Abstract: Canada and Australia bear many similarities, but historical developments have affected the way each country practices federalism. This article seeks to answer the following question: Why have institutionalized horizontal relations been present in Canadian intergovernmental relations (IGR), while they have generally not in Australia? Developments in each country have produced different dynamics in intergovernmental relations which serve to favour vertical relations in Australia and open up space for horizontal relations in Canada. These dynamics become especially apparent when the histories of the institutions for facilitating intergovernmental relations in each country, notably the Canadian Council of the Federation and the Council of Australian Governments, are considered.

Sommaire : Le Canada et l’Australie ont de nombreuses similarités, mais les développements historiques ont influencé la manière dont chaque pays pratique le fédéralisme. Cet article cherche à répondre à la question suivante : Pourquoi les relations horizontales institutionnalisées sont-elles présentes dans les relations intergouvernementales au Canada (RIC), alors qu’elles ne le sont généralement pas en Australie? Les développements dans chaque pays ont produit différentes dynamiques dans les relations intergouvernementales qui servent à favoriser les rapports hiérarchiques en Australie et à ouvrir l’espace aux rapports horizontaux au Canada. Cette dynamique devient particulièrement apparente lorsque l’on tient compte des antécédents historiques des institutions qui facilitent les relations intergouvernementales dans chaque pays, notamment le Conseil canadien de la Fédération et le Conseil des gouvernements australiens.

---

1 The author wishes to thank Jared Wesley, Raffaele Iacovino, Jonathan Malloy and the anonymous reviewers who took the time to comment on this work at various stages. He also wishes to recognize the support of the Social Sciences and Humanities Council of Canada as well as the University of Manitoba Faculty of Arts.
On the surface, Canada and Australia are very similar. Both countries are former British colonies spanning enormous, sparsely populated landmasses with indigenous populations, both are federations, and both are parliamentary democracies in the Westminster tradition. Even if we limit ourselves to comparing federal states, however, they still exhibit similarity. The structural facts of each federation are in some ways identical. However, despite the structural similarities between these two parliamentary federations, the two countries have developed very different styles of federalism. While Canada was created as a highly centralized federation and Australia a highly decentralized federation, each country has followed the opposite course.

The prevailing dynamic of intergovernmental relations (IGR) is also different. Australia has integrated vertical (federal-state) institutions of intergovernmental relations, most notably through the Council of Australian Governments (COAG). Horizontal relations (between sub-national units) have played a less prominent role in Australia. Canada, by contrast, has seen very little in the way of institutionalized federal-provincial relations (Cameron and Simeon 2002). While vertical relations are and have always been crucial, the highest level of institutionalized IGR in Canada is the Council of the Federation (COF), a horizontal (provincial-territorial) body.

Given the similarities noted above, why has Canada developed horizontal relations while Australia has largely failed to do so? Historical and institutional developments in each country have tended towards decentralized federalism in Canada and centralized federalism in Australia. Those same developments have created contexts for particular forms of IGR. Thus, centralization is linked to verticality in Australia and decentralization is linked to horizontality in Canada. This in turn is reflective of the differing power dynamics in each federation. Commonwealth dominated vertical relations have been the prevailing dynamic in Australian IGR, often to the exclusion of state-territory relations. In Canada, horizontal relations have existed in a relatively separate realm of IGR, independent of vertical, federal-provincial-territorial (FPT) relations. While vertical IGR has played a prominent role in the history of Canada, it has done so on an ad-hoc basis, and with little regularity. Vertical relations are important in Canada, and this paper does not suggest otherwise, or that horizontal relations are more important. However, the simple fact remains that exclusively horizontal relations are part

---

2 Chhibber and Kollman (2004) make a similar argument about the development of party systems in federations.
of IGR in Canada, where they are generally not in Australia. The focus of this paper is therefore on the formalization of horizontal relations through COF.

