**Overview of Cdn PE**

Canadian PE is Marxist and Nationalist (insofar to their fear of continentalism).

Common Topic: Dependency theory

What is Cdn PE? Complaint of Canada’s dependency

* First too dependent on staples (Innis)
* In the 1970s too dependent on the US
  + Big literature on why Canada is so dependent:

Pratt & Richards (1979) on the anti-dependency side (ACKNOWLEDGE STATE AUTONOMY)

Vs.

Innis (1930) – Canada is dependent and it is because of our geography and colonial statue

Naylor (1975) – Canada is dependent and its because of our business class – Canadian business class had a vested interest in blocking the development of a manufacturing class - “Merchants against Industry” thesis

Laxer (1989) – Canada is dependent and it is because of our agrarian class – it is because of the ethnic cleavages which undermined the creation of a strong opposition force

Williams (1983) – Canada is dependent and it is because our intellectual and political elites failed to recognize that there was a problem with out industrialization process. Moreover, when they did – two different (and countervailing) schools of thought emerged – one free trade and foreign investment oriented; the other protectionist and nationalist (BUT ACKNOWLEDGES STATE AUTONOMY)

Niosis (1985) – Canada is dependent and it is because of Canadian multinationals – because (1) they are not very innovative, and (2) the invest primarily in other countries

Common Topic: Welfare State

Finkle, Alvin (1979) – Business and social reforms in the 1930s

* Argument: during the 30s, business was in favour of the welfare state

L. Panitch, “The Role and Nature of the Canadian State” in Panitch, ed. *The Canadian State: Political Economy and Political Power* (Toronto UTP, 1977)\*\*\*

* Legitimation function – the state needs to provide programs for the masses to keep them from revolting

Jenson, Mahon and Collier – Welfare state

* Criticism of Canada’s childcare regime
* They argue that the state’s role has either been to helping low income families or to introducing tax breaks to middle income families
* Inadequate supply of childcare and that many families are forced to choose unregulated care.

Cdn PE is very suspicious of the welfare state – welfare state serves a legitimation function and prevent socialist revolution – and thus the welfare is often cast in a very negative light.

Common topic: Cdn PE as National Policy

There has been an ongoing debate between nationalists and continentalists. Cdn political scientists have traditionally been on the nationalist side of the debate (George Grant, Bashevkin, Drache and Cameron, Inwood, Smiley, Jenson). They all either support nationalism or explain how nationalism was important.

Defending nationalism:

Innis, 1930 – even in the field of scholarship

D. Drache and D. Cameron, eds., *The Other MacDonald Report* (Toronto, 1985)

D. Inwood, *Continentalizing Canada: The Politics and Legacy of the MacDonald Royal Commission* (Toronto UTP, 2005)

Jenson (1990) – explanatory text moreso than anything else

Smiley (1979)

---

Clarkson and Lewis (1999) –

Watkins (2003)

We have moved to a post-nationalist discourse of Cdn PE in these authors

**SUMMARIES**

Canadian Political Economy

Summarized

**Innis (1930):** The Fur Trade in Canada

Staple thesis: Canada's culture, political history and economy have been decisively (and negatively!) influenced by the exploitation and export (to more advanced countries) of a series of staples such as fur, fish, wood, wheat, mined metals and fossil fuels.

The Canadian government has a closer relation to economic activities than most governments. The trade in staples, which characterizes an economically weak country, to the highly industrialized areas of Europe and laterally the United States, and especially the fur trade, has been responsible for various peculiar tendencies in Canadian development

**Graefe (2007):** Political Economy and Canadian Public Policy

Political economy perspective on public policy: Policy making must be construed as an act of power (e.g. class struggle); not simply as a technical exercise of sorting and evaluating policy options. Policies reflect the structural relations of power in the society from which they emerge, yet serve also as points of leverage and resources for groups attempting to transform these structural relations.

Thesis**:** Graefe argues that if public policy focuses on what the state chooses to do or not do, political economy has an interest in studying the state as a key locus of power. More particularly, political economy’s concern with the interaction of economic, social, cultural and economic-political factors, its interest in the distribution of social power between actors, and its close attention to the question of ‘who benefits’, provides useful tools for understanding and explaining variations in policy across space and time.

