**Markus Kaim** believes we lack a real strategic Canada-Europe security dialogue. The EU is not just a trade organization, but a player in international relations that is inwardly and outwardly perceived as an international actor of importance. The DFAIT’s website lists priority concerns including: energy markets, the US, and Afghanistan. The EU is, therefore, not a priority.

What has been occurring between Canada and the EU is a de-securitization in relations. Looking at Prague, it was purely about trade (quite a heavy imbalance towards this and not security). Currently, issues such as the rise of China, the return of Russia, the growing influence of Iran, the UN (remaining a dysfunctional organization) reform and other issues do not figure in the Canada-EU relationship. New institutions such as the G8 (have other areas of focus) and different Canadian priorities such as the Pacific are also important examples of the failure to nurture the Canada-EU relationship, which is consultative not cooperative. Not even NATO serves to improve the situation as the US dominates and Canada is perceived in Europe as only an appendage to US interests.

Currently, no security forum exists to discuss the Canada-EU security relationship. NATO cannot fill this gap. Canadian interests should move towards re-securitizing the relationship, taking into account European interests, and the EU should bring in more partners to show the level of importance in this relationship.

**Catherine Boucher:** In the area of peace and security, Canada and the EU have developed a close working relationship. In formal terms, this relationship is framed by the Agreement Establishing a Framework for the Participation of Canada in EU Crisis Management Operations, in force since November 2006, and the approval of a Working Plan by Canada and EU Leaders at the Québec Summit in 2008.

This partnership reflects both a community of views about threats to international security and risks posed by failing and failed states and shared perspectives on the need to take a comprehensive approach to tackle crises. But there are institutional constraints to enhancing dialogue between partners, such as Canada and the EU, that find themselves working together in environments that are becoming increasingly more complex alongside numerous actors. Time will tell if these institutional constraints can be stretched to accommodate real-time consultations and the increased coordination needed to achieve results.

**Rory Domm** summarized the state of play in EU-Canada relations. There is a natural closeness of views on many issues, rooted in shared interests and values.

The recent Summit in Prague focused on our economic cooperation. However, the last few years have seen an increase in cooperation in the field of crisis management. Canada signed a framework agreement on participation in ESDP missions in 2005. Since that date, Canada has been a welcome participant in a number of ESDP activities and missions, including the Balkans, the Middle East, Afghanistan and Africa.

In 2008, the EU and Canada agreed a 'work programme on crisis management' that sets out to facilitate horizontal cooperation and that touches on issues such as lessons learned and training.

There is always more that can be done together, and we are looking for ways to enhance cooperation. The change in administration in the US may generate more political space for EU-Canada cooperation on this and other issues such as climate change.

### **Questions and Discussion**

- Relating to the dialogue on climate/environment, Canada-EU have failed to consider the US. Canada ratifies Kyoto but cannot implement it. When the US talks about Cap and Trade, it

fails to consider Canada-US NAFTA barriers. On the Arctic, there is a Canada-EU disconnect to understand the importance of the US.

- Misperception of what the EU is. It is a work in progress and how do we get this message across the Atlantic?

Markus Kaim notes it is hard to define EU approaches in many areas. The EU can work to improve its cohesion, however.

David Haglund notes that we must keep in mind that the nation-state is still very important when conceiving of the EU.

- Is there a key dimension to the future of Canada-EU relations? Trade security, climate security or multi-dimensional areas? Does NATO's future depend on the EU functioning?

David Haglund remarked that for NATO, maybe it is not important that this organization required a fully functional EU. France's re-engagement may also be important and speak of the importance of the organization.

Markus Kaim noted that the G8 and G20 are not always best when trying to foster cooperation. Treaty-based cooperation is necessary in future. The G8 will only play a limited and/or small role.

- The relationship needs to involve the public, but how can this be done? How to expand the Canada-EU potential in world affairs norms? Potential for China-US, how to avoid being sidelined?
- How do we perceive the strategic partnership which was at a high-point in 2004?

David Haglund is not sure about how to mobilize the public on Canada-EU affairs; low-level relations can have achievements; placing too much faith in these relations risks failures.

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## **Panel 1**

### **Responding to Economic and Financial Crisis: EU and Canadian Approaches**

Moderator: **Hansjörg Herr**

Presenters:

**Yves Tiberghien** (University of British Columbia)

**Kurt Hübner** (University of British Columbia)

**Patrick Leblond** (University of Ottawa/HEC Montreal)

**Tatjana Muravska** (The Centre for Transition Studies, Latvia)

**Paul Bowles** (University of Northern British Columbia)

#### **Yves Tiberghien** – *The EU's Role in the Battle to Reshape Global Governance*

Yves Tiberghien opened his presentation with a brief overview of the origins of the economic crisis, with an emphasis on the lack of governance over global finance. In the EU, there was a belated but effective coordination of responses. The EU approach in this case was not the Community Method, but rather an intergovernmental method involving competitive reinforcing leadership. The EU-15, along with the UK and Slovakia, came up with an initial agreement that was later ratified by the EU-27. This agreement then enabled the countries to represent successfully their joint position at the G8. This coordination was also an unprecedented example of linkages between the Presidency and the Commission and the Presidency and the European Parliament.

By March 2009, the spirit of cooperation had faded. The new Czech Presidency was weak, and there was a divergence of interests within the EU-27 as countries were disproportionately

affected by the crisis. Certain countries, in particular those in Eastern Europe, as well as Ireland, Greece, and Spain, were hit harder, and Germany was reluctant to bail them out. Another contentious issue in the EU was the nationalization of the banking systems.

In addition to the promotion of cooperation on macroeconomic policies, there came a call, voiced in particular by French President Nicolas Sarkozy and UK Prime Minister Gordon Brown for a new set of rules to govern global finance and protect the free trade system. The resulting G20 meetings in November and April led to a major new global deal with large-scale coordinated action, including US\$1.1 trillion in coordinated funding for the International Monetary Fund, support for trade, general support for fiscal stimulus and bank bailouts.

In conclusion, Tiberghien noted the necessity of a new regime for the governance of global finance, and the EU's role in its promotion. However, while the EU is pushing the frontier, its methods are intergovernmental rather than institutionalized, with the UK, France, and Germany playing strong, sometimes competing roles.

**Kurt Hübner** – *Limits of the Policy-Mix and “Protectionism Light”*

Following Tiberghien's overview of the crisis, Kurt Hübner expanded on the responses of various countries to the financial crisis. While international coordination and concerted global action would be the best response, this ideal is hindered by differing national interests and economic policy approaches. Germany and Canada, for instance, were reluctant to move forward with bold fiscal stimulus packages, preferring a “wait-and-see”, free-rider approach.

In response to the failure of international coordination, nation-states again became the dominant actors. A policy-mix, consisting of various levels of fiscal, monetary, and exchange rate policies, emerged to different extents in various countries. Eurozone members, being limited in their policy options by their single currency and the Stability and Growth Pact, could only resort to changes in their wage regimes. There was considerable divergence in the views of the different EU members, each using the tools available to them to act in their own interests. The European Central Bank has been a slow mover, while in comparison the Bank of Canada has been a late but fast mover in terms of injecting confidence and trust back into the system through reduced interest rates and easing credit and liquidity. The different national strategies have shown evidence of “protectionism light,” in which fiscal stimulus packages are intended to promote only national interests.