This paper examines the creation of the Council of the Federation through a comparative lens. Contrasting Canadian and Australian IGR gives us a better understanding of how COF fits in the dynamic of Canadian IGR. This will be demonstrated in three parts. The first will review federalism literature in both countries to see what scholars in each country have said about IGR. The second section will analyze COF from the point of view of practitioners, and the third section will contrast COF with COAG and a third institution, the Council for the Australian Federation (CAF). Interviews with civil servants in each country demonstrate that there are external and historical constraints which condition what is possible. COAG, CAF and COF were therefore shaped by the prevailing dynamic of the federations.

**IGR in Canada**

Federalism and IGR scholarship in Canada frequently focuses on “executive federalism” (Smiley 1974). As a result, this analysis often concentrates on top level political executives. However, while the tendency of both scholars and the media has been to focus first and foremost on official First Minister’s Conferences (FMC) or First Minister’s Meetings (FMM) (see Simeon 2002 for a review), scholars have increasingly paid attention to the various other levels of executive federalism, from ministerial councils and IGR communities in particular policy areas (Skogstad 1987, Hawke 2002, Kukucha 2008), to bilateral relations (Thomas 2008). At the functional level of studying IGR, scholars have also focused on the minutia of the IGR process, including informal relations (Dupré 1985, Johns et al 2007, Inwood et al 2011).

Despite this varied focus, there has been a relatively limited amount of attention paid in this literature to horizontal, provincial-territorial (PT) relations (but see Harrison 2006, Berdahl 2011, 2012, and most notably Bolleyer 2009). While these relations come up periodically, they tend to take a back seat. Consider, for instance, that Brock (2003) does not consider interprovincial negotiations to be “executive federalism,” preferring the term “executive interprovincialism.” Strictly speaking, this is semantically accurate: one cannot properly speak of “federalism” if only one order of government is present. Yet this is an unsatisfying distinction.

---

3 Semi-structure personal interviews were conducted between December 2010 and April 2011 with 10 provincial intergovernmental relations officials in Canada as well as 12 state and Commonwealth officials in Australia. Interviews were conducted under conditions of confidentiality.
When the premiers meet to discuss matters of national concern, such as energy policy or climate change, this surely goes beyond the confines of “provincialism.” Moreover, focusing on sub-national units can help differentiate federations. As Bolleyer notes, “Shifting our perspective from vertical to horizontal federal relations helps us to solve the puzzle of these very diverse intergovernmental infrastructures existing cross federal polities and multilevel settings…” (2009: 4).

This tendency to pay less attention to provincial-territorial relations is evident in the scholarship on the Council of the Federation. What attention has been paid to the Council of the Federation has tended to revolve around assessing whether it is different from its predecessor, the Annual Premiers’ Conference (APC) (but see Bolleyer 2009, particularly chapter 3). This is evident in the series of short papers written at the time of COF’s creation in 2003. The assessment that emerged from the series was either skeptical of the Council of the Federation or, at best, mildly optimistic. Lazar (2003) and Telford (2003) respectively noted that COF as proposed was ill suited to deal with federal-provincial interdependencies or globalization. On a more positive note, Gibbins, commenting on COF’s impact on the democratic deficit, noted that “supporters of the democratic reform agenda should not see the Council as a threat. At the margins, if only at the margins, it may even be an asset.” (2003: 4). In a similar vein, Leclair (2006) argued that COF represents a “light institutionalization of the APC” (p. 54), while Peach’s (2004) backgrounder for the C.D. Howe Institute is tellingly titled “Half-Full, at Best.” Overall, the early literature on COF suggested that it represented a marginal shift, a light improvement over the APC, but that it was unlikely to dramatically change federalism in Canada.

What attention has been brought to bear on COF has tended to be in the context of pre-existing concerns in Canadian federalism literature (for instance on the tension between executive federalism and Senate reform [Kent 2003]). Thus, COF itself has generally not been assessed and understood as an institution in its own right, particularly since its creation over a decade ago. While the assessment of scholars is not necessarily wrong, it stands to be supplemented by accounts from practitioners. Moreover, a comparative outlook may help contextualize the Council of the Federation in terms of the broader dynamic of IGR in Canada.

