



POLICY RESEARCH INITIATIVE HORIZONS

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EMERGING DEVELOPMENTS AND KNOWLEDGE IN PUBLIC POLICY RESEARCH

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Welcome!

There can be no doubt that the Canada-US border plays an important role in shaping North American relations. International boundaries are a central political concept that defines the economic, social, and cultural space in which governments make and

implement policy and in which we live. The border helps define who we are as Canadians. It is also a point of convergence for security and trade policy; how does one facilitate the flow of goods and people through the border and at the same time provide protection for

Canadian and US citizens? The discussion surrounding the future of the Canada-US border is a mixture of security, politics, identity and trade. This issue of *Horizons* examines perceptions from both sides of the Canada-US border, as well as upcoming challenges in a global world.

Global Transformation: *Politics, Economics and Culture*

"... the late twentieth century is marked by a significant series of new types of 'boundary problem.' We live in a world of 'overlapping communities of fate,' where the trajectories of each and every country are more tightly entwined than ever before. Given this, new types of boundary problem follow. In the past, of course, nation-states principally resolved their differences over boundary matters by pursuing reasons of state-backed, ultimately, by coercive means. But this power logic is singularly inadequate and inappropriate to resolve the many complex issues, from economic regulation to resource depletion and

environmental degradation, which engender – at seemingly ever greater speeds – an inter-meshing of 'national fortunes.' **In a world where powerful states make decisions not just for their own people but for others as well, and where transnational actors and forces cut across the boundaries of national communities in diverse ways, the questions of who should be accountable to whom, and on what basis, do not easily resolve themselves.**"

David Held, *Global Transformations: Politics, Economics, and Culture*, (Stanford: Stanford University Press, 1999).

Policy Reflections

"The meat of the buffalo tastes the same on both sides of the border"

Sitting Bull,
Chief of the Sioux,
who stopped in Canada in
the aftermath of the Battle
of Little Big Horn, 1876.

Next Up!!!

Even if we are not directly touched by it, crime can have a profound impact on individual and collective well being. The next issue of *Horizons* will look at crime in Canada and its implications for public policy, including international and cross-border crime, restorative justice, alternatives to the judicial system, youth crime, suppression and prevention of crime, law enforcement and national security. If you know of any research work or programs that might be of interest to readers, please contact d.wolfish@prs-srp.gc.ca or p.morin@prs-srp.gc.ca, or call (613) 947-1956.



Executive Brief



Some Borderline Thinking

“Globalization is to us what the depression, industrialization, the National Policy and building the welfare state were for our public service predecessors. Quite simply, it is the dominant public service challenge of our generation.”

Mel Cappe, Clerk of the Privy Council
“Fonctionnaires sans frontières: Operating at the Speed of the Public Interest” a speech to the Association of Professional Executives of the Public Service of Canada, May 31, 2000

If globalization is knitting together nations as never before, then it is at borders that we see the seams and stitch work. Overlapping sovereignties collide with the globalization imperative, creating a multi-layered challenge to governance and policy regimes. This imperative is felt keenly at the meeting place of perhaps the world's most complex economic, social and cultural relationship: the Canada-US border.

Despite the 49th parallel's importance to well being in Canada and the United States, the border has sometimes been a secondary factor in policy development. Perhaps this is a sign of success.

Yet, such success can breed complacency. As globalization and North American integration deepen, the interaction and knitting together of economic, social and cultural policy regimes are likely to come under increased strain. The policy challenges are staggering and range from exploding trade flows along the trans-boundary regions of Vancouver-Seattle, Niagara-Buffalo and Windsor-Detroit to food safety, common defence, intellectual

property, and the murky world of cyber-crime. Moreover, it is not enough to attend to the policy knitting. Citizens expect our borders – our policy sovereignty – to mean something, if not to prevent then at minimum to filter. Even in its largely benign form, the clash of globalization and nationalism remains potent; no less so because of the persistent power asymmetries that pervade Canada-US relations generally.

Fresh thinking is required to reshape the 20th century Canada-US border for the 21st century. Consider the following policy questions:

- What do borders mean in a potentially borderless world?
- When should Canada and the United States harmonize border policies? How might a continental border be developed?
- How can natural cross-border economic and social interactions and interests be fostered and promoted?
- What does the border look like in cyberspace?

In effect, borders are places where the policy issues emerging

from globalization surface and converge. Competing policy priorities must be weighed and balanced to provide the optimal mix of facilitation of beneficial cross-border flows and protection from sources of danger. What makes this policy area so exciting is the possibility of rethinking old handiwork and starting afresh. In parts of Europe, policy developers are challenging traditional approaches in such areas as immigration, regional development and the transformation from “physical” borders to “virtual” ones. In North America, priorities for research and policy discussions include transportation, movement of people, and public safety.

We need to further develop our understanding of what the Canada-US border is and what it has the potential to become. For more than a century the Canada-US border has been a model to the world. If that is to continue, we must be open to new thinking to address “dominant public service challenge of our generation.”

Laura A. Chapman,
Executive Director,
Policy Research Secretariat

For more “borderline thoughts,” you may wish to attend the conference “Rethinking the Line: The Canada-US Border” to take place October 23-25, 2000 at the Waterfront Centre Hotel in Vancouver, British Columbia.



The Canadian Policy Research Awards

The Policy Research Secretariat is pleased to announce the Second Annual Canadian Policy Research Awards, which honour and celebrate talented individuals who work to create and disseminate policy research knowledge. This is your chance to recognize colleagues from Canada's research community for



their work in advancing knowledge and promoting its use in public policy development. We welcome nominees from academia, think tanks, government, the private sector and non-governmental organizations. This year we have added three new awards to last year's three for a total of six award categories:

The Career Achievement Award honours leadership in the Canadian policy research community.

The Media Award honours excellence in the analysis and communication of policy research by the media.

The Suzanne Peters Citizen Engagement Award honours those who help give Canadians a greater voice in shaping future public policy.

The Knowledge Broker Award recognizes innovative practices in the integration and dissemination of policy research.

The Outstanding Research Contribution Award recognizes the need for high calibre research in policy making.

The Graduate Prizes celebrate the 'next generation' of researchers who have demonstrated the potential to make a contribution to public policy development.

Please visit our website at: <http://policyresearch.ca/awards-prix/main-e.htm> for eligibility information, nomination details and closing dates.

Upcoming Events



| DATE | EVENTS | DATE | EVENTS |
|----------------------|---|------------------|--|
| SEPT. 14, 2000 | Transformation in the Family and Implications for Social Cohesion The Third Social Cohesion Workshop for the year 2000, jointly presented by Justice Canada and Health Canada, addresses the implications for the welfare of Canadian children of recent far-reaching transformations in families. To explore this issue, presenters will draw upon data from the National Longitudinal Survey of Children and Youth, General Social Survey of Family and Friends, and the Survey of Consumer Finances. For more information, please contact Michael MacKinnon m.mackinnon@prs-srp.gc.ca . | OCT. 22-25, 2000 | Rethinking the Line: the Canada-US Border Sponsored by the Government of Canada, this conference will examine the Canada-US border from a variety of policy and disciplinary perspectives, including transboundary issues, e-commerce, trade, culture, environment and security issues. The conference will take place at the Waterfront Centre Hotel in Vancouver and will be preceded by a day of data workshops organized by Statistics Canada. For more information, please contact Roger Roberge at r.roberge@prs-srp.gc.ca or consult the PRI website http://policyresearch.gc.ca . |
| NOV. 30-DEC. 1, 2000 | | | National Policy Research Conference The Policy Research Secretariat is pleased to host <i>canada@the world</i> , the third annual policy research conference at the Westin Hotel in Ottawa. The conference will be comprised of plenaries, keynote speakers, invited papers and contributed papers. |



Guest Columnist

Interstate Boundaries: *Some Reflections*

SHIFTING BOUNDARIES, OVERLAPPING JURISDICTIONS

Today, there is a great deal of questioning about the future of territorial state, and therefore it is valuable to look back at the evolution of the international order. Political life has not always disclosed a clearly defined system of international boundaries: medieval Europe and pre-colonial Africa operated largely without them. The map was not yet a patchwork of different colors. There were as yet no "exclusive sovereignties," but rather, authority over territorial spaces was overlapping and shifting. There was a world of multiple overlapping juridical identities. An individual was at one and the same time a subject of different authorities where jurisdictions were often not entirely clear.

