



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

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**Governing Canada and the European Union:
Key Similarities and Differences**

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Introduction

Both Canada and the European Union (EU) are complex multilevel governance systems where authority is dispersed between governments—local, regional, provincial, national and supra-national—as well as across spheres and sectors including markets and civil society. Since their foundation, each system has developed its own unique way to manage interaction between its component parts. These reflect the society being governed, its culture and history, as well as political, judicial, constitutional and institutional decisions taken over time. What is noteworthy is the degree to which in recent years Canada and the EU have been following different trajectories, with Canada becoming increasingly decentralized at the same time as pan-European policy making has increased. Nowhere is this more evident than in social policy matters.

Since 1996 fiscal arrangements in Canada have been recast, with the federal-provincial cost-sharing levers responsible for developing the welfare state fully replaced with block grants. Provincial social assistance and active labour market programs that once had a significant federal dimension are now the prime responsibility of provincial¹ governments, with programs shaped and reformed to suit the particular needs and circumstances of each. Federal leadership in social policy has diminished, with few guarantees that Canadians will receive similar programs and services from one province to another. Unilateral,

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bilateral, interprovincial or regional approaches to social policy governance are increasingly chosen as pan-Canadian, multilateral federal-provincial collaborative solutions are viewed as either unnecessary or unattainable.

In contrast, the EU logic of ever-closer economic integration has compelled member states to also strive for pan-European coordination of their social policy programs. Since they were not willing to transfer to the EU level sovereignty over setting social policy, in 2000 member states coined a new form of governance—the Open Method of Coordination (OMC)—as a way of achieving European-wide goals while respecting their differences.² The OMC approach uses ‘soft’ governance tools such as voluntary coordinated action, exchange of best practices, benchmarking, codes of conduct and comparative analysis in order to promote convergence of policies across the EU, and work towards overall EU-wide goals. This EU governance approach—adapted now to govern relations between 27 member states—has particular salience when searching for mechanisms to facilitate multilateral collaboration among Canada’s sometimes fractious and/or disengaged 14 federal/provincial/territorial governments.

Although each political system in the world is distinct, there is value in comparison, by looking at similar processes and institutions in different places an understanding can be gained of what works and what does not. By copying and learning from what other countries do well, governments can save money and improve program effectiveness. Comparison can also be used as an alternative to experimentation. The Canadian federation has often been compared to other federal countries (usually Australia, Germany and the United States), but to date little attention has been paid to comparing Canadian governance practices with the European Union, an emerging federal political system with some compelling similarities to Canada.

This policy brief provides some basic information on the dynamics of Canadian federalism and EU integration, in order to facilitate comparative work on multilevel governance by researchers and practitioners who may not be familiar with both political systems. Drawing on the scholarly literature—especially as it relates to social policy matters—it provides basic information about the historical development of the two political systems, and an overview of key similarities and differences. Information on the institutional structure and processes used in each system to manage interaction between the constituent units is also detailed.

Canada’s particular brand of federalism

Canada’s almost 34 million people occupy the second largest landmass in the world, organized into ten provinces and three territories.³ Canada has a federal system of governance, set up in 1867 through a written constitution (the British North America Act) that initially involved an agreement between three British colonies (Canada—now modern day Québec and Ontario—Nova Scotia and New Brunswick) that wished to form an economic union and protect themselves from American expansion. Over time the federation expanded to include six more provinces and three territories. Newfoundland and Labrador was the last province to join (in 1949) and the Nunavut Territory was created in 1999. The key defining feature of a federation is that each order of government is sovereign within its area of jurisdiction and neither, acting alone, can change the constitution. Canada’s federal system follows the classic dualist model in which each order of government has essentially exclusive responsibility over different sectors, covering both legislative and executive functions. The federal government as well as each provincial government (led by the prime minister and provincial premiers respectively) is structured according to the British parliamentary system where each government is accountable to the sovereign authority of its legislature. Only the federal level has an upper house, the unelected Canadian Senate. The Supreme Court of Canada is the main interpreter of the constitution, including the division of powers between provinces and the federal government.

