

# FORUM

## The Crisis of the Nation-State: A Post-Modernist Canada?

THERE IS A COMMON TENDENCY to see one's own problems as essentially unique and therefore uniquely difficult to resolve. While Canada's contemporary situation has its own dynamics, the crisis is not unique; the internal discord is part of greater political realignments. The "nation-state", for example, is showing even more symptoms of stress elsewhere, and notably in Europe. The ideal conception of the nation-state is a political unit whose boundaries are coterminous with those of an ethnic group; the theory of and desire for such a political unit is the essence of modern ethnic nationalism. By this ideal definition there can be very few nation-states and Canada certainly does not qualify. Just as the idea and the institutionalization of the nation-state arose in Europe, it is in Europe that the usefulness of the idea is now being questioned.<sup>1</sup> Even the less ideal, standard conceptualization of the nation-state — that of a central sovereign jurisdiction which possesses some sort of identity and requires the allegiance of its citizens for legitimacy — is undergoing transformation.

Demands for increased political autonomy from "sub-national" groupings of people are being met with the establishment of regional assemblies with some degree of legislative power.<sup>2</sup> The complement to these demands is the emerging belief on the European continent that economic concentration is undesirable and that strong regional governments can act to counter this tendency.<sup>3</sup> At the same time, there exists a desire to counterbalance the economic power of the North American and Pacific trading blocs. The process of relinquishing certain sovereign powers — in favour of an all-European commission of regulatory institutions — will result in a European Community that is not the "federal Europe" of Thatcherite nightmares, but a *confederation* of associated sovereign states with strong constituent regional voices.<sup>4</sup> Power is thus shifting away from national capitals in *both* directions: above and below. While this does not mean the end of the nation-state, it does signal a "post-nation-state" ideal which, with the exception of the U.K. government, does not cause undue alarm in the national capitals.

1 More than 130 nation-states were created in this century — half of them in the last 35 years — and only 15 of the present number existed in recognizable form in 1810. See J. Denis and Ian Derbyshire, *Political Systems of the World* (Edinburgh, 1989), p. 6.

2 Britain is the exception to this trend but even centralized France has set up such a system; regional elections were held on 22 March 1992.

3 The European Community Commissioner for regional policy describes this as the "regionalization" of the economy.

4 Some see the EC as being "federal" already, on the grounds that member states no longer have absolute sovereignty. However, the point is that not even the "Euro-enthusiast" Germans will contemplate a complete relinquishing of powers either to the commission in Brussels or the European Parliament in Strasbourg.

It might be expected that a country with a federal structure should be better placed to respond to the crisis of the nation-state than others with more centralized political systems. It seems that the very purpose of a federal system is to minimize the potential of conflict across space (especially large spaces) and to facilitate its resolution as it arises. Some consider Canada's having survived this long as proof enough of the success of the "Canadian experiment"; others assert that Canada's junior membership in G7 — the group of the largest industrial economies — is evidence of remarkable success. On the other hand, it might be argued that a federal system exacerbates political antagonisms.

Attempts to identify the ultimate source of the Canadian crisis will produce a number of theories, depending on the perspective and/or political agenda inherent in the analysis. The crisis could be politically defined: that is, discontent rooted in an inequitable or unsatisfactory division of powers in a federal system. A cultural angle might suggest the problem is the lack of a national myth, a "meta-narrative", a Canadian *projet de société*. On the other hand, Marxist political economy could focus on the spatially uneven impacts of capitalism across time, in the attempt to bring the issues of economic power into the debate on "have vs. have-not" provinces. All three approaches — political, cultural and economic — are useful. In other words, there is more than one crisis, and one or more are in operation in different parts of the country at different times. For Québécois nationalists, it is a clear desire for self-determination based upon the perceptions that the culture is threatened and that the province now has the financial and industrial competence to protect it. For Atlantic Canadians, the economic and spatial imbalances as reflected in the ever-worsening statistics are the root cause. In the rural outports, relative poverty, unemployment and lack of opportunity are real facts of life. In St. John's there exists an additional layer of grievance in the minds of the urban cultural elite, which springs largely from the fact the Newfoundland was once a self-governing jurisdiction; in this sense the discontent echoes Québécois alienation. In Alberta, from a vantage point of greater economic security, causes of discontent have been the perception that a remote federal government is interested in appropriating the resource wealth of the province<sup>5</sup> and, more recently, the reaction to events in Quebec.