A LOOK BACK: FROM WESTPHALIA TO THE AGE OF COLONIALISM

The birth of the modern interstate system and international boundaries is often dated to the 1648 Peace of Westphalia. The political change from medieval to modern involved the construction of consolidated, delimited territorial states. Initially, the legitimacy of interstate borders was defined in dynastic terms: state territory was the exclusive property of ruling families.

After Westphalia, control of territory was governed by rules of

inheritance, marriage, war, conquest, colonization, and purchase. In this international order controlled by dynasties, the familiar patchwork map of the world was put in place. Even at that, precisely surveyed national borders only came into clear view in the eighteenth century. The popula-

"...international boundaries not only separate states but also bind and even unite them. States with mutually accepted borders are best able to cooperate with each other in order to assure security and welfare for their populations..."

tions of these early modern states were, however, culturally diverse and politically disorganized as they had been during medieval times. Most people were not collectively identified by state borders, which moved back and forth without regard for local populations.

The practice of drawing boundaries in disregard of the people living in the territories was extended from Europe to the rest of the world during the age of colonialism, including in North America. All of this was often carried out with little attention to the cultural and ethnic character of the indigenous peoples. Because the colonies were more ethno-culturally diverse than most other territorial

jurisdictions, the borders that delimited them were even more emphatically juridical in character.

THE RISE OF NATIONALISM

The nineteenth and early twentieth centuries were, of course, the age of nationalism. Nationalism supported the precept that a territory belonged to a nation and it was wrong to take the land from a nation. Nationalism, however, also provided grounds for a national grouping in one state to secede from or to unite with its ethnic compatriots living in other states. The age of nationalism was an era of tailoring state boundaries to fit the nation, and this produced a great deal of international instability and questioning as to the desirability of promoting a world of ethnic nations.

When people have spoken of "nations" over the past century and a half, they have often thought of and supported "civic nations," not "ethnic nations." The people of civic nations have a "political nationality," which means that they are the citizens of the same state and the subjects of the same government. Many states have a majority population who share a common ethnicity, but most states in the world that have come into existence as a result of decolonization are multi-ethnic. That does not affect the legitimacy of their borders, however, which define the population as a political entity regardless of

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their cultural diversity. To change boundaries arbitrarily is to re-define the people and their political nationality.

THE MODERN PUZZLE: THE LEGITIMATION OF BORDERS

What distinguishes the post-1945 era from previous eras is the legitimation not merely of existing sovereign states, but also their particular borders. In other words, there is increasing support for the civic nation, as opposed to ethnic nation, in the construction of the world political order. In the post-Second World War period, an understanding has developed that respect for interstate boundaries are for the benefit of all peoples. Today, states are more respectful of each other's territory and identity than in the past. This lead us to ask the following question: why is there so much talk nowadays about the growing irrelevance of boundaries in a world where

goods, information and peoples are crossing state lines in growing volumes and where international regimes govern an increasing number of international issue-areas?

The puzzle is dissolved once we realize that international boundaries not only separate states but also bind and even unite them. States with mutually accepted borders are best able to cooperate with each other in order to assure security and welfare for their populations, and international economic transactions cannot operate without state political and legal support. It is crucial that there are political units that can apply norms and rules that make productive economic relations and stable social relations possible on the international plane. States are those units, and for the foreseeable future it is difficult to imagine any alternative to states in that regard.

A LOOK AHEAD: A WORLD WITH BORDERS

As the twenty-first century dawns, there is little possibility that the world of states will evolve into one universal political entity. A global neighbourhood may be arising in which humans everywhere are rapidly expanding their interactions and transactions in spite of international boundaries. It would be a mistake, however, to conclude that global transformation is the death knell of territorially defined sovereign states. If anything, the growth of global commerce confirms the sanctity and utility of such states.

Mark Zacher,
 Professor,
 University of British Columbia

For more information on international boundaries see: Mark Zacher, "The International Territorial Order: Boundaries, the Use of Force, and Normative Change," *International Organization*, Forthcoming in 2000.



Bookmark



Mid-Atlantic Drift

"Much to the chagrin of Canadian nationalists, the United States exercises a great attraction on their country. American cultural influence, evident for generations, is a good reflection of this phenomenon, which in all probability will not abate in the years to come, despite the cultural protection built into the 1988 Free Trade Agreement.

[...] At the political level, the influence of the United States on Canada and Quebec seems significant, regardless of the fact that this is undoubtedly the area in which differences between the two countries are the greatest. It is only necessary to recall, in domestic policy, the adoption of vari-

ous practices (caucuses, leadership conventions, televised debates and so forth) as the 20th century progressed. **The ongoing influence of the United States north of the 49th parallel is also evident in the field of foreign policy: for example, certain Canadian isolationist and internationalist positions during the century clearly indicate the absorption of ideas or at least the impact of pressures from the United States.** [Translation]

Bernard Lemelin, "Au-delà de l'américanisation culturelle : les influences politiques et économiques des États-Unis sur le Canada et le Québec, 1867-1988", *Variations sur l'influence culturelle américaine*, ed. by Florian Sauvageau, (Sainte-Foy : Les Presses de l'Université Laval, 1999), pp. 112-113.



Eyewitness



Toward a Borderless North America

IMAGINE THE FUTURE

What if we were to examine each specific function that occurs at the border, and identify those that absolutely must take place at the borderline? What if a cost-benefit analysis were conducted for moving various functions (e.g., customs, migration, etc.) away from the border? Imagine what borders in North America might look like 10 to 15 years from now. Technological and risk-management approaches

and collaboratively about common interests and were developing processes and institutions that give substance to the concept of devolution. The goal, then, was threefold: 1) to better understand how communities that straddle national borders manage a variety of common challenges; 2) to share these findings with a variety of stakeholders, including federal governments; and 3) to make the case for broadening local participation in decision making on this issue.

“Imagine what borders in North America might look like 10 to 15 years from now. Technological and risk-management approaches could render borders, as we currently know them, obsolete, with potential benefits for the local communities that have to live with the realities of an international border.”

The first phase of the project involved field-work to catalogue existing cross-border and border self-governance initiatives along five international borders, seeking to understand their origins and the key actors behind them and abstract their common elements. During the second phase, the project held two regional seminars, one on the Canada-US border

could render borders, as we currently know them, obsolete, with potential benefits for the local communities that have to live with the realities of an international border.

and one on the Mexican-US border, to discuss existing border arrangements and ways in which these arrangements might be improved or replicated. Participants in these seminars included principals of the most important border initiatives, relevant community and business leaders, researchers, and local, provincial/state, and federal officials.

The Carnegie Endowment for International Peace hosted the concluding event of the “Self-Governance at the Border Project” on June 16 in Washington, DC. The conference, “Managing Common Borders: North American Border Communities in the 21st Century,” provided an opportunity to share project results with a broad policy audience, as well as other interested parties, including central government officials, community-based organizations, researchers and the media.

IDENTIFYING BEST PRACTICES

On June 16, officials from all three NAFTA countries, as well as academic experts, NGOs and private sector representatives from North America, Europe and Russia gathered for the final phase of the project. Participants had an opportunity to review the findings, along with the results of the seminars, and discussed the policy recommendations made. The goal was to lead to the identification of “best practices,” alternative approaches, and new thinking about managing borders in ways that incorporated the vantage point of border communities, as well as to a conversation about how borders might be reconceptualized in the years ahead.

GOALS OF THE PROJECT

The international, comparative project grew out of a concern that policy making about borders and their management was taking place in the national capitals, in many ways with little systematic attention to the realities and priorities of local interests that would be affected by these decisions. The project organizers hypothesized that communities on both sides of a common border were thinking creatively

The overall findings of the project suggest that borders are not just the most direct physical

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manifestation of “statehood” and sovereignty. They are also tied up with competing policy priorities that simultaneously expect them to allow the swift and efficient passage of legitimate people and products while stopping, unerringly, illegitimate traffic and undesirable products. The project’s research has pointed a spotlight to another, and typically ignored, facet of borders: as concepts which, in their practical manifestation can at times divide communities, exacerbate differences in approach between localities and national governments, and interfere with the ability of public and private sector “on the ground” actors to pursue their own paths toward ever greater integration.

A NORTH AMERICAN “PROJECT”

What is suggested by the Carnegie Endowment’s findings is whether there exists already support,

or whether support can be generated, for a bold vision of a North American “Project.” Such a vision imagines the NAFTA’s internal borders gradually becoming irrelevant to the point where their abolition could proceed without any real compromise in any of the important security or revenue collection priorities of each partner. The vision also imagines remarkably small actual losses in “sovereignty” for any of the partners and democratic surpluses for all three partners.