Initially the federation was dominated by the Government of Canada, as they had responsibility for areas such as trade and commerce, defence, external relations, and money and banking. However, over time, provincial governments became stronger through court interpretations (which gutted the federal disallowance and declaratory power), and because many of the things that mattered most directly and personally to citizens were within provincial jurisdiction (Simeon 1978). For example, provincial authorities are responsible for health care, social protection, education, local government, roads and infrastructure. Provincial governments also have ownership and control over natural resources, a provision that has contributed to significant fiscal autonomy for some jurisdictions. Both orders of government have access to most tax fields; however it is generally acknowledged that the federal level dominates, placing it in a position of having superior financial resources to that of provinces.

In the mid 1950s the federal government used its spending power to lay out many of the elements of the Canadian welfare state, undeterred by the fact that most areas of social policy were under provincial jurisdiction. This ‘nation building’ through the construction of a modern welfare state under federal leadership in the 1950s and 1960s soon gave way to a period of ‘province building’, a process through which provinces (often with federal dollars) developed the political sophistication, civil service expertise, and financial power to begin challenging the federal government in a more assertive way (Simeon, 1978). The use of the federal spending power in areas of provincial jurisdiction has come under increasing criticism from provincial governments, especially from Québec. Most of these transfers are now largely unconditional.

John Furlong—considered by the *Globe and Mail* as Canada’s Nation Builder of 2010—asked Canadians during the Olympics to “stop, for a while, being a nation of regions”.⁴ In such a large country distances are great and there is a sense of remoteness from the capital Ottawa that has resulted in long-standing grievances from Québec, the west, Newfoundland and Labrador, and most recently Ontario. There are considerable wealth disparities between provinces, which result in competing interests. One of the greatest sources of diversity in Canada comes from Québec, which, in addition to language has its own history, culture and religion. Here diversity is regionally concentrated, while other kinds of diversity occur throughout the country. Canada’s Aboriginal population (with its distinctive culture and language) is concentrated in the west. Although less than 4% of the Canadian population overall, Manitoba and Saskatchewan have the largest proportion of Aboriginal people at around 15%. High levels of immigration have resulted in growing racial and ethnic diversity, with over 16% of the population considered to be a visible minority. Most immigrants are concentrated in Toronto, Vancouver and Montreal.

Many studies have highlighted problems with Canada’s system of intergovernmental relations, arguing that it is under-institutionalized, overly-hierarchical, executive dominated, and mostly adversarial (Richards 2001, Brock 2003, Lazar 2005, Advisory Panel 2006). Significant attempts at constitutional reform undertaken in the late 1980s and early 1990s to recognize Québec’s distinct status ended in failure, and subsequent efforts to change federal-provincial arrangements have focused almost exclusively on administrative—as opposed to constitutional—reform. Ongoing disagreements with regard to fiscal issues as well as mistrust stemming from acts of federal unilateralism have stunted efforts at intergovernmental institutional innovation (Johns, Inwood and O’Reilly 2006). Canada’s intergovernmental incentive structure—an outcome of its basic institutional structure where provinces score high for self rule (regional government authority over those who live in its territory) but lower for shared rule (capacity of regional governments to shape national decision making) (Hooghe, Marks and Schakel 2010) —results in what Steven Kennett (1998) has identified as Canada’s ‘collective action problem’. Yet Canadians attach great importance to the efficiency by which government services are delivered, even at the expense of a more federalist reading of the Canadian political reality (Farfard, Rocher and Coté 2010). Polls consistently demonstrate that Canadian citizens want their governments to work together to address issues facing the country, including health reform, poverty, unemployment and human capital development.

Growing European integration

European integration started as an economic project when in 1950 the European Coal and Steel Community united six European countries (Belgium, France, the Federal Republic of Germany, Italy, Luxembourg and the Netherlands) in order to end the frequent and bloody wars between neighbours, which culminated in the Second World War. In 1957 the Treaty of Rome created the European Economic Community (EEC), with an aim to create a 'Common Market'. In 1968 the EEC completed its customs union, which meant that the EEC countries no longer charged custom duties when they traded with each other. Denmark, Ireland and the United Kingdom joined the European Communities (EC) on 1 January 1973, raising the number of member states to nine. Soon after EC regional policy started to transfer sums to create jobs and infrastructure in poorer areas. The European Parliament increased its influence in EEC affairs and in 1979 all citizens could, for the first time, elect their members directly. In 1981, Greece became the 10th member and Spain and Portugal followed five years later. In 1986 the Single European Act was signed, entering into force on 1 July 1987, which provided the basis for a six-year programme aimed at sorting out the problems with the free-flow of trade across EU borders. In 1993 the bulk of the Single Market was completed with the 'four freedoms' of movement, namely of goods, services, labour and capital. On 1 November 1993 the Treaty on European Union entered into force, making the European Union a reality—thereby for all intents and purposes replacing the earlier European Communities.

