Part A, Q2: In previous decades, political economy analyses contributed greatly to understanding Canadian politics, but in recent years little of analytic value has come from applying political economy approaches to Canadian politics. Discuss.

The discipline of Canadian political economy has historically been both nationalist and Marxist in approach (this is a somewhat paradoxical pairing, given the proclivity of Marxists to throw off state boundaries as meaningful). Nonetheless, the study of Canadian political economy has been defined, in previous decades, along three major lines: (1) the welfare state in Canada, (2) Canadian dependency; and building from this last theme (3) Canadian political economy as national policy. This short paper will argue, that these three lines of inquiry not only contributed greatly to understanding Canadian politics, but that policy decisions made in the 1980s and 1990s, and larger political and economic forces in the form of globalization have caused the decline of at least two of these lines of inquiry, and Canadian PE has yet to truly pick itself back up and regain its presence as an analytical force in Canadian political science.

On the first theme – the Canadian Welfare State – Canadian political economists have brought a unique and very different understanding of the welfare state to political science. Within much of the larger political science discipline, the welfare state is seen as (largely) a positive force within our institutional system, one that provides support and equalizes opportunity for Canadian citizens. On the contrary, Canadian PE approaches the welfare state in Canada with a very suspicious eye. Pantich (1977) views the welfare state as the manifestation of the legitimation function of government in Canada, as the way in which the state placates the polity, while providing much more significant benefits to elites – business, political, or otherwise.

On the second theme – Canadian dependency – again a Marxist lens is often applied. The dependency debate has two cleavages. The first comes down along whether or not Canada is a dependent country. This debate is very unequal, with few academics come down on the side that the Canadian state is not dependent, or is at least not *as* dependent as most consider it to be (Pratt and Richards, 1979). The second debate occurs within the much larger literature that views Canada as dependent (first on the French, followed by the British, and now finally on the US). The debate splits itself class lines of *who is at fault* for Canada as a dependent nation? For most authors, one elite class or another is at fault. Naylor (1975) argues that Canada is dependent because of our business class, which had a vested interest in blocking the development of the manufacturing class and thus stalled our development as a industrialized country – the “Manufacturers against Industry” thesis. Williams (1983) places the blame on the shoulders of Canada’s intellectual and political elites, who failed to recognize that there was a problem with our industrialization process, and who – upon realizing that there was a problem – became impossibly divided along two different (and countervailing) schools of thought. Niosis (1985), meanwhile, puts the blame directly on the shoulders of Canada’s multinationals, arguing that Canada is dependent because Canadian multinationals are not innovative, and nor do they invest primarily in Canada. Very few Canadian political scientists present an opposing class answer, though Laxer (1989) suggests that Canada is dependent in fact because of our agrarian class, which, because of its ethnic cleavages did not allow for the development of a strong opposition force.

Finally, on the third theme – Canadian political economy as national policy – as Williams (1983) points to, the debate within the political and intellectual classes built off of questions of national policy. Within the academic field, Canadian political economists largely came down on the national side (Smiley, 1979; Drache and Cameron, 1985; Inwood, 2005), while political elites moved towards continentializing policy (Inwood, 2005), ignoring the preferences of the Canadian polity and instituting continental and global agreements.

The result has been that Canada in 2012 has essentially moved beyond at least two of these debates, has shifted to a post-nationalist state, highly dependent on forces in the larger global economy, and more economically integrated with the United States. However, the field of Canadian political economy has not moved with it. Watkins (2003) makes a similar argument, suggesting that Canada exists within a new era of globalization, but that the political economy discipline has not moved with the shift. He argues that students of political economy need to deconstruct the new discourse of globalization and reconstruct the paradigm of Canadian political economy. Clarkson and Lewis (1999) point to something similar, though they are significantly more agnostic to the changes that the Canadian state has undergone. Though they highlight that Canada exists now in a new system of governance – one that is tiered along five lines – global, continental, national, provincial/regional, and municipal – they appear largely outside of the more normative debates that characterized the previous nationalism of Canadian political economy. Finally, Clement (2003) seems practically lost in attempting to describe the new Canadian political economy as one as relevant to the goings-on of the day. Pointing to the fact that in many ways Canadian political economy has lost its way.

However, that is not to say that this is inevitable. Canada does exist in a new system of governance, and one that integrates significant questions of political economy. Canadian PE could return to its Marxist roots, questioning power relationships not just domestically, but considering the significant forces at work within the sphere of international elites. It could move into a post-Nationalist discourse, questioning the implications of international mechanisms, the global economic order, on international relations or on domestic policy. Canadian PE has already begun to consider some of the implications of globalization on the Canadian welfare state (Haddow, 2003), but much more work is left to do. Though in recent years, Canadian political economy has faltered a bit in its analytic value, this is by no means the end of a meaningful subfield.