**Patrick Leblond** – *The EU's Financial Architecture and the Crisis: A Canadian Perspective*

Patrick Leblond looked at the question of why the European countries were more similar to the US than to Canada in terms of their banking sector write-downs in response to the crisis.

First of all, European banks were too leveraged. The Tier 1 capital-adequacy ratio was quite low and banking sector leverage very high. In comparison, banking in Canada is much more strictly regulated, which minimized the effects of the crisis. Canadian banking regulations limit the leverage ratio and also go beyond the minimum requirements for capitalization. The ten most vulnerable banks in the OECD countries were European banks, while Canadian banks were in a much better position. Secondly, in contrast to Canada, supervision of the European banking sector is very fragmented. While Canada has one Office of the Superintendent of Financial Institutions (OSFI), which regulates and supervises all financial institutions in Canada, the EU has both national banking supervisors and a Committee of European Banking Supervisors,

including 51 national members and 9 EU-level committees. A third problem for Europe is the Central and Eastern European Countries, which have experienced economic slowdown due to falling exports. They are the classic example of a “sudden stop” due to falling capital inflows. Too much borrowing in foreign currencies on the part of both consumers and governments led to difficulties, which were exacerbated by currency devaluations.

The financial crisis could lead to change in Europe’s financial architecture. It may lead to more fragmentation through nationalization and government intervention. Alternately, it could lead to more integration through better banking supervision. In any case, crises are opportunities that should not be missed, and hopefully Europe will bear the Canadian model in mind when changes are decided upon.

**Tatjana Muravska** – *The Baltic States Five Years after Accession: Effects of the Financial and Economic Crisis*

Tatjana Muravska focused on the effects of the crisis on the Baltic States because of the close interest of Canada in the Baltic States, one element of transatlantic relations between the EU and Canada. For example there was significant and high level Canadian representation at the Riga Social Forum in November 2008. In the lead-up to accession and after becoming members of the EU, the Baltic States experienced a huge surge in GDP due to structural reforms, foreign direct investment and the availability of EU structural funds. When the financial crisis hit, the Baltic States suffered an exceptional slump. GDP has fallen, unemployment has increased and exports to the EU have decelerated.

In Latvia, a program to restore confidence and stabilize the economy has been initiated in accordance with an agreement with the IMF. This program involves a \$7.5 billion injection of liquidity into Latvia, including contributions from the EU, the Nordic and other European countries, the IMF and the World Bank.

In closing, and in line with the theme of other presentations, Muravska emphasized that crises are a mixture of danger and opportunity.

**Paul Bowles** – *Currency Competition: China, the Global Financial Crisis, the Renminbi, the Dollar and the Euro*

Disillusionment with the US dollar has led Zhou Xiaochuan, Governor of the People’s Bank of China, to call for a “super sovereign reserve currency”. An international currency should be stable over time and issued according to transparent rules; managed to meet global liquidity needs; and not subject to the interests of any one country. The dollar’s position as a credit-based national currency is seen as “a rare special case in history,” a situation which China believes should come to an end. This leads to the question of whether this is an opportunity for greater EU-China cooperation and a potentially greater role for the euro. According to Bowles, however, the answer to this questions is no.

In the long-term, China has suggested the use of Special Drawing Rights (SDRs) as the main reserve currency. However, the SDR is not a currency itself, but rather a basket of currencies. Countries could peg to or keep reserves of those currencies in the SDR proportions. While there is some evidence that China did peg partially to the euro from April 2007-May 2008, it returned to a 100% US dollar peg after a depreciation of the euro, which would have, in turn, led to a controversial depreciation of the yuan.

In order to further develop EU-China relations and the role of the euro, the EU would have to accept or even increase its trade deficit with China, produce financial assets to rival US Treasury Bills, manage the dollar-euro rate, and cooperate more with China on a political level. Given these requirements, the EU is likely to pass on this opportunity.

### **Questions and Discussion**

An audience member who was of the opinion that the EU was unwilling to take a stronger role asked whether there was a concerted EU response to the crisis. Yves Tiberghien replied that there was a lack of coordination due to fundamental differences in preferences right from the start of the crisis. However, the European leaders, despite their disagreements, all went separately in the same direction. In that sense, though it was not institutionalized, Europe did lead the way.

Tatjana Muravska was asked about the potential for Latvia to adopt the euro. She replied that Swedish banks are very interested in having the euro in the Baltic States in order to save their banks, and the plan is to adopt the euro in 2013.

An audience member expressed interest in Paul Bowles' non-institutionalized approach to the global role of the euro. He replied that the ECB does not want a larger role for the euro, but that markets may lead to a greater role for it despite what the ECB wants.

It was noted that this seems to have been a missed opportunity for the EU to coordinate its approach and thus gain more credibility. The question was raised about what sort of changes would need to be made in order to enable the EU to transcend these barriers. Patrick Leblond replied that it could go either way, leading to either more fragmentation or more integration of the financial architecture, but that the danger is that it will end up in the middle. He was still sceptical about whether there will be a move forward on regulation and supervision. Yves Tiberghien argued that the only way to get anywhere is through the G20, with actual ratification of agreements on banking supervision, regulation and coordination. Strengthening the Presidency as a tool for crisis management is also necessary, given that the Presidency was the key institutional tool that allowed the EU to react effectively to the crisis. Kurt Hübner closed with the observation that the financial crisis is not over yet. There will likely be extreme tensions in the EU in coming years, and the Member States with the best resources will decide how the situation will proceed.

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### **Panel 2**

#### **Redesigning Social Policy**

Moderator: **Denis Saint-Martin (Université de Montréal)**

Presenters:

**Axel Van den Berg** (McGill University)

**Philippe Pochet** (European Trade Union Institute)

**Rianne Mahon** (Carleton University)

**Denis Saint-Martin:** Prior to becoming prime minister, Stephen Harper once said that Canada was like “a European socialist welfare state”. This claim -- whatever it says about Harper’s political orientation -- is actually partly true, to the extent that the Canadian social system bears

more of a resemblance to the European welfare states than to the social system of its southern neighbour. However, in Canada as in Europe, there are growing pressures on the welfare state, including low birth rates and an ageing population, which are fuelling the debate on the sustainability of the welfare state.

**Axel Van den Berg** – *The “Enabling Welfare State”? A Survey and assessment of ways in which social protection is said to enhance economic efficiency*

In the debate on the viability of the welfare state (WS), four conventional arguments are made against it: 1) ‘Crowding-out’ of ‘productive’ spending: this thesis argues that WS spending reduces private enterprise’s available resources which in turn reduces investment (and/or private consumption); 2) Benefits tend to be abused and create a disincentive to find and hold employment; 3) Increases the cost of labour; 4) Employment protection creates rigidity and risk aversion on the part of employers. On the other hand, international comparisons as well as ‘flavour of the month’ case studies (e.g. Japanese, Swedish, and Danish ‘models’) are often used to show the viability of the WS. Moreover, for some analysts, there seems to be a positive correlation between economic growth and the implementation of WS measures. However this correlation exists in the short term only and is absent in the long term.