The Carnegie Endowment for International Peace will be publishing the research findings from all the borders in the study. The draft executive summary of the report can be found at the following web address: <http://www.ceip.org>.

From the Cyberzone



Beyond the Canada-US Border: *International Relations in Review*

Border issues are not confined to North America, but are integral to a group of factors which mould international and bilateral relations. Below you will find some links which provide an external perspective on both the Canada-US border and relations between the two countries.

THE 49TH PARALLEL FROM AN INTERNATIONAL PERSPECTIVE:

<http://artsweb.bham.ac.uk/49thparallel/abtmain.htm>

The University of Birmingham has an online journal of Canadian and US studies, *49th Parallel*. This interdisciplinary journal provides a forum for academics and researchers to publish articles, exchange views and learn about various aspects of North America from the 19th century to the present. The analyses in its pages cover North American history, politics, international relations, culture, literature, media and sociology. This is a valuable source of information for anyone interested in the Canada-US border from a multidisciplinary viewpoint. The *49th Parallel*

web site also offers an interesting selection of Canadian and US links relating to history and international relations.

<http://www.people.virginia.edu/~rjb3v/rjb.html>

Foreign Affairs Online offers a US perspective on international relations. The main purpose of this site is to assist students and researchers interested in international relations, including cross-border relations between countries, and US foreign affairs. As well, the site has an index and a list of links to a large number of US and international agencies interested in regional conflicts and international relations. It is also possible to find many sites on international law, human rights, cartographic information and more. The site is also designed to be a gateway to a large number of study and research centres around the globe. Foreign Affairs Online is useful mainly to people looking for a comprehensive source of references and resources on various aspects of international relations.



Guest Columnist

Fear and the New Frontier: A US Perspective on the Canadian Border

A FRONTIER THAT SHAPES OUR FUTURE

The Canada-US border is more than just a line separating Canadians and Americans. The border is the frontier that will shape our understandings of both countries in the twenty-first century, as it did for the past two centuries.

Underlying economic integration, underway long before the Canada-US Free Trade Agreement came into force, is a dream. The dream consists of prosperity, freedom and continued warm relations between Canadians and Americans. It is a dream that we have been realizing for some time now. Accompanying this dream is a fear in both countries, reflecting our own national insecurities, of the intimacy that the new relationship brings. It is normal that the growing closeness of the Canada-US relationship has produced some jitters.

THE AMERICAN OBSESSION

The United States, as powerful as it is in the post-Cold War world, worries about its security. While Canadians scoff that a country so strong should fear an attack, in the United States security is a national obsession. We still embrace the myth of rugged individualism, whereby an individual must protect his family and property against all comers.

This translates into widespread support for the largest military expenditures in the world at a time of peace. It is noteworthy

that both major presidential candidates are promising to spend even more on national defence. Moreover, the United States hosts the largest percentage of the population incarcerated of any OECD country. This is made possible by a prison construction boom and robust spending on policing, even in quiet suburbs hosting gated communities. Finally, for millions of Americans, the last line of defence is a gun in the bedside table – an ardently embraced constitutional right. Obsession with security is not a passing trend. It is a reflection of American thinking that has been on display since the colonial era.

NORTH AMERICAN INTEGRATION AND AMERICAN FEARS

Fears of insecurity are now triggered by deepening integration with Canada. The arrest of Ahmed Ressam, accused of planning to bomb the Space Needle in Seattle, drew attention to the ease with which the border can be crossed.

A similar scare came during the 1997 trial of a group of men convicted of plotting to bomb the New York City subway system. One of the conspirators was on a list of suspected terrorists to be denied entry to the United States. After being denied entry at a US airport, he later flew to Montréal and drove to New York in a rented car without difficulty. Congress reacted by calling for tighter restrictions at the Canadian

border, resulting in the controversial Section 110 of the US Immigration Act. Section 110 has since been replaced with a less draconian measure.

Other threats from Canada include cybercrime, as demonstrated by the case of a Montreal teenager – a.k.a. Mafiaboy – who shut down the web sites of CNN and other media outlets with a coordinated attack. Before that, legislation passed by Congress to stop telemarketing fraud was thwarted when several of the major offenders relocated their scams to Canada.

In most of these cases, Americans are not threatened by Canadians, but by the perception that Canadians are not securing their part of the integrated society, and that our relationship is so open that it can be used against us.

THE CANADIAN OBSESSION

While Americans worry about security, Canadians face a different fear as integration deepens: identity. Integration has an assimilating effect. The more integrated our countries become, the more consumers hear about new products or services and demand them locally – giving large firms with the ability to meet these wants an advantage. Soon, shopping malls in Calgary and Dallas will be indistinguishable. Cable offerings are diverse, but offer similar menus of options in Toronto and Chicago. E-mail pals in San Diego and

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St. John's compare notes on the latest blockbuster movie or the latest Backstreet Boys and Shania Twain album. What does Canadian mean in this environment?

Many claim that Canadian identity is slipping away in a tide of integration. Americans scoff

of its trade going to the United States, many of the good and bad consequences of globalization seem to come to Canada from south of the border. For the United States, to a degree few Americans yet realize, globalization now wears a Canadian face.

Suddenly, at the Canadian border, Americans are discovering the challenges of openness. The US government is frustrated that it cannot protect American citizens and their interests in an open, continental economy without Canadian help. It has been a long time since Americans asked another country for help. We may have forgotten how to do so with grace and humility, as our grandparents did.

“For Canada, globalization wears an American face. With more than 80 percent of its trade going to the United States, many of the good and bad consequences of globalization seem to come to Canada from south of the border. For the United States, to a degree few Americans yet realize, globalization now wears a Canadian face.”

A NEW FRONTIER

This is why the Canada-US border at the dawn of the 21st century is a new frontier for both countries. The reality of our separate and equal sovereignties, and that of our profound mutual interdependence, will be met there. To cope with deep integration, both countries must stop scoffing at the other's fears about the dangers of our national intimacy. Globalization is a phenomenon that neither country can reject, deny or resist. The first step in meeting these challenges is to acknowledge our fears for what they are. Then we must work to overcome them.

that a country whose citizens are ubiquitous in both our popular and elite cultures could worry about a lack of culture. It is fair to say, however, that in Canada, cultural identity is a national obsession. From beer commercials to the earliest Canadian literature, it is a question that animates Canadians like few others.

THE TWO FACES OF GLOBALIZATION

There is a larger phenomenon at work in both cases. For Canada, globalization wears an American face. With more than 80 percent

Since the end of the Cold War, countries around the world have grappled with the challenges of globalization: governments becoming weaker, markets becoming stronger, and information and capital moving faster. The United States has largely lived in denial of globalization's impact. Its government has been so strong that the public has not noticed it weakening. Many view globalization as the handmaiden of American hegemony – a powerful force that works for our interests, not against them.

Christopher Sands,
Director,
Canada Project,
Center for Strategic and
International Studies



His analyses of Canadian affairs and Canada-US relations are on the CSIS web site, <http://www.csis.org>.



Eyewitness



What's A Country For?

SOCIAL POLICY AND THE INTERNATIONAL MARKET PLACE

Discussions in Canada of a closer relationship with the United States can digress into expressions of anxiety among Canadians. A harmonious relationship is acknowledged as beneficial, even critical, to a vigorous Canadian economy; but the loss of policy autonomy and identity are frequently listed as the necessary sacrifices to enable this close partnership. **The state is seen as pivotal in mitigating the trade-offs of this broad-based economic relationship and in preparing Canadians for the competition of the global marketplace. Is this not what a country is for?** Does not the state have a responsibility to set social policy that protects society from the vagaries and fluctuations of the global economy?

In his presentation *What's a Country For?*, part of Industry Canada's Distinguished Speakers in Economics Series, Keith Banting addressed the question of the role of the state in an era of globalization. In his address, Banting examined embedded liberalism – the postwar package of social and economic policies in OECD countries – and provided an assessment of the implications of economic integration in North America for social policy. He concluded by offering his thoughts regarding the priorities for future government action.

