
International Comparison of Policy Co-ordination

Maroesjka Versantvoort, Marjolein Peters and Ilse Vossen*

This article presents insights that can prove useful for European Union policy co-ordination, especially via the open method of co-ordination. This is why policy co-ordination mechanisms are described and compared in the field of employment and social affairs in three countries, the United States, Canada and Australia. The policy fields we consider are active labour market policy (measures focused on stimulating labour market participation), income security (policies focused on improving individual income security in the event of unemployment, illness or disability) and labour relations (policies related to wages and other working conditions). This study reveals some potentially interesting examples of policy co-ordination. One of them pertains to policy co-ordination in the field of labour relations. If the neighbouring states have different legislation on labour relations or working conditions than the US, co-ordination may result in interstate compacts. In our opinion, a further examination of these compacts may be interesting for the EU, since it can provide new insight into arrangements between a limited number of member states experiencing a joint problem. As to the EU enlargement, this could present a view that allows for greater differentiation than a Europe of various speeds.

Key words: policy co-ordination, labour market policy, income security, labour relations

Introduction

With this article, we aim to contribute to the discussion leading to the next Inter-Governmental Conference of the European Union, in particular with respect to the position of the open method of co-ordination, *by providing relevant insights into policy co-ordination mechanisms in the field of employment and social affairs applied outside the European Union.* Insights into how various alternative policy co-ordination forms or structures actually operate in the field of employment and social affairs and the reasons why are highly relevant to the construction of an efficient and effective policy co-ordination method in the European Union.

Theoretically, there are a number of reasons to co-ordinate policies. From a welfare eco-

nomie point of view, co-ordination can help optimise the relation between governmental policy and the needs of the population, and as a result improve general welfare. From a transaction costs perspective, various countries will aim to work together if the transaction costs of working separately are high. Policy co-ordination can help countries reduce these costs.

Our research aim is to discover how policy co-ordination has been applied in countries outside the European Union, and to what extent the theoretical reasons mentioned above underlie the use of policy co-ordination in the field of employment and social affairs. For this purpose, we have selected three countries as our research subject, Australia, Canada and the United States. Because of the long history of federalism in these countries and the relatively large number of states in each of them,

* All the authors work at ECORYS-NEI in Rotterdam. This chapter is based on research for the Dutch Department of Employment and Social Affairs, reported in I. Vossen, M. Versantvoort and M. Peters (2003), *Sociaal-economische beleidscoördinatie in Australië, de Verenigde Staten en Canada*, Rotterdam - ECORYS-NEI.

we work from the assumption that policy co-ordination is an issue of political and academic debate there. The debate is assumed to contain relevant input for the discussion in the European Union. Moreover, the countries differ on a number of relevant aspects, e.g. the number of states, political organisation, and history of policy-making on employment and social affairs. We assume that because of the differences, valuable insight can be gained from each of the three countries. They each differ from the European Union in a number of relevant ways, in particular regarding the history of the polity. This is why insight should be considered in this perspective. This insight has been gained by studying literature on the subject and interviewing experts in the United States, Canada and Australia.

We focus on three areas in the field of employment and social affairs: active labour market policy, income security and labour relations. For each area, the following questions are posed:

- How are responsibilities and competences divided in the United States, Canada and Australia (legislation, policy making, implementation, and finance) and what are the reasons underlying this division?
- What co-ordination mechanisms or procedures are applied in the United States, Canada and Australia?
- What are relevant insights for policy co-ordination, notably through the open method of co-ordination, in the European Union?

This article is set up as follows. First we address the concept of policy co-ordination and how it is used in the European Union and the three countries. Then we present our research design and describe the division of responsibilities and competences among various actors in the areas of active labour market policy, income security and labour relations, the reasons behind it, and the co-ordination mechanisms applied. We compare our results on the three countries with the situation in the European Union. We end this article with a discussion of some possible directions for EU policy co-ordination in the field of employment and social affairs based on our research results.