In addition to the arguments for or against any kind of welfare state there is also debate around how welfare measures should be implemented. There are two main groups each with differing assumptions regarding the causal mechanisms linking economic efficiency and the WS:

A) The first group assumes that the WS is in itself a burden on the economy, but that there are nonetheless mechanisms that can compensate for the negative impact. Two schools of thought belong to this group: 1) Neocorporatism: the welfare state is part of a national consensus permitting cooperation between ‘social partners’; 2) Active labour market policies: the aim is to *reduce* negative incentive effects of the WS.

B) The second group puts forward an “enabling welfare state” thesis and makes the argument that the WS can actually have direct positive effects on the economy. According to the proponents of a socio-psychological hypothesis, income security increases the willingness of actors to take risks and accept structural changes. This was the explicit assumption underlying Sweden’s ‘Rehn-Meidner Model’ and the more implicit one underlying Danish ‘flexicurity’. An entrepreneurial variant (H.W. Sinn) claims that the security provided by the WS makes small entrepreneurs more willing to take risks. In relation to the socio-psychological hypothesis, the argument is made that social/job security encourages the sharing and acquiring of human capital, such as employee retraining (ILMs, Kristensen).

Although there is evidence at the macro-level that a generous welfare state is not a hindrance to economic efficiency, micro-level testing is needed to support the socio-psychological hypothesis. To this end, Van den Berg participated in a comparative Canadian-Swedish study through which workers’ attitudes towards change were surveyed. The main findings were that Canadians worry more and accept the need for personal sacrifices, while the Swedes endorse the general principles of the ‘Swedish Model’. The study had, however, some flaws and produced entirely inconclusive results, which points to the difficulty of realizing micro-level testing of the socio-psychological hypothesis. An alternative study was conducted that compared “episodes of change” in three industries. Interviews were conducted about recent episodes of more or less dramatic changes and workers’ responses to them. The results showed no striking differences at the shop floor level, but a *major* difference in the quality of union-management relations and cooperation; in

Canada, the unions have a much more tense relationship with employers than in Sweden. Union cooperation in Sweden seems to be based on union leaders buying into the ‘Swedish Model’. Therefore, there is some support for a version of the ‘neocorporatist’ thesis. But the study is hardly conclusive; much more detailed micro-evidence is needed.

In conclusion, the testing of the social-psychological thesis requires detailed micro-evidence that is nevertheless robustly comparative, which is very hard to get. Until the information needed is available, the most reasonable general conclusion is almost trivial: European-style welfare states are at least *not incompatible* with economic growth.

**Philippe Pochet** – *Towards a New Paradigm? Social justice as a prerequisite for sustainable development*

The current financial and economic crisis offers an opportunity to reflect on our economic model. For some, the crisis is temporary and should not challenge seriously the dominant liberal paradigm. Others – adhering to what Pochet calls “Gaia capitalism, i.e. trust in the market, in technology and local innovation – think that some *ad hoc* regulations combined with accelerated technological changes should suffice to overcome the crisis. The American debate about so-called “green jobs” and the industrial renaissance is taking place within the scope of this Gaia capitalism.

A third group claims that the current crisis is an opportunity to implement a paradigm shift combining sustainable development and social justice. Pochet associates himself with this third group, believing that social justice is a prerequisite for sustainable development. To handle the challenges brought on by climate change we cannot only rely on technological innovations (e.g. low-emission cars), even though the latter can play an important role. What is really needed is more profound; we must rethink our model of growth.

There is a persistent lack of systemic reflections on the interrelations between the social and environmental dimensions of sustainable development or, put differently, between social justice and sustainable development. Indeed, in the European Union (EU), these two dimensions remain largely separated within the two main strategies, the Lisbon strategy and the Strategy on Sustainable Development (SSD). The objective of social equity and cohesion was added to the SSD in 2005, but as a 2008 assessment of the SSD noted, it tends to lag behind the other objectives. The current SSD has also led to the development of indicators providing common benchmarks for member states and European institutions, but none of these indicators links the social and environmental dimensions. Moreover, sustainable development is not mainstreamed in community policies. Overall, the SSD draws a path towards some “green capitalism”, but the issues of inter- and intra-generational solidarity, social and territorial cohesion, etc. remain marginally addressed, whereas they should be at the heart of the SSD. According to Pochet, a paradigm shift must be implemented on the basis of two main elements:

- We have to think beyond the competition of economies and rather search for complementarities (e.g. reduction of CO2 emissions in one country can be cancelled out by increases in another country). Therefore, Europe should not only encourage internal cooperation, but also international – bilateral and multilateral – cooperation to reduce CO2 globally.
- Our policies must build on a long-term perspective. Currently, the Lisbon Strategy is a short- to middle-term strategy, whereas the SSD is a middle- to long-term strategy.

The study of the two EU strategies tends to be divided into two communities that do not share a common vocabulary: a social group and an ecological one. Even though there have been some cross-building initiatives (e.g. common reflections on the so-called “green jobs”, collaboration to influence the agenda of the Commission, a 2004 joint declaration), the ‘ecological group’ tends to ignore the actors involved in the implementation of changes, while the social advocates often ignore environmental issues at stake. Actors from both policy areas must cooperate and sustain a comprehensive dialogue if each of them is to achieve their goals. If social and environmental issues continue to be treated separately, the SSD will probably only allow for an adaptation of capitalism (“green capitalism” or “Gaia capitalism”) through, for instance, a competition for green technologies’ market shares. But this would not allow for a genuine and strong durability of our economy in the long run.

In brief, in order to handle the current environmental challenges Europe needs a global strategy that incorporates a social dimension, as a *sine qua non* condition. Priorities must be given to cooperation, cohesion, equity, education and a long-term industrial vision. By contrast, currently, the leading principles remain competition, the increase in social inequities, waste of resources and a short-term vision. Changing these principles equates changing our economic paradigm. And changing the latter requires as well a debate on social justice in our economic system (e.g. How can we define social justice?).

**Rianne Mahon** – *Transnationalising (Child) Care Policy: the role of the OECD and the World Bank*

International organizations (IOs) can play an important role in social policy in two main ways. First, IOs may use instruments of governance, from hard (conditional loans, directives) to soft (as purveyors of ideas; gathering data to “name and shame”; Open Method of Coordination). Second, IOs may play a role in social policy through: a) knowledge networks linking experts in IOs to experts and policy makers in other IOs, INGOs and national contexts; b) organisational discourses, i.e. an IO’s ideational grid through which it interprets flows of information.

Childcare first appeared on the agenda of IOs in the 1970s with the OECD, the latter letting itself be inspired by Rowite and Ceri’s work. Rowite and Ceri advocated childcare as a way to promote gender equality (in particular, the role of women in the economy) and child development. The role of IOs in childcare policy also developed with UNICEF, which in the context of cut-backs in public expenses and calls for the need to roll back the state, advocated an “adjustment with a human face” that ensured basic minimum nutrition, income and services for very poor children. Also influential for the development of the childcare agenda in IOs was American neuroscience, which demonstrated the importance of the “early years” of children, and Heckman’s (Chicago) cost-benefit analysis of the social investment in children (vs adults). European ideas were also especially important: Esping-Andersen, the OECD and the EU and its European Child Care Network.