**IGR in Australia**
As a parliamentary federation, Australia reflects the same executive dominance of IGR seen in Canada (Watts 1998). In practice, this means that legislatures play only a limited role in intergovernmental relations, despite the fact that the Australian Senate was nominally designed as a state’s house. Like Canadian scholarship, the Australian approach to studying executive federalism has generally been marked by a focus on summitry and, unlike Canada, formal institutions. Given the dominance of the Commonwealth in the Australian federation, this often means focusing on the ways in which the states respond to Commonwealth initiatives.

As in Canada, Australian scholars have focused on different elements of federalism and intergovernmental relations in that country. Work has frequently centered on the formal institutions of IGR (more on this below), but political scientists have looked at diverse elements, including intergovernmental agreements (Warhurst 1983), specific policy sectors (Duckett 1999, Podger 2007, Gardner 2012), inter-state relations (Tiernan 2008, Menzies 2012), and functional federalism (Warhurst 1983).

The creation of the Council of Australian Governments in 1992 and the attendant economic reforms (for instance the national competition policy) were of major interest to Australian scholars, at least initially (Painter 1996, 1998, Davis 1995). The Howard government’s (1996-2007) lack of attention to COAG reduced its salience (Galligan and Wright 2002, Parkin and Anderson 2007), but its rebirth under the Rudd-Gillard administration attracted renewed scholarship (Anderson 2010, McQuestin 2012), which included critiques of its effectiveness as an institution (Kildea and Lynch 2011, Menzies 2013). At around the same time, the inter-state Council for the Australian Federation (modelled after the Canadian COF) also attracted some scholarly attention (Tiernan 2008, Menzies 2012).

While COAG has gone through cycles of importance, the Australian example of institutionalized vertical IGR provides an interesting contrast with the Canadian case, where IGR has been far less regularized in general. In that context, the formalization of COF out of the APC, minor though it may have been, is interesting. The creation and the functioning of COF is a development worth exploring. By comparing COF to COAG and CAF, we can garner a better understanding of the particularities of the Canadian case.
COF

Understanding the Council of the Federation means understanding the culmination of many years of development of horizontal relations in Canada. COF is in keeping with the evolving dynamic of IGR in Canada. A confluence of events during the late 1990s, culminating in the election of the Liberal Québec Charest government in 2003, made the creation of COF possible. Since its creation, however, COF has become a forum for horizontal collaboration rather than a forum in which to deal with the federal government, as originally envisioned.

Beginning in 1960, the previously limited nature of intergovernmental relations in Canada began to change. This change was reflected in federal-provincial relations, where Québec emerged as a key challenger of the federal government. Where previous Québec governments had rebuffed federal “intrusions” without offering alternative solutions, the newly elected Liberal government of Jean Lesage took a more pro-active role in social policy (Bakvis, Baier and Brown 2009). Québec went from being a relatively passive participant in intergovernmental relations to taking the lead on many files and aggressively pushing the federal government on a number of matters (Ibid). The first Annual Premier’s Conference (APC) was also hosted by Québec in 1960, creating a regularized forum for horizontal IGR which has only rarely been present in Australia. The APC represented a low level of institutionalization, but it also represented a degree of continuity in horizontal relations. The creation of the APC established an increasingly formal tradition of interprovincial and—after 1982—provincial-territorial relations in Canada. This underlying trend towards horizontality was compounded by a set of institutions for regional IGR, such as the Western Premiers Conference and the Council of Atlantic Premiers, among others. This brings us to the question of why COF was created, how was it different from the APC, and why it lacked a vertical component.