The common aspect of these conflicts is that they are all spatial in expression: St. John's vs. Ontario, Alberta vs. Ottawa, everyone vs. Quebec. Of course, the language problem within Quebec or Manitoba, for example, is culturally based rather than spatial. Equally apparent are the class divisions — i.e., vertical disparities of political and economic power — within Canadian cities. But the crises across Canada, whether dealing with constitutional status or economic development, are presented, perceived and transmitted in regional (which often means provincial) terms.<sup>6</sup>

What, then, is regionalism? A Canadian sociologist has called it "essentially the social-psychological component of regional analysis", which involves subjective

5 This was especially apparent during the Trudeau government's National Energy Programme.

6 In contrast with, for example, the United States, where conflict is understood and transmitted more so in terms of class, gender and race.

identification with and “ideological” commitment to the spatial unit.<sup>7</sup> Canadian political economists may see regionalism as a political phenomenon, organizing conflict “around the issue of the distribution of resources across geographic space”.<sup>8</sup> These different definitions follow from different concepts of “regions” themselves, but this will be addressed later in the paper. Before it can be seen that new notions of regionalism should replace old, it is necessary to examine briefly some of the events that not only capture the essence of the conflicts across Canada, but that have also bequeathed to Canadians a selectively narrow conception of the relationship between federalism and regionalism.

On the level of politics and culture, the tension in Canada springs from the lack of congruity between the standard conception of the nation-state and the disparate identities across the country.<sup>9</sup> Perhaps it is true that in any federation the pendulum will swing between periods of consolidation of central power and periods of decentralization. In Canada this is certainly the case. The 1920s saw a strong move toward provincial autonomy that culminated in the “compact theory” of Confederation proclaimed by Ontario and Quebec. This proposal to have federal powers delegated by the provinces failed.<sup>10</sup> At the moment the direction of the pendulum is unclear, but the past 15 years are often similarly characterized as a period of power shifting towards the provincial capitals. From the vantage point of Edmonton this may have seemed the case, but on the East Coast it has been more of a sporadic political objective than a reality.<sup>11</sup>

Pierre Trudeau recently wrote that federal governments have tried, during the 60 years since the compact theory, to create “a sense of national identity which would lead Canadians to believe that...there is some national will which is more than the sum total of the provincial wills”.<sup>12</sup> The first ten years of his administration were a period of central consolidation. Trudeau’s idea of what Canada was supposed to be (the “just society”) was shaped by three factors: his own liberal values, the perception that American control of Canadian industry posed a potential threat to Canada’s economic and cultural autonomy, and his dismay that the Quiet Revolution of the 1960s had developed into a bolder desire for political and cultural autonomy for Quebec.

Trudeau’s own brand of liberalism<sup>13</sup> had its roots in the classical liberal value of

7 Ralph Matthews, *The Creation of Regional Dependency* (Toronto, 1983), pp. 17-24.

8 Janine Brodie, “The Political Economy of Regionalism”, in Wallace Clement and Glen Williams, eds., *The New Canadian Political Economy* (Kingston and Montreal, 1989), p. 140.

9 Again, this is not to suggest that the economic basis of conflict does not exist; it does exist in relationship with the bases of politics and culture.

10 Donald Johnston, ed., *Pierre Trudeau Speaks Out on Meech Lake* (Toronto, 1990), p. 43.

11 Former Newfoundland (Conservative) premier Brian Peckford’s attempts — politically and then legally — to gain control of the off-shore resources of fish and oil from Ottawa between 1979 and 1984 were notoriously unsuccessful. Current (Liberal) premier Clyde Wells believes that Newfoundland would gain nothing from this control — more in line with Trudeau’s position.

12 Johnston, ed., *Pierre Trudeau*, p. 45.

13 His liberalism incorporated classical Tory elements as well, notably the acceptance of the collective responsibility of the state to provide for those who did not benefit from the application of liberal principles. Trudeau’s economic and cultural nationalism vis-à-vis American capital presents an

the supremacy of individual rights, freedoms and potential, a philosophy relegating other notions of rights to subordinate status. At its most basic, the conflict is one of individual liberty versus group rights: that is the principle of *equal* treatment under the law irrespective of differences, however defined, versus the demand for *different* treatment because of those differences.<sup>14</sup> Québécois nationalism is based on differential collective rights; Trudeau evaluated it as a type of social regression that presented a real threat not only to liberal values, but also to the Canadian union.