The OECD developed two main policy initiatives regarding childcare. First, *Starting Strong* (linked to EU Childcare Network), which put the emphasis on the rights of the child in the here and now as well as gender equality in the home and labour market. Second, the OECD produced comparative country studies under the project *Babies and Bosses* (2000-2006). The latter was informed by Esping-Andersen and focused on policies to facilitate employment for *all* women. The Nordic countries were all identified as relatively positive exemplars, though considered too

expensive (e.g. should invest more in cheaper forms of childcare). However, Babies and Bosses' publications raised awareness of the importance of shared parental leave.

As for the World Bank, its focus is clearly on the very poor and it draws mostly on American research (neuroscience, Heckman), American examples (Head Start) and Amartya Sen to make the case for "investment in people", especially (very poor) young people. The World Bank has advised governments to cut back universal programs because these investments benefit mostly the "elite" population. Public resources should be targeted towards cheaper informal and community services (e.g. primary schools). The World Bank emphasizes the importance of "investment" in young girls as future workers and mothers; for instance, its intervention targets poor maternal practices.

In conclusion, while both the OECD and the World Bank have embraced a "social investment" perspective (in spite of their adherence to neoliberal globalization), there are important differences between them: the OECD is more influenced by the Nordic approach, in contrast to the World Bank's embrace of the American social policy model. The differences between the two organizations can be attributed in part to their respective location and knowledge networks. Located in Washington, the World Bank is linked to US-centred knowledge networks and is dominated – both in terms of the share of votes and funding – by the United States. In addition, all presidents of the World Bank have been American. Based in Paris, the OECD is strongly influenced by European countries and has important links with the EU. The reason for the differences may also have to do with the addressees of each organization: the OECD being oriented towards the "Global North", while the World Bank is more oriented towards the "Global South" (Deacon and Kaasch).

### **Questions and Discussion**

1- Where do you think Canada and the EU stand in terms of the development of the welfare state? Do you think that Canada and the EU will find different or similar roads?

Axel Van den Berg: It depends which component of the welfare state is taken into account. In some policy domains, there is convergence, while in others there is none. We can probably consider that there is convergence in the area of employment policies, where there is, in Europe as in Canada, a huge rush to implement activation policies. However, some scholars, such as Jean-Claude Barbier, argue that these policies are very different from one country to the other.

Philippe Pochet: When we think about the EU, we tend to treat it as if it still had only 15 member states, leaving aside all the East European members. The problems are that, first, there is a certain lack of data on the social policy systems of the East European member states and, second, most scholars do not really know how to classify these countries in terms of their welfare state; we do not know what their type of model is in terms of the Esping-Andersen classification; the latter cannot be applied easily to these states. The paradox of the Esping-Andersen classification is that, although it is criticized for being outdated and not inclusive enough, scholars keep referring to it. That points to the need for a new Esping-Andersen model.

Rianne Mahon: We could also add a level of complexity to the issue; we are used to comparing nation states, but what is interesting and valuable is to consider the local scale by comparing urban areas.

2- Comment on Axel Van den Berg's presentation: There is another side to the welfare state that we should take into consideration; the welfare state is based on a logic of closed borders and a closed polity, which can encourage xenophobia, or at least which leads more easily to a problematic approach to migration.

Axel Van den Berg: I do not think there is a significant relationship between welfare state and xenophobia. (...) Some scholars did argue that it will not be possible to really develop a European social model (e.g. Jean-Claude Barbier, for whom the welfare state is a national phenomenon or in other words, a matter of *national* solidarity. But the counter-argument we can make to that is that solidarity can be expanded; there is no inherent connection between the welfare state and xenophobia.

3- Question and comment for Axel Van den Berg:

- a) It seems like you are confusing "economic efficiency" with "economic growth", the latter being the main variable considered in your presentation. Is the actual interesting independent variable indeed "economic growth" instead of "economic efficiency"?

Axel Van den Berg: Economic growth is the most frequent variable used to assess economic efficiency.

- b) Your conclusion is not necessarily surprising...there is not necessarily a causal relationship between welfare state strategies and growth strategies; these two strategies are pursued simultaneously by governments. Sometimes welfare state policies happen to be good for economic growth, whereas sometimes they are not.

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**Panel Three**

**Enhancing Canada – EU Economic Ties: Investment and Taxation Issues**

Moderator: **Armand de Mestral**

Presenters:

**Armand de Mestral** (McGill University)

**Stephan Hobe** (Universität Köln)

**Martha O'Brien** (University of Victoria)

**Armand de Mestral** – *Canada-EU Relations Concerning BITs/FIPAs*

Armand de Mestral continued the discussion concerning the EU's role in the negotiation of investment agreements. A recent decision by the European Court of Justice found that certain Swedish and Austrian bilateral investment treaties may not be in conformity with EU law in terms of capital flows. Although the Member States are clearly not eager to give up their role, this decision and the Treaty of Lisbon will lead to the expansion of the role of the Commission with respect to investment agreements.

Canada has been negotiating Foreign Investment Promotion and Protection Agreements (FIPAs) since 1989. It now has 23 in force, and seeks to double this number over the next five years. The post-NAFTA Canadian model for FIPAs focuses on trading partners outside of the OECD, especially economies in transition. FTAs with Peru and Columbia include investment chapters, as do current FTA negotiations with several other states.

Canada has recently had to renegotiate its FIPAs with six of the new EU Member States (Romania, Latvia, Czech Republic, Slovakia, Hungary and Poland). While this negotiating process originally started with the European Commission, the Member States themselves gradually became more active in the negotiations and eventually took over control.

In terms of the future enhanced trade deal between Canada and the EU, the chapter on investment has the potential to be both complex and controversial.

**Stephan Hobe** – *Investment Protection in the EU*

Stephan Hobe focused on investment agreements, which are interstate agreements that protect investors and encourage foreign investment. There are over 2700 such agreements worldwide.

In the EU, there is some dispute about whether the EU has the competency to conclude such agreements on behalf of its Member States. If the Treaty of Lisbon is ratified, the EU would have exclusive competence over foreign direct investment, meaning that only the EU would be able to enact rules and possibly even conclude agreements in this field. This has several implications for the fate of previous agreements entered into by Member States. EU Member States are party to two thirds of all global investment treaties, or half of all treaties, if treaties between two Member States are excluded. The EU cannot terminate previous agreements unless they can be properly replaced, and it is doubtful that the EU will be able to create and support investment settlements as quickly as would be required. Instead, Hobe proposes that the EU could make a standing offer to conclude a multilateral investment treaty with third countries.

A second potential problem is that the EU cannot become part of the International Convention on the Settlement of Investment Disputes (ICSID), as this is only open to signatory states, and the EU will likely not agree to arbitration and settlement.

The EU is an enormous economic power as well as an attractive place for foreign investment, so third states would find it difficult not to accept an investment agreement offer. Investment agreements would not just protect EU investors abroad, but also the EU's own interests as a host.

**Martha O'Brien** – *EU Free Movement of Capital, Third Countries and Direct Investment: Golden Shares and Taxation*

Martha O'Brien chose to concentrate on two categories of ECJ case law: tax issues and golden share cases. In principle, under our double taxation treaties free movement of capital between Canada and the EU is the same as within the EU, although it occurs in a "different legal context".