* In a period where globalization, imperialism, increased social diversity, and declining public confidence in representative democratic institutions have questioned the capacity of the state to make policies, or at least to make policies contrary to the decisions of power private economic actors, political economy’s most important contribution may be illustrate and explain the linkages between such large-scale structural
* Two approaches to PE:
  + *States & markets*: approach recognizes that markets are socially embedded institutions: contrary to some widely held myths, they are not self-regulating but in fact demand the exercise of political power in order to enforce contracts and protect private property
  + *Neo-pluralism*: recognizes that business has a privileged position in policy making, arising from the importance of business decisions for the welfare of society.
* Two problems with these approaches: First, they erect a false dichotomy between the political and the economic. Second, if our interest lies in understanding what the state does and why, the ‘state’ of states-and-markets political economy needs to be unpacked and theorized rather than taken as an unproblematic unitary actor representing some form of “general interest.”

**L. Panitch (1977):** “The Role and Nature of the Canadian State”

* Marxist view of the state: The state acts on *behalf* of the bourgeoisie, not at its *behest*. “The real point that must be made in this respect is that an interpretation of the Marxist theory of the state as claiming that the state merely acts on the direct instructions of the bourgeoisie is a crude caricature of the concept of the modern state as ‘a committee for managing the common affairs of the whole bourgeoisie.”
  + The notion of common affairs assumes the existence of particular ones; and the notion of the whole bourgeoisie implies the existence of separate elements which make up that whole. The state cannot meet the need of acting on behalf of the bourgeoisie without enjoying a *certain degree of autonomy*.
  + For the state to act only at the behest of a particular segment of the bourgeoisie would be dysfunctional to it managing the common affairs of that class. For it to accomplish this task, it needs a degree of independence from that class, a ‘*relative autonomy*.’
* Panitch argues that this theory of the state is underdeveloped. A fully developed theory would meet at least three basic requirements:
  + It must clearly delimit the complex of institutions that make up the state
  + It must demonstrate concretely rather than just define abstractly, the linkages between the state and the system of class inequality in society, particularly its ties to the dominant social class; and
  + It must specify as far as possible the functions of the state under the capitalist mode of production.

Marx: the state manages the common affairs of the whole bourgeoisie.

The capitalist state must try to fulfill two basic and often contradictory functions: accumulation and legitimization (O'Connor).  Panitch's functions of the state: (1) policies that will foster capital accumulation (accumulation function); (2) policies that will foster social harmony (legitimization function); (3) coercion function

Legitimation function: policies directed at the integration of the subordinate classes in capitalist society either through the introduction of reforms which promote social harmony (e.g. welfare state) or through the co-optation  of working-class leaders via tripartite consultations with government and business - giving them the semblance of power without the substance - so as to employ them as agencies of social control over their members.

Problem: unfalsifiable!

**Clement and Williams (1989):** Introduction, The New Canadian Political Economy

Premise**:** Clement and Williams provide a review of the “new” Canadian political economy. They make links between the classics of Canadian political economy (Innis, Mackintosh, Pentland, and Macpherson), the current state of the art (circa 1989), and its projected future.

From Classics to Contemporaries: Innis

* Staples Theory: Canada was developed to exploit a series of raw materials for more industrially advanced metropolitan nations. Canada’s reliance on resource exports led to a failure to capture the benefits of “linkages” associated with the inputs into production and processing of the raw materials, thereby locking it into a spiral of dependent relations.

Further Links with the Past: Pentland and Macpherson

* Pentland asked central questions about the making of Canadian labour, in terms of both labour market and class formation, within an immigrant society undergoing industrialization and resource exploitation.
* C.B. Macpherson greatest contribution to the new political economy has been through his extensive writings on theories of property, on democracy, and on the development of a theory of rights. Best know work: *Democracy in Alberta: Social Credit and the Party System.*
* In their own ways, both Penland and Macpherson fostered and influenced the growth of a strong neo-Marxist presence within Canadian political economy. However, Canadian neo-Marxism has owed its vigour also to a post-1960s resurgence, centred in western Europe, of left intectual analysis (which has since waned *-ed*).
* Critique of Innis: the dependency perspective is weak on class analysis, something neo-Marxists bring to the table.
* “At issue has never been whether Innis was a Marxist—of course, he was not—but whether there was a common ground of mutual relevance between the class and dependence/Innisian perspectives within contemporary Canadian political economy. Clement has argued, using the case of mining, that Innis’s massive empirical contribution can enrich class analysis. Such as undertaking is informed by Innis’s insight, but the more power explanation is Marxist.”
* PE is interdisciplinary, bridging such organized disciplines as history, economics, geography, philosophy, anthropology...
* PE research is spatially sensitive: the subject is defined territorially through relational linkage with other domestic and international territories.
* Some have mistakenly attributed economic determinism to Canadian political economy, but it has focused primarily on human agency—choices and decision made by political, economic, and social actors and their effects. These choices are defined both historically and territorially and are mediated through cultural and ideological factors on the one hand and form of social organization and/or technology on the other.
  + Liberal PE emphasizes culture and technology.
  + Marxist PE emphasizes ideology and social organization.

