Cascadia in Comparative Perspectives: Canada-U.S. Relations and the Emergence of Cross-Border Regions

Emmanuel Brunet-Jailly (University of Victoria)¹

Abstract

This paper draws on findings from research on the Canadian-American border led by the Policy Research Initiative (PRI) since 2004 and on the recent PRI survey of Canadian-American leaders, as well as on the author’s fieldwork on multilevel governance issues arising from the emerging cross-border regions in Europe and North America. Relying on four analytical lenses—the economy, local and central politics and policies, and local cultures—this paper examines how emerging cross-border regions, and particularly the Cascadia region,¹ are changing Canadian-American relations. Specific attention is given to the varied forms of co-operation across policy fields in order to detail (1) the general and specialized and (2) the formal and informal relations and (3) the emerging border regions. This paper underlines the importance of understanding cross-border relations at the sub-national level in order to understand Canada-U.S. relations. The overall argument is that the appearance of cross-border regions indicates a progressive emergence of policy parallelism in a multitude of policy arenas, particularly, a specifically North American form of integration.

Introduction²

Canada and the United States share a tradition of day-to-day co-operation and have developed an “intimate” knowledge of each other that is apparent in the current tradition of quiet diplomacy and low-level functional solutions in a few key policy arenas (free trade, labor, and environmental standards). For Canadians, co-operation with the U.S. always involves considerations of identity and sovereignty. Generally, Canadian officials resolve this issue by maintaining low-key functional and effective relations with their American counterparts, which inherently limits any expansion of the supranational role of the North American Free Trade Agreement (NAFTA), but concurrently enhances other multilateral relations among Canadian and American public and private organizations.

¹ Emmanuel Brunet-Jailly, Local Government Institute, University of Victoria BC, Canada. ebrunetj@uvic.ca
This phenomenon of multilevel governance, also identified by academics in Europe, helps differentiate between what policy is in the realm of a national government and what results from the interactions of a multiplicity of relations (e.g., local, regional, provincial and state level policy actors). In Canada-U.S. relations, multilevel governance is defined in large part by the public and private sub-national-level actors within the intergovernmental networks and across the international border.  

This paper draws on findings from research on the Canadian-American border led by the Policy Research Initiative (PRI) since 2004 and on the recent PRI survey of Canadian-American leaders, as well as on the author’s fieldwork on multilevel governance issues arising from the emerging cross-border regions in Europe and North America. Relying on four analytical lenses—the economy, local and central politics and policies, and local cultures—this paper examines how emerging cross-border regions, and particularly the Cascadia region, are changing Canadian-American relations. Specific attention is given to the varied forms of co-operation across policy fields in order to detail (1) the general and specialized and (2) the formal and informal relations and (3) the emerging border regions. This paper underlines the importance of understanding cross-border relations at the sub-national level in order to understand Canada-U.S. relations. The overall argument is that the appearance of cross-border regions indicates a progressive emergence of policy parallelism in a multitude of policy arenas, particularly, a specifically North American form of integration.

What is not in question is that North American political integration would follow in the footsteps of the European Union (EU), where countries have delegated large portions of sovereign prerogatives to supranational institutions. The integration question in North America, it is argued here, proceeds through a process of systematic harmonization of policy, a mechanism of co-operation, collaboration and coordination that leads to policy parallelism. This mechanism is similar to that presented by Karl Deutch in *Nationalism and Social Communication*, and more recently by Peter Katzenstein in *Disjoined Partners*, by Henry Jacek in *Unequal Partners*, and by John McDougall in *Canada-U.S. Integration: History, Theory, Prospects*. Canada and the U.S. are not only integrating economically, but also progressively following a path of harmonization of policies, partly to address market-driven needs of corporations that are expanding their reach across the North American market and partly as a result of the cultural interdependency that is expanding between Canada and the U.S.

In this paper, the contention is that economic integration has seeped into political integration in a very North American manner; political integration is synonymous with processes of policy parallelism, that is, policy coordination, co-operation, and collaboration lead to harmonization. In North America, political integration results from economic integration and policy parallelism. Since a central argument of this paper is that both economic integration and policy parallelism lead to political integration, can we document increased forms of low-profile, bureaucratic and discrete diplomatic processes developing across government lines and the 49th parallel?

The empirical evidence presented here is based on contemporary social science research on border studies, as well as on new and rich data resulting from four PRI border studies focusing on (1) economic relations, (2) social and cultural values, (3) institutional development across the 49th parallel and (4) an elite survey.
The first section of this paper is a review of the literature on border regions and integration. The sections that follow are reviews of the debates and new evidence available on (1) border regions and economic integration, (2) border regions and social and cultural value convergence, (3) cross-border institutional development and (4) the results of a leader survey that points toward the emergence of political integration and policy parallelism.

**Review of Debates: Economic and Political Integration**

Is it possible that economic integration leads to political integration? This debate seems to have preoccupied Canadians since confederation and has become particularly salient since NAFTA was signed. Historians of Canadian-American relations are too well aware of Canadians ongoing fear that too much economic integration might lead to continental integration to ignore the question. However, often the proponents of such views are not acknowledged seriously enough.