In response to the growing unrest in Quebec, Trudeau's compelling vision for the ideal Canada was that of "multiculturalism within a bilingual framework". But what can this phrase mean? The Official Languages Act of 1969 made the bilingual element the concrete reality under the rule of law; the multicultural element — also based on the concept of group rights — was an abstraction. This seems to reduce multiculturalism to a synonym for libertarianism: minimizing the obstructions for individuals to "do their own thing". But beyond Ottawa and the rule of law, cultural diversity and regional identity were a reality, and bilingualism (which Trudeau saw as a "quality of individuals and institutions")<sup>15</sup> was a piece of legislation not made real simply by virtue of its passing. Trudeau's national ideal is better characterized as a nation composed of bilingual individuals whose allegiances were to be with a single, national culture. It is a square peg in a round hole vision; means and ends at the same time.

Political and economic considerations provide a parallel illustration of the conflict. Trudeau's election campaign of 1968 embedded the phrase "regional economic disparities" into the Canadian political lexicon.<sup>16</sup> His government's response to disparities was the Department of Regional Economic Expansion (DREE), formed in 1969. DREE's ostensible mandate was to redistribute spatially large-scale industrial activity through the establishment of selected urban growth centres in appropriate regions. But Jean Marchand (Minister for DREE) acknowledged that Quebec's big slice of DREE funds was intended to combat alienation and separatism.<sup>17</sup> DREE's dual role within Quebec has led to the speculative conclusion that it would not have been established at all in the absence of the problems in that province.<sup>18</sup> The Official Languages Act and DREE were thus

interesting irony alongside his liberal values, which were in accord with the "life, liberty, and pursuit of happiness" of American transcendentalism.

- 14 The 1982 Charter of Rights and Freedoms is based on individual rather than group rights. Brodie claims that the whole constitutional exercise after the 1980 election was an attempt by Trudeau to institutionalize a shift of the balance of power towards the centre. See Janine Brodie, *The Political Economy of Canadian Regionalism* (Toronto, 1990), pp. 208-9.
- 15 Johnston, ed., *Pierre Trudeau*, p. 46.
- 16 Regional economic disparities exist in every province, and are due to differences in the distribution of resources, wealth and earned income across space. Politicians who refer to such disparities are making a value judgement as to the injustice and/or dysfunctional nature in differences of income, employment and employment opportunities — usually based on the relative wealth of "Central Canada" or southern Ontario
- 17 See the *Daily News* (St. John's), 7 March 1972, p. 4. DREE grants increased to Montreal to offset the withdrawal of capital after the October 1970 FLQ crisis. Quebec received 35 per cent of DREE's budget between 1969 and 1975. See Paul Phillips, *Regional Disparities* (Toronto, 1978), p. 84.
- 18 David Alexander, "Economic Growth in the Atlantic Region, 18800-1940", *Acadiensis*, VIII, 1 (Autumn 1978), p. 49ff.

the complementary tools of a two-pronged strategy — one cultural, the other economic — for the purpose of ensuring Canadian national unity. In the event, however, DREE not only had no impact on Quebec alienation, it also failed to meet even its ostensible goal of lessening regional disparities in the underdeveloped peripheries.<sup>19</sup>

While Trudeau and Marchand were correct in their estimation of nationalism and regionalism as potential threats to Canadian unity, the estimation became a self-fulfilling prophecy. The language policy outraged Quebec nationalists and attempted to undermine regional alliances by unilaterally imposing a demand for pan-Canadian patriotism based on an imaginary binational state. The DREE industrial policy, moreover, was based on modernization theory with its geographical determinist basis. That is, it identified the peripheral regions as intrinsically flawed areas in need of some kind of market readjustment or restructuring. It is hard to imagine a more unlikely approach to national unity and regional economic success.<sup>20</sup> To the proponents of the image of federalism as strong central government, the term “regionalism” itself has acquired an automatic association with conflict. The hostility of the atmosphere that can result was apparent at the First Minister’s Conference of September 1980, of which Trudeau writes, “it had become obvious that the greed of the provinces was a bottomless pit”.<sup>21</sup>

It is usually assumed that Atlantic Canada receives a greater per capita share of federal expenditures than other parts of the country. However, when unemployment insurance and equalization payments are deducted — i.e., those expenditures *directly* related to economic disadvantage — the figures show that Newfoundland receives