Over time cooperation among EU member states increased in other areas: the environment, social policy, security, defence and crime. In 1995 the EU gained three more new members, Austria, Finland and Sweden. 'Schengen' agreements were put in place that gradually allowed most Europeans to travel without having their passports checked at the borders. On January 1, 1999 the euro was introduced, and is used today in 17 of the 27 member states. The political divisions between east and west Europe were finally overcome when no fewer than ten new member states joined in 2004. In 2007 Bulgaria and Romania joined. At the time of writing, Croatia, Iceland, the Former Yugoslav Republic of Macedonia and Turkey are candidates for future membership. In December 2007 all EU member states signed the Treaty of Lisbon, designed to make the EU more democratic, efficient and transparent, able to tackle global challenges such as climate change, security and sustainable development. The Treaty entered into force on 1 December 2009.⁵

The European Union today consists of 27 member states and almost 500 million citizens.⁶ The EU is not by common standards a federal state, but many features of EU governance are similar to those of traditional federations. Unlike Canada where the basic federal architecture was designed at the time of Confederation, the EU structure and shape has been more gradual. Significant points in the evolution of EU policies tend to be marked either by reference to the country occupying the rotating presidency or the location of where decisions are formally made (Walker and Wiseman 2006). Over its 60-year history Europeans have been engaged in a long-term effort to build and refine the political and social institutions needed for the conduct of their collective affairs. The current economic downturn and the impact on the euro have highlighted to the world the ongoing struggles that the European Union is experiencing in terms of EU-level institutions and processes required to manage fiscal matters. Some of the most contentious issues in the EU involve the role, if any, of union governance in member state affairs, as opposed to responsibility being retained at the national level. Governance in different policy areas is accomplished in different ways and can be through 'hard' law (EU legislation, regulation and its enforcement), 'soft' approaches (guidance, coordination) or combinations of each. Dependent upon the policy area, different modes of governance are at play, adding to the complexity of understanding the workings of the European Union (Tömmel and Verdun 2009).

Authority in the EU is apportioned between member states (each with its own head of state and democratically elected government) and the European institutions: the Presidency; the European Council

and the Council of the European Union; the European Commission; the European Parliament; the European Court of Justice and the European Court of Auditors. The European Council consists of the heads of state and government from each member state, the EU President, and the President of the European Commission. The Council of the European Union (referred to as the Council) consists of member state ministers responsible for subject areas in different configurations. It is the EU's main decision-making body. The European Commission resembles a proactive civil service, independent of national governments, with authority to set the agenda by proposing legislation. The European Parliament represents the EU's citizens and is directly elected. The Court of Justice interprets EU legislation and the Court of Auditors checks that EU funds are properly collected and spent. The European Economic and Social Committee and the Committee of the Regions provide social partners and sub-national governments with a say in governance. The Presidency of the Council of the European Union rotates every six months, with each EU country in turn taking charge of the Council agenda. The President of the European Council represents the EU on the world stage and is elected for a term of two and a half years.

Key similarities and differences

There are many similarities between Canada and the European Union. Clearly both are shared governance systems where the question of who takes action is as important as what should be done. The EU uses 'subsidiarity' as a key organizing principle—the idea that the EU level should only perform those tasks which cannot be performed effectively at a more immediate or local level. This idea is very close to the concept of federalism, which recognizes that in some areas there is a need for common collective action, while in other areas action needs to differ in order to reflect the diversity of its component parts (Fossum 2004, 2006). In both Canada and the EU there is a strong traditional focus on social solidarity through a significant public welfare system, as well as a strong inclination for a peaceful and deliberative approach to conflict settlement.