**Albo and Jenson (1989):** A Contested Concept: The Relative Autonomy of the State

“The relationship between ‘the state and society’ in Canada has been closely observed. Many commentators have suggested that much of Canada’s uniqueness resides with the leading role that the state has taken in promoting economic development. Writing in 1929, Frank Underhill went so far as to describe ‘statism’ as a cultural trait. More recently, Leo Panitch (1977) argued that ‘the Canadian state was never a laissez-faire state and...Canadian economists and historians have well recorded this function’” (p. 180).

* What accounts for the close integration of state and society in Canada?
  + The state has been crucial for regulation of trade and production in a dependent economy of production concentrated in export-sensitive sectors.
  + Canadian geography creates great distances between production sites and markets, and the state has provided commercial infrastructure and facilitated the financing of large overhead costs.
  + The state has underwritten the major institutions of capitalism: the capital market, through loans, subsidies, and depreciation allowances; and the market for labour power, through land, immigration, mobility, and education policies.
  + The combined effects of **federalism** and uneven development have encouraged regional blocs of capital to cluster around the provincial states, thus creating competition in development strategies between the federal and provincial governments.
* State: as an actor (state-centric perspective) or as a space (society-centric perspective).
* State-centric perspectives: instead of being power struggles between social forces within civil society (i.e. class-centric approach), "politics" is dominated by the processes of bureaucratic conflict within the state.
* Early Marxist writings often described the state as a by-product of the class divisions of capitalist society. The ruling classes controlled the state and used it as an instrument to realize their common interests. The concept of the "relative autonomy of the state" was developed later to overcome this tendency to reduce the state to an instrument of domination, by granting it some independence from direct class control.
* Classic CPE Staple theorists: 1920s-WW2 (e.g. Innis). The state had virtually no autonomy from particular capitalist; state autonomy was ordained by the amount of sovereignty the national economy had from foreign penetration.
* New CPE Dependency school theorists (1960s, 1970s): accepted as the immediate task the nationalist project of breaking Canada out of the American orbit; Canada had failed to develop industrially
* Neo-institutionalism: greater stress on the interests of the state itself and on conflicts within its internal bureaucratic and political institutions.
* For Panitch (1977): Distinguished between a state that acts simply at the behest of the capitalist class - as a simple instrument - and a state that acts at a distance on behalf of that class to maintain the capitalist system. Such distance provided the state with "a relative autonomy".

**Watkins (2003):** “Politics in Time and Space of Globalization.” In *Changing Canada: Political Economy as Transformation*.

Watkins argues that the present proclaims itself to be the era of globalization. We need to deconstruct this new discourse of globalization and reconstruct the paradigm of Canadian political economy.

* Watkins argues that today we have globalization led by corporate capital as movement, and as countermovement we have the array of social movements, of environmental groups, of labour organizations, of social democratic and green political parties, of anarchists—the forces against globalization simply in the service of the corporation and for genuine, democratic people’s globalization, the profusion of the vehicles of protest of civil society that transcend national boundaries.
* He argues that students of Canadian political economy in the era of globalization should keep their eye on Canada-US economic and political relations, as well as other international influences, to make sure there is still a Canada sufficiently distinct to merit study

**Clement and Vosko (2003):** Changing Canada: Political Economy as Transformation

Premise**:** Clement and Vosko’s book has as its primary theme the notion of *transformation*. It is about the engagement of political economy in changing Canada and also about changes in Canadian political economy itself.