Problems of restriction and discrimination in terms of direct taxation occur most commonly in relation to cross-border dividend payments. These cases are based on specific facts and almost all are references for preliminary rulings, initiated by taxpayers.

Golden shares are a method by which a government retains disproportionate control of a formerly state-owned or -controlled enterprise. Golden shares may prevent foreign takeover or dissuade investors from buying shares, as they think that the government involved may use the corporation to pursue national interests rather than to make shareholders money. Thus, they restrict both free movement of capital and the right to establishment.

As there have not been any third country cases yet involving golden shares, it is uncertain how the ECJ would respond to such a case. Recent case law suggests that the Court is moving towards the same type of analysis as in the tax cases.

### **Questions and Discussion**

A question was raised about how highly political such legal questions can be. Armand de Mestral replied that the EU is based on liberal economic theory in large measure, with a solid dose of social security and social awareness, but nevertheless there is a strong liberal element in the treaty itself.

Armand de Mestral added that part of it is illustrating the dilemma between the Member States and Brussels, and wondered whether there is some regression back towards the primacy of states. Stephan Hobe pointed out that BITs set protection standards, and that the common EU standard may actually lower the national standards. That is the major concern for Germany. Many European governments have hinted at not being fully aware of the delegation of competence to the EU, when it should be a more conscious decision. Martha O'Brien added that the ECJ decision that third countries act the same but "in a different legal context" gives the ECJ the opportunity to define that legal context and opens the door for more debate.



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**European Launch  
of the Canada-Europe Transatlantic Dialogue Project  
Berlin, 2-3 June 2009**

**3 June 2009**

**Welcome and Introduction:**

Joan DeBardeleben (Director, Canada-Europe Transatlantic Dialogue)

Dr. Ursula Lehmkuhl (Vice-President, Freie Universität Berlin)

**Panel Four**

**Managing Migration and Integration: Canadian and European Approaches**

Moderator: **Oliver Schmidtke (University of Victoria)**

Presenters:

**Simon Green** (Aston University, UK)

**Dan Hiebert** (University of British Columbia and Head of Metropolis British Columbia)

**Karin Schittenhelm** (University of Siegen)

**Oliver Schmidtke (University of Victoria)** The panel aimed to assess European approaches to immigration policy and ask to what degree policymakers were influenced by the Canadian points system. Secondly the panel sought to examine the problems of integrating immigrants into urban societies and how societies adapt to the challenges of diversity. While it could be argued that the Canadian experience is very different, Europeans and Canadians appear to face some common problems.

**Simon Green** – *Squaring the Circle: Contradictory policy pressures in Germany, the UK and the EU*

Viewed from Europe, Canada appears to have at least a semblance of a coherent immigration policy. However, such coherence is lacking in Europe where a number of individual countries are focusing on discrete areas -- this makes creating an integrated immigration policy problematic. There are contradictory policy pressures in Europe which favour liberalisation of immigration policies versus those which promote the placing of further restrictions upon immigration.

The pressures to liberalise include demographics; skills shortages; and humanitarian considerations. The latter includes political asylum and family reunification. There has been a drop in asylum seekers to the EU, fewer applications and also fewer appeals are successful.

Europe -- good at the letter but not the spirit of the Geneva Convention. Governments, while unable to stop family migration, are keen to reduce this through restrictive rules and regulations.

The pressures to restrict immigration include: a desire to stop low-skilled migration; concerns over integration of existing and future immigrant populations; and security concerns following the London and Madrid bombings. Policymakers are keen to attract highly skilled migrants to Europe but are not so happy about the inflow of low skilled migrants. It is a fallacy that highly skilled migrants want to come to Europe. It is instructive to look at the Canadian system which is geared towards attracting skilled migrants. In common with Canada, Europeans are not good at recognising qualifications from overseas. Studies show that in the UK 30% of asylum seekers have degrees but not hold degree-level jobs. In terms of health and education immigrants and minorities generally have a structurally worse position in European society than indigenous societies. Integration has emerged as a key challenge to European societies. Security concerns have resulted in increased border controls and security checks on immigrants. These disparate and conflicting pressures lead to a fragmented policy approach and fragmented interest groups. For example, in favour of liberalisation, human rights groups focus on asylum, while business interests tend to focus on skills shortages. The two sides are unlikely to readily work together. Similarly, those in favour of restricting further immigration e.g. unions and security services -- are also difficult to coordinate. The 27 Member State governments themselves are also fragmented and focus on different combinations of concerns and thus remain some distance from an integrated policy approach.

**Dan Hiebert** – *Exploring Minority Enclaves in Canadian Metropolitan Areas*

In Europe there is increasing concern over the integration of immigrants and members of minority groups. In many places this has led to worries about concentrated areas of immigrant or minority residential settlement. In some instances this has even led to ‘desegregation’ policies designed to prevent the development of ethnocultural enclaves. In this presentation Hiebert explored the way similar issues are raised in Canada, loudly in some cases in the media, and more quietly in the policy system.

In particular, Hiebert addressed the question of immigrant enclaves in Canadian cities, asking, first, whether a larger proportion of immigrants and their children are living in enclave neighbourhoods and, second, whether enclaves are parallel societies, with different lifestyles and lower economic expectations. In exploring the nature of enclaves in Canadian metropolitan areas, Hiebert asked whether they are economically marginalized, and whether they are places where specific groups actually live separately from the rest of society. Analysis of census data suggests that immigrants living in enclaves are more likely to speak their heritage language in the home, suggesting that they value cultural retention more than those living elsewhere in the city. However, immigrants inside versus outside enclaves differ little in terms of their general socio-economic situation. In particular, the rate of poverty is only marginally higher among residents of enclaves.

Hiebert concluded that focusing on immigrant / minority enclaves in Canada is unhelpful, in that it deflects attention from a more important question (the opportunity structure offered to newcomers and members of minority groups) by portraying social cohesion as a spatial issue.

**Karin Schittenhelm** – *Integrating Highly Skilled Migrants into the Economy: Transatlantic perspectives*

Schittenhelm reported on a study of highly skilled migrants in Germany and the UK. The structured interviews sought to examine the integration of migrants into the labour market and whether the success of integration was connected to government policy on migration.

Schittenhelm said migrants labour experiences are characterised by the experience of downgrading. Often recent migrants take jobs with lower skills requirements than their own education and experience. Skilled migrants said they were prevented from entering skilled jobs by non-recognition of their education, lack of country-specific experience and language-skill issues. Some of the migrants in Germany who were interviewed said they gained access to the labour market through informal means and because of existing knowledge -- e.g. a doctor of Turkish origin brought experience which could be used in working with the Turkish community in Germany. At the more formal level a number of enterprises in Germany offer job-specific training to migrants and non-migrants. This allows migrants to enter skilled jobs but is not readily transferable outside the enterprise and is unconnected to any government policy.

In Canada, migrants reported working in low-skilled jobs in order to pay for further academic education to try and access skilled jobs. However, the professional migrants said they were left with debts and ongoing positions in unskilled jobs. The migrants said they lost status and this was not necessarily compensated for by improved living standards or social standing. Schittenhelm characterised this as a downgrading of cultural capital over time. She said that migrants often abandoned their original goals and instead focused on survival.