Policy co-ordination: the concept

For the past few years policy co-ordination, especially via the open method of co-ordination, has been a subject of discussion in the European Union. The Lisbon conclusions indicate that the open method of co-ordination involves:

- ‘fixing guidelines for the Union combined with specific time-tables for achieving the goals (...) in the short, medium and long terms;
- establishing, where appropriate, quantitative and qualitative indicators and benchmarks against the best in the world and tailored to the needs of various member states and sectors as a means of comparing best practice;
- translating these European guidelines into national and regional policies by setting specific targets;
- periodic monitoring, evaluation and peer review organised as mutual learning processes’ (Presidency Conclusions, point 37).

These conclusions present the open method of co-ordination ‘as a means of spreading best practice and achieving greater convergence towards the main EU goals. The method – the European Council added – is designed to help member states to progressively develop their own policies. The method is not a means to achieve harmonisation. Member states use it to develop their own policies and to achieve co-ordination.’

The terminology of policy co-ordination is rarely used as such in the US, Canada or Australia. Instead the concept of federalism is used when co-ordination or convergence problems are discussed. Federalism refers to the principle that some policy matters fall under the authority of the states and others under the authority of the national government. It mainly relates to organisational aspects (Béland and Vergiolle de Chantal 2001; DiGiacomo 2001; Banting and Corbett 2002; Klassen and Schneider 2001; Simeon 2001 and Théret 1999).

In our definition of policy co-ordination, we take aspects of co-ordination as well as organisation into account. We define policy co-ordination as the organisation of responsibilities and competences for socio-economic policies or parts of them and the co-ordination of

intentions, ideas, decision-making, and the use of instruments by various actors to achieve policy goals.

Research design

To discover the mechanisms used to attune socio-economic policies in the United States, Canada and Australia, first we investigate the division of responsibilities and competences on different socio-economic policy aspects as it is defined based on the following notions:

- responsibilities: who is legally accountable for legislation, policy-making, implementation and finances?
- competences: who is legally in charge of legislation, policy-making, implementation and finances?
- legislation: what laws constitute the responsibilities and competences?
- policy-making: who determines policy?
- implementation: who carries out policy?

The answers to these questions grant insight into the diversity of the actors and their policy goals. Both the indicators are assumed to provide insight into the probability of actors attuning their policies. If actors do attune their policies, the mechanisms are defined by a number of dimensions:

- vertical versus horizontal co-ordination
- formal versus informal co-ordination
- structural versus ad hoc co-ordination
- bilateral versus multilateral co-ordination.

Vertical co-ordination occurs among actors at different aggregation levels, e.g. between the federal government and individual states or between state and local governments. Horizontal co-ordination occurs among actors at similar aggregation levels, e.g. among individual states. Formal policy co-ordination refers to the formal legal conversion of how tasks, responsibilities, targets and instruments are laid down in laws and rules (constitution, specific laws and secondary laws, i.e. ministerial rules). Informal policy co-ordination refers to consultation mechanisms not stipulated in laws or rules. Structural co-ordination occurs systematically and ad hoc co-ordination is incidental and depends on the specific case. Bilateral co-ordination occurs between two actors, and multilateral co-ordination among more than two actors.

Active labour market policy in the US, Canada and Australia

Definition

By active labour market policy we mean measures focused on stimulating labour market participation. It refers to labour market policies on the unemployed and the employed as well as non-participants that focus on activation and conduction and as regards the employed, on the prevention of unemployment and inactivity. We focus on *direct* active labour market policy and not on flanking policies such as those on child care. If specific labour market policies are applied to special groups, such as education for migrants, subsidies, or demotion policies for older workers, they are taken into consideration. General policies for special groups, such as general integration policies, are not taken into account.