The 1995 federal budget caught the provinces by surprise. Fiscal federalism, which had played a less prominent role during the long debates over the constitution and national unity, became a major point of contention. Cuts were expected, even significant cuts, but the extent of the retrenchment—a twenty-five per cent reduction in federal transfers between 1995 and 1998—surprised many (Hale 2006: 388). The lack of any formal mechanism for negotiating transfers contributed to this surprise, as the federal government was able to make a fairly hard policy shift with relatively little warning to the provinces. This changed the relationship between the federal, provincial and territorial governments, as the “trust ties” which had made
intergovernmental cooperation effective were broken (Bakvis, Baier and Brown 2009). The already strained tone of FPT relations following the budget cuts was not improved by the presence of a PQ government in Québec from 1994 to 2003. Turning to each other, beginning in 2000 the premiers were able to focus their efforts on the Premiers’ Council on Health Awareness, a public relations campaign that brought attention to federal budget cuts. According to one official, the experience showed certain premiers that if they worked together in a concerted way, they could achieve results. Indeed, the same official believes that the dynamic of IGR in Canada since 1995 has been dominated by PT, rather than FPT relations.

As has often been the case in Canadian history, the change of government in Québec ushered in a new period in intergovernmental relations. After nine years of PQ governance, the Charest Liberals formed government in April 2003. The Council of the Federation (proposed by a special committee of the Québec Liberal party in 2001) was an immediate priority for Premier Charest and he began gauging the reaction from other premiers very soon after the election (Thomas 2008). A council of the federation had been proposed by the Québec Liberal Party’s Pelletier Report in 2001. However, what emerged in 2003 was significantly different from what the report had suggested. The report suggested the creation of a Council of the Federation which was to be a federal-provincial council that dealt with all manner of national concern; it envisaged COF, in its final form, as a quasi-constitutional body which would work with the Senate (Pelletier 2001).

According to one official, the reason that COF did not adopt many of the recommendations of the Pelletier Report was that the Charest government did not believe the other premiers would accept the idea of a quasi-constitutional COF. Charest’s proposal was therefore grounded in what he believed the other premiers would accept. For their part, the other premiers were suspicious of the federal government, and according to several interview subjects, the premiers made a deliberate choice to keep the federal government out of COF. They also felt there was considerable room for coordination within their own areas of jurisdiction, and they did not want the federal government sitting in on those discussions, according to officials involved in the process. This development is worth highlighting: given the opportunity, the premiers chose to create a horizontal institution of IGR, rather than attempt to create a vertical one. Even though they imagined that COF would work with Ottawa, they deliberately chose not to have the federal government at the table (see also Bolleyer 2009 on this point).
COF was envisaged as an institution with two purposes: coordinating PT action vis-à-vis the federal government and coordinating action between the provinces and territories on matters within their own jurisdiction. With regard to the first purpose, FPT coordination, initially COF experienced some success in coordinating provincial-territorial responses to the federal government, particularly in the 2004 health negotiations with Prime Minister Paul Martin. However, this was arguably based on Martin’s willingness to negotiate with the premiers collectively, which allowed the latter to present a united front. Although the 2004 health agreement was a success, Bakvis, Baier and Brown (2009) note that consensus foundered on changes to equalization, and the premiers proved unable to collectively deal with that issue. This was somewhat unsurprising, as equalization is a textbook example of a zero-sum game: one province’s gains come at another’s loss. Building a united consensus was therefore unlikely. As one official noted, “COF is as strong as its weakest link.... To the extent that [the premiers] want to participate, and cooperate and collaborate and work together, COF is successful. To the extent they don’t, COF is not. And there’s no way you can get around that.”

COF also works within the limits of jurisdictional authority. The history of constitutional interpretation in Canada has confirmed provincial authority in a number of cases (see Cairns 1971 for a review). This not only impacts how the provinces approach the federal government, it impacts how they approach each other. This was observed by one provincial official: “…we approach [intergovernmental] files with the view that our premier objective is to maintain policy flexibility. And for the most part, we’re no more willing to yield to the policy prescriptions of others, whether that be Ottawa or the other provinces and territories collectively.”