- 19 For example, between 1971 and 1978 Newfoundland’s unemployment rate rose from 8.4 to 16.4 per cent. DREE programmes favoured areas already in possession of industrial infrastructure (that is, mainly Central Canada) and operated with little regard for their social impact. Even the Macdonald Royal Commission — influenced by, if less radical than, Thomas Courchene’s neo-conservative economic stance — offered a post-mortem on DREE and other programmes that was far from positive. The report cited a number of very critical papers. See Government of Canada, *Report of the Royal Commission on the Economic Union and Development Prospects for Canada* (Ottawa, 1985), vol. 3, pp. 209-15. See also Atlantic Development Council, *The Atlantic Region of Canada: Economic Development Strategy for the Eighties* (Ottawa, 1978); Matthews, *Regional Dependency*, pp. 107-11; James W. Goulding, “The Last Outport: Newfoundland in Crisis”, Ph.D. thesis, York University, 1981; Amin Kia, “Evaluating Regional Policies in Canada: The Case of Newfoundland”, Ph.D. thesis, Carleton University, 1985.
- 20 Although it is now less fashionable (because politically contentious), some scholars with connections to the levers of power (in the Economic Council of Canada, Fraser Institute and C.D. Howe Institute; see Brodie, *Canadian Regionalism*, p. 208) still advocate solutions to regional underdevelopment that are strictly market-oriented. Cutting unemployment insurance and encouraging emigration are advocated, as is the related idea of allowing wages to fall to their “natural” level on the assumption that inward and indigenous investment will increase after a sufficiently low wage level is reached. The free market, however, has not been notably successful in broadening the economic base of Atlantic Canada. One characteristic of capital is its mobility; far cheaper wages can be found, for example, in Mexico. The Free Trade Agreement should facilitate such mobility, though this will have a far greater impact on the manufacturing heartland of Central Canada.
- 21 Johnston, ed., *Pierre Trudeau*, p. 54. It was at this conference that then Newfoundland premier Brian Peckford publicly declared allegiance to René Lévesque’s vision of Canada.

less per capita than any province except Ontario, Quebec and British Columbia, and significantly below the Canadian average.<sup>22</sup> These are expenditures relating to the Departments of Fisheries, Environment, Industry, Science and Technology, Education, the National Research Council and so on. An internal report by the Newfoundland government emphasizes the distinction between compensatory payments and assistance to business, suggesting that the former “may to some extent reinforce the existing economic structure which contributes to economic disparities”, and that for Atlantic Canada, the former have displaced the latter, especially since 1981. It shows that Atlantic Canada’s share of federal assistance to business declined from 32.2 to 7.1 per cent between 1980 and 1987. During this period the share for the four Western Provinces increased from 16.1 to 50.6 per cent, and Ontario’s share showed a less dramatic increase. While the federal government provides Atlantic Canada with equalization payments to compensate for its structural disadvantage, the report notes that “The establishment of the Western Development Fund in 1980 had marked a turning point beyond which one of the most prosperous regions in the country was to become the major recipient of regional development expenditures”.<sup>23</sup>

There are two curious things about this. First, it does not seem to be a reasonable strategy for reversing regional economic disparities; second, whereas government programmes for Ontario industry are viewed as investments, regional development programmes directed at the Atlantic Provinces have the attendant negative welfare connotations; they are often viewed as charity. That it would be more gracious for Atlantic Canada to acknowledge its subsidized dependency as the best of possible situations is not only implied, it is explicitly stated on occasion.<sup>24</sup>

One is forced to consider seriously the utility of a federal structure whose policies are implemented to manage the national economy in a way that gives priority to the economic engines of Central Canada. Exactly as happened in southeast England, the present Canadian government was unable to maintain the economic boom in southern Ontario without the inflationary pressures of 1988 to 1990. In response to the subsequent overheating of its economy, the federal government resorted to the imposition of higher interest rates. Shortly before this, legislation was introduced to form the latest successor to DREE — the Atlantic Canada Opportunities Agency (ACOA). It is difficult to see how ACOA was to implement its mandate of encouraging entrepreneurial activity in an area that never recovered from the recession of 1981 while the federal government was applying monetary policies to put the brakes on economic activity in Central Canada. In interviews in St. John’s during the summer of 1990, it was emphasized to me that in the economic

22 For the 1988-9 fiscal year, the federal government spent \$2,281 per capita in Newfoundland, \$2,401 in Alberta, and an average of \$2,676 per capita across the country. See Phil Hartling, *Federal Expenditures as a Tool for Regional Development* (Halifax, 1990), pp. 7-9. One interesting statistic included is that 18 per cent of the Department of Fisheries budget is spent in Ottawa!