Kim Nossal,\(^5\) for instance, described the debate between those he called “economic nationalists” and “integrationists.” His realist position is that political nations should hold firm to their economy and that integrationists always underestimate the political costs of political integration. For Nossal, economic interdependence is a threat to political independence and Canadians should strive to protect their political independence to mitigate the implications of economic interdependency. Clearly, Nossal equates independence with sovereignty, thus, his main argument is that economic interdependence may lead to a loss of sovereignty. Nossal also suggests that economic integration is not safe for Canadians, and it is very plausible that economic integration may lead to political integration.

In the same vein, there is a large literature on the economic and political integration of Europe. The model of integration at stake is in opposition to the realist views that are prone to the emergence of an intergovernmental model of EU governance and to the functionalist and neo-functionalist arguments that defend the progressive emergence of a federal model of government. In both instances, it is clear that EU member-states are delegating large areas of responsibilities to the supranational level. In turn, political integration in the EU takes the form of expansive institutionalization at a supranational level of government.

Originally, Ernst Haas (1958, 1964) observed that political integration took place when a state transferred functions and responsibilities to state-like institutions at the supranational level, which in turn expanded the scope of intervention. Haas identified that the European-level bureaucracy at the time was able to increase its activities by spilling over from one policy field to another, as illustrated by the steel and coal communities that had expanded into the Euratom community.

With regard to NAFTA, few scholars have found any reason to assume that it would expand into policy arenas other than free trade, labor, and environmental standards.\(^6\) However, there are a few exceptions. Michael Pastor, for instance, argued that North America would have to confront this issue of supranational institutions, while Thomas Courchene raised the issue of economic integration and the need for a single currency. Further, consistent with the history of Canada-U.S. relations, Canada might seek closer relationships with the U.S., particularly to further secure its economic wealth. However, from a Canadian point of view, there would be little support for strong NAFTA institutions, and thus an expansion of the supranational role initiated by NAFTA institutions seems unlikely.\(^7\)
Both realist and multilevel governance perspectives suggest that state sovereignty is intact. Realists assert that central states remain in control of the supranational institutions, whereas multilevel-governance proponents suggest that central states and all of their levels of governments end up working together and across not only intergovernmental lines but also international borders to develop, design and implement policies.\textsuperscript{8} For realists, the priority is that central governments initiate and control the implementation of international agreements. In this paper, political integration would then result from activities involving policy arenas traditionally in the realm of central government; they would follow a well-established tradition of low-profile, bureaucratic and discrete diplomatic processes.

Another multilevel governance approach has emerged from the work of Gary Marks and Liesbet Hooghe on European policy-making process.\textsuperscript{9} They observed that the implementation of European structural funds (regional and social policy funds) depends exclusively on lower levels of government, which becomes critical for the successful implementation of most supranational policies. The authors argue that although European central governments and the European-level bureaucracy may control treaties and other major pieces of legislation and financial decisions, it is the increasingly important and complex networks of lower-level governments and the myriad connections of those decision-makers that explain their successes. In our case, the important variables are the roles of sub-national-level agencies and the multitude of relationships within the intergovernmental networks and across the international border.

Clearly, both in NAFTA and the EU, central-state actors are important for the pan-European/NAFTA coordination of policies. But how are those policies implemented? For instance, are we able to document clear patterns of policy parallelisms where processes of co-operation, coordination and collaboration go beyond federal-level co-operation to involve a multitude of lower-level governments and security agencies? Are these occurring not only at state and provincial levels but also at the local level, as has been documented in the area of border security?\textsuperscript{10}

Contrary to the intergovernmental and the multilevel governance arguments, some functionalists contend that market forces and free trade sustain integrating forces against which federal governments can do little. Kenishi Ohmae, for instance, believes that cross-border relations result from free trade and the new “interlinked economy” fosters economic zones of inclusion that eventually develop into political communities.\textsuperscript{11}

Another functionalist view, initially formulated by Deutch,\textsuperscript{12} later developed by Keohane and Nye\textsuperscript{13} and most recently developed by Alder and Barnet,\textsuperscript{14} has led to the suggestion that Canada and the U.S. form a security community because they are “a trans-national region comprised of sovereign states whose people maintain dependable expectations of peaceful changes.”\textsuperscript{15} Indeed, the scholarly community agrees that the two nations are more than a strictly defined security community. Both countries share a tradition of day-to-day co-operation and have an “intimate” knowledge of each other that is apparent in the current tradition of quiet diplomacy and low-level functional solutions.\textsuperscript{16} And, as many prominent scholars such as Ignatieff\textsuperscript{17} have noted, Canada is so comfortable in this relationship that it asserts its views better today than in the past. Furthermore, although it is still a matter of some debate\textsuperscript{18} it is progressively becoming
apparent that Canada, the U.S. and Mexico not only share a common identity but also seem to have convergent value systems.\footnote{19}

In his article “Unequal Partners,” Henry Jacek relies on the Deutchian view of the Canada-U.S. relationship.\footnote{20} Without accepting the conclusions of Katzenstein’s study of the Austrian-German relationship, Jacek admits that the Canada-US relationship is that of unequal partners, a now well-known term. More recently John McDougall argued that Canada and the U.S. are integrating.\footnote{21} In *Political Community and the North Atlantic Area*, Karl Deutch’s central integration argument is that “communication” leads to integration. Accordingly, integration is to occur because of increased levels of communication, which over time will bring about the political transformation of the communities involved. His social communication thesis suggests it is because they develop and sustain common goals that that political communities move toward one another.

