

# ***CANADIAN PARADIPLOMACY IN PRACTICE: CONFESSIONS OF A PARADIPLOMAT***

Andrew PETTER <sup>1</sup>

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## **Introduction**

I want to thank the organizers of this conference for inviting me to bring a Canadian perspective to bear on the topic of paradiplomacy. When I received my invitation to participate in this session, I must confess that it was unclear to me why I had been chosen. As a Canadian law professor specializing in constitutional law, I have written about the legal capacities of Canadian provinces, but not about their international activities. While this role may have equipped me to propound on Canadian doctrines of *paramountcy*, therefore, it has provided me little insight into Canadian practices of paradiplomacy. It is true that as a law dean I am quite often called upon to exercise quasi-diplomacy in my dealings with faculty and others; but quasi-diplomacy is one thing – paradiplomacy is quite another. After some initial bewilderment, therefore, I concluded that the credential that got me here was political rather than academic in nature, relating to the period from 1991 to 2001 that I spent as an elected member of the Legislative Assembly of the Province of British Columbia, all but a few months of which I also served as a cabinet minister in the British Columbia Government.

Assuming I am right in this conclusion, let me say how appreciative I am to be asked to speak from this perspective. Given current popular opinion about politicians in Canada (where, according to a recent poll, the public ranks them

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<sup>1</sup> Dean and Professor of Law, Faculty of Law, University of Victoria, Victoria, B.C. Canada.

last in trustworthiness amongst 22 occupations, just behind car salespeople<sup>2</sup>), I am much more used to being asked to speak at academic conferences *in spite of* rather than *because of* my role as a recovering politician. I should also say that being invited to participate in this conference has gone a long way to rehabilitate me in the eyes of my students and colleagues. Not only has it shown them that my ten years in the political wilderness may have actually had some academic value, it has also enabled me to revise my status from that of a lowly ex-politician to that of an exalted former “paradiplomat”!

So much for what this conference has done for me. What can I do for it? There are a number of areas that I intend to touch upon in the time available. First, I will review some of my own experiences in government to illustrate the practice and prevalence of paradiplomatic activities in British Columbia and Canada. Second, I will discuss the factors that I believe contribute to such activities. Third, I will comment on some of the different forms of paradiplomatic activities that appear to be occurring in Canada. Finally, I will conclude by considering the future of Canadian paradiplomacy and commenting on a key difference between the Canadian and European experience.

**PART 1:**  
**Paradiplomacy in practice**

In preparing for this conference, I reviewed my experience as a minister in the Government of British Columbia. Quite frankly, I was surprised by the extent and scope of paradiplomatic activities in which I was engaged through the various portfolios I held. Here are a few examples:

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<sup>2</sup> Angus Reid Global Scan (2006), “Fire Fighters Top Canada's Most Trusted List” (25 March), Angus Reid Global Monitor, Polls & Research: [www.angusreid.com/polls/index.cfm/fuseaction/viewItem/itemID/11338](http://www.angusreid.com/polls/index.cfm/fuseaction/viewItem/itemID/11338).

- As Minister of Forests, I directed British Columbia's involvement in negotiations leading up to the 1996 Softwood Lumber Agreement between Canada and the United States.
- In the same portfolio, I participated as a member of the Canadian delegation to the United Nations Commission on Sustainable Development in New York City.
- Also as Minister of Forests, I led a trade mission to Europe during which I met representatives of national governments and addressed the European Parliament's Intergroup on Conservation and Development.
- As Minister of Finance, my officials met regularly with investors and bond-rating agencies from the United States.
- As Minister of Advanced Education, Training and Technology, I led a fact-finding mission of high-tech industry representatives to the states of Washington, Oregon and California.
- In the same portfolio, I twice represented Canada at UNESCO: once as Chief Spokesperson on Education and once as Head of Delegation at the World Conference of Higher Education.
- As Minister of Intergovernmental Relations, I dealt with numerous matters that had international aspects, particularly in relation to the United States, including provincial concerns in respect of the implementation of the North America Free Trade Agreement, the Pacific Salmon Treaty negotiations and the future of the Canada-U.S. submarine torpedo testing range at Nanoose Bay on Vancouver Island.
- As Attorney General, I dealt with issues concerning cross-border trafficking in tobacco and illegal drugs.
- In the same portfolio, I met with U.S. industry and government representatives in New York City and Washington D.C. to discuss proposals for regulating video-games in British Columbia.