Successful entry into the labour market is due to conditions beyond the state's regulation of immigration and labour markets -- as demonstrated in the findings on company-based training programmes with final occupation in highly skilled jobs in Germany, or network-based entries observed in various national contexts of our investigation.

### **Questions and Discussion:**

The questions were collected at the start of the discussion, and this was followed by a round-up of answers from the panellists.

Questions: Failed policies in France have led to discrimination, a split society and riots. How can you talk of further migration while this type of situation exists?

What's the relationship between internal movement within Europe and also within Canada? How does this relate to immigration from outside?

How does the housing issue spin out in the European context?

How do citizenship policies affect integration?

Responses from the panel:

Green: Immigrants with citizenship (i.e. ethnic German re-settling in Germany) suffer similar problems to non-German migrants when accessing the labour market, suggesting citizenship is not a deciding factor. Citizens also face problems having education from outside the country recognised within Germany.

The process of gaining citizenship in Germany is exhausting and lengthy, Green suggests that by the end of the process many new citizens are distanced from the country and may have trouble integrating.

Problems with language and transporting pension rights prevent more intra-EU migration. Integration within the UK for example varies enormously depending upon from where you migrate, for example, Indian populations tend to be more successful than say Pakistani or Bangladeshi at economic advancement and integration.

Hiebert: The relationship between migration and internal mobility is counter cyclical. Toronto and Vancouver are seeing increased numbers of immigrants coupled with outflows of existing populations. Answering a question about the prospect of continuing high rates of immigration to Canada, he stated that immigrants will invest in Canada because they know that there is ongoing immigration and that family members will be able to join them. Citizenship helps but future continuity is as important.

Canada is quite different from most European countries in terms of attitudes toward immigration. When people are asked whether it is beneficial to the country, 70% say yes, whereas Europeans tend to say 40% yes and 40-45% no. What explains this difference? One reason has to do with the nature of immigration in Canada as compared to Europe. Canada has a purposeful immigration policy, outlining goals and methods to realize them. Europe has a highly variegated system, with different policies in different countries, affected by factors such as religion and socio-economic conditions. Also, a high proportion of European migration has been asylum-based.

The diversity of migrants in Canada alongside formal multiculturalism policy makes it more messy and difficult to distinguish between ‘Us’ and ‘Them’. In Europe, immigration policy tends to evolve from asylum and family reunification policies and only recently have economic elements taken on increased importance. It is easier to define ‘Us’ and ‘Them’, and thus more societal divisions emerge between immigrants and non-immigrants. The typical attitude in Canada is that immigration is an ordinary event whereas in Europe it is considered something out of the ordinary. In order for immigration to be less divisive in Europe, it needs to be viewed by the public as a normal event. In addition, in Canada, for the most part, there is a greater dispersal of responsibility for newcomer integration across civil society. Society is more engaged in dealing with immigrants, rather than leaving the issue for the state to handle.

Schittenhelm: What can the state provide for labour market integration? This is not an area where government policy is shown to be effective.

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**Panel Five**

**Environment and Energy: Emerging Challenges**

Moderator: **Martin Jänicke** (Professor Emeritus Free University of Berlin)

Presenters:

**James Meadowcroft** (Carleton University)

**Maya Jegen** (Université du Québec à Montréal)

**Miranda Schreurs** (Freie Universität Berlin)

**Yves Tiberghien** (University of British Columbia)

**James Meadowcroft** – *The Politics and Policy of Carbon Capture and Storage (CCS)*

Summary not available.

**Maya Jegen** – *Energy Security in the European Union*

Jegen spoke of energy security in the European Union and asked whether the move from planned monopolized energy systems to liberalized energy markets has an impact on energy security and to what extent environmental, national and supranational issues reframe the concept of energy security.

Her analysis shows that the notion of energy security has been present since the 1960s but that it has been reframed as a consequence of three external developments: first, the internal energy market, which emerged in the mid-1990s, reshaped the concept (economic aspect): the argument put forward is that the liberalization and the creation of pan-regional grids help secure supplies in case of local disruption. One reason behind the “security through market” logic might be that the Commission has more legal grounds when it deals with the free circulation of goods and services than when it deals with energy policy.

Second, the “securitization” of environmental issues, notably the debate about climate change in the 1990s had a impact on the energy security concept (environmental aspect). Adding an environmental aspect to energy security has the advantage of giving the Commission a stronger treaty basis to intervene in domestic affairs.

Finally, the search for a common European energy policy – a single voice – is the political aspect that reframes the concept. The perceived threat that Russia poses to European energy supply has had the effect of highlighting the energy security issue for governments and the broader public.

Jegen concluded that rather than a paradigm shift, an integration and reframing of different issues took place, with a view that European energy policies and networks become “secure, competitive and sustainable”.

**Miranda Schreurs** – *Transatlantic Climate Relations and the Politics of the Arctic*

Schreurs noted that Canada has often pushed the US towards paying more attention to the environment. In her presentation she asks what has pushed the EU, Canada, and Japan to cooperate on the environment.

After 2001, Canada and the EU called on the US to join in the climate debate. Without partnerships like CA-EU, there would have likely not been any Kyoto. Canada and its European partners have much in common in environmental performance. For example, the Environmental Performance Index (EPI) ranks Canada number 12 and Germany number 13.

Between CA-EU, however, tension has risen over climate change and perhaps now the Arctic. Canadian CO<sub>2</sub> emissions have risen 26% since 2007 and 33.8% above the cuts it was supposed to make by following Kyoto. On the other hand, in 2007 the EU-15 were 5% below the Kyoto benchmark, and the EU-27 9.3% below Kyoto (and therefore proving that Kyoto could be achieved). On the Climate Change Performance Index Canada is a respectable number 58.

Some common ground between the CA-EU exists in that both are federal bodies with EU supranationalism exhibiting leaders and laggards and burden sharing. In Canada, leaders and

laggards are also emerging, without burden sharing. The federal government negotiates agreements and the provinces implement these (or not).

As for the CA-EU relationship Beyond Copenhagen, the EU expects to meet Kyoto through its 20-20-20, and in Bali called for 25-40% reductions in carbon emissions by 2020 for industrialized countries. Canada has stated that it has no intention of meeting impossible Kyoto targets. That said, in Canada, there is a climate change accountability act to ensure Canada meets its UNFCCC targets, therefore a debate does exist. What of the future for cooperation between Canada and the EU?

With regards to the Arctic, the fastest growing impact region, animal species are dying, new relations between states are emerging, and oil/gas relationships are also forming. One area of contention is the 200 nautical mile shoreline with overlapping boundaries in oil/gas and fishing (CA-Greenland [Denmark] relations grow in importance). These areas deserve attention in the future.

**Yves Tiberghien** – *The Role of the EU in the Global Battle over the Governance of Agriculture Biotechnology*

Tiberghien spoke about the increasing number of statements coming out of the EU which blame GMOs for damage to the ecosystem. These include statements by Prince Charles in the UK and José Bové in France alongside bans on growing GMOs in Germany that have brought the conservatives and Greenpeace onto the same side. This GMO ban is causing a rift in the CA-EU relationship as well as delays in approvals and labelling.