The contention in this paper is that there is enough evidence to document the emergence of cross-border regions, which in turn demonstrates the existence of a relationship between economic and political integration and of a nascent policy process that leads toward the fulfillment of common goals. In the spirit of the work of Karl Deutsch, Peter Kasensteing or Kenishi Ohmae, who argued that border regions are emerging because of economic integration in culturally homogeneous areas. In this paper I argue that economic integration is correlated with increased occurrences of border-spanning network institutions that is leading to a clear mechanism of policy parallelism, which is leading to a North American form of political integration.

In effect, we are witnessing an intriguingly similar relationship to what Peter Katzenstein identified as a “disjointed partnership” between Austria and Germany, in which policy parallelism, harmonization and political integration did not challenge each state’s sovereignty. Katzenstein noted that it was particularly intriguing that both countries continued a distinct existence, despite the multitude of linkages integrating them culturally, socially and economically. What is so interesting in Katzenstein’s view is that Austria and Germany do not develop political institutions but rather “the purposeful coordination of political behavior in the achievement of common tasks.”\footnote{22} Integration, according to Katzenstein, emerges out of those mechanisms that bring forth harmonization and the standardization of national policies in Germany and Austria.

It is particularly relevant that the Katzenstein model suggests a different venue to political integration than that of the EU member-states. In short, institutionalization is not a basic requirement, and as the model suggests, there are varied forms of political integration. On one hand, (1) political integration may arise from a multitude of linkages of communication, along with (2) a harmonization of socio-cultural values and with (3) the development of networks of multilevel governance, all of which would lead to the emergence of border-regions. On the other hand, there is the possibility of the formation of state-like institutions at the supranational level, which the European experience exemplifies.

The core of the argument presented in this paper focuses on (1) economic integration, (2) the convergence of socio-cultural values, (3) the formation of border-spanning institutions and (4) the emergence of policy mechanisms that lead to policy parallelism. It is argued that policy parallelism serves common policy goals, which in turn lead to a particular form of political
integration. However, this argument does not contradict the views of those who state that the symbolic value of borders can be reaffirmed by protecting national sovereignty. In effect, many observers argue that the asymmetric relations that link Canada and the U.S. inform the Canadian view in particular. For Canadians, co-operation with the U.S. always involves considerations of identity because, to a certain extent, Canadian nationalism is defined in opposition, or at least, in relation to the U.S. Similarly, for the Americans, the primary function of their borders is to protect the nascent nation against intruders. Thus, for Canadians, relations across the 49th parallel are complex, symbolic, and emotional because they are perceived as a potential threat to their general sense of self, whereas for Americans, their borders shelter them from external threats. Still, it is remarkable that for the last century, Canadian officials have resolved these complex relations by maintaining low-key functional and effective relations with their American counterparts.

In the end, this review of debates underscores that in North America, although the European model of political integration is generally perceived as improbable, if not unrealistic, the concept of political integration is not improbable. It has been a theme in the political science literature in Canada, in which authors such as Nossal, Jacek, and McDougall, point toward venues that correlate economic integration with political integration or, as it is argued in this paper, in successive steps, from free trade to common goals, to policy parallelism, coordination and harmonization.

Thus, the emergence of border regions presents evidence of a process of integration in North America. The following four sections of this paper review four central issues of economic and political integration: (1) the economic integration of North America, (2) the convergence of social and cultural values, (3) the institutional development across the 49th parallel and (4) the emergence of mechanisms of policy parallelism. The evidence presented here may not directly correlate economic and political integration, but it certainly suggests that economic integration is driving policy makers to share goals and adopt parallel-policy solutions.

**Economic Integration in North America and the Emergence of Cross-Border Regions**

Overall, it is beyond doubt that Canada and the U.S. depend on each other’s economy. Their economic interdependence has been documented since confederation. The question, however, concerns the progress toward economic integration and whether economic interdependence leads to economic and political integration.

The literature reflects this controversial debate. Has the economy of Canada become more closely integrated to that of the U.S.? For instance, Engel and Rogers suggest that the 49th parallel is 2,500 miles wide in terms of price variability between two regions, and Helliwell illustrated that the Canadian-bias factor was about 12 for 1993–96, whereas it was 17 before the 1988 Free Trade Agreement (FTA) was signed.23

An important indicator of increasing interdependence is that Canada and the U.S. are each other’s number-one trading partner. Indeed, since the beginning of free trade, the two-way trade between Canada and the U.S. increased from $45.6 billion in 1977 to $675 billion in 2001, an increase of 1,480 percent. The cross-border trade of goods has increased faster than the
growth of the GDP; according to Curtis, cross-border trade is three time higher than GDP growth.