* The various strands of the new Canadian political economy are exemplary in their efforts to mobilize political economy to advance analyses of progressive social change (including interrogating what is meant by “progressive”), always questioning dominant ideas about economy and polity, and identifying contradictions and tensions in research represented as “value-free.”
* For example, the late 1970s saw a challenge to the gender-blindness of political economy, which highlighted the narrow male-stream scholarship.
* In the 1990s, analyses of decolonization, as well as race and gender relations have, for example, unsettled established strains in feminist political economy and have thereby taken transformation in a direction different from the one taken by conventional political economy.
* Progressive political economy, which derives from an engagement with the Marxist tradition of radical social criticism, is an important root of the self-reflexivity now shaping social science theory and method.
* The new Canadian political economy is motivated by values such as economic and social justice and therefore does not claim to be value-free.

Arguments**:**

* The goal of the text continues to be to explain the economy and market forces so that political and social interventions can direct economic processes, but Clement and Vosko also aim to chart new transformative directions for the new Canadian political economy (including emancipator politics, human rights, social and economic justice, and human welfare).
* They critique economic essentialism in two ways:
  + They argue that “economic” itself is a social, political, cultural, and ideological construct (think of the market as the paradigmatic case); and,
  + They argue that there is no “essentialism”, or sameness,” in the economy, because time and space are ever-present variable s for political economy.

**W. Clement (1997):** “Introduction: Whither the New Canadian Political Economy?”

* Comes across as a bit of a plea for Cdn political economy

**J.M.S. Careless (1967):** Frontierism, Metropolitanism, and Canadian History

* Recent academic accounts have integrated a “frontierism” approach in the history of Canada
* Careless argues that though applying a metropolitan interpretation may only restate old problems in somewhat different terms, this is alright, as what is particularly needed at this juncture is “a restatement, a new perspective that may disclose new vistas and produce new patterns for Cdn history”
  + Frontierism along with earlier schools and approaches has had its use and its day
  + Environmentalism needs recasting, and is being recast
  + The metropolitan approach largely recognizes what is already going on in Cdn historiography and provides a new framework – one which pays heed both to the distinctive features of the history of the country and to a notable modern phenomenon, the rise of metropolitanism around the world

**D. Smiley (1975):** “Canada and the Quest for a National Policy,” *CJPS* 8

* The most persistent expression of the nationalist impulse in Canada has been economic
* “National Policy” can mean one of three things:
  + Refers to the explicitly protectionist direction of Cdn commercial policy taken by Macdonald Conservatives in 1878
  + Can refer to what W.A. Mackintosh designated as the three basic national decisions of the new Dominion of Canada: (1) acquire and settle/develop Rupert’s Land and Northwest Territories; (2) cause the construction of a transcontinental railway; and (3) effect the industrialization of the Cdn heartland through protective tariffs
  + Refers to the continuing complex of policies undertaken by successive Cdn govts to establish and sustain a national economy in significant degrees both integrated and autonomous
* Canada's "new" national policy of industrial development: stress indigenous technological innovation
  + leader: federal government (with cooperation from industry and universities)
  + purports to be non-ideological and ignores serious consideration of its impact on the distribution of burdens/ benefits among different elements of the Canadian community

However: again, it favours the heartland relative to the West

**L. Pratt and J. Richards (1979):** Prairie Capitalism

* Focuses on the provincial govts of Alberta and Saskatchewan and their development policies during the rise of the post-war resource industries of oil, natural gas, and potash in western Canada
* Central theme of the book draws attention to the gradual, if uneven, emergence of the provincial state as an entrepreneurial actor in staple-led economic development
* Conventional economic wisdom (that these authors are working against) privileges the national government, and a more general sense of provincial impotence
  + i.e. Levitt predicted in *Silent Surrender* that without determined federal leadership, the provinces would drift further into the orbit of continentalism, reinforcing the trend to balkanization and wholesale Cdn political disintegration
* Classic Trudeau essay in early 1960s argued that a relatively decentralized federal system presented far more alternatives for creative radical politics than in a highly centralized unitary state
* Research study finds that:
  + There is no confirmation of the thesis that provinces heavily dependent on the exploitation and sale of staples are placed in a permanent position of political dependency vis-à-vis external capital
    - Once a foreign investor has sunk costs into the region and has fixed assets in place, the monopoly of his expertise has been eroded, and there is a shift of power toward the province in mediating the continuing relationship
  + Encroachments by the federal government have served as a catalyst to provoke the provinces into defensive interventions, which in turn create tensions with resource industries
    - What begins as a relatively simple and highly unequal (often exploitative relationship) often evolves into a much more complex pattern of relations as the provincial government moves up a learning curve of skills and negotiating expertise, and the foreign company faces the steady erosion of its monopoly power

