Are Canadian academics attributing too much influence on policy to globalization?

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Introduction

To a large degree, globalization now establishes the context in which public policy is made. While policy-makers are rarely rigidly bound to particular choices as a consequence of global economic, political, technological, and social integration, these phenomena have all influenced their thinking and planning in the post-WWII era. Economic policy is made in the context of global competitiveness, and within global institutional structures like the World Trade Organization and its associated agreements. There is a general pattern of the opening of the Canadian economy, as well as integration with markets elsewhere, particularly in the United States.¹ This has an impact in policy areas as diverse as taxation, agriculture, and the scope and functioning of Canada’s social safety net. Security is also considered from a global perspective. In the short-to-medium term, this includes factors like the

activities of transnational terrorist groups and the intersections between state failure and
global security; in the long-term, it includes strategic considerations about how a changing
balance of economic power internationally affects security priorities. Less directly, other
manifestations of globalization make themselves felt in the establishment of public policy —
for instance, in terms of the changing characteristics of immigration, wherein those who
immigrate have much more capability to remain in contact with the people, culture, and
current events in their country of origin.

All that being acknowledged, it can be difficult to identify precisely how much influ-
ence globalization had on the establishment of a particular policy, and this has been an
area of contention for Canadian scholars of political science. There is even debate about
whether the phenomenon of globalization should be treated as a single thing, or whether
it would be better divided analytically into ‘globalization’ defined by “structural economic
factors” and ‘internationalization’ defined by “when policies within domestic jurisdictions
face increased scrutiny, participation, or influence from transnational actors and interna-
tional institutions”. While the two ideas are conceptually separable, they may nonetheless
be practically intertwined to a degree that makes their consideration in isolation from one
another infeasible. Economic integration establishes the landscape in which policy deci-
sions are made about taxation, industrial policy, and environmental standards. Even in the
area of social policy, performance is generally evaluated comparatively by intergovernmental
organizations, non-governmental organizations, and by government departments and
ministers themselves. When the question of ‘how Canada is doing’ in any particular field
arises, the answer is usually formulated in comparison with a group of peer countries. As

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such, Canadian academics have rightly accorded considerable importance to globalization in policy-making, though identifying the precise degree of influence upon any particular policy decision is challenging.

**A constraining international environment**

Canada’s recent federal budget documents are laden with international comparisons in areas including research and development, the global competitiveness of firms, trade, taxation rates, and immigration. *Budget 2012* is peppered with references to how Canada’s policies and performance compare with those of other G-7 states. The budget also speaks directly to the ways in which international competitiveness concerns drive policy-making. Under the heading of ‘Improving Conditions for Business Investment’, for instance, it describes “streamlining” the regulatory system, expanding trade, “keeping taxes low for job-creating businesses”, and “further developing our financial sector advantage”. Generally speaking, the hypothesis that “globalization is causing nations to converge towards neoliberal and market-oriented options” is convincing. Richard Simeon identifies some of the dimensions of this constraint, including a more limited scope of policy instruments to be employed, “capital mobility and the impact of global problems [that] exceed the regulatory grasp of the state”, and “debts and deficits [that] also constrain state innovation”.

This international focus is replicated in Canadian political science scholarship, including in terms of the growth of comparative studies, and participation in international collabor-

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7 White, The Comparative Turn in Canadian Political Science.
8 Skogstad, “The Comparative Turn in Canadian Political Science”, p.219.
11 Ibid., p.580.
suggestions about how it might be improved.

Political scientists have examined and described many of the mechanisms through which the forces of globalization feed through into domestic policy formulation. Often, this has taken the form of a narrowing of the range of possible policies under consideration and the exclusion of specific policy options that are expected to reduce Canadian competitiveness. For example, Grace Skogstad describes how:

“as the liberalization of capital and goods markets contributes to consolidation of investment and financial capital in a small number of transnational corporations, governments find themselves forced to compete with one another to have value added within their territory but not elsewhere.”\(^\text{12}\)

Some policy consequences of this include:

“a limited and non-interventionist role for the state in the market, freedom of trade and capital mobility, removal of welfare benefits that create disincentives to market participation, and in general a smaller public sphere.”\(^\text{13}\)

This analysis is echoed by other scholars who highlight how globalization empowers individuals and firms to relocate capital and production to jurisdictions that promulgate policies that conform to their preferences. Societal consequences arising from this may include increasing inequality (both economically and in terms of the ability of different individuals and groups to shape the policy agenda), a weakened social safety net, and an increased ability for multinational firms to set the terms under which they operate.


\(^\text{13}\) Ibid., p. 19.
The perception of international constraint can also be exploited by sophisticated actors. Agents like wealthy individuals and multinational companies can highlight their ability to relocate when trying to encourage the promulgation of policies that favour their interests. Similarly, governments can use arguments about international constraint to legitimize policies that may otherwise be controversial or unpopular, arguing that their hands are effectively tied. The most roundabout form of such public relations work may be cases where a government privately wishes to push forward an unpopular policy, fears the political backlash, and therefore encourages an international institution like the European Union or International Monetary Fund to call for it, allowing the government to accede reluctantly to implementing its own policy preference, under cover of a story about outside imposition.