THE CHALLENGE OF THE JANUS-FACED STATE

Banting began his discussion by noting the Janus-faced nature of the state. Referring to the work of Theda Skocpol, a Harvard scholar, Banting maintained that the state has “an intrinsically dual anchorage in domestic society and the international system.” The state must, at once, be responsive and accountable to its citizens and interact in the international arena. The latter of these two responsibilities requires governments not only to maintain relations with foreign governments, but also negotiate international treaties and comply with their international obligations. Thus, a government's challenge is to balance between domestic and international domains. For example, the challenge for the

state is to engage fully in the global economy while still preserving a distinctive national approach to the social contract.

THE POSTWAR ANSWER: EMBEDDED LIBERALISM

In the postwar period, the international norm of embedded liberalism reflected the Janus-faced nature of the state in that it enabled countries to engage in the global economy and, at the same time, build a distinct set of national social policies. In many respects, embedded liberalism was a concerted international response to the economic and political instabilities characteristic of the 1930s. Agreed upon by the major political and economic powers in the postwar period, embedded liberalism presented a policy package where a liberalization of the international trading regime took place along side the expansion of distinct national social security protections.

In contemporary times, however, it seems as though the international norm of embedded liberalism has been undermined. The pressures exerted by international economic integration and over a decade of domestic neoliberal economic reform throughout the OECD have eroded the embedded liberal compromise between the provision of national social security and international economic liberalization. Banting noted that some scholars argue that increased global economic competition has narrowed the scope for autonomous social policy choices. In other words, there is pressure to harmonize both national economic and social policy throughout OECD countries.

ROOM TO MANOEUVRE

However, there is much evidence, Banting argued, to support the contention that much room exists for autonomous political choice. In his research, Banting found that when confronting international economic pressures, the OECD countries have adopted varying social policies. While there was a marked convergence in the number and type of problems to be addressed, social policy among OECD countries did not appear to be converging. Thus, one answer to the

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question *What's a Country For?* appears to be that the state is an instrument for reflecting distinctive cultures and politics.

CANADA'S RESPONSIBILITIES FOR A NEW CENTURY

Banting concluded by arguing that a state, Canada in particular, has room for making distinct social policy decisions. Whereas significant economic constraints do exist, domestic politics, and not economic imperatives alone, will decide whether there is a convergence of Canadian and US social regimes. Finally, Banting advocated a new norm of embedded liberalism, one that emphasizes a form of

social protection appropriate to a new century. This new form of social protection would be predicated upon the view that the security of a state's population is not one that only serves to protect from external shocks but rather one that invests in the human capital of its citizenry from early childhood development to education and training. **The social contract of the postwar period saw the state's role as one of providing for a citizen's right to security. The new social contract of the twenty-first century should be posited as enabling citizens to build human capital.**

Keith Banting, *What's a Country For?—Globalization And Social Policy In The 21st Century*, January 28, 2000.

From the Front Benches

"As the new century dawns, Canada and the United States are both committed to ensuring that the 49th parallel remains a model border partnership not only for North America, but also for the rest of the world."

Lloyd Axworthy, Minister of Foreign Affairs and International Trade, <http://www.dfait-maeci.gc.ca>, July 2000.

"All too often, we in the United States take our relationship with Canada for granted. We tend to focus more on domestic issues than on international issues, and when we do look beyond our borders it tends to be to crises such as the former Yugoslavia. We forget how blessed we are to have Canada as our neighbour. Just think how much we have in common: our commitment to democratic values both at home and abroad, our unparalleled cooperation in the areas of trade and security, our partnership in environmental protection, and the family and professional ties between millions of our citizens. **Simply put, we depend on each other, and that mutual dependence continues to grow in the 21st century.**"

Peter F. Romero, Acting Assistant Secretary of State for Western Hemisphere Affairs, Speech on Occasion of First Meeting of the Canada-US Partnership Forum Buffalo, New York, April 12, 2000.

Don't Blame Canada

CANADA-US COOPERATION ON TERRORISM WORKS

"...It has been widely reported that a large number of terrorist organizations have adherents in Canada. But these same organizations are also present in the United States. This is the price that Canada, like the United States, pays for being a free and democratic country with a strong commitment to human rights and the rule of law. Against this background, the best enforcement strategy against terrorists is one that focuses key screening efforts jointly at our two countries' external borders. To this end, we systematically and regularly share information on known or suspected terrorists who apply for a visa or seek admission at a port of entry. We cooperate and exchange this information, not simply because we have a mutual interest in safeguarding our populations and critical assets, but because as friends and neighbours we are committed to protecting each other."

Raymond Chrétien, Ambassador of Canada to the United States, *Editorial from The Washington Times*, January 20, 2000.



Guest Columnist

North American Integration and Canadian Cultural Issues

ECONOMIC LIBERALISM AND CULTURAL PROTECTIONISM

The phenomenon of North American integration is basically seen as a threat to Canadian culture. For many years, Canada has implemented policies to protect Canadian culture and national identity while also reducing the extent of American cultural influence. Establishment of these policies includes elements counter to the principles of economic liberalization, which are otherwise essential to the survival of the Canadian economy.

To a large extent, this explains the adoption of a dual approach by the Canadian government, where on the one hand it claims to favour trade liberalization agreements, and on the other hand insists on an exemption from these trade agreements for cultural industries. The conflict between cultural sovereignty, understood as the capacity of governments to control the activities of cultural industries, and economic priorities, is seen here in its most extreme form. In the context of ever greater North American integration, this duality is increasingly raising challenges for the management of Canada-US relations, since any limitation on the free movement of information is seen in a negative light by our southern neighbours.

In reality, it is difficult for the Canadian identity and Canadian

culture to escape the influence of free trade. Canadian cultural initiatives are usually of two types—protection of cultural industries in Canada by erecting tariff barriers or establishing regulations, and promotion of our national culture through grants to artists or creation of cultural institutions funded from public coffers. The protectionist model is increasingly challenged by the emergence of new technologies which make it possible to ignore territorial borders. In this context, promoting Canadian culture by developing and distributing national content material in Canada and abroad would appear to be the most viable approach for the long term.

CULTURAL EXEMPTIONS AND CONTINENTALIZATION

Canadian cultural policies have been an irritant in Canada-US relations for a long time. The exemption for cultural industries in the North American Free Trade Agreement (NAFTA) is the key factor in this philosophical and economic clash between the Canadian and US governments. Adoption of this exemption clause at the request of the Canadian government, based on the principle that cultural products and services cannot be treated in the same way as merchandise, came with a price attached, since it opened the door to the threat of economic retaliation which has

been the source of many disputes in recent years.

Not only has this exemption clause made no contribution to improving Canada-US relations in the area of culture, it seems to have increased the bitterness and tensions between the two countries. In a context of globalization, Americans object to restrictions of this kind, especially since NAFTA gives Canadians privileged access to the US market.

For example, the dispute between the United States and Canada regarding protection of Canadian magazines, and the very strong US reaction, clearly indicated the importance and impact of this issue for Canada-US relations. In an unprecedented challenge, the Americans indicated their disagreement with the Canadian measures before the World Trade Organization (WTO), thus moving the discussion from the North American to the multilateral stage.

THE CONTINENTAL DEBATE AT THE INTERNATIONAL LEVEL

By bringing its case before the WTO, the United States not only got around the NAFTA cultural exemption clause, but also sought to establish an international precedent in order to confirm that economic liberalism prevails over cultural protectionism. On the Canadian side, the creation in 1998 of an international network

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Bookmark



Culture and Free Trade: *An Uneasy Mix*

“... every national culture that wants to stay vibrant must adapt to a variety of intrinsic and extrinsic changes over time. **The real issue raised by free trade is whether the concomitant changes in values and ways of being and doing affect the possibility of promoting and maintaining a pluralistic public space so that citizens can access and participate in cultural activity.** Indeed, cultural activity is a necessary component of public life. In other words, the crux of the matter is not so much whether free trade with its underlying commercialism threatens traditional values and ways of being and doing. Instead, it is whether, beyond the simple producer-consumer relationship, it leaves room for the democratic expression of choice. From this angle, the cultural challenge of free trade can be regarded as a democratic challenge.”

Ivan Bernier, “Opening Markets And Protecting Culture: A Challenging Equation,” p. 4 -5, <http://205.151.112.3/copa/forces/anglais/article9.html>.



