

***Coordinating Interdependence:
Governance and Social Policy Redesign in
Britain, the European Union and Canada***

by

Denis Saint-Martin

Executive Summary

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This research report documents and compares recent changes in the institutions and practices of governance and social policy in the European Union, Britain and Canada. To do so, the analysis uses a framework that focuses on two dimensions: whether management of social policy is based on tightly versus loosely coupled systems, and the level of coercion built into governance instruments. Based on this distinction, the European Union's open method of coordination (OMC) is categorized as a case of *communicative governance* intended to foster a common social policy vision. New Labour's modernization agenda in Britain is characterized as a case of *holistic governance* designed to promote an integrated approach to social policy development and delivery. Canada's Social Union Framework Agreement (SUFA) constitutes an instance of *collaborative governance*, focused on joint planning and working.

Throughout, the report makes a distinction between the ideal-typical – that is conceptual and abstract – features of the new modes of governance and how they work in reality. One of the key conclusions is that, for now, the gap is wide between the theoretical inspiration and the reality of the new governance arrangements, especially in terms of policy learning and public participation. To the extent that participation is about tapping the benefits of local knowledge, poor participation then becomes a serious hindrance to policy learning.

With regard to the OMC in Europe, the report finds that it has been successful in fostering convergence in ideas. This means that policy-makers share an assessment of causal mechanisms generating policy problems, definitions of desirable and unacceptable policies, and beliefs about how policies work, even if their strategies and programs differ. But there is still a need to open up the OMC process. Bringing more citizens' knowledge in could help improve the political legitimacy of the emerging European governance arrangements as well as the performance of social policies.

For the British case, the report concludes that there is little support for the claim that New Labour's approach represents a shift towards a new form of governance. While there is some evidence of decentralized network forms of governing, there is also an intensification of a "command and control" style. The government's emphasis on holistic and joined-up government and its use of partnerships as a means of delivering public policy can be viewed as enhancing the state's capacity to secure political objectives by sharing power with a range of actors, drawing them into the policy process. The spread of an official and legitimated discourse of partnership has the capacity to draw local and community stakeholders, from third sector actors to business organizations, into a more direct relationship with government and involve them in supporting and carrying out the government's agenda.

As for Canada, the report finds that in terms of governance, the major impact of the Social Union Framework Agreement so far is on accountability regimes. The shift to public reporting in Canadian social policy constitutes a significant change. Although it is too early to expect governments to have actually produced results-based measurements, the eventual ability to compare outcomes across jurisdictions could facilitate a public dialogue around social policy investment and help hold governments accountable for their program commitments.

But by itself, outcomes measurement cannot guarantee better accountability and citizen participation. Measuring results is a complex analytical enterprise. In Europe, the multilateral surveillance system used by the OMC means that the “watchdog job” of looking at whether participating Member States have more or less met the targets agreed to by the Member States falls primarily on the shoulders of national governments and European officials. In other words, the watchdog role is played by *public institutions* possessing significant policy resources and expertise. In Canada, multilateral surveillance where Ottawa and the provinces would systematically examine and assess each other’s performance in the social policy area would constitute a significant challenge to the federal principle. Federalism makes the use of peer review, multilateral surveillance and the “naming and shaming” that often goes with these governance tools politically difficult. *Vertical surveillance* – that is, reporting by each government to the public, is another option. But in SUFA, the public named in the term “public reporting” is ill-defined. The Social Union talks about “Canadian citizens” but this seems to constitute an individualized notion of the “public.” Citizens, as individuals, do not have the time or resources to be benchmarkers, that is, to gather all the relevant information they need to see which government is the “best performer.” Without access to adequate resources, benchmarking by the public is likely to remain an unfulfilled promise.

As well, if the Social Union Framework Agreement’s promise “to involve Canadians in developing social priorities and reviewing outcomes” (article 3 of SUFA) is to be taken seriously, there needs to be some kind of “meeting place” where public participation in the review process can become reality. In other words, there must be some kind of *institutional locus* where policy learning can take place. One of the key lessons to be drawn from the EU is that in the case of the OMC this locus is provided by the European Commission and its committees. Such a meeting place is important not only because it can help to foster policy dialogue and build mutual trust. It is, above all, important to help build the credibility and effectiveness of the review process. In Europe, credibility partly comes from the fact that the Commission and its committees act as neutral brokers between Member States participating in the OMC process. The institutions supporting the peer review exercise are not under the direct political control or influence of participating governments. If the review process is to be seen as objective, fair and consistent by participants, there needs to be some institutional or administrative support guaranteeing independence, transparency and quality of work. But in Canada there is nothing comparable for the Social Union.