Division of responsibilities and competences

In all three countries, the federal government is given a great deal of responsibility as regards areas of legislation and policy development. In recent years, there has been a process of decentralisation in policy development and implementation. Individual states now have considerable responsibilities in the development and implementation of policy, although legislation remains a federal responsibility (Béland and Vergiolle de Chantal 2001; Banting 1997; Block 2000; DiGiacomo 2001; Dingwall and Chipindale 2001; Lazar 2002; Ganzglass et al. 2001; Greenberg 2002; Inman and Rubinfield 2001; Mitchell 2002; Webster et al. 2000).

In the United States, the federal government provides the general policy guidelines. The individual states can develop and elaborate their own policies within this framework (Duerr Berrick 1998; Hage 2002; RAF 1997; OECD 1997, 1999c; US Department of Labour 2003). In Canada, the federal as well as the individual state governments are responsible for policy development. The division of responsibilities is laid down in agreements (Haddow 2000; OECD 1997, 1999b, 2001b, 2001c; Watts 1999; TBCS 2002; Théret 1999). In Australia, the federal government completely determines labour market policy (OECD, 1997, 1999a, 2001a).

Although policy development and implementation increasingly occur at a decentralised level, financing remains a federal matter.

In the US, the states receive block grants from the federal government to spend on active labour market policy (US Department of Labour 2003; Banting 1997; Greenberg 2002). The level of these grants depends on the specific needs of the states. In Canada, the states receive grants to finance their own programs (Dingwall and Chippindale 2001; Haddow 2000; Watts 1999; Van de Berg and Masi 2000). In Australia, the federal government finances projects and programs at the federal as well as the state level (OECD 1997, 1999a, 2001a).

Reasons

One important reason for the relatively sizeable role of the federal government in active labour market policy-making and legislation in the three countries has to do with the Depression in the 1930s. The state and local governments and charitable organisations could no longer develop and finance programs and the federal governments felt obliged to intervene and transfer responsibilities and competences to the central level (US Department of Labour 2003).

Several reasons are presented in the literature as underlying the decentralisation process in the US and Canada in the past decade. The first pertains to expected efficiency and effectiveness gains. Making state and local governments responsible for the contents of plans

and their interstate attuning was expected to improve the effectiveness of the plans. It was assumed that the needs of employers, employees and the unemployed are best understood at the lowest government level (US and Canada). In Canada, the state and local governments were made responsible for the contents of active labour market policy in an effort to prevent duplication, which could arise if the federal government and individual states initiated similar programs (Béland and Vergniolle 2001; Banting 2001).

The second reason has to do with the principle of subsidiarity, which aims to have decisions made as closely to the citizen as possible and to ensure that there are constant checks as to whether action at the federal level is justified in view of the options at the state or local level. The states alluded the principle of subsidiarity to make sure responsibilities and competences for active labour market policy were transferred from the federal government to the states (US and Canada) (Béland and Vergniolle 2001; Banting 2001).

The third reason is political-electoral and mainly refers to the situation in the US. Political parties, especially the Republican Party, felt that *less government* was a noble aim that could be concretized by transferring responsibilities and competences from the central to decentral levels. Decentralisation also made it

Table 1 Division of Responsibilities and Competences in the US, Canada and Australia: Active Labour Market Policies

	<i>United States</i>	<i>Canada</i>	<i>Australia</i>
Legislation	Federal government	Federal government	Predominantly at federal level, state level responsibility only for smaller projects
Policy development	Federal, state and local governments	Federal and state governments depending on type of agreement	Predominantly at federal level
Implementation	States and local governments and private organisations	Federal and state governments depending on type of agreement	Private organisations
Financing Mechanisms and procedures	Federal government Via State Workforce Investment Boards, Local Workforce Investment Boards and Local Youth Councils	Federal government Via bilateral agreements between federal and state governments or ministerial council	Federal government Via ministerial council
Type of co-ordination	Bilateral co-ordination	Information exchange	Information exchange

possible to cut down on active labour market policy expenses. Simultaneous to a change in the division of responsibilities caused by decentralisation, there was a change in the structure within which financing active labour market policies could be realised (Greenberg 2002; Inman and Rubinfield 2001).