23 Government of Newfoundland and Labrador, Economic Research and Analysis Division, Cabinet Secretariat, *A Background Report on Regional Economic Disparities in Canada and Federal Assistance to Business and Compensatory Payments, 1961-1987* (St. John’s, 1989), pp. i, 7.

24 As it was recently by a former diplomat to Ottawa. Such references to Atlantic Canadian grievances are used to effect an amused response from audiences in a manner that would be politically unthinkable were the reference to Quebec.

peripheries it is particularly relevant that an interest rate difference of two percentage points can be the difference between a marginal business activity and a non-existent one.<sup>25</sup>

It is therefore not surprising that in the Atlantic Provinces it is commonly held that the “national interests” defended by Ottawa are in fact an abstraction for protecting the economic interests of southern Ontario and Quebec.<sup>26</sup> (And in Quebec, business people criticize the federal government for its “made in Ontario” interest rate policy.)<sup>27</sup> One simple reason for apparently incongruous policies is that the federal government must ultimately exercise legislative power in a manner that meets with the approval of the majority of the House of Commons. Ontario and Quebec MPs form the majority. The premier of Newfoundland, for example, believes that the federal system in effect acts like a unitary system: it fulfils the essential equality between individuals through the Commons, but not the equality of the provinces through an institution such as the Senate. But an elected Senate that provided this equality would not deliver the country from the “two founding nations vs. ten provinces” dilemma. Québécois nationalists will not accept a federal structure which ensures merely that the provinces have equal status and rights.

Most Canadians are by now familiar with this dilemma. Is Canada a union of two nations or a contract between the federal state and ten theoretically equal provincial jurisdictions? In the immediate aftermath of the Meech Lake failure, the phone-in radio shows in St. John’s provided the clear impression that people had grasped the mutually exclusive nature of these two conceptual devices.<sup>28</sup> The “two nations/ten provinces” impasse, which has been central to Canadian political culture since the Trudeau/Lévesque battle, should be shrugged off. The impossibility of resolving it should be construed as a warning signal of the need for a new notion of federalism.

Anglo-Canadians will be familiar with the cliché that, when asked how they define themselves as a whole, they respond by defining who they are not. Canadians are not Americans, Canada rejected revolution, and Canada is not “the melting pot”. The question that asks in what way are Canadians not Americans may — at least before Meech Lake — have prompted a reference to Quebec: the French fact that proves the resistance to the melting pot ideal.<sup>29</sup> For anglo-Canadians to use Quebec in this way is no doubt a source of combined amusement and consternation to the Québécois.

Although it is undeniable that many individual Canadians choose the national self-identity over a regional or provincial one (but they are few on the ground in

25 Interviews with Premier Wells and a representative of the St. John’s Board of Trade.

26 Of course, this view is not dependent on a single and recent example. It is often used to describe the motive and effect of the National Policy of 1879. David Alexander offered a bitterly brilliant account of the impact of Confederation on the Maritime Provinces and, later, on Newfoundland. See Alexander, “Canadian Regionalism: A Central Problem” [1976], in Eric Sager et al., eds., *Atlantic Canada and Confederation: Essays in Canadian Political Economy* (Toronto, 1983), pp. 46-9.

27 Pierre Fournier, “Canada’s Quest for a New Constitution”, in Canada House Lecture Series, No. 50 (London, 1991), p. 4.

28 It was concurrently apparent that the unambiguous solidarity with René Lévesque which had existed among the St. John’s political and cultural elite a decade earlier had evaporated without a trace.