These examples demonstrate the extent to which paradiplomacy has become a common feature of political life in the Province of British Columbia. There is no reason to suppose that this is any less true of the other provinces. In fact, recent studies show that Canadian provinces are among the most internationally active subnational governments in the world. Canada's ten provinces spend as much on international programs as the fifty U.S. states, even though they have only one-ninth the population and one-fourteenth the GDP.<sup>3</sup>

The preceding examples also illustrate the range of issues that can become the subject of paradiplomatic activity in British Columbia, from trade and fiscal matters to social and cultural concerns. It seems clear, however, that the preponderance of such activity is economically driven. While British Columbia ministers may sometimes take advantage of opportunities to pursue social or cultural matters on the international stage (as I believe I did more than most), it is the need to protect and advance the province's economic position in an increasingly competitive global economy that provides them the greatest political impetus to engage internationally.

Again there is reason to believe that this impetus is common to the other provinces, all of which have small, open economies that are heavily dependent on international trade, particularly with the United States. This does not mean that the subject matter of paradiplomatic activities is the same in all provinces. Clearly it is not. While the vast majority of such activities are directed toward the United States, the focus of these activities differs greatly according to each province's economic, social and geographic circumstances. Thus while British Columbia's paradiplomatic engagements have been preoccupied with issues such as forestry and salmon, adjacent Alberta's have been preoccupied with oil and cattle: this difference, of course, reflecting the

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<sup>3</sup> Earl H. Fry (2004), *The Role of Subnational Governments in the Governance of North America*, Mapping the New North American Reality IRPP Working Paper Series, Institute for Research on Public Policy: [www.irpp.org/wp/archive/NA\\_integ/wp2004-09d.pdf](http://www.irpp.org/wp/archive/NA_integ/wp2004-09d.pdf), p.2.

economic strengths of each province. And while British Columbia has directed significant paradiplomatic energies to establishing links with neighbouring states in the Pacific Northwest, the Atlantic provinces have directed much of their energies to developing ties with nearby New England states.

One province that merits special mention is Quebec, both because it is more active internationally than the other provinces and because it is motivated by a strong sense of nationalism to engage in non-economic paradiplomatic activities that reflect its distinct history, language and culture. This is most apparent in Quebec's special relationship with France and its extensive involvement in *La Francophonie*. Even Quebec, however, is being driven increasingly by economic imperatives to engage internationally, and has in recent years devoted a great deal of energy to strengthen its economic relations with the United States.<sup>4</sup>

## **PART 2:** **Factors contributing to paradiplomacy**

What factors contribute to paradiplomacy in Canada? André Lecours has suggested that paradiplomatic activities are motivated mainly by nationalism.<sup>5</sup> There can be no doubt that nationalism has served as a major impetus for such activities on the part of Quebec and several European regions. While nationalist waves continue to drive paradiplomacy in Quebec, however, the economic currents associated with globalization and the integration of the Canadian and United States economies are formidable forces propelling all provinces, including Quebec, deeper into international

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<sup>4</sup> Dieudonné Mouafo (2004), "Regional Dynamics in Canada-United States Relations", Paper presented to the Conference of the Canadian Political Science Association, 3 June 2004, Canadian Political Science Association: [www.cpsa-acsp.ca/papers-2004/Mouafo.pdf](http://www.cpsa-acsp.ca/papers-2004/Mouafo.pdf), p. 6.

<sup>5</sup> André Lecours (2002), "When Regions Go Abroad: Globalization, Nationalism and Federalism", Paper presented to the Globalization, Multi-level Governance and Democracy: Continental, Comparative and Global Perspectives Conference, May 2002, Institute of Intergovernmental Relations: [www.iigr.ca/conferences/archive/pdfs1/lecours.pdf](http://www.iigr.ca/conferences/archive/pdfs1/lecours.pdf), p.12.

