



CANADA-EUROPE TRANSATLANTIC DIALOGUE:
SEEKING TRANSNATIONAL SOLUTIONS TO 21ST CENTURY PROBLEMS

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Commentary

Seven presentations in three European countries on my comparative governance research: what did I learn?

Donna E. Wood*
University of Victoria

I recently returned to Canada after a five-week tour of Europe, where I gave [seven presentations](#) in three countries (Italy, Sweden and the United Kingdom) intended to encourage dialogue on federalism between Canada and the European Union (EU). Three weeks were spent as a 'Federal Scholar in Residence', sponsored by the European Academy of Bozen/Bolzano, Italy (EURAC) at its Institute for Studies on Federalism and Regionalism. My key message in the talks was that, when it comes to comparative federalism, it is time for scholars in Canada and the EU to talk more. We have much to learn from one another in terms of how to make our respective political systems work better.

For the past three years I have been working with Dr. Amy Verdun at the University of Victoria comparing Canadian and EU approaches to governance. Canada and the EU provide a

* Donna E. Wood is a Postdoctoral Fellow in the Department of Political Science at the University of Victoria. She completed her PhD at the University of Edinburgh in Scotland in 2008. Donna previously worked for over twenty-five years for the Province of Alberta and the Government of the Northwest Territories, directing provincial/territorial income support, social services, apprenticeship, training, and employment programs. Her postdoctoral research compares the governance of social programs in Canada with the European Union (see *Canadian Public Administration*, June 2013, Volume 56, No. 2 (forthcoming)).

fascinating story of different trajectories in social policy development – especially over the past fifteen years – with Canada on a decentralizing trend and the EU moving in the opposite direction, i.e., building a pan-European dimension that never previously existed. Using an approach called the Open Method of Coordination (OMC), the EU now sets EU-wide social policy goals and facilitates coordination of social policy across its 27 member states – all without transferring either competence or money. Articles by 11 contributors comparing Canadian and EU approaches in employment, social inclusion, postsecondary education and pensions policy have been collected into a themed issue of the journal *Canadian Public Administration*, to be released in June 2013 (a preview of this journal issue can be found [here](#)). The involvement of civil society, citizens and parliaments in the governance of social policy are also compared. The collection illustrates that the EU does a much better job of coordinating across its constituent units than Canada does.

Canada's problems with managing relations between our often fractious 14 governments are long standing. However, we are a surprisingly parochial country when it comes to sources of inspiration and measures against which to assess ourselves and often consider Canada to be superior to others. The United States (US) is usually chosen as our frame of reference. This is partly linguistic, partly cultural, partly proximity, but mainly political. But the Canadian and US federal systems have almost nothing in common in terms of how they actually work. In contrast, we have many commonalities with the European Union. Even though the EU does not consider itself a federation, in many important ways it acts like one. In both Canada and the EU, intergovernmental relations – that is interaction and decision-making between the centre and the constituent units – that is at the core of policy-making.

So what did I learn from my European tour? In total, about 100 people came to my presentations – almost all academics associated with university political science, economics or law departments. Most Europeans do not understand the Canada-EU comparison. First, they know almost nothing about the Canadian political system, the problems we have in pan-Canadian coordination, and the fact that the “semi-sovereign” status of Canadian provinces is in a number of ways similar to the autonomy of European member states. In Europe, the term “provinces” means minor administrative units with very little power. They think that we have

little diversity and that pan-Canadian coordination is easily accomplished through our democratically elected national parliament.

Second, most do not consider the EU as either a state or a federation. Rather, they think of it as “sui generis” or unique. They do not realize that the Canadian provinces in many ways resemble European member states – that if one saw the EU as an emerging federal state there is a direct parallel to Canadian federalism. In this regard, it is particularly interesting how we understand and use the term “intergovernmental relations” (IGR) differently. In Canada, because we already have a federal government that has significant autonomy within its areas of competence, IGR is the way we make the federation work and handle the inevitable interdependence. In fact we use the term IGR and federalism almost interchangeably; they are not separate concepts.

European academics think of federalism and intergovernmental relations as separate and distinct approaches to European integration. The intergovernmental approach (where 27 Ministers make the decisions whilst in their capacity of representing their respective member state) is one, and the supranational approach (where authority has been passed to EU Commissioners who serve like EU level “federal ministers” that take decisions for the EU as a whole) is another. Many believe that the current challenge in the EU is to come up with a supranational decision-making power endowed with its own resources and democratic legitimacy through the European Parliament that overcomes the inefficiency of the IGR or “community” method. This is indeed exactly what Canada has with our federal government. Europe is reluctant to make this federal leap: to go from intergovernmentalism to true federalism.

But more than anything else, people who came to my presentations were surprised that anyone had good things to say about how the EU is being managed these days. They are truly dismayed about what is happening with the Eurozone crisis and the inability of their political leaders to overcome their differences and move forward. As far as social policy and pan-European coordination through the OMC is concerned, many were highly skeptical that it has made positive contributions to the problems that Europe is facing – unemployment, poverty and social exclusion in particular.

But in Europe people are at least talking about the problems, and have structured institutions to facilitate these conversations. If you cannot talk about it, you cannot change it. When you talk you start asking questions not previously considered. In Canada, the intergovernmental institutions that connect our provincial and federal governments are weak. In many policy areas, there are few structured ways for civil society, social partners or citizens to enter the conversation on a pan-Canadian basis. We mostly avoid talking, under the notion that our governments work in “water-tight compartments” and that the federal government has no leadership role to play – not even in research or coordination – if the subject matter even touches on provincial competence.

I think that the EU needs more federalism and that Canada needs more intergovernmentalism. Looking for ideas from the OMC – common objectives and indicators; EU-wide expert and stakeholder networks; different types of peer reviews; joint reports and recommendations to Member States – is one way for Canada to get there. In the past, pan-Canadian coordination of social policy came about through the federal spending power, ensuring some similarity between provincial social programs and a sense of pan-Canadian social citizenship. But with the consolidation and reduction in federal financial transfers to provinces in the mid-1990s, we can no longer rely on the federal spending power to provide this pan-Canadian dimension, if indeed this is still viewed as an objective. Certainly, despite its failings, Europeans I have spoken to feel that the work undertaken over the past twenty years to develop a pan-European dimension to social policy is an improvement over the 27 different approaches that previously existed. Are we ready to have similar conversations in Canada and is now the right time?