Continued from page 12

of ministers of culture to promote cultural diversity, including those of Mexico and a number of European Union member countries, seems the only riposte to American objections on the cultural exemption issue. For Canadian authorities, this international multilateral approach may provide a tool to gain recognition for cultural issues in economic treaties, although American imperialism can still be seen in the rules and principles of international trade. In this regard, the WTO dispositions and decisions, as in the case of the Canada-US dispute over magazines, confirm the predominant position of economic liberalism regarding cultural issues.

LIMITED ROOM FOR MANOEUVRE

Given American dominance, and in the context of growing globalization and North American integration, are we facing the failure of Canadian cultural policies? This is not an easy question to answer. Despite the phenomenon of convergence, cultural differences are still evident and underline the physical reality of the Canada-US border.

Recent experience shows that an exemption clause like the one in NAFTA is of little effect, since the Americans still have almost complete latitude to indulge in retaliation. Canada then has the option of securing major concessions from the United States in the cultural field by capitalizing on its "special" relationship with

its southern neighbour. At the same time, Canada must pursue the multilateral approach, relying on the support of the countries which share its views on culture.

But Canada is faced with a dilemma here. While the multilateral approach strengthens Canada's position internationally, it may also provoke the resentment of the United States, which sees it as a repudiation of the special relationship between the two North American partners.

A LOOK AHEAD: INFORMED DUALITY

Despite these constraints, the skill of Canadian authorities in benefiting from these two approaches would seem to be the essential condition for the maintenance and viability of national cultural policies. By remaining within the dual framework of economic liberalization and cultural policies, and managing that dualism in an informed way, Canada will be able to derive the greatest benefit from its relations with the United States, while affirming—with limited success—its own cultural identity.

Gilbert Gagné,
 Professor,
 University of Ottawa

For more information see “North American Integration and Canadian Culture”, *Capacity For Choice: Canada in a New North America*, ed. by George Hoberg, (Toronto: University of Toronto Press, forthcoming in 2001).



Across Canada



Beyond Our National Borders: Toward a Better Understanding of Canada's International Relations

How can international data and intelligence facilitate foreign policy decision-making? This is the challenge addressed in the work of the Country Indicators for Foreign Policy (CIFP) project team.

CIFP, a joint venture of the Department of Foreign Affairs and International Trade (DFAIT) and the Norman Paterson School of International Affairs of Carleton University in Ottawa, brings together a large volume of statistical data on various countries around the globe. The origins of this research project date back to 1997, when DFAIT, the Department of National Defence, the Canadian Security Intelligence Service and a number of non-governmental agencies indicated their interest in identifying key factors likely to impact on Canada's international relations. The main component of the project is a database of international indicators providing an overview of the economic, political, cultural and social characteristics of more than 122 countries.

Through its database, CIFP (in addition to describing countries' economic, social, political and military characteristics) provides an overview of the traits of countries that are likely to influence Canada's international relations. These indicators are organized in accordance with a standardized, easy-to-understand scale, thus facilitating access to and interpretation of the data. Using this tool, Canadian researchers and decision-makers can explore the various scenarios beyond Canada's borders that may impact on the country.

More specifically, CIFP provides researchers and decision-makers with thematic overviews and indicators relating to the political factors and economic performances of foreign countries capable of affecting the Canadian economy and national security. This tool can therefore help the main parties involved monitor changes in the international climate and make informed decisions in response to emerging problems.

The indicators allow users to conduct research on the basis of a large number of criteria, and provide a picture of the national stability, geopolitical context, influence and authority, social development, environment and security of each country. The available data thus cover many aspects and provide an overall portrait from 1985 to 2000.

Who matters to Canada is highly context dependant, but CIFP data can be used to prepare inter-country comparative studies or review aspects specific to a country and their potential influence on Canada. In this regard, the project and its tools provide support for decision-makers in their risk-management activities, and at a later stage may provide additional assistance through projections based on a computerized risk-management model. CIFP also helps its users, particularly DFAIT, establish and identify factors that may affect allocation of financial and human resources.

CIFP is an ambitious undertaking with tremendous development potential. It is still in its early development. A brief presentation of the project and the indicators, the list of countries included so far, research documents associated with CIFP and the database itself are available online at <http://www.carleton.ca/cifp/>.

To learn more about this project, contact David Carment, CIFP Principal Investigator, Norman Paterson School of International Affairs, at david_carment@carleton.ca.

All web sites cited in this issue of *Horizons* can be conveniently reached through the Policy Research Initiative web site at <http://policyresearch.gc.ca>.



Newsletter Notes

Smuggling of Illegal Aliens Run by Organized Gangs

“The Immigration and Naturalization Service (INS) says it is having a difficult time of controlling the smuggling of illegal aliens into the United States. According to the INS, criminal gangs have created an \$8 billion-a-year business by sneaking the illegals into America.

In early January the INS discovered 15 Chinese men huddled in a nearly airless cargo container along with three dead companions. The ship that smuggled the men to the United States was anchored at the port of Seattle.

[...] Since the beginning of the year, INS has detained 136 Chinese who were smuggled in cargo containers on eight different ships to ports in California, Washington state and British Columbia. The gangs are now taking would be illegals to Canada and then smuggling them across to the United States.

The Chinese attempting to sneak into the United States pay as much as \$50,000 to the gangs. Once here, the Chinese find work to repay their debt. They work in sweatshops, restaurants, factories, even as prostitutes, supervised by cooperating American business owners or gang enforcers for up to five years. By that time they have paid their debt to the smugglers and can begin sending money back to their home family.

[...] INS says that many US residents hide persons from their native countries. It is now known that various American businesses actually arrange to have aliens smuggled in to work for them.

Louis Nardi [head of the INS’ smuggling and criminal organizations branch] said: “The INS has long maintained that there is a nexus between alien smuggling and illegal employment.” To date, however, there has been just one successful prosecution.”

US Border Control, *Border Alert*, Volume XI, March 24, 2000.

Bookmark



Maintaining the Safety of Canadian Society

“Canada, together with other major Western industrialized countries, has committed to developing a multidisciplinary and comprehensive strategy to address the common problem of illegal migration.

Organized crime is involved in migrant smuggling and often combines trafficking in humans with other lucrative activities such as narcotics smuggling, forced prostitution and indentured labour. Terrorist activity and sanctuary for war criminals are also facilitated by the smuggling of people. The United Nations estimates that up to four million people are smuggled across national frontiers each year and that people smuggling is a global business worth over \$9 billion per year. Illegal migration has become one of the primary issues on the international stage.

[...] The revision of immigration and refugee policies and legislation represents both a great challenge and a unique opportunity to take full advantage of a changing global environment and to shape the future of our country.

[...] In a world where borders are ever more frequently crossed and therefore less easy to control, transnational criminal organizations ranging from drug cartels to ethnically based criminal gangs have prospered. People smuggling has become a lucrative business. Ever increasing trade links underscore the need to facilitate the entry of business travellers at ports of entry while maintaining vigilance to detect people who aim to circumvent legitimate immigration requirements. Openness must be coupled with a concern for system integrity and a determination to stem abuse.”

Citizenship and Immigration Canada, *Building a Stronger Foundation for the 21st Century: New Directions for Immigration and Refugee Policy and Legislation*; http://www.cic.gc.ca/english/about/policy/lr/e_lr.html.



Primer: *Frontier Thinking*

Discussions of borders are enhanced by an awareness of related concepts and ideas. Sovereignty, the state, citizenship and nation are integrally linked to the concept of national borders. The processes of globalization have the potential to alter the relationship between these concepts.

BORDERS

“A border is the fixed, internationally determined and recognized boundaries demarcating the precise territorial writ of a given state’s sovereignty.”

— David Held, *Global Transformations: Politics, Economics, and Culture*, (Stanford: Stanford University Press, 1999), p. 322.

SOVEREIGNTY

“To say that a state is sovereign means that it decides for itself how it will cope with its internal and external problems.” Sover-

eignty refers to the entitlement of a people to rule over a bounded territory.

— Kenneth Waltz, *Theory of International Politics*, (New York: Addison-Wesley, 1979).

THE STATE

The State has four characteristics:

a) a permanent population; b) a defined territory; c) a government; and d) a capacity to enter relations with other states.

— 1933 Montevideo Convention

NATION

“Nations are collectives that share a sense of identity and collective political fate on the basis of real, imagined and constructed cultural, linguistic and historical commonalities.”

— David Held, *Global Transformations: Politics, Economics, and Culture*, (Stanford: Stanford University Press, 1999), p. 36.

CITIZENSHIP

“Citizenship refers to individuals who belong to a polity that has specified geographic boundaries, the authority to enforce its policies within its borders, and to claim the loyalty and compliance of its population.”