Co-ordination mechanisms

The policy co-ordination mechanisms differ considerably in the three countries. In the US, there is a formal vertical and structural policy co-ordination method between the federal and state governments in the form of plans. Each state is required to set up State Workforce Investment Boards, Local Workforce Investment Boards and Local Youth Councils. Each board is required to submit a strategic five-year plan outlining how it plans to change the supply of employment and training services so as to comply with the legislation (Workforce Investment Act). State and local government activities have to be attuned in plans of this kind. There is also informal structural as well as ad hoc co-ordination via interstate meetings (National Conference of State Legislatures, National Association of Government Labour Officials). Bilateral as well as multilateral policy co-ordination occurs at these meetings (US Department of Labour 2003).

There is also formal as well as informal policy co-ordination in Canada. The federal and state governments make arrangements on the division of responsibilities and competences regarding active labour market policy, which they lay down in Labour Market Development Agreements. This form of formal policy co-ordination is vertical and structural. Through regular and ad hoc interstate meetings in the form of Ministerial Councils, informal co-ordination occurs that is bilateral as well as multilateral (Klassen and Schneider 2001; Banting 1997).

In Australia, policy co-ordination is less important, since the responsibilities and competences for active labour market policy lie entirely at the federal level. There is an exchange of information between the federal and state levels, mostly via interstate meetings (Ministerial Councils). The meetings are organised on a regular basis (OECD 1999d, 2001a, Webster and Harding 2002).

Income security

Definition

Income security refers to policies designed to provide income security in the event of unemployment, illness or disability. Risk-related benefits as well as specific additional benefits are included. Income security in relation to old age is not a topic here.

Division of responsibilities and competences

In the three countries, legislation and policy in the field of income security is mainly shaped and regulated at the federal level. It should be noted that income security provisions in all three countries and particularly in the US are limited in comparison to the EU.

In Canada, the individual states are responsible for shaping policy on social assistance benefits. In the US, the states are involved in policy development, but under the conditions set by the federal government. In the US, the individual states are responsible for implementing income security policies (Social Security Administration 2003). In Australia and Canada, the federal government is also responsible for implementation, except in the case of social assistance benefits in Canada. In all three countries, the federal government is responsible for financing (Banting 1997, 1998; Prince 2002; Mitchell 2002; Morel 2002).

Reasons

As in active labour market policy, the main reason for the sizeable role of the federal government in income security policy-making and legislation in the three countries goes back to the Depression and World War II. State and local governments and charitable organisations could no longer finance the programs. The federal governments felt obliged to intervene and transfer responsibilities and competences to the central level. The federal government was also expected to be the best prepared for income security programs. There have not been any significant changes in the division of responsibilities and competences since then (US Social Security Administration 2003; Banting and Corbett 2002; Bronheim et al. 1999; DiGiacomo 2001; Grewal and Davenport 1997; Mitchell 2002; Kenner 1999; OECD 1999a).

Table 2 Division of Responsibilities and Competences in the US, Canada and Australia: Income Security

	<i>United States</i>	<i>Canada</i>	<i>Australia</i>
Legislation	Federal government	Depending on benefits at federal (unemployment and disability) or state level (social assistance)	Federal government
Policy development	Federal and state governments	Depending on benefits at federal (unemployment and disability) or state level (social assistance)	Federal government
Implementation	States	Depending on benefits at federal (unemployment and disability) or state level (social assistance)	Federal government
Financing	Federal and state governments	Federal government (via transfers to states for social assistance)	Federal government
Mechanisms and procedures	Advisory councils on inter-governmental issues	Ministerial council	Ministerial council
Type of co-ordination	Lobbying, information exchange	Information exchange	Information exchange

Co-ordination mechanisms

Since income security is mostly a federal matter and the number of actors is automatically limited, there are only a few co-ordination mechanisms. In all three countries, despite the existing form of co-ordination mechanisms, in practice very little co-ordination takes place.