Furthermore, relying on the Frankel model of economic integration to assess the degree of integration of a regional economy, some provinces, such as Ontario and British Columbia, are economically integrated with neighbouring American states. According to the Frankel test, the degree of integration of Canada into the NAFTA economic realm is 2.06, a much-lower result than the EU average of 4.7, which suggests that the Canadian economy should only trade twice as much to be perfectly integrated. When the Frankel test is used, Ontario scores a ratio of 1.3 and British Columbia scores 3.3; both tests suggest that Ontario is almost perfectly integrated, although Ontario’s score is lower than that of Ireland (1.8) in the EU. British Columbia’s intra-NAFTA trade, however, should be 3.3 times greater to reach perfect economic integration into the North American economy.

Courchene has also emphasized that trade flows between American-border states and Canadian provinces is increasing. He makes the case that, in Canada, the historical east-west trade among provinces is shifting toward a north-south flow of goods. Three provinces—Ontario, British Columbia and Quebec—trade more with American states than with the rest of Canada (ROC), while Ontario trades three times more with the rest of the world (ROW)—in this case, Michigan, Ohio and the rest of the U.S.—than with the ROC. British Columbia also trades more with the ROW than with the ROC. The ROW-ROC ratio, however, stands at 1.2, suggesting that both flows of trade are balanced. Similarly, Abgrall (2005) and the Policy Research Initiative recent research have documented that cross-border regions in provinces and states form cross-border economic regions across the 49th parallel.

This more recent research suggests that “in border areas, Canada-US economic and commercial activities are definitively stronger and more involved,” that trade levels and trade growth are higher between provinces and neighboring states, and that trade is also about a greater variety of goods. Finally, trade flows form clear geographical cross-border regions, which include, for instance, Ontario, Michigan, Ohio and Indiana in the Great Lakes region and British Columbia, Alberta, Yukon (with Alaska), Washington, Idaho, Oregon and Montana in the west. These cross-border economic regions have economic activities that are highly correlated with key clusters straddling the border. In the Pacific North West (Cascadia), for instance, economic clusters exist around transportation and logistics, heavy construction services, oil and gas products and services, and agricultural and fishing products, while in the Great Lakes heartland, automotive production, equipment services and metal manufacturing dominate.

This research confirms that there is economic evidence of the existence of economic cross-border regions in which “value of trade is quickly growing, involving a wider variety of exports, many reflecting higher-knowledge activities and higher market dependency on cross-border states.” All of the figures lead to the conclusion that, due to the high level of economic linkage and communications, it is reasonable to assume that the Canadian and American economies are highly interdependent and that there are clear cases of integrated cross-border economic regions emerging across the 49th parallel, particularly in the Great Lakes heartland and the Pacific North West (Cascadia).
However, does economic integration precede political integration? Do economic cross-border regions lead to the emergence of cross-border social and cultural regions? These two questions are addressed in the following section on social and cultural values.

**Convergence of Social and Cultural Values**

The work of Karl Deutch is particularly relevant to this section of the paper because Deutch developed a theory of national social and political integration, the foundations of “transactionalism and social communication.”

For Deutch, transaction is about interdependence; a national community emerges from a collective memory that is associated with a high level of interdependence or transaction. Political integration includes the convergence of core values and central to this process is the idea that increased trust results from increased transaction and communication. Deutch asserts that there is a correlation between increased communication and similar values that turns similar values into greater trust, and then greater co-operation, and finally turns economic transactions into political integration. Hence, for Deutch, economic and political integration results from a social process in which two communities or peoples experience a realignment of their views of each other because of increased communication. As they become more predictable and receive more positive responses, a high level of co-operation and predictability emerges, which results in greater trust.

In the same vein, Katzenstein relied on those ideas to suggest a scale of cultural and social integration in which high levels of transactions would lead to the creation of a “society,” which, in turn, may become a “community” and later, possibly with increased levels of transaction, a “nation.”

If we were able to document that cross-border regions emerged out of economic integration, we could also document the emergence of shared values and beliefs and similar ideologies. The work of Deutch and Katzenstein on increased communication would lead us to assume that a common culture and value system would be central not only to institution building but also to organizational effectiveness.

It is clear that Canadians face a cultural and social challenge because they live in an environment where market forces have created an immense cultural industry in the U.S. that produces most of the cultural media available in North America. For instance, Canada’s cultural market is about one tenth of that of the U.S. Today, 95 percent of the movies available in Canada are produced in the U.S., as are 80 percent of all magazines and 70 percent of all books sold in Canada.

There are numerous studies in the social science literature on Canadian and American value systems, which is, in itself, an indicator of the intense scrutiny given this issue. However, there is little agreement on a specific trend. Some studies present different views of the North American culture and value system. For instance, Grabb and Curtis argue that there are two major geographic sub-regions that differ from two larger regions: Quebec, which is primarily Francophone, differs from the rest of Canada, while the American south, which is primarily Hispanic speaking, differs from the rest of the U.S. Moreover, Adams suggests that the value systems of Canada and the U.S. are actually increasingly different, despite economic integration.