— James Rosenau, *Along the Domestic-Foreign Frontier: Exploring Governance in a Turbulent World*, (Cambridge: Cambridge University Press, 1997), p. 276.

GLOBALIZATION

Globalization “is a process, or a set of processes, that embody a transformation in the spatial organization of social relations and transactions generating transcontinental or interregional flows and networks of activity, interaction and the exercise of power.”

— David Held, *Global Transformations: Politics, Economics, and Culture*, (Stanford: Stanford University Press, 1999), p. 15.

Bookmark



Innovation on the Frontier

“Our relationship with the United States is deeply synergistic. The United States holds us to a higher standard by some of the things we admire and emulate, and also by some of the things we choose not to do. And we hold them to a higher standard through the choices we make and the example we set. It’s a virtuous circle and one that benefits both our peoples immensely.”

Mel Cappe, “Fonctionnaires sans frontières: Operating at the speed of the public interest.” May 31, 2000, p. 4. http://www.pco-bcp.gc.ca/ClerkSP-MC/may31_e.htm.

Envy of the World

“Despite all the commonalties, we are two different countries with distinct identities and interests. Working together, however, grounded upon this relationship which is the envy of the world, we will ensure that our differences create opportunities and our commonalties produce a shared vision of the future.”

Gordon D. Giffin, US Ambassador to Canada, *Statement by US Ambassador Gordon D. Giffin Upon Presentation of Credentials to Governor General Roméo LeBlanc*, <http://www.usembassycanada.gov/giffin.htm>.





The Canada-US Border in the Virtual Universe

The web sites listed below provide information on various aspects of the border and Canada-US relations. Many sources of Canadian information are available on the Internet and the sites below are only a sample:

- The site of the Department of Foreign Affairs and International Trade (<http://www.dfait-maeci.gc.ca/geo/usa/menu-e.asp>) offers an abundance of information on Canada-US relations. Here you will find data on trade between Canada and the United States, statistics about the border and an overview of border issues in *The 49th Parallel and Beyond: A Border for the 21st Century*.
- For further information on Canadian activities in the United States, the following web sites are excellent sources of information: the Canadian Embassy in Washington (<http://www.ambassadedu-canada.org>), the Canadian Trade Office in San Francisco (<http://www.cdacommerce.com/>) and the offices of the Canadian Consulate General in the United States (<http://www.dfait-maeci.gc.ca/geo/usa/canadian-f.asp>).
- Do you have a special interest in Canada-US trade and the North American Free Trade Agreement? Then visit the NAFTA section on the Department of Foreign Affairs and International Trade site (<http://www.dfait-maeci.gc.ca/nafta-alena/menu-e.asp>), as well as the NAFTA Secretariat site (<http://www.nafta-sec-alena.org/english/index.htm>), where you will find the text of the Agreement and the most recent amendments.
- For the very latest information and recent developments relating to the Canada-US border, go to the media summary prepared by Yahoo! Canada on this topic, at http://fullcoverage.yahoo.com/Full_Coverage/Canada/Canada_US_Border/.
- Want to learn more about the history and development of Canada-US relations? Visit the Canadian Foundations site at <http://www.ola.bc.ca/online/cf/>. This educational site about Canada includes a section on the history and development

of Canada-US relations. The site also provides an impressive list of audio-clips by well-informed commentators giving their views on border relations between Canada and the United States.

- The Canada-US border: reality or illusion? The issue of the proximity of the United States and its predominant economic influence continually rekindles the issue of cultural protectionism in Canada. Canada is being Americanized. And that is the issue to which the "What Border?" documentary series tries to respond. This CBC production is featured on the Corporation's web site, which provides an overview of the various themes explored in the documentaries, at <http://tv.cbc.ca/national/pgminfo/border/>. The site is also a source of information for anyone interested in cultural and trade issues.

VIRTUAL TOOLBOX:

- Check out the customs rules and regulations applicable to individuals and business firms, at Canada Customs and Revenue Agency, <http://www.ccra-adrc.gc.ca/menu.html>.
- If you're thinking about spending some time in the United States and want to convert your Canadian dollars to US currency, avoid unpleasant surprises and line-ups by using the Bank of Canada's online exchange rate converter (<http://www.bank-banque-canada.ca/english/exchform.htm>), which can estimate the value of Canadian dollars in a wide range of foreign currencies.
- With the National Atlas of Canada Online (<http://www.atlas.gc.ca>), you can look at the border and a variety of cartographic information relating to Canada.
- For all globetrotters, Lonely Planet provides a glimpse of a large number of countries you can visit. Just cross the border to <http://www.lonelyplanet.com/>. These tourist guides present brief backgrounders and tips that even the most experienced traveller will find useful.



Guest Columnist

Transnational Regions: *Cascadia and Transmanche*

THE BORDERLESS WORLD AND THE OCCASIONAL HICCUP

We have grown accustomed to endless discussions about globalization, the end of the nation-state and a so-called borderless world. Canadians, most of whom live close to the Canada-US border and have, therefore, been highly border-conscious since confederation, are not strangers to debates on the vanishing border and to policy discussions on dollarization, trade corridors and North American integration.

poised to push forward with plans to soften the Canada-US border with various regional integration initiatives. As well as improving the Detroit-Windsor crossings, there are also the Cascadia Corridor project on the West Coast, the Red River Corridor project in the center of the continent, and various new plans in the East between New York and Ontario and Maine and New Brunswick.

As this trend continues, it is worth stepping back for a moment from the discussion

up of British Columbia, Washington and Oregon, offers insight into the implications of these different institutional and policy-making environments.

As in North America, free trade and the free movement of investment capital, which followed the signing of the Maastricht Agreement, encouraged the growth of cross-border supply chains and production networks in Europe. Unlike in North America, however, the EU Commission has been a catalyst in encouraging cross-border regional development, particularly in its role providing leadership, information pooling and accountability structures and incentive funding to local bodies involved in cross-border cooperation and development plans. In North America, there is nothing like the central governance structure provided for by Brussels and Strassbourg.

“...comparing the Transmanche Euro-region, which comprises parts of France, Belgium and the United Kingdom, and Cascadia, which is made up of British Columbia, Washington and Oregon, offers insight into the implications of these different institutional and policy-making environments.”

Occasional hiccups like Section 110 of the US Immigration Act may seem to go against the trend. This piece of US legislation would have imposed entry and exit form-filing requirements on all Canadians, thereby promising to logjam all border-crossing points. Section 110, however, has recently been dropped and the forces that galvanized around opposing it – small and big businesses on both sides of the border, their political representatives and national lobbyists – are now

on borderlessness to consider questions of regional development and democracy arising from cross-border integration.

CROSS-BORDER INTEGRATION: NORTH AMERICA VS EUROPE

Examining similar developments in Europe may be instructive. Cross-border regional development initiatives in Europe transcend almost every border on the continent. Specifically, comparing the Transmanche Euro-region, which comprises parts of France, Belgium and the United Kingdom, with Cascadia, which is made

TWO TALES: TRANSMANCHE AND CASCADIA

In some ways, Transmanche and Cascadia follow a similar regional development and promotion plan. Both development initiatives place great effort on globally marketing their transborder regional makeup to investors and tourists. Transmanche, for example, presents itself to investors as the ‘business artery’ of Europe. Similarly, Cascadia has been marketed to international tourist agencies as a “Two Nation Vacation.”

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As evocative as these marketing visions may be, significant differences can be identified in the transborder regional development of Transmanche and Cascadia. First, while Transmanche flourished following the completion of a specific piece of transport infrastructure, – the Chunnel – Cascadia’s promoters are focused on speeding-up existing transportation services along what they call the Cascadia Transport corridor.

Second, the institutional structures of Cascadia and Transmanche differ. Whereas the NAFTA context tends to enable business connections across the border in Cascadia, there exist no formal transboundary governance structures. In contrast to this, the governance structures of the European Union provide opportunities for non-business stakeholders to engage in cross-border regional development in Transmanche. In fact, the European Union privileges local government over business by sponsoring cross-border integration projects. By funding local governments and simultaneously requiring matching monies from their respective national governments, the European Union provides for a meaningful form of local autonomy, or at least leverage, for regions that might not otherwise have the capacity to invest in cross-border governance structures.