In Canada and Australia, the mechanisms are the ministerial councils of the Ministers of Employment and Labour. These councils meet once a year (consequently structural), mainly for the exchange of information. Barely any concrete actions result from these meetings. If agreements are made, they are non-binding declarations of intent. In all three countries, policy co-ordination is multilateral, involving various states and the federal government (Grewal and Davenport 1997, Australian Ministry of Intergovernmental Affairs 2003, US Social Security Administration 2003, Council of Ministers of Labour 2002).

In the US and Canada, the contents of income security policy and hence the level of benefits may differ from one state to the next. Australia has flat-rate benefits and no differences between states. In Canada, there are mainly differences as to social assistance benefits, and in the US as to all types of benefits. In the US, agreements are reached among individual states on social benefit levels. The agreements are made by states that are geographically close without any national involvement

(US Social Security Administration 2003; Banting and Corbett 2002; Bronheim et al. 1999; DiGiacomo 2001; Grewal and Davenport 1997; Kenner 1999; Lin 1995; OECD 1999a).

Labour relations

Definition

Labour relations refer to policies related to wage development and other working conditions. Important elements include the role of the government with respect to collective bargaining and the legal framework with respect to working condition such as working hours, equal treatment, protection in the event of dismissal, and minimum wages.

Division of responsibilities and competences

In all three countries, the federal and state governments are responsible for legislation concerning wage negotiations. In the US, the federal government drafts the main legislation. State laws are complementary and ensure that the collective agreements can be implemented under state legislation. In Canada and Australia, the division of responsibilities depends on the sector. The federal government is responsible for legislation concerning collective bargaining in the public sector (including state cross-border sectors such as postal services

and railways), and the state government for all the other private sectors. In addition, Australia has tribunals for the co-ordination of labour relations policies at the federal and state level. The tribunals determine the institutional context for labour relations. They arrange the wage negotiations and play the role of arbitrator if required. The Australian Industrial Relations Committee (AIRC) regulates labour relations at the federal level. A general minimum wage is fixed at the federal level without the involvement of the social partners. This minimum wage is usually adopted at the state level. In addition, there can be national wage cases in the tribunals for specific sectors. The minimum wages for these sectors are fixed during these cases. In all three countries, the state governments formulate Labour Laws on working hours, dismissal procedures, working conditions and minimum wages. In Australia, the federal government issues general guidelines

for these laws. Expenditures on labour relations are limited. The costs are jointly paid by the federal and state governments (e.g. Haddow 2000; Grewal and Davenport 1997; Ganzglass et al. 2002; DiGiacomo 2001; Banting 1997; OECD 1999b, 1999d, 1999e, 2000, 2001b).

Reasons

Legal reasons underlie the division of responsibilities and competences in all three countries. In the US, the Constitution is directive for the current involvement of the federal government in labour relations. The federal government's mediating role in labour relations as well as its limited legislative role are stipulated in the Constitution. In Australia, the Constitution gives the federal government limited possibilities so that the Australian Industrial Relations Committee (AIRC) and the individual states have a relatively large role in labour relations.

Table 3 Division of Responsibilities and Competences in the US, Canada and Australia: Labour Relations

	<i>United States</i>	<i>Canada</i>	<i>Australia</i>
Legislation	Wage negotiations: Federal and state Labour Laws: Federal and state governments	Wage negotiations: Federal and state governments, each in their own territory Labour Laws: Federal and state governments, each in their own territory	Wage negotiations: Federal and state governments, each in their own territory Labour Laws: Federal and state governments
Policy development	Wage negotiations: Federal and state governments Labour Laws: Federal and state governments	Wage negotiations: Federal and state governments, each in their own territory Labour Laws: Federal and state governments	Wage negotiations: Federal and state governments, each in their own territory Labour Laws: Federal and state governments
Implementation	Wage negotiations: Federal and state governments in conjunction with private organizations Labour Laws: States	Wage negotiations: Federal and state governments, each in their own territory in conjunction with private organisations Labour Laws: States	Wage negotiations: Federal and state governments, each in their own territory in conjunction with private organisations Labour Laws: States
Financing	Federal and state governments	Federal and state governments	Federal and state governments
Mechanisms and procedures	Various consultation bodies with government officials	Ministerial consultation (council)	Consultation between the actors and ministerial consultation (council)
Type of co-ordination	Lobbying, information exchange	Information exchange	Information exchange

In Canada, the Constitution also determines the current division of responsibilities and competences. In addition, several legal judgments further determine the responsibilities and competences of the state and federal governments.