waters. Moreover, these currents have been gaining strength under agreements that have promoted greater trade with the United States while reducing the fiscal and regulatory capacity of Canadian governments at both national and regional levels to influence economic policy. This has resulted in the economies of Canadian provinces becoming increasingly dependent upon U.S. markets in recent years. Since 1989, when the Canada-U.S. Free Trade Agreement (precursor to the North America Free Trade Agreement/NAFTA) was signed, the value of Canadian exports to the United States has risen at an average annual rate of 8.3%, from 71% of all exports in 1989 to 87% of all exports in 2002.<sup>6</sup> As a result, the value of Canadian exports to the United States is now almost twice that of domestic trade.<sup>7</sup> While the extent of U.S. export dependency varies amongst the provinces, from a low of 62.10% in Saskatchewan to a high of 93.35% in Ontario<sup>8</sup>, the business communities in nine provinces now export more to the United States than they do to the rest of Canada.<sup>9</sup>

In addition to economic pressures and nationalism, there are important constitutional factors supporting paradiplomatic activity in Canada. Key amongst these is the fact that Canada has a decentralized federal structure in which provinces enjoy extensive powers over economic matters (such as intraprovincial trade and natural resource management), environmental issues (such as the regulation of pollution and hazardous wastes), and social policies (such as health care and education). The Canadian Constitution also provides provinces with a direct role in matters of international concern, including immigration (where jurisdiction is shared with the national government) and implementation of treaty obligations (where those obligations relate to provincial concerns). Finally, the provinces are able to

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<sup>6</sup> Mouafo (2004), op. cit., p.4.

<sup>7</sup> Robert Wolfe (2003), 'See You in Washington? A Pluralist Perspective on North American Institutions', *Choices*, online: Institute for Research on Public Policy: [www.irpp.org/choices/archive/vol9no4.pdf](http://www.irpp.org/choices/archive/vol9no4.pdf).

<sup>8</sup> Mouafo (2004), op. cit., p.5.

<sup>9</sup> Fry (2004), op. cit., p.3.

take advantage of the Constitution's flexibility to contract and spend funds on matters that fall beyond their legislative competence, including matters relating to international relations.

Another factor contributing to Canadian paradiplomacy is the heterogeneity of the geography, interests and identities of Canadian regions which feature diverse economies and localized expertise. As a result, the national government is frequently less well equipped than provincial governments to understand a region's economic or social interests, and hence less able to represent those interests in the international arena. Moreover, the national government may not be motivated to pursue a smaller region's interests internationally, or may pursue them less aggressively than the region would like. This is particularly so where those interests conflict with, or are seen as less pressing than, the interests of other regions with larger populations and more influence. Under these circumstances, there are strong incentives, sometimes reinforced by a sense of regional alienation, for provinces to advance the international interests of their regions through paradiplomatic means.

At the same time, there are commonalities of geography, interests and identities amongst contiguous groupings of provinces and states that serve to encourage paradiplomatic activities. These commonalities have given rise to regional organizations aimed at fostering co-operation and collaboration amongst participating provinces and states, particularly in areas that correspond to their domestic jurisdiction. The largest and most sophisticated of these is the *Pacific Northwest Economic Region* (PNWER) whose members include the provinces of British Columbia and Alberta, the territory of Yukon, and the states of Alaska, Washington, Oregon, Montana and Idaho. A large number of bilateral agreements on various subjects have also been entered into between provinces and their neighbouring states. These include agreements between British Columbia and Washington State (1992), Alberta

and Montana (1985), Manitoba and Minnesota (1988), Ontario and New York (2001), Quebec and New York (2002), and New Brunswick and Maine (2004).<sup>10</sup>

International institutional norms and practices are also key factors influencing paradiplomacy in Canada and elsewhere. Sub-national governments have not been traditionally recognized as international actors for the purpose of entering into treaties and other formal international relationships. However, the fragmentation of international relations that has occurred in recent years due to globalization and trade liberalization has resulted in a greater willingness by Canada and the United States to accept paradiplomatic activities on the part of regional governments. This is particularly true in economic matters, such as bilateral engagements between regional and national governments. Thus, in addition to the longstanding relationship that has existed between Quebec and France, there has in recent years been increased engagement between other provinces and the U.S. government, including three meetings between the Premier of Alberta and one between the Premier of Nova Scotia and the Vice President of the United States, all focused on energy issues.