29 Friends from Ontario have told me that this line of reasoning was employed by their school teachers.

Newfoundland), and although my literary colleagues are adamant that there is a Canadian literary culture, Trudeau's efforts produced no viable national vision to match Quebec's *projet de société*. In David Alexander's words, "Canada is a country with regional myths but no country-wide ones which are seriously believed".<sup>30</sup> It is yet common for reference to be made to "the Canadian experiment" with no sense of irony; Confederation is a century and a quarter old, and we are still unsure whether a uniquely *Canadian* culture has yet emerged. At a conference in Belfast in April of this year, Mordecai Richler referred to Canada's "emerging national identity". Perhaps it is acceptable to some that the neurotic phenomenon of asking "Do we have a culture?" itself constitutes a uniquely Canadian culture. Some Canadians will contrast this favourably with aggressive jingoism (and rightfully so), but that again is the American yardstick, and it remains qualitatively distant from the assertion of a national culture or Trudeau's national will. Why this should be problematic is not self-evident. Perhaps the post-nation-state question for Canadians should not be "Do we have a culture?", but rather "Do we need just *one*?".

Throughout the 1970s, the theoretical debates in political economy used the undivided nation-state as the unit of analysis, and argued the relative merits of competing "images of Canada". Was Canada an outpost of empire, a passive and dependent resource-providing victim of world events, an intermediary representing American interests abroad, a junior imperialist, or a full-fledged imperialist power with an independent economic base? This was largely a bilateral debate, with dependency theorists tending toward the former images and class theorists toward the latter. For the examination of the political economy of Canada from an Atlantic Provinces perspective, this presented a great difficulty.<sup>31</sup> By 1980, one sociologist was writing:

Perhaps one reason why there has been no sustained attempt to develop a regional sociology in Canada is the virtual obsession among Canadians with...the characteristic and unifying features of Canadian identity. As a result, Canadian sociologists have focused their attention on Canada as a whole and...have dismissed regional differences as unimportant in understanding Canadian social structure.<sup>32</sup>

A new Canadian political economy of regionalism has since attempted to supply the shift in perspective — away from the nation-state and towards its constituent

30 David Alexander, "New Notions of Happiness: Nationalism, Regionalism and Atlantic Canada", *Journal of Canadian Studies* [JCS], 15, 2 (1980), p. 41. This was a special "Regionalism" edition of JCS.

31 An exception to this situation was the seminal Robert J. Brym and R. James Sacouman, eds., *Underdevelopment and Social Movements in Atlantic Canada* (Toronto, 1979). This employed a dependency perspective in the service of explaining the penetration of external capital into the Atlantic Region and its impact on regional class relations.

32 Matthews, *Regional Dependency*, p. 78. This is a revised excerpt from a paper which first appeared in the 1980 "Regionalism" edition of JCS. The *Canadian Review of Sociology and Anthropology* also published a special edition on regionalism and underdevelopment in 1980.



parts — with a theoretical basis. Dependency theory was instrumental to this shift.<sup>33</sup> This was not simply due to its spatial foundation, but also to its providing a better theoretical model for the Atlantic Provinces than for Canada as a whole.<sup>34</sup> It now seems to be agreed that the “dependency vs. class” dichotomy requires a compromise and that “no single economic theory exists to explain regional disparities”.<sup>35</sup> Valuable contributions to the debate have been built around the observable phenomena — articulated by Brodie, Sacouman and others — that class-biased arrangements between the state and capital produce spatial rather than class politics, and that capitalist restructuring has spatially uneven results.<sup>36</sup>

Brodie’s position has also maintained an earlier proposition that the term “region” has been rendered analytically problematic by the confusion of two different concepts of it — “formal” and “relational”.<sup>37</sup> Formal regions are those delineated by a similarity of features, such as environmental factors. This familiar analytic device is employed by, for example, the Canadian government when it disaggregates national statistics into “Atlantic” and “Prairies” categories. Ethnicity (e.g., “French Canada”) is another formal criterion for demarcation. But the explicitly political concept of “relational” regions challenges the idea of regions as fixed, natural “spatial units”. Instead, relational regions are products of shifting political, social, economic and administrative relationships through space.<sup>38</sup> These relationships cut across formal regions; for instance, the relational region of Toronto extends to Atlantic Canada and into other countries. Brodie points out that “Innis’s staples theory, the metropolitan-hinterland thesis, dependency theory, and some neo-Marxist applications all argue that regions are defined by their relationships with other regions”.<sup>39</sup>

33 Notwithstanding that its more unsound premises — among them the portrayal of Canada as a “Third World” adjunct to American capital interests — had been successfully challenged by orthodox Marxist analyses of economic development. On the other hand, Patricia Marchak wrote in the “Regionalism” edition of *JCS* that “Regionalism has long been underrated by social scientists. The focus on class divisions has obscured the fact that populations are geographically situated”. Marchak, “The Two Dimensions of Canadian Regionalism”, *JCS*, 15, 2 (1980), p. 95. This suggests that the recognition of the need for a regional perspective involved a reaction to the Marxist challenge, and to the difficulties that the phenomena of regionalism and nationalism pose to class analysts.