Co-ordination mechanisms

The co-ordination mechanisms in this field are weak in all three countries, especially since the actual negotiations are conducted at a decentralised level. In Australia as well as Canada, ministerial councils in this field are used for the exchange of information. In Australia, the councils can also formulate policy recommendations or make agreements on policies to pursue, though the agreements are not binding. There are also regular consultations between the tribunals in Australia. Once again, the consultations have not been formalised.

In the US, there are a number of informal mechanisms for policy co-ordination, notably in the form of lobbying, i.e. the ILSA and the NAGLO. The ILSA or Interstate Labour Standards Association is an organisation of state Labour Department officials. Members of this organisation are responsible for administering and enforcing state labour laws. The laws pertain to child labour, dismissal procedures, employer or contractor registration, workplace safety and health, wage protection and collection statutes covering wages and fringe benefits, minimum wages and overtime, prevailing wages, and other related laws. In most states, this responsibility lies with the state's Labour Department or some similar agency. The purpose of the ILSA is to encourage and assist in improving the administration of the laws and regulations by exchanging information on labour standards among the member states. The NAGLO, the National Association of Government Labour Officials, is an association consisting of the chief officials in each state in the US responsible for overseeing the labour laws. The NAGLO strives to assist each member of the Association by providing relevant knowledge, helping to establish a nation-wide network of contacts with their peers to facilitate the exchange of information, and representing the views of the state officials 'in Washington'. Policy co-ordination in this field can be considered multilateral in all three countries, since all the states are always involved.

The EU and the three countries compared

Similar reasons – different structures

In line with the expectations formulated in the Introduction in the US, Canada and Australia, the expected efficiency and effectiveness gains appear to be important reasons for policy co-ordination in the field of employment and social affairs. Moreover, these arguments are both used to defend the sizeable role of the federal government in social affairs and the increasing role of lower levels of government in employment policy.

The role of the policy context

No adequate comparison between the EU and the three countries studied here can be drawn without first considering the huge differences in their historical and political context. In the three countries, socio-economic policy emerged after the position of the federal government was firmly established. In view of this and especially regarding the required resources, socio-economic policy largely became a federal issue after it came into being. The unification of Europe however is still an ongoing process with an ongoing debate between the champions of relatively loose inter-governmental cooperation and the proponents of a system with more and more powers transferred from the national to the interstate level. Socio-economic policy was firmly rooted in national traditions when the EU came into being. The open method of co-ordination now applied in various socio-economic fields is generated by this context, and in an international perspective turns out to be a relatively sophisticated and unique form of policy co-ordination.

Central versus decentralised

The reasons for assigning a strong role to the federal state are mainly legal and historical. Our study has not provided any clear indications that economic efficiency or optimum welfare considerations played a role in the three countries when this choice was made. In fact, though the argument in favour of greater centralisation in the EU, motivated by considerations of this kind, is a strong one, in all three countries the decentralisation of socio-economic policy is slowly taking shape. One reason underlying this process of decentralisation pertains to the expected efficiency and ef-

fectiveness gains, mainly in the field of active labour market policy.

Vertical versus horizontal

In as much as there is any policy co-ordination in the three countries, it can be characterised as vertical, mostly bilateral co-ordination, unlike the case in the EU, where horizontal co-ordination is dominant.