Continental regimes have provided their own momenta and opportunities for paradiplomacy, though the nature of these in North America, where NAFTA has focused primarily on trade liberalization and economic integration, are quite different from those in Europe, where the European Union has resulted in a complex system of supranational governance and regulatory arrangements. Thus while regional governments in Europe can take advantage of continental structural adjustment programmes and otherwise participate in multi-level European governance arrangements, regional governments in Canada are deprived of similar opportunities. Instead they are required to contend with market conditions that are increasingly less

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<sup>10</sup> Jean-François Abgrall (2004), 'The Regional Dynamics of Province-State Relations: Canada and the United States', *Horizons*, Government of Canada Policy Research Initiative: [www.policyresearch.gc.ca/v7n1\\_e.pdf](http://www.policyresearch.gc.ca/v7n1_e.pdf); Mouafo (2004), op. cit., p. 12.

susceptible to state control at either a national or regional level, and are therefore left to protect and advance their economies through activities aimed largely at promoting exports and attracting foreign investment.

Finally, one can never discount the influence of politics as a factor motivating paradiplomacy. Paradiplomacy provides tempting opportunities for regional politicians to use the international stage to gain political advantage at home by boosting their profiles and showcasing their priorities. A noteworthy instance is the agreement on climate change signed last summer by California Governor Arnold Schwarzenegger and British Prime Minister Tony Blair, which had the politically salutary effect of enabling both politicians to highlight their commitments to environmental issues while distancing themselves from the policies of U.S. President George W. Bush. A less grandiose Canadian example was the visit by Alberta Premier Ralph Klein to Washington D.C., also last summer, to promote his province's oil sands project and energy potential, and to send a message back home that his government was more committed to such promotion than the national government.

### **PART 3:** **Forms of paradiplomacy**

From my experience with and observation of paradiplomatic activities in Canada, I am struck by the fact that they can take so many different forms. Paradiplomacy can be driven by nationalist, economic or non-economic global concerns such as the environment and health. The venue for paradiplomatic activities can be geographic (as with the *PNWER*), sectoral (as with my paradiplomatic forays on forestry issues), or cultural (as with Quebec's and New Brunswick's involvement in *La Francophonie*). The engagements can be bilateral or multilateral. They can be region-to-region, region-to-state, region-to-marketplace, or even region to civil society. (And

this does not take account of increasing international involvements on the part of local governments.)

It is also worth noting that paradiplomacy can be a nation-led or nation-enabled enterprise. One Canadian commentator has observed that “[s]tates rarely welcome the idea of regions ‘going abroad’; in fact, they tend to oppose it vigorously.”<sup>11</sup> This statement ignores the extent to which Canadian governments have facilitated and encouraged paradiplomacy over the years as a means of accommodating nationalist sentiments, regional interests and economic pressures. An example of encouraging paradiplomacy to accommodate nationalist sentiments occurred last May when the recently elected Conservative government in Ottawa reached an agreement with the government of Quebec to allow the province to name its own representative to Canada’s Permanent Delegation to UNESCO. The move was designed to convince Quebecers that the national government recognized their distinct cultural identity, and that this identity could be accommodated within Canada’s federal structure. This agreement built upon previous agreements, such as one in 1986 where the Canadian government supported Quebec gaining status as a participating government in *La Francophonie*,<sup>12</sup> and another in 1977 where the Canadian government responded to pressure from Quebec by empowering provincial ministers of education to nominate delegates, including the head of delegation, to represent Canada at UNESCO and other international conferences focused on education.

When it comes to accommodating regional interests, the Canadian government frequently invites provincial representatives to be part of Canadian delegations to international meetings that are of particular significance to the provinces concerned. (This is the reason that I was invited as British Columbia Forest Minister to be part of the Canadian delegation to

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<sup>11</sup> Lecours (2002), *op. cit.*, p. 6.

<sup>12</sup> See Louis Balthazar (1999), ‘The Quebec Experience: Success or Failure?’, in Francisco Aldecoa and Michael Keating (eds), *Paradiplomacy in Action*, Frank Cass, London, p. 153.

the United Nations Commission on Sustainable Development.) The Canadian government also supports provincial overseas missions (such as the one I led to Europe in 1994 on forestry issues) and has even gone so far as to accommodate provincial offices in its embassies. In addition, the Canadian government will often consult and involve provinces in treaty negotiations that affect them, particularly given Ottawa's constitutional inability to implement treaties in areas of provincial jurisdiction.

An obvious example of the Canadian government encouraging paradiplomacy to address economic issues was the initiation of the 'Team Canada Missions' in 1994 which involved the Prime Minister leading contingents of provincial premiers, business representatives, and federal and provincial officials to participate in overseas missions aimed at increasing trade and investment. 'Team Canada Missions' provided premiers and provincial officials with opportunities to interact with representatives of foreign national and regional governments, frequently resulting in memorandums of understanding and other relationships. At a time when globalization and trade agreements have reduced the capacity of governments to influence economic policy by fiscal or regulatory means, these high-profile missions have provided an alternative mechanism for the Canadian government to show economic leadership.