Policy independence maintained

Ultimately, states retain their sovereignty. Resolutions of the United Nations Security Council are frequently ignored, and this is an international institution empowered to “take such action by air, sea, or land forces as may be necessary to maintain or restore international peace and security”. Less dramatically, states often fail to live up to their international obligations, such as when Canada failed to ever develop a credible plan to meet its greenhouse gas pollution reduction targets under the United Nations Framework Convention on Climate Change and Kyoto Protocol, prior to withdrawing from the latter agreement entirely. If a government has sufficient will, it can make the kind of choices that are sometimes alleged to be barred by globalization — raising taxes on individuals or businesses that could opt to relocate, raising labour and environmental standards above those of competing ju-
risdictions, and so on. Recognition of this reality is important for being able to “account for continued variety and for equally broad similarities in patterns of change across many settings”. Globalization, then, operates more as a series of soft barriers that adjust the relative costs and benefits associated with different policy options, rather than an array of rigid barriers that constrain policy choices to just one option or a small handful thereof.

As Grace Skogstad argues convincingly, globalization and the top-down policy constraints that accompany it has not been the only significant change impacting the state in recent decades — there is also new bottom-up pressure from policy networks and communities. These sub-national entities now play a role in both policy formulation and implementation, and function within a dynamic of “regularized patterns of interaction between state actors and representatives of societal interests”. Skogstad highlights how the behaviour of these groups must be interpreted with an appreciation for the importance of “internationalized policy environments, multilevel governance, and social actors who transcend national borders”. Thus, even the sub-national groups that help to drive policy are subject to some of the manifestations of globalization, and their influence must be interpreted within that context. Skogstad argues that the increased complexity of the policy-making environment which has arisen from globalization increases the dependence of the state on expert policy networks and suggests that these networks may be “the crucial linchpin in the capacity of governments to adjust their economies and public policies to the

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15 Skogstad, “The Comparative Turn in Canadian Political Science”.
16 Skogstad, Internationalization and Canadian Agriculture: Policy and Governing Paradigms, p.31.
17 See also: Howlett, “Policy analytical capacity and evidence-based policy-making: Lessons from Canada”, p.163.
19 Ibid., p.206.
constrains and opportunities posed by globalization”.

One example of a nation bucking global trends for internal ideological reasons can be seen in the current Canadian government’s hostility toward scientific research, and arguably toward expert advice generally. Nobody focused on international competitiveness or evidence-driven policy would have expected the elimination of the long-form census (a move noisily protested by many businesses) or the general marginalization of Statistics Canada. Similarly, it is hard to see why Canada competing in a global market would choose to make disproportionate cuts to scientific research and development, while also implementing policies to hamper the ability of government-funded scientists to collaborate and communicate their findings. These decisions highlight how a government’s priorities can push aside the influence of globalization. In seeking to shore up support among a core base of supporters — as well as in endeavouring to shield itself from credible criticism — a government can make choices that weaken the analysis underlying its policy-making and which set the country at a disadvantage relative to its international peers.

Generally speaking, Canada’s current government has shown especially little regard for approaches that “prioritize evidentiary or data-based decision-making”, as discussed by Michael Howlett. One area in which this is especially evident is in the government’s ongoing conflicts with the Parliamentary Budget Officer (PBO) about the accurate costing of its policy promises. Despite numerous occasions in which PBO estimates have proven justified after the fact, the government attacks each new one with the same vehemence as those which preceded it. Another example, in the area of health policy, is the government’s

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20 Skogstad, “The Comparative Turn in Canadian Political Science”, p.2167.
21 Howlett, “Policy analytical capacity and evidence-based policy-making: Lessons from Canada”.

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hostility to Vancouver’s ‘InSite’ safe injection facility for intravenous drug users. Widely
dorsed as a harm reduction mechanism by health researchers, the facility’s exemption
from the Controlled Drugs and Substances Act was only maintained by means of a Supreme
Court decision in 2011 which held that the government’s decision was “arbitrary, under-
mining the very purposes of the CDSA, which include public health and safety” as well as
“grossly disproportionate”.

Conclusions

Globalization now sets the stage for many policy decisions, but staging is not destiny
and both states and other actors retain the ability to make choices other than those encour-
aged by globalization and international economic integration. Continuing to chronicle and
analyze these behaviours will remain an important role for political scientists, requiring the
development of new methodologies that can tease apart the causal inputs of decisions and
seek to identify those that have been dominant in particular instances. Canadian political
scientists have largely accepted the argument that globalization is an important development
affecting public policy formulation, and a great deal of work has been done with the inten-
tion of better understanding this dynamic. The more complex a decision-making process
becomes — and the more actors and inputs are involved — the harder it is to definitively at-
tribute particular outcomes to specific inputs and identify the overall degree of influence of
one phenomenon upon another. As such, even as globalization can be plausibly interpreted
to have a growing role on policy development and implementation, it is also part of a pat-

tern of increasing complexity that makes it challenging (and sometimes even impossible) to isolate and measure the degree of influence associated with any one component in that mixture. Scholars attempting to understand a globalized world must therefore maintain a measure of humility in making causal assertions, including about the degree of influence globalization itself had on any particular policy outcome.

References


Canada, Supreme Court of. *Canada (Attorney General) v. PHS Community Services Society*.