The challenges of political identity and nationhood have left deep marks on both Canada and the EU, as each has been challenged to create a sense of being Canadian or European without eradicating national (in Europe) or provincial (in Canada) identities. Wolinetz (2003) identifies the weak nature of integration, executive dominance of closed-door intergovernmental relations, and a lack of legitimacy on the part of the center (that is the Government of Canada and the European Commission) as key features that Canada holds in common with the European Union. Simeon (1995) highlights how in both Canada and the EU there are large disparities in the size and wealth of the constituent units, and that in dealing with multiple identities Canada has increasingly selected 'asymmetrical federalism', similar to the EU's 'variable geometry'. In both Canada and the EU the court system and charters of individual rights have played a fundamental role in determining the balance of power between the centre and the constituent units. In neither has a final resting point or equilibrium been attained, and each has lived with 'territorial insecurity' for a long time, albeit of a different kind.⁷ Over the past 20 years, both have undergone lengthy and often unsuccessful processes of constitution-making. Many issues remain unresolved or ambiguous yet each political system carries on.

At the heart of governance in both Canada and the European Union is the intergovernmental relations (IGR) system. It is through IGR that final decisions are made in many key areas by Canadian and EU heads of state, ministers, and senior officials—not parliaments. The European tradition of treaty federalism means that the final decision maker on issues that member states have agreed to delegate to the community level is the Council (representatives of member state governments in ten defined policy areas); likewise Canada relies on intergovernmental agreements in areas of federal-provincial and interprovincial interdependence which, in the Westminster tradition, allow executives from federal and provincial governments to conclude arrangements without presenting them to parliament or legislatures for approval.

What is significantly different is the degree of institutionalization. Europeans know that they cannot do things informally—this is what brought them to war in the past. The civil law tradition of many member states predisposes them to write things down and create formal institutions to facilitate their interaction. In the EU the European Council (heads of state and government) and the Council of the European Union (ministers from member state governments in ten defined policy areas) meet at least four times a year. These processes are supported by staff from the European Commission resident in Brussels, as well as civil servants from each member state living in their home country. There are also permanent representatives living in Brussels whose only job is to manage their state's relations with the EU. This highly developed 'rules-based' system of intergovernmental relations is supported by qualified majority voting (QMV), which provides a formal mechanism to facilitate decision-making beyond just consensus. The entry into force of the Lisbon Treaty in December 2009 removed national vetoes in a number of areas, including fighting climate change, energy security and emergency aid. Unanimity is still required in the areas of tax, foreign policy, defence and social security.

In contrast, Canada has a more informal approach to intergovernmental relations. For example, over the past ten years, First Ministers' Meetings (that is, the prime minister and premiers) have rarely been held, are at the pleasure of the prime minister, and provincial governments do not maintain large offices and staff in Ottawa. The frequency, quality and structure of meetings at the ministerial level vary by the tradition of each sector and the issue at hand, in contrast to the ten configurations agreed to in the EU.⁸ Some interactions are federal-provincial and others are interprovincial only. Although most provinces have dedicated staff to devote to intergovernmental relations, others with fewer resources rely on policy-level staff to support both provincial-only as well as federal-provincial matters. In Canada there is no overarching structure that facilitates inter-sectoral coordination, other than the Canadian Intergovernmental Conference Secretariat, which provides technical and administrative support to multilateral intergovernmental conferences. Almost always sector meetings in Canada involve politicians and bureaucrats travelling across the country to meet—often at a Toronto airport hotel in order to facilitate transportation linkages and reduce the time that provincial ministers and civil servants spend away from provincial business. When funding constraints hit, provincial travel budgets are usually the first eliminated, diminishing the face-to-face meetings that are necessary to build trust across governments. The long-standing principle of equality of the provinces means that decisions are almost always taken by consensus, making decision-making challenging. In general, a federal offer to one province must be available to all. Provincial politicians and officials often meet without the Government of Canada, and premiers now routinely meet twice a year through the Council of the Federation.⁹

Since the failure of major constitutional reform efforts of the early 1990s, the federal government in Canada appears to be retreating from the intergovernmental scene on a multilateral basis, preferring to negotiate individually with each province through bilateral agreements (Adam 2010). Provincial blocs (for example the eastern or western provinces) are increasingly taking initiative on their particular interests, facilitating exchange with or without the Government of Canada. The Canada West Foundation (Gibbons 2010) suggests that regional cooperation is a way to substitute provincial action for federal inaction, a way to take the lead through provincial governments and interprovincial cooperation. They are promoting cooperation among western provinces (British Columbia, Alberta, Saskatchewan and Manitoba) as a more viable alternative than pan-Canadian cooperation, either with or without the federal government. While the European Union has also undertaken variable approaches involving groups of member state countries (for example, the euro area and Schengen zone do not contain all EU member states), in general the negotiation of these different arrangements takes place within an overall EU multilateral context. Due to their basic constitutional structure EU member states do not have the same compelling need to consider—as Canada does—the very important distinction between federal-provincial and interprovincial relations.