Other scholars, for instance, Earl, Gibbins, or Balthazar, note the existence of ideological congruence between Newfoundland and New England, between provinces and border states in the west, or between Quebec and the U.S. In the recent PRI survey of leaders, it appears that...
leaders acknowledge the existence of cultural linkages across the border. However, when looking at policy convergence since the signing of the FTA in 1989, George Hoberg, Keith Banting and Richard Simeon do not find clear trends.\textsuperscript{41} In the same vein, Boychuk and Van Nijnatten have found limited policy convergence in a few policy arenas, such as environmental standards.\textsuperscript{42}

More recently, in a review of socio-cultural values in Canada and the U.S., Christian Boucher of the PRI documented that shared values, cultures and ideological choices are more likely to be cross-border and north-south in nature because “proximity is generally a good predictor of value similarities, (2) because trade and socio-cultural values are loosely connected, and finally because (3) communicational exchanges and socio-cultural values are loosely connected as well.\textsuperscript{43} The recent survey of leaders by Policy Research Initiative also confirms those findings.\textsuperscript{44}

Specifically, the PRI survey of thirty-two values collected in 1990 and 2000 suggest the existence of specific cultural and ideological communities. The northeast and northwest regions share similar values, ideological communities and identity, as illustrated by the existence of the New England Governors and Eastern Canadian Premiers group or the Pacific North West Region. Similarly, the heartland region of the Great Lakes shares socio-cultural values and ideological communities.\textsuperscript{45} The PRI survey underscored that it is in coastal regions that socio-cultural values are clearest: (1) Atlantic Canada and the U.S. east coast and (2) Pacific North West (Cascadia) that is Alberta and British Columbia and the U.S west coast. Overall, this work confirms previous studies by Garreau and by Nevitte\textsuperscript{46} that found that western Canadian values are closer to western U.S. values than to any other province of Canada.\textsuperscript{47}

In sum, the social scientific research picture provides some serious and recent evidence that socio-cultural values straddle the 49\textsuperscript{th} parallel and link bordering states and provinces into communities, which suggests that patterns of transaction and communication are transforming those North American regions from distinct societies toward border communities. These conclusions are consistent with two of the four steps identified by Katzenstein and also mirror Deutch’s best theoretical insights.\textsuperscript{48} These patterns are important they confirmed the emergence of linkages, policy networks and institutions straddling the border, as discussed in the next section.

**Institutional Development across the 49\textsuperscript{th} Parallel**

As argued in the first section of this paper, North American economic and political integration clearly does not conform to the steps of the better-known European experience because no state-like institutions exist at the supranational level and because such institutions are unlikely to develop in the near future. However, as noted earlier, as well, economic regions are forming across the 49\textsuperscript{th} parallel, and, as suggested in the next section of this paper, there is evidence that a social and cultural congruence is forming across north-south regions straddling the border and that recent and significant institutional development is spanning the border. The evidence presented in the following section also suggests that a multitude of institutional networks and linkages is coherent with processes that Karl Deutch identified as transactional, that is, those in which economic integration leads to political integration; a North American form of political integration nevertheless.
It is important to note that cross-border linkages of any kind of institutional form are a relatively recent phenomenon in North America. There are, however, a few examples of it from the 1980s: Gerard Rutan emphasized his disappointment with his research on cross-border linkages and micro-diplomatic relations in the Pacific North West, in which he found no relation and no interest in any relations; similarly, Martin Lubin, in his 1988 study of New England and Quebec relations, found only very loose interactions. In the mid 1990s, although Emmanuel Brunet-Jailly found no public-sector linkages between Detroit, Michigan, and Windsor, Ontario, despite a multitude of private-sector linkages in the automobile industry, he suggested that economic integration may lead to cross-border institution building when borderland communities share the same value system.

Since the implementation of the FTA and, more recently, NAFTA, scholars have witnessed a multitude of linkages of various forms. For instance, commenting on a PRI survey of cross-border relations and institutions, Jean Francois Abgrall suggested a multitude of cross-border organizations have emerged recently. Basic agreements were institutionalized into, for instance, a memorandum of understanding, while other organizations were multilateral in nature, such as the older and better-established organizations in the Atlantic regions—the New England Governors and Eastern Canadian Premiers or the International Joint Commission (IJC) for the Great Lakes being two important examples.

What is most interesting is the multitude of linkages that bring together private or public organizations for varied purposes. Some have set up single-purpose intergovernmental relations, while others linking cities or civic organizations. This research documents agreements in a multitude of policy arenas, such as Agriculture, Borders, Energy, Environment, Forestry, Fisheries, Culture, Health Care, Indigenous People, High Tech, Infrastructure, Maritime Security, Sustainable Development, Tourism, Trade/Economic Development, Transportation, Work Force, Education, Security and Dispute Resolution Mechanisms.