The premiers also cannot work with the federal government if the prime minister is not willing to work with them. This is best demonstrated by the approach of the Harper Conservatives. During the 2006 election, Harper committed to “Open Federalism,” a policy based on allowing each order of government to exercise jurisdictional independence, eschewing major federal initiatives in areas of provincial jurisdiction. As one official noted: “[Open federalism] does make some of the work that was originally envisaged by COF a little bit more difficult. So consequently, COF has adapted to the present operating environment.”

Prime Minister Harper has demonstrated commitment to a reduced role in social policy for the federal government since his Conservative Party first formed government in 2006. The prime minister has also avoided multilateral meetings with the premiers, holding two since 2006
and none since 2009 (Alcantara 2013). This can be contrasted to the seven First Minister’s Conferences held under the previous Chrétien-Martin Liberal administrations (Ibid). Although Harper was said by officials (in 2011) to maintain good bilateral relationships with individual premiers, he has shown a clear preference for bilateral over multilateral relations, and for unilateralism over bilateralism. In an apt demonstration of the federal unilateralism that has characterized federal-provincial relations since 2006, in December 2011, then federal Finance Minister Jim Flaherty made a major announcement on the future of health funding to a meeting of finance ministers, side-stepping what might potentially have been a major First Minister’s Meeting. Thus, the creation of COF as a multilateral forum has not (and was not expected to) replace vertical relations. These have simply occurred in other ways, such as ministerial councils or bilateral relations.

With the federal government absent from the table, COF has focused its efforts since 2006 on the second of its goals—increasing horizontal coordination between the provinces and territories — with COF agendas becoming much more centered on PT concerns, such as interprovincial trade, water management, and education. In many ways, COF appears to be the APC by another name. At the time of its creation, Harvey Lazar questioned whether COF would be anything more than “…old wine in a new bottle?” (2003:1). Many provincial and territorial officials agreed with this assessment, although interview respondents were unanimous in pointing to founding agreement, which the APC did not have, as providing greater structure to COF’s work. They believed that the presence of a steering committee, a secretariat, and funding has also made COF more substantial than the APC. The secretariat has been useful in providing ongoing administrative support and corporate memory, according to one respondent. Several officials commented that COF has made premiers more strategic by forcing them to focus on four or five key points: “They think about their communications messages, they think about what they’re going to ask for, and it’s not a laundry list, it’s shorter and snappier.”

There are, therefore, some differences between COF and the APC. For example, the APC was mainly a venue for socializing. Although there were official meetings, its primary purpose was to allow the premiers to get to know one another, often by an afternoon of golf. The social component, while still present, is much less prominent under COF. This is perhaps best demonstrated anecdotally: at the 2010 COF summer meeting in Winnipeg, only one premier, Darrell Dexter of Nova Scotia, attended the golf event.
Despite these differences, however, COF is in keeping with the trend of slow evolution of horizontal IGR in Canada. It is also partly a response to the decentralization of the Canadian federation. In part, this focus on horizontality has been necessitated by a disinterested prime minister. Nonetheless, since the 1960s, the premiers have had a history of working together in a low-key manner. Despite the hopes of some, and the critiques of others, the Council of the Federation is no radical departure. It is a reflection of the nature of IGR in Canada.

**COAG and CAF**

Unlike in Canada, where there has never been a tradition of regularized federal-provincial-territorial relations, Commonwealth-state relations in Australia have been part of the intergovernmental landscape since the 1920s. This has been reflected in numerous developments since then, most notably the creation of the Council of Australian Governments (COAG) in 1992. Although the impact of COAG has varied since its creation, and COAG has been criticized for being overly reflective of Commonwealth dominance (Menzies 2013), it is still a reflection that in Australia, intergovernmental relations are centered on Commonwealth-state relations, almost to the exclusion of inter-state relations.