An interesting feature of federal efforts to facilitate paradiplomacy in Canada is the fact that they have involved both symmetrical and asymmetrical approaches. The two agreements mentioned earlier which allow provincial participation at UNESCO provide a good illustration. The first agreement reached in 1977 responded to Quebec's desire to have a national voice at international conferences on education by providing the same opportunity to all provinces. (It was for this reason that I was invited to head the Canadian delegation to the UNESCO World Conference of Higher Education in 1998.) The second agreement reached earlier this year gave Quebec alone the right to

appoint a representative to Canada's permanent UNESCO delegation. This distinction is explained in part by the nature of the two agreements. To give Quebec representation in recognition of its cultural distinctiveness within a larger Canadian delegation is one thing; to have given the province an exclusive right to decide who speaks on behalf of Canada on a matter of provincial jurisdiction would have been quite another. Thus, the most politically acceptable way to accommodate Quebec's wish to have national status at international education conferences was to include all provinces.<sup>13</sup> The two agreements can also be explained by the political conditions at their respective times. The 1977 agreement was reached when there was a sovereigntist government in Quebec, and Canadian Prime Minister Pierre Trudeau, himself a Quebecker, was advocating a pan-Canadian approach to cultural issues that denied special status for that province. The 2006 agreement was reached when there was a federalist government in Quebec, and Canadian Prime Minister Stephen Harper, who is a westerner, was seeking to show his new government's willingness to accommodate Quebec's distinct culture and political aspirations.

## Conclusion

In this presentation, I have tried to provide some insights into the nature and extent of Canadian paradiplomatic activities, the factors contributing to such activities, and the different forms that such activities can take. I hope in the process that it has become evident that paradiplomacy is alive and well in Canada. This is partly due to Quebec nationalism, which remains a significant factor in that province. However it seem clear to me that the greater force driving paradiplomacy amongst all provinces, including Quebec, is the economic influence of globalization and the integration of the Canadian and

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<sup>13</sup>Though Quebec has traditionally been given special consideration within the provincial decision-making process, and at the 1998 conference, for example, the Quebec minister was invited to be deputy head of delegation with shared speaking responsibilities.

United States economies. Moreover there is every reason to believe that this force will continue to gain strength in the foreseeable future, increasing pressure on Canadian provinces, with their small, open economies, to engage in paradiplomacy in order to attract foreign investment and promote trade. Increased paradiplomatic engagement may also occur in relation to such issues as the environment and health, which are becoming subjects of greater global concern, and over which the Canadian provinces in our decentralized federal structure have significant powers.

I hope this presentation has helped not only to provide a greater understanding of paradiplomatic practices in Canada, but also to disclose a key difference between Canadian paradiplomacy and its European counterpart. I have gained a strong sense at this conference of how intertwined the paradiplomatic activities of European regions are with the developing system of continental governance. A major preoccupation of paradiplomacy in Europe appears to be ensuring that regional identities and interests are adequately recognized and addressed within this continental regime. In Canada, there are few parallel opportunities for provinces to engage in multi-level governance for the simple reason that Canada participates in no supranational governance structures similar to the European Union. Rather the North American project, of which Canada has been a part, has been one of trade liberalization and deregulation through NAFTA. Not only has this project failed to generate supranational governance structures, other than those supporting trade, it has reduced the capacity of national and regional governments to use fiscal and regulatory instruments to constrain investment and other market activities.

Put simply, Canadian paradiplomacy is animated by a commitment to markets while European paradiplomacy is animated by a commitment to governance. Thus while Canadian paradiplomacy preoccupies regions with trade and investment promotion activities, European paradiplomacy provides

regions with opportunities to harness state powers and promote creative policies. I do not mean to exaggerate the extent of these opportunities nor minimize the difficulties experienced by European regions in pursuing them. We have heard much at this conference about the constraints and obstacles faced by European regions in their paradiplomatic endeavors. All I would say by way of conclusion is that if such constraints and obstacles are the price of having a system of trans-national governance to balance the influence of globalization and market forces, it is a price that I am sure many Canadians would be happy to pay.