The Pacific North West - Cascadia region – is host of a large number of such organizations; the Cascadia Project, the Pacific North West Economic Region (PNWER), the British Columbia-Washington Council, and the Pacific Corridor Enterprise Council characterize these links. They are functional transnational and trans-governmental organizations of co-operation. The Seattle-based Discovery Institute and the Cascadia Institute of Vancouver co-operate within the Cascadia Project that focuses on the development of transportation across the region. Private-sector representatives and academics sit on the board of both the Discovery and Cascadia Institutes. The Pacific Corridor Enterprise Council (PACE) is a non-profit, private-sector organization that promotes free trade. PACE board members come from the regions’ largest private-sector corporations: banks, transportation companies, manufacturing firms, cross-border brokerage firms, lawyers, and biotechnology firms.

Geographically, the most comprehensive of these organizations is the Pacific Northwest Economic Region (PNWER). It groups five U.S. states and three Canadian provinces/territories: Alaska, Idaho, Montana, Oregon, and Washington, and British Columbia, Alberta, and Yukon. PNWER was initiated in 1989 to bring together public and elected officials and the private sector. Its government bodies are on a Council of Delegates, and an Executive Committee that consists of seven legislators from the provinces or states, seven private-sector members, and the chair of the Private-sector Council. The Executive Committee elects the president and two vice-presidents (one from the USA, one from Canada). PNWER’s 14 working groups develop
ideas on varied policy issues such as transportation, environmental issues, forest products, trade and finance, tourism, recycling, government procurement, telecommunication, and agriculture. Each group has three co-chairs: one from the legislature, one from the public sector, and one from the private sector. It is important to note here that the private-sector representative is expected to identify issues for and set the direction of the working groups. In other words, the private sector controls the agenda of the working groups.56 “The role and preeminence of the private sector ... is noticeable. Today, PNWER is an operating public/private sector partnership designed for the public sector to open doors so that the private sector can make the sale.”57

Overall, those recent findings imply that the thickness and intensity of links are greatest in the Pacific North West (Cascadia) because culture and values are most similar there, which also suggests that economic and organizational linkages are most important.58 The PRI survey found that cultural and social values and organizational linkages were weakest in the Prairies and Great Plains, despite strong economic exchanges, and that strong socio-cultural and economic and organizational links exist in the heartland of the Great Lakes. For the Atlantic region, it noted strong economic and socio-cultural links, along with the oldest organizational relations.

In most cases, those organizations share some common features. For instance, most share the same economic interest. Often, cross-border linkages include states and provinces because the cross-border activity in question occurs within their jurisdiction. Also, the federal government is often part of those linkages. Their primary shared characteristic, however, is their organized communication, exchanges, and interactions, including commercial exchanges and government interactions. Although the goal is to deal with differences, sometimes conflicts, it seems to further facilitate policy parallelism and integration.59

What emerges from those studies is that organizational linkages have arisen since the FTA was signed. Organizations on both sides of the border co-operate, collaborate or coordinate activities in a multitude of policy arenas. They work with each other to address differences, both in the private and public sectors. In the past, these organizations were credited with participating in the development of policy networks, or policy communities, and in low-level diplomatic activities,50 but clearly what we are witnessing has greater implications. These organizational linkages indicate the workings of transactions and communications between a multitude of task-oriented, low-level bureaucrats and administrators of the public and private and non-profit sectors, and, possibly of harmonizing solutions to similar problems. This suggests that they are developing parallel solutions to common problems, which is now confirmed by a survey of leaders conducted by Canadian Policy Research Initiative in 2005.

Leaders’ Survey Results: Political Integration and Policy Parallelism

In the fall of 2005, the PRI conducted a 119-question survey with 110 Canadian and American leaders. The survey, the first in the field of borderland studies, uncovered new and extremely important findings and provided a comprehensive view of how cross-border linkages are perceived by North American leaders.

The survey results provide clear data regarding the types of relations that are forming across the 49th parallel. They suggest that where there are sustained activities, there are highly used formal instruments of cross-border interaction, primarily interactive instruments of communication, including conferences, round tables, binational committees and working groups, which were
rated the most effective. Other communication instruments included official visits, advocacy and lobbying, as well as joint research. What is remarkable is that those results downplay the influence of para-diplomacy and, instead, note the importance of functional relationships that result from mid-level officials. In other words, the survey findings underscore the existence of discrete administrative relations that involve a multitude of organizational linkages in the formation of transnational, trans-governmental parallel policy making.

The survey data suggest that a multiplicity of forums of discussion is being established and a harmonization of policy activity across a range of policy arenas is occurring without competition from traditional local/provincial and state/federal relationships. Furthermore, these relations are neither competitive nor bureaucratic, but complementary.

Overall, 61 percent of the leaders surveyed believed that cross-border relations are important to Canada-U.S. relations (specifically, 65 percent of Canadian leaders versus 57 percent of American leaders had this view). In terms of regional views, 72 percent in the West had this view, as opposed to 48 percent in the East. When segmented by types of organizations, the view that cross-border relations are important varies but remains strong: associations (71%), government organizations (69%), business organizations (59%) and research organizations (44%).

Leaders believed that cross-border relations were important because they help circumvent or work out binational differences. Here again, Canadians and Westerners are more positive than U.S. citizens and Easterners: specifically, 61 percent of Canadians versus 55 percent of U.S. citizens and 75 percent of Westerners versus 67 percent of respondents from the Great Lakes region and 45 percent of those from the Prairies. Finally, businesses, at 45 percent, were the least in favour of cross-border regions, as compared to 56 percent of those in research, 58 percent of those in associations and 72 percent of those in government organizations.