**G. Williams (1983):** Not for Export: Toward a Political Economy of Canada’s Arrested Industrialization

* Williams resents the case for frustrated potential, rather than potential catastrophe (following economic crisis of the early 80s)
* Asserts the autonomy of the state. E.g. as the NAFTA is subject to renegotiation the democratic left in all member states will possess an opportunity to advocate the reformulation of the NAFTA to meet certain social and political goals.
  + Canada exhibits a low level of industrial development; is heavily dependent on foreign investment and resource-based exports.
* Argues that, ultimately, those who argue that Canada’s position in the world economy is that of a dependency or colony or resource hinterland headed more or less directly to underdevelopment have more to explain than their model allows. Although it is true that the Canadian political economy shares some important structural similarities with underdeveloped countries, these are by no means recent nor, it would appear, determining. Rather, Canada has maintained throughout her history, a position near the top of the international hierarchy of wealth
* Canada’s location within the centre of the world economy can best be understood when it is remembered that Canada was developed as a colony of settlement, an offshoot, of the European social formation, and from its very beginning has shared many of its most important characteristics – high wages, liberal-democratic political institutions – that have been necessary for the unfolding of Canada as a new country of the centre
* Book seeks to answer the question – why has Canada failed to develop a substantial trade in finished manufactures?
  + Canada’s export impotence is more than just a statistical irregularity – it has in fact aggravated two of the countries most persistent economic problems – balance of payments policy and employment policy
  + Williams argues that one of the primary reasons so little has been done to meet the challenge of sputtering, stalling, and inward-looking manufacturing sector is because our political and intellectual elites failed, until relatively recently, to acknowledge that something had gone seriously wrong with the export side of our industrialization process
    - Two main schools of though emerged on the issue that were fundamentally opposed – one free trade and foreign investment oriented; the other protectionist and nationalist

**R.J. Brym (1985):** The Structure of the Canadian Capitalist Class

* Marxist view: it is one of the most remarkable facts of Cdn intellectual life that, until some twenty years ago, few university professors or literary figures seem to have noticed that there are social classes in this country
* Since the 1960s this has changed significantly – intro provides overview of some of this work
* Dependency theory: intended to signify unequal relationship in which the US uses its superior power to secure a wide range of economic advantages over Canada
  + Corollary to dependency theory built of article by Tom Naylor in which he characterized the whole sweep of Cdn economic history in light of Canada’s role as a supplier of raw materials. Out of this trade (with France, then Great Britain, the USA) emerged a Cdn capitalist class that specialized in the construction and operation of transportation services, provision of insurance, banking and short-term credit services. Furthermore, he insisted than this class had a vested interest in blocking the development of a vigorous and independent manufacturing sector in the country
    - “Merchants against Industry” thesis
* In the 1980s, Niosi argues that the Cdn capitalist class cannot be characterized as purely continentalist and dependent, or as purely independent of foreign interests. Cdn capitalist class possesses aspects of all these features simultaneously because of the local and international economic and political conditions within which it has evolved
* Not terribly useful.

**J. Niosi (1985):** Canadian Multinationals

* Compares Canada and the US, with the research contradicting a large number of studies of transnational corporations
* View of many: multinational firms arise either as members of innovative oligopolies in the industrialized countries, or else as local companies in semi-industrialized countries that purchase and improve innovations originating elsewhere and then use them in still less developed countries
* Research study of leading Cdn multinationals has shown that:
  + One, they are big-league oligopolists, they are not very innovative; but
  + Two, they invest primarily in *other* industrialized countries

How do we explain this contradiction?