The leadership role of the European Commission has also enabled in Transmanche, as elsewhere in Europe, the growth of those development projects that tend not to be addressed by public-private partnerships where business typically takes the lead. For example, the European Union has spearhead and, hence, has provided an incentive for business to take an active role in environmental clean-up programs. The same cannot be said about Cascadia. To a large extent, it has been the complex network of non-governmental organizations in Cascadia that has articulated a philosophy of environmentalism.

Finally, EU funding to border regions is linked to the Commission’s regional development mandate to support underdeveloped areas, thereby ensuring that cross-border development funding on both sides of the border are matched at the higher, not lower, levels.

Without enforcing a target level for regional support, the pursuit of transboundary market efficiency could produce downward harmonization pressures. For example, the economic integration of Cascadia could create within the transborder region the same kind of policy autonomy problem NAFTA has created continentally. The result would be greater inter-municipal

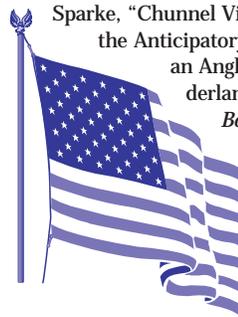
competition for investment and the straight-jacketing of regional governments as they drafts laws effecting taxation and social and environmental regulation.

**PROVOKING DEBATE:
 OVERCOMING FUTURE
 CHALLENGES**

These observations of the similarities and differences between Europe and North America do not constitute a call to create continent-wide governance structures. Instead, the observations are meant to spur debate over how North American policymakers involved in transborder regional development can overcome two challenges brought about by the NAFTA context: first, how can we forestall the pressures of downward harmonization of regional development funding; and second, how can we develop effective ways of including multiple stakeholders in future debates over cross-border regional development?

Matthew Sparke,
 Professor,
 University of Washington

For more information, see Matthew Sparke, “Chunnel Visions: Unpacking the Anticipatory Geographies of an Anglo-European borderland,” *Journal of Borderland Studies*, in press.



Bookmark



Cascadia Revisited

Recently, there has been a lot of talk about the idea of “Cascadia” – treating British Columbia, Alaska, Washington, Oregon, and Idaho as an ecological, economic and cultural entity. But we often forget that the region actually was united for a period of almost thirty years.

After the War of 1812, Britain and the United States agreed to joint occupancy of the so-called Oregon country, stretching from California to Alaska along the Pacific seaboard. So, from 1818 both the Hudson’s Bay Company and American fur traders established forts, settlements and trading relations with Aboriginal peoples, each operating under their own laws. Near the mouth of the Columbia River, Fort Vancouver (British) competed with Fort Astoria (American).

“FIFTY-FOUR FORTY OR FIGHT!”
Gradually, American settlement changed the equation: public opinion demanded ownership of the whole area. In the 1844 American presidential race, candidate James Polk ran under the slogan “Fifty-Four Forty [the southern border of then-Russian Alaska] or Fight!” He won the election and tense negotiations began.

In 1846 the United States went to war over its border – with Mexico – and signed the Oregon Treaty with Britain. Our current border along the 49th parallel was extended across the Oregon country to the Strait of Georgia, leaving only minor disputes (like ownership of the Strait islands) to be settled. The Hudson’s Bay Company moved its Pacific operations to Fort Victoria, which eventually became capital of the new colony of British Columbia.

Because of the treaty, the part of the Fraser River delta below the 49th Parallel became part of the United States. So today, children from the small town of Point Roberts, Washington, bus to school in Bellingham on the other side of Boundary Bay – crossing the border twice every day.

For more information on early Cascadia from the American perspective, visit the University of Washington’s Center for the Study of the Pacific Northwest (in person, or at <http://www.washington.edu/uwired/outreach/cspn/index.html>).

Cascadia Project

The organizing theme of the Cascadia Project is development of a transportation strategy that will move people and goods in an efficient manner over the next 50 years bearing in mind the need to plan on a broad, regional basis and connect varied forms of transportation. The Cascadia Project is managed by Seattle-based Discovery Institute in partnership with the Vancouver, BC-based Cascadia Institute. It is a strategic alliance for closer public policy cooperation among provincial, state and local governments of British Columbia, Washington and Oregon and their ports, cities, counties, transportation providers and users, businesses and labor councils, civic organizations and individual citizens in the bi-national region of “Cascadia.” The project simultaneously addresses cross-border trade, tourism, technology, ecology, education and culture.

For more on the Cascadia Project see The Discovery Institute’s web site: <http://www.cascadiaproject.org/description.html>.

Department of Foreign Affairs Canada-US Border Policy

“In October 1999, Prime Minister Chrétien and President Clinton confirmed guiding principles for Canada-US border cooperation:

- (a) streamline and harmonize border policies and management;
- (b) expand cooperation to increase efficiencies in customs, immigration, law enforcement and

environmental protection at and beyond the border; and

- (c) collaborate on common threats from outside Canada and the US.”

From *The 49th Parallel and Beyond: A Border for the 21st Century* <http://www.dfait-maeci.gc.ca/geo/usa/bilateral-e.asp>. The document is a profile of Canada-US cooperation along the border and of the numerous links that unite our two countries.



Research Brief

Globalization and the Future of Border Control

The purpose of the *Globalization and the Future of Border Control Project* is to stimulate and inform policy debate about the means and ends of border control in the new millennium. The research project has already produced one paper. In the paper, the author argues that **the international community will need to adopt new practices and capabilities if they are to safeguard important national interests while accommodating the integrative imperatives of the global marketplace. Without reform, we can expect a significant rise in customs and immigration violations, organized crime, weapons and drugs smuggling, and terrorism. What is needed is an approach**

that focuses on regulating the global transportation and logistics networks rather than one that continues to rely primarily on inspections at national points of entry. Specifically, two things must be done: first, commercial actors must be encouraged to embrace more vigorous security practices within these networks; and second, the capacity for appropriate authorities to monitor the international flows of goods and people must be improved.

Stephen E. Flynn, Senior Fellow, National Security Studies, Council on Foreign Relations. The full paper can be found at <http://www.foreignrelations.org/BorderControl/chapters/chapter1.html>.

Bookmark



Quebec in North America

“Whatever constitutional approach Quebec may take, its economy will remain irrevocably linked to trade with the United States.

[...] The dynamism of Quebec’s economy depends, above all, on its membership in North America. Unless trade with the countries of Europe and the Pacific is suddenly and unexpectedly liberalized, the importance of the United States to Quebec’s foreign trade will inevitably increase and, in the long term, is likely to grow faster than in the case of the other Canadian provinces.

[...] **Quebec’s relations with the United States will probably be conducted in a changing and less predictable context, in which the worst and the best will often exist side by side. Quebec’s membership in North America will continue as before: an experience simultaneously fascinating, troubling and dangerous. Surviving in North America is undoubtedly the major challenge facing Quebec in the 21st century.** [Translation]

Louis Balthazar, and Alfred O. Hero Jr., *Le Québec dans l’espace américain*, (Montréal: Editions Québec Amérique, 1999), pp. 356-363.

Customs in the Context of E-commerce

“E-commerce is global by definition. This necessarily leads Customs and all other law enforcement agencies to the question as to which laws and rules should apply to this global digital marketplace. Within national boundaries, of course, national jurisdiction has to be respected. But without a common global understanding and agreement on minimum standards, any national controls will have limited effect on this global phenomenon. **Customs is required to review traditional concepts such as ‘borders,’ ‘goods’ and ‘control’ in the context of e-commerce.**

One way of taking up this global challenge is to intensify international cooperation and mutual assistance among Customs administrations and other law enforcement agencies.” [Translation]

Michel Danet, “The Internet, Expanding Global Markets,” *Speech by Michel Danet, Secretary General, World Customs Organization, OECD Seminar 2000, Paris, June 27, 2000.*



Eyewitness



The "War for Talent" *Challenges of the Public Service from the US Perspective*

RENEWAL OR REINVENTION: IT'S ALL THE SAME THING

On March 23, 2000, a group of Canadian public servants heard views on retaining talent within the US Public Service. Ms. Janice Lachance, the Director of the US Office of Personnel Management, came to Ottawa to speak at a session hosted by the Canadian Centre for Management Development.

Lachance highlighted the need for organizational evolution to adapt the public service to "the competitive pressures of the modern work environment." Whether referred to as renewal, as we do in Canada, or as reinvention, as they do in the United States, the need to develop new public service processes is the same. Unless governments are successful in securing, developing, empowering and retaining talented people – what Lachance called the "war for talent" – we cannot succeed.