Furthermore, most respondents agreed with the following statement: “CBRs [cross-border relations] could facilitate further economic integration between Canada and the United States/the United States and Canada.” The most positive views came from American respondents, at 84 percent, versus 78 percent of Canadians. In this case, there were negligible geographical differences, and business and government organizations, at 72 percent and 76 percent, respectively, had a more positive view than associations.

Leaders also believed that cross-border relations are important because they are “key instruments to compete in the global economy.” Overall, 58 percent of respondents shared this view, with more U.S. respondents (65%) than Canadians (51%), and more Pacific North Westerners (69%) than Prairie (67%) or Eastern (41%) respondents. The sectoral views also varied from very positive to less so: associations (71%), government organizations (62%), business organizations (52%) and research organizations (44%).

It is interesting to note that this view reinforced the hypothesis that cross-border relations are “the direct consequence of economic integration” that was shared by 66 percent of respondents. In this case, there was very little binational or geographic variation in the results, but businesses stood out with 59 percent, a less positive view than that of associations and government organizations, with 83 percent and 62 percent, respectively.
Another very important finding was that 84 percent of Canadian respondents agreed that cross-border relations do not involve a loss of national identity. Again, the responses to this question had no significant binational, geographic or sectoral variation.

Clearly, the leaders approached to take part in this survey highlighted economic integration as leading to the formation of cross-border regions. However, these respondents did not equate economic integration, the engine of integration, with a threat to national identity or even with the development of complex political issues. Rather, the leaders directed attention toward a specifically North American form of integration, one that, rather than driving toward the development of supranational institutions, is emerging from a multitude of linkages, knowledge and exchanges of information in a constellation of policy arenas that are facilitating cross-border policy parallelism. Brunet-Jailly has argued elsewhere, with Susan Clarke and Deborah Van Nijnatten, that this phenomenon was “developing from common policy spaces, within which both Canada and the United States are interdependent yet independent.” In the same vein, they suggested that “policy parallelism results from shared policy goals that are not necessarily implemented similarly” and that “the mechanisms of policy parallelism result from a multitude of low-level politics and high-level administrative linkages, where trans-bureaucratic relations dominate and span the international border to identify those policy arenas where policy cooperation, or co-ordination, or collaboration are possible. Parallel policy development emerges from two vastly different federal systems of government, but with some degree of trust in viable administrative and policy responses to shared issues.”

Another extraordinarily interesting survey finding was that respondents agreed that cross-border relations serve both a political and policy role that does not exist otherwise, with 92 percent of respondents confirming that “CBRs facilitate the involvement of regional stakeholders in Canada/US-US/Canada issues.” Overall, 86 percent of business organizations shared this view, as did 88 percent of research and 93 percent of government organizations, and 100 percent of associations. Again, this finding was strengthened by the shared view by 60 percent of all respondents that cross-border relations—due to regional groupings—allow for greater linkages with federal governments.

Finally, 61 percent of all respondents agrees that the adoption of similar actions and policies are either important or moderately important to cross-border linkages. This clearly points to the idea that cross-border relations are contributing to a progressive harmonization of policy activity that encompasses all levels of government by implementing parallel policies in a growing number of policy arenas.

Clearly, the assumption that cross-border relations have an important political and policy role is confirmed by this data. Such views are known to be shared by scholars of the EU, where the process of economic and political integration developed into a specific supranational/federal governance system. What is interesting, however, is that this data confirms the emergence of a specifically North American governance system of NAFTA. Clearly, this North American system is not challenging either sovereign governments or their monopoly of border control and international relations. What is taking place, however, is the emergence of a multiplicity of cooperative agreements in a multiplicity of policy arenas, which are articulated by overarching policy networks spanning the border and fostering cross-border relations. For instance, both NAFTA and the Smart Border Agreement have devolved policy responsibilities to other levels of government, including states and provinces and local governments, as well as other necessary
agencies, thus creating an imperative for cross-border co-operation that develops policy parallelism.

Conclusion

Canada and the U.S. have shared a tradition of day-to-day co-operation and have developed an “intimate” knowledge of each other that is apparent in the current tradition of quiet diplomacy and low-level functional solutions in a few key policy arenas (free trade, labor, and environmental standards). This paper has drawn on the findings from the research on the Canadian-U.S. border led by PRI since 2004 and on the recent PRI survey of Canadian-U.S. leaders to show that the emergence of cross-border regions is an indicator of economic and political integration.

Economic interdependence and integration are reorganizing around north-south economic clusters that span the 49th parallel. Intense communication is leading to shared cultural and political values, and cross-border organizations and institutions are now part of the governance of those emerging cross-border regions.