In the absence of concerns over national unity, discussions of federalism in Australia have been centered around fiscal federalism. Although in many respects, the federal dynamic in Australia was similar to that of Canada prior to 1960, two institutional developments are worth pointing out. Beginning in 1920, Australia began moving away from the decentralized vision of the Founding Fathers (Zines 1989). This was accelerated by the fiscal circumstances of the “marginal” states of Western Australia, Tasmania and Southern Australia (Maxwell 1938: 269). In 1927, a financial agreement was signed which provided for national assumption of state debt and the creation of the Australian Loans Council. According to Wiltshire (1989), this move and the subsequent constitutional amendment which enshrined it gave the Commonwealth government the upper hand in fiscal matters. This was followed in 1933 with the creation of the Commonwealth Grants Commission (Parkin 2003). Thus, we can see that from quite early, Australia had regularized vertical IGR.

Australia has never developed a sustained tradition of horizontal IGR in large part because of the early creation of vertical institutions. In fact, in a significant way, the Commonwealth has dictated the timing and the nature even of what the state premiers discuss amongst themselves:
even though premiers have traditionally met prior to major IGR conferences, this has been done to discuss upcoming meetings with the Commonwealth, which are held at the instigation of the prime minister. IGR has centered on vertical relations with few exceptions, most recently through the Council for the Australian Federation (CAF) (see Warhurst 1983 for another example, the Council of States).

In 1990, the Commonwealth Labor government of Bob Hawke turned its attention to economic reform of the federation in the name of efficiency. Hawke’s focus turned to the barriers to internal trade in Australia, which had long been the subject of scathing critiques by certain constituencies in Australia, particularly the business lobby (Painter 1998). Hawke and his successor, Paul Keating, realized that in order to get the states on their side, they would have to consider their demands for a regularized forum of intergovernmental (particularly fiscal) discussions which would meet predictably, and more importantly would feature input from the state premiers in a more substantial way (Painter 1998). Both sides compromised in order to create the Council of Australian Governments (COAG), which was founded May 11, 1992 (Ibid). However, COAG was a development in keeping with the way intergovernmental relations are conducted in Australia. Although it was a more regularized forum than existed previously, the fundamental dynamic of federalism in Australia has not changed (which is still the case, according to Kildea and Lynch 2011). The Commonwealth government still has most of the fiscal and constitutional power. State officials still feel as though the Commonwealth operates on a “divide and conquer” strategy. All Commonwealth officials interviewed were quite open in admitting to a “carrot and stick” approach to state relations.

The election of John Howard’s Liberal coalition government in 1996 changed the immediate nature of federalism in Australia. Howard showed little interest in operating within the framework of COAG (Galligan and Wright 2002), and over the course of his time in office, Howard maintained either ambivalence or hostility to COAG. In reaction to the sporadic nature of COAG over the Howard period, state premiers, led by Mike Rann of South Australia, sought to create a more regular way of coordinating inter-state action (Tiernan 2008). An important catalyst for further horizontal collaboration came from overseas, when Rann met Manitoba premier Gary Doer at a conference in the United States in 2005. There, Doer briefed Rann on the Council of the Federation. The idea resonated with Rann, who returned to Australia and set out to create a similar inter-state forum in Australia (Ibid). Despite some reservations, he
managed to convince his fellow premiers of the merits of the idea, and in 2006 the Council for the Australian Federation (CAF) was created.

Partisan context played an important part in its creation. At the time, all state and territorial governments were controlled by the Labor Party, while the Liberal coalition held power in Canberra. CAF initially experienced some success in creating an emissions reduction plan, which forced the Commonwealth government to react. CAF’s success was partly due to its cohesion, which in turn was linked to the antagonism between the Labor states and the Liberal coalition controlled Commonwealth. Commonwealth Labor leader Kevin Rudd used this to his advantage in the 2007 election, noting the need for “cooperative federalism” and the need to “end the blame game” that perpetually saw the federal and state governments blaming each other (Tiernan 2008: 129). According to a Commonwealth official, “John Howard could have neutralized [CAF’s] agenda if he’d been half interested in it, but there was this well-developed, articulated agenda that Kevin Rudd just picked up and ran with.”