* + - Cdn multinationals are technological imitators. Acquire technology in one of four ways:
      * Purchasing patents, technical services, and equipment in foreign countries
      * Purchasing innovated producers in foreign countries
      * Using technology inherited from a former parent corporation
      * By establishing labs or research centres in foreign countries
* Authors have described Cdn multinationals as a case of expansion based on foreign technology – they appear to be the only such case. In the area of the internationalization of capital, the Cdn model appears to be one with no imitators.

**D. Drache and D. Cameron (1985):** The Other MacDonald Report

* Macdonald was asked to (essentially) propose a new social consensus on economic policy
* Commission fundamentally divided Canada into: (1) the “popular” sector – churches, trade unions, women’s groups, social agencies, Aboriginal organizations, farmers, and the disadvantaged; and (2) business and government.
* Macdonald Commission ultimately proposed Free Trade route with the US. In so doing, the MacDonald Commission followed "business demands" while ignoring "popular sector" demands.
* Labour’s sole representative on the Commission – Gerard Docquier, voiced an alternative view. In a dissenting statement, he condemned the final report for “having endorsed market-based fantasies as a solution to Canada’s nearly 2 million unemployed.” He stressed 4 key areas of disagreement with the commission:
  + The lack of a serious effort to eliminate unemployment
  + The advocacy of US-Canada bilateral free trade
  + Proposals to roll back the unemployment insurance program
  + And some recommendations on labour management relations
* On the whole Docquier said that the commission was obsessed with Canada’s competitiveness, when its commitment should have been to “full employment and social justice”
* Royal commissions serve an explicitly political purpose – governments need to defuse explosive issues. Royal commissions are perceived to operate impartially, and are thus the ideal instrument of brokerage politics. In contrast to the theoretical purpose of *producing* a consensus through a formal process of fact finding, the job of a royal commission is to *appear* to have produced a consensus.

**D. Inwood (2005):** Continentalizing Canada: The Politics / Legacy of the MacDonald Royal Commission

* Book critically explores the politics and legacy of one of the most influential and important royal commissions in Cdn hx – the Royal Commission on the Economic Union and Development Prospects for Canada (the Macdonald Commission, 1985)
* The Commission embraced free trade. Why?
* Inwood proposes the following answer:
  + The change can be at least partly accounted for by examining the interplay of ideas, institutions, and interests in the Cdn political economy in relation to the main contending economic development strategies that have long vied for primacy in Canada
    - The first strategy, *nationalist* in outlook, seeks to use state intervention to foster Canada’s development as an autonomous nation state, and has been based on left-Keynesian theoretical assumptions
    - The second strategy, *continentalist* in orientation, seeks greater economic integration with the US and is based on a free market, non-interventionist strategy
  + These two views are linked to two broader ideologies, *democratic socialism* and *neoconservatism*
* This book reveals that the Macdonald Commission reflected the disharmony in Cdn political discourse. The post-war Keynesian consensus, shattered after a series of successive crises in the 1970s, had not been reconstructed and was in a state of disarray in the early 1980s. Evidence from the commission indicates that the social democratic nationalist economic development strategies that shaped that consensus had not been entirely abandoned or discredited. Nonetheless, a contrary view was emerging based in mainstream economic theorizing in search of a new set of neoconservative continentalist strategies. The post-war breakdown in consensus concerning Cdn economic development strategies had not been replaced by a new conventional wisdom, despite the Macdonald Commission’s attempt to claim otherwise. Rather, Cdn society was marked by sharp ideological polarization around the concepts of nationalism coupled with social democracy, and continentalism coupled with neoconservatism.
* Macdonald report acts as a turning point in Cdn public policy – a paradigm shift, if you will – from Keynesianism to Neoconservatism
  + Paradoxically, the report may have also helped sow the seeds of organized opposition, as the key recommendation of the report defied popular opinion

**J. Jenson (1990):** Representations in Crisis: The Roots of Canada’s Permeable Fordism,” *CJPS* 23:4

* General agreement that the “new Cdn political economy” was shaped by nationalism:
  + Since the 1960s its practitioners’ primary attention has gone to theorizing Canada’s location in the international economy. Moreover, the controversies which animated debates among political economists during two decades emerged around and because of the framing effects of nationalist concerns.
* Five issues of NCPE:
  + The identification of collective actors
  + The role of the state
  + The comparison of Canada with like cases
  + The categorization of space
  + The periodization of time

Thesis: The political conflicts of the 1930s and 1940s gave rise to a model of development in Canada which can be labelled "permeable fordism." Unlike other countries, the "fordist compromise" in Canada was based on a new national discourse - nation-building, and social justice through nation-building was the primary theme - more than on one stressing the capital-labour relationship and organized by class-based parties.  
  