Today, the Pacific North West - Cascadia cross-border region is not the only case study but best illustrates these observations of rise of border regions spanning the U.S. Canadian border. It is in the Pacific North West that this emerging complex ideational construct spanning economic, social and cultural, and political elements and influencing policy making across the boundary line in increasingly numerous policy fields is most easily documented. Indeed, according to Susan Clarke, Cascadia forms a regional and transnational “symbolic” regime in which economic actors, as well as state and provincial officials, local government officials, port officials, and non-governmental officials, promote their specific agenda for Cascadia. Yet, similar processes are in motion elsewhere across the 49th parallel, and particularly in the Great Lake and Atlantic regions.

This paper makes the case that what we are witnessing is a particular North American case of political integration, where public and private actors and organizations at all levels of government are participating in a process of policy parallelism. In other words, those emerging cross-border regions are changing Canadian- American relations because the political integration of North America is taking the form of cross-border regions or of progressive and bottom-up policy parallelism in a multitude of policy arenas.

Endnotes

Interdisciplinary Perspective. Geopolitics # 10, p. 633-649. On Cascadia, please see also the works of McDougall and Philips, Dupeyron and Smith in this number.

2 This paper is part of a large research program, which findings will be published in 2009 in a book titled “Understanding Borders.” It was originally drafted for presentation at the Linea Terranum Conference, University of Texas – El Paso, March 27 - 30, 2006 – on behalf of the Canadian Agency Policy Research Initiative, Canada, May 30, 2006. It was then presented at the AAG, April 2007, and the UVic LGI seminar series 2007-08; I want to thank my colleagues for invitations comments on this paper and particularly: Tony Payan (UTEP), Andre Down (PRI-Canada), Christian Boucher (PRI-Canada), Victor Konrad (Carleton), Jim Mc David (UVic), and Paddy Smith (SFU).


6 There are a few exceptions. Michael Pastor has argued that North America would have to confront this issue in Pastor, Robert. (2001). Towards a North American community: Lessons from the old world to the new. Washington, DC: Institute for International Economics, and, Thomas Courchene has raised the issue of economic integration and the need for a single currency.


See Veronica Kitchen’s argument.


Jeffrey A. Frankel (2000), *Globalisation and the Economy*, NBER paper series 7858, Kennedy School of Government; and Joseph Nye (Ed.) (2000), *Governance in a Globalizing World*, Brookings Institution Press. Frankel suggests benchmarking economic integration by comparing a measure of ideal intra-EU exports of goods and services with the real value of intra-EU export of goods and services. It results in a ratio that is close to “0” when the economy of a country is highly integrated into the EU. (The Benelux countries rank #1 with 1.8, Ireland # 2 with 2, the Netherlands #3 with 2.5 ... France #14 with 5.7, and the UK #15 with 5.8.) Paul Brenton (2001, November), *What are the Limits of Economic Integration?* Centre for European Policy Studies, Working Document # 177; Volker Nitsch (2000),

Thomas J. Courchene (1998), From Heartland to North American Region State, Toronto: University of Toronto Press

The Frankel test suggests that in a perfectly integrated economy, transport is costless, there are absolutely no barriers to trade, no one has any national bias over other goods or services, and there is no world beyond NAFTA. I used the following data: US GDP $10,197 billion; Canada GDP $1,039 billion; Mexico GDP $350 billion; Canadian exports as percentage of GDP 43% in 2001. Ontario GDP $429 billion, exports $313 billion, exports as percentage of GDP 73%. B.C. trade figures: exports to ROW $33.2 billion, to U.S. and Mexico $22.5 billion, to ROC $16 billion; B.C. GDP $126 billion, exports as percentage of GDP 30%.

http://www.gov.on.ca/FIN/english/eca013e.pdf
http://www.cse.gov.bc.ca/Trade&Export/2000_Commodity_Exports/Commodity.htm#Trade

http://www.bcstats.gov.bc.ca/data/bus_stat/bcea/bcgdp00.htm


Ibid The Emergence of Border Regions, PRI, pp. 5.

Ibid The Emergence of Border Regions, PRI, pp. 8

Ibid The Emergence of Border Regions, PRI, see figure 9, p.10.

Ibid The Emergence of Border Regions, PRI, see figure 5, p.7.

Ibid The Emergence of Border Regions, PRI, see figure 8, p.9.

Ibid The Emergence of Border Regions, PRI, see pages 5.


See Katzenstein, Chapter 1.


The emergence of shared values is also apparent in Dupeyron’s work in this number of CPSR 2/2, summer 2008. and is also clear in The Emergence of Cross-Border Regions, 2005, see figure 10 page 12 and conclusions page 13-14.

See Katzenstein, chapter 1, and Deutsch (1957) Chapter 1.


Emmanuel Brunet-Jailly (2000)

This is suggested in Emmanuel Brunet-Jailly (2006b) Journal of Borderland Studies “NAFTA and Cross-Border Relations in Niagara, Detroit, and Vancouver” Fall. Vol. 21.2


http://www.pnwer.org/background/leadersh.html

http://www.pnwer.org/background/history.html

This argument also emerges out of the works of Dupeyron and Smith as presented in this special issue of Canadian Political Science Review, 2/2, Summer 2008.


Susan Clarke (2000, August), Constructing Multi-governance Regimes in North America and Northern Europe, paper presented at the International Political Science Association Meeting, Quebec, Canada.
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