Ironically, Rudd’s success in adopting CAF’s agenda has arguably led to its decline. As Menzies notes, “[CAF’s] policy role and commitment to improving the federation diminished quickly under the onslaught of Rudd’s cooperative federalism agenda” (2012: 72). Rudd re-invigorated COAG almost immediately after being elected, which reduced CAF to a pre-COAG meeting of the premiers, similar to what has existed since the 1930s. The ascendency of Labor was short lived, and CAF’s relevance has also diminished as the Liberal Coalition came to power in Western Australia in 2008, Victoria in 2010 and New South Wales in 2011, as well as federally in 2013. A consultant’s review in 2010 also led to a pairing down of both the goals and the organizational capacity of CAF (Menzies 2012).

CAF is a body that stands out in the context of Australian IGR. As mentioned, it is tied to the role of the integrated party system in Australia. As states gradually changed government, the dominance of Labor was reduced. Moreover, the renewal of interest in COAG made CAF’s work a return to the traditional focus of how to deal with the Commonwealth. CAF still meets periodically. However, as one official noted, there is some question as to whether the Coalition premiers have any serious interest in maintaining CAF, given that it was a creation of Labor. “…State and territory premiers have always caucused before a COAG, so whether it’s under the more formal auspices of CAF or whether they just get together in the hotel the night before, it will still happen.”
None of the officials expected much of CAF beyond its continued existence. Commented one official: “I never expected much of CAF.” Although some officials were more optimistic, they too recognized that CAF tends towards lowest common denominator solutions and while the states could reach agreement on high level matters, they were often unable to come together on the details.

In this way, CAF is similar to the Leaders’ Forum, a meeting of the premiers held prior to COAG meetings. The Leader’s Forum was partly comparable to the APC in Canada. Yet the Leaders’ Forum was concentrated on the upcoming COAG meeting, and was focused on vertical, not horizontal, concerns. Moreover, COAG meetings are called by the prime minister, which means that effectively, the premiers were meeting each other at the instigation of the prime minister. This stands in contrast to the regular yearly meetings of the Canadian premiers which existed independently of any FPT conference.

**Do institutions matter?**

The central argument of this paper is that COF fits into the prevailing dynamic of federalism in Canada, where horizontal relations have been a regular, if low-key feature of IGR since the 1960s. The presence of horizontal relations in Canada and its absence in Australia beg a further question, however: do these institutions matter? Has the modest formalization of COF changed IGR in Canada, and did COAG change IGR in Australia? This is a matter that requires further study, but the suggestion of this paper is that they did not, a judgement which is consistent with the opinion of both practitioners and scholars. Bolleyer (2009) provides probably the most comprehensive analysis of this question, arguing that the jurisdictional drive for autonomy and the inability to move past consensus rules limits the extent to which IGR can be institutionalized in Canada. At best we have a moderate level of institutionalization and formalized decision-making.

Within that context, COF and COAG present interesting lessons in institutional design. Each represented the maximum level of formalization possible in their context, but each became typical examples of how IGR works in the respective federations. COF represents a lowest-common denominator approach to horizontal relations, while COAG looks to be another example of Commonwealth dominance.
The question of whether institutions matter is a perennial one in the study of government, and is more complicated than simply COF or COAG. Even these two institutions require further study. If institutions simply fit the pre-existing mold and “do not matter,” then we can wonder whether they should be studied at all. Yet this conclusion may be unduly fatalistic. By better understanding how institutions adapt to their context, we can begin to understand just what can be expected, and how that might be changed.

References


Bakvis, Herman, Gerald Baier and Brown, Douglas. 2009. Contested Federalism: Certainty and Ambiguity in the Canadian Federation. Toronto: OTP.