One major underlying issue is how advanced democratic societies can/should/will deal with the introduction of major new technologies and with scientific risk, particularly in biotechnology and life sciences. Institutions are necessary in order to reconcile the public interest with a progressive regulation of science.

There are nine inter-related debates:

1. Food safety (long-term, holistic, traceable)
2. Accountability to citizens -- labelling
3. Private control over regulation
4. Environmental safety, biodiversity
5. Liability for unexpected impacts
6. Scientific progress and public interest
7. Power relations between private corporations, farmers, and citizens
8. Society vs globalization, cultural diversity
9. Private ownership of life (patents)

The confrontation over GMOs is a global battle that has unfolded since the late 1990s pitting proponents of a liberal and scientific approach (led by the US) against proponents of the precautionary principle (led by the EU). The outcome is polarization and clusterization. This battle was unexpected. As late as 1994, there was an emerging consensus (OECD, SPS-WTO). US, Canada, Argentina launched the largest WTO case against the EU in 2003 on the grounds of trade discrimination.

Some conventional but insufficient explanations include the following: economic realism and interest group models -- should point the other way; international competition (balancing the hegemon) -- NO -- elites are pro GMOs; culture and values -- but big national shifts; unintended events -- BSE etc. not enough; norm diffusion: Yes, but two competing poles.

The Reversals of the EU, Japan, and Korea can be explained along the lines of: 1) GMOs have become proxies for larger debates on the regulation of globalization and on democracy; 2) Initial shift is triggered by the actions of new civil society actors (conditional catalysts); 3) Their success depends on facilitating institutional factors: a) existing institutional crisis, b) elite allies, c) opportunities through local governments; 4) The actual shape of regulations depends on the balance of power between ministries, as well as between politicians and bureaucrats. The final outcome is often unstable (EU) and another cycle may start.

### **Questions and Discussion**

1. Request for comments on political party influence on NGOs and the climate challenge.
2. CCS concerns and utility in the short-term?
3. On the Arctic, ships will be too large, continental shift in ice is occurring and the Arctic council is cooperating in overcoming issues.

Miranda Schreurs Why are few countries fulfilling Kyoto? Political parties and NGOs cooperate, and this is due to an energy consensus and environmental improvements important in the future. Governments in Canada signed on to Kyoto knowing that they may not be the ones implementing. A lot of cooperation in the Arctic, the concern is regarding ownership.

James Meadowcroft

Summary not available

Yves Tiberghien NGOs and parties have been close on GMOs. Leadership in France has often gone over the party, i.e. with Sarkozy and the Grenelle de l'Environnement, as well as in the 1980s when the government was dealing with challenges to its nuclear energy and on the issue of GMOs.

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### **Panel Six**

#### **Dilemmas of Citizen Participation in the EU and Canada**

Moderator: **Joan de Bardeleben (Carleton University)**

Presenters:

**Lawrence LeDuc** (University of Toronto)

**Jon H. Pammett** (Carleton University)

**Agnieszka Lada** (Institute of Public Affairs, Warsaw)

**Jorgen Elklit** (University of Aarhus, Denmark)

**Lawrence LeDuc** – *Explaining Declining Electoral Participation of Youth*

Declining participation of citizens in electoral politics has been a phenomenon observed in many western democracies over the past two decades. In Canada, turnout in federal elections has declined systematically from a relatively consistent level of 75% of eligible voters in the 1970s and 1980s to a new historic low of 59% in the most recent (2008) federal election. Continuing

studies of this long term process of decline have made it increasingly clear that the underlying causes of the phenomenon are largely demographic rather than political. While the gradual withdrawal over time of young voters from the active electorate is not the sole cause of the turnout decline in Canada, it is increasingly evident that generational replacement is both the strongest and the most important factor in accounting for changing turnout patterns. Similar findings have also emerged in a number of European countries, as well as in Japan and the United States.

In addition to large scale survey research, LeDuc and colleagues conducted studies of groups of young people using two different techniques. During the 2007 Ontario Provincial Election the researchers used a focus group. In order to assess the trends behind youth voter turnout in the 2008 Federal Election, the researchers utilised the social networking site *Facebook*. By engaging youth during the campaign the researchers were able to better understand their feelings about the campaign, and whether it affected their motivation to vote. They were primarily interested in learning more about how youth feel about voting, being involved politically, and what it means for them to be a citizen during an election. Both studies were designed to probe and contrast attitudinal differences between voting and non-voting youth, with specific attention given to within-cohort differences produced by variances in their level of engagement in politics; attitudes toward civic duty or obligation; senses of responsibility toward politics, and the differing conceptions of the role of a citizen during an election. The *Facebook* study showed that young people regarded their civic duty differently from their older age cohorts, as a duty to consider the importance of their vote rather than a duty to vote no matter what the circumstances.

**Jon H. Pammett** – *Youth and Voting in Multi-Level Systems: Opting-out or Opting-in?* Pammett's main concern is also low voter turnout, which is a common trend in Europe and Canada. Citizens in both Europe and Canada live in multi-level systems. In order to study the impact that this type of structure has on youth voting behaviour, Pammett has undertaken a comparative analysis of the situation in Canada, Germany, Scotland, and England. He poses three main research questions: *In multilevel systems, does the electorate vote in some, all or none of the elections? What are the factors that determine these choices? Can policies change this pattern of behaviour to increase participation?*

Using data from a variety of surveys, Pammett presented figures for every possible level of voting which is available in each country. The resulting analysis highlights a link between federalism and voter participation. That is, countries with non-conflictual federal systems (such as Germany) or non-federal systems (England) show similar degrees of participation at all election levels. Countries with conflictive federal or quasi-federal systems, such as Canada and Scotland respectively, demonstrate, in addition to lower levels of participation overall, a tendency for voters to pick only one level at which to go to the polls.

The final conclusions are two-fold: 1) More complex systems do not appear to discourage participation; 2) turnout amongst the youth population is low in Europe and Canada. However, in Europe a number of political parties having a less negative reputation are able to mobilize young voters. Finally, Pammett concluded that changes in the conception of voting as a civic duty are occurring in Canada, but not yet in all of Europe.

**Agnieszka Lada** – *Mobilization Efforts and the European Parliament Elections 2009*

Lada highlighted the campaign techniques that the Institute of Public Affairs in Warsaw was undertaking in order to promote participation in the European Parliamentary (EP) Elections. This topical presentation was made a few days before the 4-9 June 2009 EP elections. The campaign aimed to substantially boost turnout for the EP election in Poland. The country had ranked second lowest for participation in the 2004 EP election.

The campaign was aimed at the entire electorate, but with special emphasis on young voters. This pro-EU vote campaign was backed by the *Hub of Europe*. The Hub works to mobilize the electorate and activate youth. The goal was to involve as many people as possible in the EP election campaign as well as to try and broaden the knowledge of young people with regards to the EU and its institutions. This includes highlighting the relevance for Polish daily life of decisions made by the EU institutions. Moreover, the campaigners wanted to emphasize the fact that Europe is not just managed by a few countries, but that Polish voters also have an important say in the functioning of the institutions. Overall, the main concern of the campaign has been to highlight the fact that being in Europe does not equate to a loss of Polish national identity.