In fact, the differences between Canada and the European Union are even more compelling than the similarities. In the EU there are much larger historical, cultural and linguistic differences between member states than between provinces in Canada, including very significantly the fact that some EU member states found themselves on opposite sides during two world wars. While Canadian provinces may disagree, there is no history of taking up arms against each other. In social policy historical legacies in each EU member state have resulted in the development of fundamentally different welfare regimes. Since the federal government in Canada initiated the development of the Canadian welfare state through its spending power, current provincial programs operate under mostly similar principles and structure. Citizens in Europe still identify themselves more by their member state nationality than as European; in contrast most Canadians privilege their Canadian identity over their provincial one. Inter-jurisdictional mobility is much higher in Canada than in the European Union. For example in 2007, more than 10% of Canadian residents changed provinces, a record number since 1981, with Alberta being one of the primary destinations (Statistics Canada 2008). In contrast in 2009 only 2.4% of the EU population were citizens of another member state. Canadians find it much easier to move from one province to another as, except in Québec, English is the dominant language. This contrasts with the EU with its 23 official languages.

In the European Union, to a large extent the community level remains a creature of the member states (with co-decision between the council and the parliament), whereas Canada's federal government (consisting of the parliament and the executive) is able to act on its own constitutional authority with full electoral legitimacy and taxing power. The federal government in Canada is not the 'sum of its parts' but is a distinct player standing at arm's-length from provinces. As a result this significantly changes the nature of the civil service—in Canada federal officials represent the interests of the Government of Canada, whereas the European Commission is expected to act in the interests of the union as a whole.

The Commission in the EU has the right of initiative—that is a right to propose law impacting on the member states. They can also withdraw initiatives that they do not like and have the right to implement policy as well as sanction member states that do not comply with EU directions. Théret (2003) suggests that this power of initiative in the EU has its functional equivalent in Canada as the federal spending power—interpreted over time to mean that the federal government can spend in areas of provincial jurisdiction but cannot legislate. Many provinces, especially Québec, have objected to the use of the federal spending power in all its variants—payments to individuals, institutions, and provincial governments—as eroding provincial autonomy and as an affront to their constitutionally-protected jurisdiction (Telford 2003). Some respondents suggest that the federal spending power is one of the most serious impediments to reform of Canada's intergovernmental system, negatively characterizing it as the way that the Government of Canada "buys change".

The fact that decision making at the EU level is a responsibility of the member states means that they are intricately involved in the development of policy, as they know that what they decide will be imposed on them. This is not the case in Canada, where the federal government can decide on its own what its policies will be, with or without the approval of the provinces, and implement these policies through the federal spending power, using their own tax resources. This unilateral federal approach is possible because regions in Canada lack the ability to influence federal power at the centre as the institution set up at Confederation to represent them (that is, the Senate) lacks legitimacy. Not only is it unelected, appointments are the unilateral prerogative of the prime minister and made for primarily partisan purposes. Over the years there have been many attempts to reform or abolish the Senate, all of them unsuccessful. Substantial Senate reform requires provincial government approval and many are reluctant to give over their powers to a revitalized central government institution.

In Canada, the federal and provincial governments each exercise their powers independent of the other, and each (purportedly) has access to the taxation fields necessary to provide the financial resources to

discharge these responsibilities. In contrast, the EU level has very limited tax-raising authority, receives three-quarters of its funding from a levy on member states, and is required to have its budget and spending plans approved annually by the member states.¹⁰ As a result the EU level plays a very limited role in redistribution, other than through what is called the ‘structural funds’ that allow the European Union to grant financial assistance to resolve economic and social problems in particular regions or areas. Canada’s commitment to equalizing fiscal capacity between the provinces is not effective in the European Union under the current rule that the EU’s own resources cannot exceed 1.27 per cent of EU’s Gross Domestic Product (GDP). EU investments are rarely redistributive only, and are more often directed towards specific projects. While some transfers to persons are possible in the EU (e.g. to students and through the Common Agricultural Policy) this is minor when compared to 25% of the Government of Canada’s total budget being spent on direct payments to persons—retirees, families, veterans and the unemployed. These direct payments to citizens provide the federal government in Canada with a distinct source of legitimacy (Noel, St-Hilaire, and Fortin 2003) that the EU level lacks.¹¹ While Canada has three national political parties competing for votes from across the country, no EU-wide parties elect representatives from all member states to the European Parliament.