KILLING THE DINOSAUR

Lachance also referred to what she called a "Dinosaur Killer" – an unavoidable force of nature that ushers in overwhelming change and kills off organizations that fail to adapt. She described today's information revolution as an example, one that will force governments to become more flexible, adaptable and diverse. Lachance predicted that in this age, the workplace would become a site where permanent, temporary and contract employees are mixed in cross-functional teams of knowledge workers, to address the cross-cutting issues of the day.

PREVENTING BRAIN DRAIN

Some steps that Office of Personnel Management is taking include flexible performance assessment and pay systems to reward results rather than activities or time in the system. Updated and more flexible recruitment approaches are also critical, including

a signing bonus to help new graduates with relocation and debt loads, emphasis on the range of benefits and supports for public servants, and a focus on attracting young Americans who want to "do good" in government. Since government cannot compete with the private sector on a dollar-for-dollar basis, we have to place our efforts into competing in other areas.

In addition to different recruiting approaches, Lachance also discussed the importance of continuous learning opportunities, to develop the potential of all employees. She spoke of moving to employee self-nomination for training and better leveraging the training available on the Internet, to broaden the range of opportunities offered. Office of Personnel Management also has set up a pilot project to assign "individual learning accounts" – setting aside hours or dollars for individual employees to use in their own professional development.

"Be nimble. Adapt. Don't be afraid to change." By being more flexible and better supporting people, we can avoid becoming an institutional dinosaur, and even benefit from the "Dinosaur Killers" out there.

In particular, Lachance noted the efforts to make the American public service a more "family friendly" setting. Rewarding employees for results allows flexibility on hours, while effective use of new technologies makes telework or job-sharing possible. Together with benefits like elder and child care or family-friendly leave, approaches like these help foster higher morale and greater productivity.

BENEFITING FROM DINOSAUR KILLERS

Overall, Lachance emphasized one important message for governments: "Be nimble. Adapt. Don't be afraid to change." By being more flexible and better supporting people, we can avoid becoming an institutional dinosaur, and even benefit from the "Dinosaur Killers" out there.

For more information on US Government approaches to HR issues, visit the Office of Personnel Management's web site (<http://www.opm.gov>).





Why Stay North of the Forty-Ninth?

WHY STAY IN CANADA?

Faced with incentives to emigrate, why do the highly skilled stay in Canada? This question, posed in a presentation on April 25, 2000, organized by Industry Canada, guides Don DeVoretz's current research. DeVoretz has been studying Canadian emigration patterns since 1973.

INCENTIVES TO LEAVE

His recent research has led DeVoretz to conclude that the Canadian brain drain is a reality. The data from the years 1989 to 1997, when compared to the 1982-1989 period, demonstrate a significant jump in migration of professionals and managers, each experiencing a 95% and a 60% rise respectively. He has recently argued that highly skilled Canadian emigrants follow a specific plan under which they first acquire subsidized education in Canada and then, regardless of Canadian labour market conditions, decide whether or not to emigrate. Decisions to leave Canada are, for the most part, based on potential levels of earnings, both before and after taxes. Canadians who move to the United States, he argues, have as much as a 37% higher internal rate of return than those who remain.

In addition to the internal rate of return, incentives to emigrate include the favourable mobility conditions created by US domestic policy. For example, **1990 changes to the US Immigration Act allow workers to enter the United States on temporary visas, thereby providing a "back door" to permanent residence status.** This incentive structure, according to DeVoretz, suggests that it is insufficient to respond to the brain drain problem through Canadian domestic policy only. Keeping abreast of changes in US immigration and trade policy, particularly those encompassing mobility provisions, is essential in order to assess the competition for skilled Canadian employees.

DEAD WEIGHT LOSS

While brain drain numbers are high, **DeVoretz argued that it is "not the numbers that count, its the value," meaning that valuable Canadian emigrants are not easily replaced.** A substitution problem exists because skills lost to the United States are difficult to match and training and upgrading foreign graduates is expensive. There is, therefore, a "dead weight loss" when highly educated Canadians move to the United States.

In light of the incentives motivating the Canadian brain drain, DeVoretz asks why more Canadians are not moving to the United States. To answer this question, DeVoretz, in the next phase of his research, will identify the populations most likely to emigrate. He will analyze socio-demographic and economic factors such as age, total income, family size, gender, marital status and mobility on the decision to stay. He hopes this research will enable governments in Canada to improve the conditions for those at risk of leaving Canada and to encourage those who have left to return.

For more information on the Research on Immigration and Integration in the Metropolis and on the Metropolis Project overall see: <http://www.riim.metropolis.net>.



Ideas

The policy research and ideas environment is in constant change. Despite what you may have heard, no single organization, discipline, or source has all of the answers or even all of the questions. **We are on the look-out for cutting edge research, ideas and knowledge in public policy to profile in *Horizons*.** If you know of some noteworthy horizontal policy research, please contact Daniel Wolfish at d.wolfish@prs-srp.gc.ca or Patrick Morin at p.morin@prs-srp.gc.ca or call (613) 947-1956.

Thanks.





Did you know?

A Few Figures on the Canada-US Border

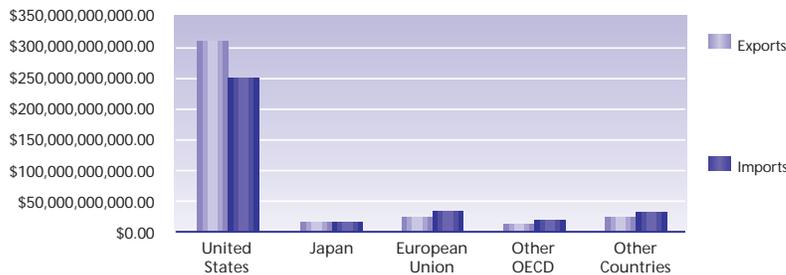
Stretching 5,061 kilometres on land (3,145 miles) and 3,832 kilometres over water (2,381 miles), the Canada-US border is the world's longest undefended border.

Department of Foreign Affairs and International Trade, *The 49th Parallel and Beyond: A Border for the 21st Century*; <http://www.dfait-maeci.gc.ca/geo/usa/bilateral-e.asp>.

TRADE

The United States is Canada's largest trading partner. In 1999, Canadian exports to the United States totaled over \$309 billion and imports from the United States over \$249 billion, for a positive trade balance of approximately \$60 billion.

Imports and Exports, 1999

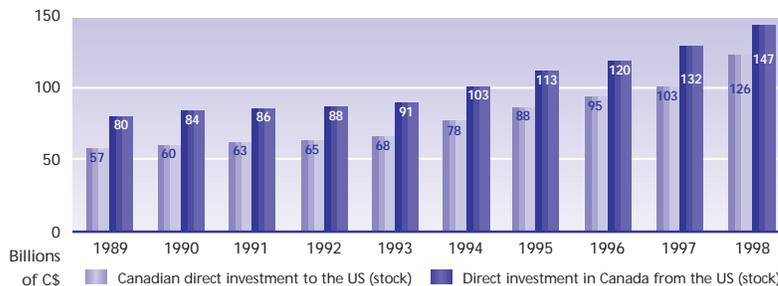


Source: Statistics Canada, International trade data; <http://www.statcan.ca/english/Pgdb/Economy/International/gblec02a.htm>.

NORTH AMERICAN ECONOMIC INTEGRATION

- The volume of Canadian exports to the United States has increased by over 50% in the past ten years. Exports to the United States now account for over 30% of Canada's gross national product (GNP).
- Direct cross-border investments between Canada and the United States have doubled in the last decade.
- Ontario's trade with the rest of the world, including the United States, is almost three times greater than with the other Canadian provinces.

Direct Cross-Border Investments, 1989-1998



HRDC and Statistics Canada, *Canada – United States: Quality of Life and Policy Comparisons Factbook*.

TRANSPORTATION

Trucking carries the majority of freight traffic between Canada and the United States. Since 1991, the number of trips has increased by 10%. Ontario is the hub of Canada-US cross-border trucking, accounting for 60% of all trips. In addition, the 10 busiest Canadian border crossings oversee close to 80% of all exchanges between Canada and its NAFTA partners.

Interdepartmental Working Group on Trade Corridors, *Trade and Transportation Corridors*, Transport Canada, 1998; <http://www.tc.gc.ca/trucking/Corridors/Contents.htm>.

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