\*See: Charlotte Yates, "From Plant to Politics: the Canadian UAW, 1936-1984," unpublished doctoral thesis, Carleton University, 1984,

**S. Clarkson and T. Lewis (1999):** The Contested State: Canada in the Post Cold War, Post-Keynesian, Post-Fordist, Post-National Era

* The evolution of the federal state from the social-democratic leanings of Lester Pearson and Pierre Trudeau to the neo-liberal proclivities of Brian Mulroney and Jean Chretien can best be understood by means of a nested, five-tier model:
  + The *federal* state – while still showing dynamic potential – appears most reduced in its functions, having lost or transferred powers upwards to the global and continental tiers, outward to the market, and downward to sub-national entities
  + Above it, a market-driven *continental* regime has become institutionalized, first bilaterally between the US and Canada, and then trilaterally with Mexico. Though the federal state is the prime formal interlocutor in continental politics, the provinces play active roles beyond their borders with their sub-national counterparts, primarily in the US
  + The *global* order comprises a set of supranational and intergovernmental institutions in whose agenda-setting and management the federal government actively participates as a sovereign state and consults the provinces according to their constitutional jurisdiction
  + While the *provincial* governments have not developed a major international role, they have gained power from the federal level. At the same time they have lost capacity to the market and have off-loaded functions to their cities
  + At this, the *municipal* level of governance, cities have gained further responsibilities, but in some cases have lost the financial means necessary to meet them
    - Not all of these levels of governance can properly be described as ‘states’ – in Canada, only the federal and provincial levels have formal constitutional standing (municipalities remain creatures of the province)
    - However, there has been sufficient institution-building at the other levels that governance functions with the quality of “stateness” are performed at each tier of the model
* Review confirms that substantial changes have taken place in the functions and structures of the Cdn state – from the activist, relatively generous practices of Pearson/Trudeau, to the regressive stances of neo-liberal politics
* Boundaries between state, market, and civil society are becoming more porous
* If Cdn state manages to find a new shape between embedded and neoliberalism, it will only be after passing through its present phase of being constantly contested.

R. Haddow, “How Can Comparative Political Economy Explain Variable Change? Lessons for, and from, Canada,” in White et al, *The Comparative Turn\*\*\**

Three typologies of capitalist democracies:

1. Gosta Esping-Andersen’s welfare-state typology: conservative, liberal, social-democrat
2. Peter Hall and David Soskice’s production regime typology: co-ordinated market economies and liberal market economies.
3. Herbert Kitschelt’s party-system typology: multiparty system, left-party hegemony, two-party systems

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Production regime | Welfare state | Party system | Membership | Potential for neoliberal retrenchment |
| Liberal market economy | Liberal | Two-party; polarised | Anglo-saxon nations | High |
| Erstwhile nationally co-ordinated CME | Social-democratic | One party dominant: left | Scandinavia | High |
| Industry co-ordinated CME | Conservative | Three party: catholic, social-democratic, liberal | Northern Europe | Low |

* Haddow argues in favour of “building dynamism” into a model of Cdn PE so that we might be able to trace how institutional evolution has reflected interest mobilization in the Cdn polity at its origins and changes in the composition of and balance among these interests over time

**G. Laxer (1989):** Open for Business: Roots of Foreign Ownership in Canada

Q: how the country came to be both rich and so heavily dependent on US-owned branch plants

Traditional answers:  external and geographic conditions, or to the predilection for quick profits over national development

Laxer argues that Canada was already the eighth largest manufacturing country in the world by Confederation in 1867. He provides fair evidence that the country was developing a solid industrial base prior to 1900, and that its trajectory was similar to those of other late follower countries. Was it inevitable that, situated next to the US powerhouse, Canada would remain a staples producer? No.

The power of big business (looking for short-term profit) remained unchallenged in Canada as the agrarian (or subordinate) class was divided along ethnic lines.

--

B. Jessop, *“*Post-Fordism and the State,” in A. Amin, ed., *Post-Fordism: A Reader* (Oxford, 1995)