In Canada, the written constitution divides power in 29 policy sectors between a federal list and a provincial list, with only agriculture, immigration, old age pensions and benefits, and the export of non-renewable natural resources, forest products and electrical energy identified as concurrent. The idea at the time of Confederation was that policy areas outside of these few domains were ‘watertight compartments’; as a result there was little recognition of a need for intergovernmental coordination mechanisms. However, in today’s world there is much more interdependence between governments, much of it as a result of the use of the federal spending power in social policy areas under provincial jurisdiction. Likewise in the European Union, policy areas are identified as either exclusive competence of the union (e.g. the customs union, competition rules); shared competence (e.g. social policy, agriculture, fisheries, and environment) or supporting competence (e.g. protection of health, culture, and education). However, in the EU early recognition of interdependence has resulted in the development of a much more robust system of intergovernmental relations, actively supported by member states and coordinated by the European Commission.

Conclusion

In social policy matters this EU intergovernmental system is governed through the Open Method of Coordination. While serving with the Canadian Mission to the European Union in 2005 (2-3) Thomas Townsend reflected that “[the EU] slow consensual approach that looks for cognitive convergence rather than an executive decision is hard for North Americans to grasp and we have a tendency to decompose the instrument and dismiss it as trivial (old concepts) or as something we already do. The Open Method of Coordination must be approached in the context of a structure that supports a sustained conversation on a matter that all participants agree is important but may have very different views on what needs to be done and how to do it”.

Whether European governance ideas through the OMC might prove useful and relevant in improving intergovernmental relations in Canada in social policy matters is the subject of studies in specific policy domains. The companion document to this policy brief entitled *Using European Governance Ideas to Open Up Canadian Federalism* (Wood 2011) is a beginning example. Hopefully this brief introduction to Canadian and EU governance will assist other scholars and practitioners to also take up this challenge.

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¹ When the term 'province' is used, it generally also includes territorial governments in Canada.

² This mode of governance is not so much 'new'; rather it was relabeled and used more actively and deliberately to coordinate areas of policy-making outside the domain of EU competence (see Tömmel and Verdun 2009).

³ There is considerable disparity in population size with Ontario (13 million) and Québec (7.8 million) the largest. The population of the Atlantic provinces collectively (New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland & Labrador) is just over 2 million while the west (British Columbia, Alberta, Saskatchewan and Manitoba) is almost 10 million. The three territories (Northwest Territories, Yukon and Nunavut) have a different constitutional status than provinces and between them have just over 100,000 residents.

⁴ See <http://www.theglobeandmail.com/news/national/nation-builder/john-furlong-is-canadas-nation-builder-of-2010/article1848922/>.

⁵ Adapted from the History of the European Union, see http://europa.eu/abc/history/index_en.htm.

⁶ EU member states range in population from 416,000 in Malta to 81.7 million in Germany.

⁷ Since 1980 Québec has held two referendums on whether to leave Canada, and the EU has tripled in size.

⁸ In 2010 Canadian Ministers from across the country met at least once in these 20 configurations: Innovation; Francophonie; Forestry; Status of Women; Fisheries; Labour; Labour Market; Agriculture; Education; Aboriginal Affairs; Local Government; Seniors; Northern Development; Culture & Heritage; Transport; Energy & Mines; Health; Environment; Justice, and Tourism and Internal Trade. The 10 EU Council configurations are: General Affairs; Foreign Affairs; Economic and Financial Affairs; Justice and Home Affairs; Employment, Social Policy, Health and Consumer Protection; Competitiveness (Internal Market, Industry & Research); Transport, Telecommunications and Energy; Agriculture and Fisheries; Environment; and Education, Youth and Culture.

⁹ The Council of the Federation—which is provincial only—has the capacity to provide overall coordination across sectors but is rarely prescriptive.

¹⁰ See (http://ec.europa.eu/budget/budget_glance/where_from_en.htm).

¹¹ The European Social Fund does this to a certain extent, but the transfer in this case is to governments and organizations, not to citizens.