Policy competition

One would expect decentralisation to be accompanied by policy competition, e.g. individual states introducing lower minimum wages to attract investors. This study has not yielded clear indications of this happening in the three countries. In Canada, different levels of social assistance benefits and minimum wages do not seem to result in migration from one state to another. More information may however become available if more extensive research is conducted. The interstate compacts in the US might be an indication of a potential for policy competition.

Financial instruments

Unlike the case in the EU, the federal governments in the US, Canada and Australia directly collect taxes from their citizens and are thus the main financiers of labour market measures and social security schemes. The federal governments consequently have an additional instrument for global steering at a distance by imposing conditions on the financial support they provide to individual states. The EU has the ESF and the Community Initiatives as financial instruments in the field of socio-economic policy.

Directions for EU policy

Active labour market policies

This study presents some interesting examples of possible divisions of responsibilities in the field of active labour market policies:

- strong central steering via legislation and financing in combination with limited decentralised policy development and implementation (United States);
- bilateral agreements on the division of responsibilities between the federal and state governments (Canada);

- virtually complete centralisation of legislation and policy development combined with privatised implementation (Australia).

In the EU, these options probably do not seem feasible at the moment. In part, they even go against the general principles the Convention debates are based on. A more thorough examination of the Canadian bilateral agreements might however serve as a source of inspiration for an alternative to the all-or-nothing opting out constructions currently applied in EU social policy.

Another interesting finding also pertains to Canada. The Canadian federal government uses its influence to force the national and local authorities to co-ordinate their policies. This immediately brings to mind how local authorities have become increasingly involved in for example the National Action Plans for employment. A closer inspection of the Canadian situation in this respect might lead to insights that are useful to the EU member states, which are increasingly torn between centralisation in the EU and decentralisation at home.

A third interesting finding pertains to the United States, where the federal administration divides block grants for active labour market policy among the states in proportion to their needs, as they are operationalised in the plans. Analogously, in the future the ESF funds could be assigned to the member states to enhance efficiency and effectiveness.

Income security

Income security is the field where the EU and the three countries differ most. Unlike the case in the EU, social security is largely a federal matter in terms of policy and financing in the US, Canada and Australia.

However, the decentralised social assistance provisions in Canada may be of some interest to the EU. Although the federal government provides the financial means, the individual states design the schemes themselves. When the federal government cut back budgets for social assistance and health care, the states set up the Council on Social Policy Renewal. In addition to the state ministers, the responsible federal minister has a seat on this council. A framework agreement has been concluded between the federal government and the states. Although the states have some serious reserva-

tions about the agreement, it is one of the most highly developed instruments for policy co-ordination encountered in this study. The fact that promoting the mobility of individuals between states is one of the subjects covered by the agreement is of particular interest to the EU. A comparison of Canadian and EU practices is also warranted by the fact that a review of the agreement is foreseen. A transatlantic peer review could be organised to further and support policy co-ordination in this field.

Labour relations

The United States is the most interesting example as regards policy co-ordination in the field of labour relations. The policy co-ordination in this field is of an informal nature (information exchange), but it takes place on a structural basis. As is noted above, the two most important platforms are the Interstate Labour Standards Association (ILSA), and the National Association of Governmental Labour Officials (NAGLO). This type of organisation may also be of interest to the EU.

In addition, ad hoc and bilateral formal co-ordination takes place when neighbouring states have different legislation in the field of labour relations or working conditions. This co-ordination may result in interstate compacts (written agreements between two or more states). A further examination of these compacts may be interesting for the EU because it can grant new insight into agreements between a limited number of member states that experience a joint problem or would like to pursue more intensive co-ordination. In view of the EU enlargement, this may offer a perspective that allows for more differentiation than a Europe of two speeds.

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- Ministry of Intergovernmental Affairs Web site: www.mia.gov.on.ca
- Social Sciences and Humanities Research Council of Canada: www.sshrc.ca/web/apply/programdescriptions/federalismfederations/overview
- Social Union: www.socialunion.gc.ca
- The Asian Resource Centre for Decentralization: www.decentralization.ws

United States

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Australia

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