**Jorgen Elklit** – *Mobilization as a Key to Sustained Voter Turnout? Lessons from Denmark.*

Elklit presented a comparative study of various European countries and Canada regarding voter turnout over the past decade and its connection to mobilization of the electorate by political parties. Elklit presented Denmark as a comparison to Canada, other Nordic countries, and some other European states. In the comparison, Nordic countries had substantially higher levels of voter turnout as well as a greater range of the population involved in or interested in politics. Denmark presented an interesting trend of high and stable participation. The voter turnout over the past eleven national elections shows no decrease. Moreover, the figures showing participation among different age ranges are very similar. There is no significant decline in participation among the youth population. Elklit attributed this situation to the traditional mobilization of voters, including young voters, by political parties and other organizations (such as trade unions) and to the entire electoral system, not least the use of proportional representation, in Denmark. Another important factor at work was the level of political competitiveness in the various elections.

**Questions and Discussion**

The discussion brought up some questions and a debate concerning different factors that hypothetically could influence participation in elections: the use of new campaigning and mobilization tools, such as the Internet, the number of political parties that campaign in elections, and the electoral systems. The presenters agreed to give a degree of importance to the impact of electoral systems on voter turnout, but they also argued unanimously that it is not the sole cause, nor the most important factor. Overall, the panellists attributed more significance to other sociological factors, for instance, competitiveness and competition of candidates.

Pammett argued that competition of parties and the competitiveness of candidates undoubtedly has an important impact on voter turnout -- this was demonstrated in the recent elections in the United States. He thinks however that the type of electoral system is less important. Although proportional systems are usually believed to raise participation, recent research shows that this is not a key factor. He indicated that New Zealand changing to a proportional voting system did not result in a substantial revival of turnout. Rather than focus on the electoral system, Pammett referred to Elklit's findings, and argued that mobilization efforts should be scaled up.

LeDuc said there were limits to the impact of competition, citing the provincial elections in Alberta and the local elections in Toronto; the latter were highly competitive, whereas the provincial elections in Alberta were not competitive at all. Nevertheless, the turnout was low in both. LeDuc referred to the impact of proportional systems on raising voter turnout. He argued that countries with proportional systems still boast higher turnout, although they are also experiencing some decrease. Elklit also agreed that proportional systems lead to a higher turnout than majoritarian systems and the mobilization activities of parties.

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**Panel Seven**

**Political Institutions and ‘Democratic Deficits’ in the EU and Canada**

Moderator: **Tanja Börzel** (Freie Universität Berlin)

Presenters:

**Arthur Benz** (Fern Universität Hagen)

**Ingeborg Tömmel** (University of Osnabrück)

**Steven Wolinetz** (Memorial University of Newfoundland)

**Amy Verdun** (University of Victoria); co-authored with Donna Wood (University of Victoria)

**Arthur Benz** – *Multi-Level Parliaments in Canada and Europe*

Benz targeted the challenges to the role of parliaments in our contemporary society, namely by “globalization” and multi-level systems. The rules of the game of democracy have changed: democratic parliaments now have to cohabit in a different environment interplaying with other actors in the policy-making process. Are parliaments really losing power? Do we have to accept that parliaments are the losers of these complex democratic systems?

Benz undertook an analytical study of the literature of EU parliaments and the Canadian National Parliament. He pointed out that the lack of literature on provincial parliaments in Canada is a drawback to carrying out research at the provincial level. From the findings in the literature, Benz concluded that the types of multi-level governance taking place in the EU and Canada are very different, and so are the roles and the challenges that their respective parliaments face. Canadian democracy is based on “old modes” of voluntary negotiation, which are less institutionalized, and rely on veto power. Alternatively, the EU presents a more structured system of multi-level governance, including traditional joint decision-making. However, parliaments have responded to new trends of multilevel coordination that have been named as “new modes” or “innovative” modes of governance.

Benz’s final conclusion was that there has not necessarily been a decline of parliaments in contemporary democracy, but a co-evolution of parliamentary democracy together with multi-level governance.

**Ingeborg Tömmel** – *The European Parliament: A legislature disconnected from its electorate?*  
Summary not available

**Steven Wolinetz** – *Political Parties and Participation*

Wolinetz talked about the importance of political parties in contemporary democracy. Political parties are inextricably linked to democracy and are assumed to perform a crucial role in

democratic representative systems. However, this decisive role has been challenged in our contemporary society. Wolinetz questioned these assumptions, analyzing one by one the roles which parties play. Nominating candidates for office, parties continue to structure the choices facing voters at election time, and they link parliament and the executive. However, they are unable to control agendas or dominate political debates in which they are one voice among many. Because parties find it increasingly difficult to mobilize or inspire, links between citizens and those who represent and govern them are increasingly tenuous. One consequence is that established parties find it difficult to maintain stable bases of support. Another is that new parties can easily enter the political arena.

### **Amy Verdun – Multi-Level Governance and Democratic Challenges**

Verdun undertook an extensive literature review on the subject of research of the Cluster. She carried out an analysis of the literature on EU-Canada relations, which generated a list of 105 publications. The review focused on multi-level governance and democracy with the main research question being: *What lessons has Canada learnt from EU studies?*

Verdun's analysis revealed that literature on EU-Canada relations predominantly gravitates towards the issues of "trade" and "foreign affairs". The data obtained showed that Canadian scholars do not see the EU as a social model, but as a trade or defence partner. Verdun linked the evolution of the literature on EU-Canada relations to constitutional and institutional phenomena in Canada. According to the literature review, the interest of Canada in looking at the EU as a social partner declined after the 1995 Quebec referendum. Indeed, the end of the constitutional crisis in Canada entailed a shift in EU scholarship, which became less interested in the EU as a social model.

### **Questions and Discussion**

The question period and the debate brought up a number of issues regarding participation in multi-level systems and the EU as a partner or model for Canada and the United States.

The panellists responded to a set of questions about the future of the EU:

- 1) Are transnational parties, as proposed by Tömmel, a real answer to the disconnection of the electorate to the EP?
- 2) Tömmel argued for a different politicisation of the EU, not based on a left-right tendency. Is there another way to politicise the EU? What does it take to change a party system fundamentally?
- 3) Regarding the interest of Canadian scholars in the EU, is it true that the literature on EU-Canada relations has been experiencing a decline? Quebec scholars look into the rest of Canada more than into the EU. However, France is following Quebec with close interest. Would this trend mean a shift in the interests of EU-Canada relations to Canada as a main subject of study?
- 4) Why is Canada less interested in Europe after the constitutional crisis?
- 5) Is the EU a model for North America?

As for questions 3, 4, and 5, Verdun argued that it may be possible to describe Canada's attitude today of not looking at the EU anymore as a social model as a sort of arrogance or ignorance, as so much has changed since the Maastricht Treaty and the years of institutional

change that followed. Nevertheless, there is another possible answer to this switch: the US-Canadian environment for EU studies has changed dramatically. There are few incentives for EU studies. In the past, Europe was an interesting subject as its territory was divided by the 'iron curtain'. Global conflict still pointed to the relevance of Europe. Nowadays, that interest has disappeared. In addition, general developments in North America have created a trend that moves away from the study of political science and other related fields through the lens of area studies. As such EU studies are also subject to this trend in the US. The concern of the panellists is that this may happen in Canada as well.