34 This would seem to have been a premise of *Underdevelopment and Social Movements*. Not all of the contributors were favourably disposed towards dependency theory, however. James Overton’s paper “Towards a Critical Analysis of Neo-Nationalism in Newfoundland” describes how the language of “dependency” had, by then, been expropriated for conservative political agendas.

35 Donald Savoie, ed., *The Canadian Economy: A Regional Perspective* (Toronto, 1986), p. 9. See also Bryant Fairley, Colin Leys and R. James Sacouman, eds., *Restructuring and Resistance: Perspectives from Atlantic Canada* (Toronto, 1990), pp. 16-17.

36 Brodie, *Canadian Regionalism*, pp. 53, 75; R. James Sacouman in *Restructuring and Resistance*, p. 247. Brodie credits Harold Innis with having recognized in 1940 the uneven spatial impacts of federal policy instruments that were supposedly to benefit the whole country.

37 William Westfall, “On the Concept of Region in Canadian History and Literature”, *JCS*, 15, 2 (1980), pp. 6-8.

38 Westfall, “Concept of Region”, p. 8, and Brodie, “Political Economy of Regionalism”, p. 141.

39 Brodie, *Canadian Regionalism*, p. 22.

The problem is that the concepts of formal and relational regions are held to be mutually exclusive. The “two nations/ten provinces” dilemma is used to illustrate this (formal criterion of ethnicity vs. relational criterion of administrative boundaries). Whereas it is seen that to use formal criteria such as geography as *explanations* for the social and political characteristics of a region is unacceptably deterministic,<sup>40</sup> it seems that formal regions have been discarded as “spatial abstractions”.<sup>41</sup> But this conclusion is neither logical nor necessary; it has been reached as a result of identifying regions as *only* political creations — the “products of alliances and conflicts”.<sup>42</sup> This perception is not incorrect but it is incomplete.

As David Cameron had pointed out in 1980, “To approach the phenomenon from the perspective of the problems and tensions which it seems to create is...to treat it primarily as a political force and to capture only a part of that complex political reality”.<sup>43</sup> Approaching regionalism through the narrow prism of the political conflict between two levels of government misses its cultural dimension. As such, the theoretical developments do not yet exhibit the conceptual leap forward from standard, reactive notions of regionalism. This has precluded a coming to terms with nationalism and regionalism as living phenomena in Canada — with progressive or regressive tendencies, depending on the given historical situation.

It is, of course, necessary to provide a counterpoint to the notion of formal regions as spatial abstractions. Successful federalism is only in part a political arrangement of power-sharing among governments. It is also the association of nations or sub-national groupings of people who share, within their own regions, a set of attachments to institutions and practices, and which can be expressed through a shared economic basis, dialect or language, lifestyles, history, customs, myths, identity, all of which can be constantly reinvented. In other words, it is also a voluntary association of cultures. This is the level at which culture in this sense exists, and not at the level of the greater association. The concept of formal regions is useful here; these are not “spatial abstractions”. Culture may be analytically untidy, but that does not warrant its isolation from political economy.

The theoretical debate has inverted reality. The entity that is *politically* defined is the greater association called Canada.<sup>44</sup> In addition to the caveat that Canada possesses a distinct literary culture, one might add that there is a Canadian political

40 Geographic and cultural determinism are the grounds on which the whole postwar modernization paradigm in developmental sociology and economics was challenged by dependency theory and other neo-Marxist approaches to political economy. Recall that DREE was based on the modernization paradigm.

41 As argued by Westfall, “Concept of Region”, p. 7, and Brodie, *Canadian Regionalism*, p. 6. This is reminiscent of the dismissal of dependency theory by the phrase “space fetishism” during the “dependency/class” debate. See Overton, “Neo-Nationalism in Newfoundland”, p. 233.

42 Brodie, *Canadian Regionalism*, p. 17.

43 David Cameron, ed., “The Imperatives of Change: Regionalism in Canadian Life”, *JCS*, 15, 2 (1980), p. 127.

44 In this respect it has the dubious company of such former “nation-states” as the German Democratic Republic, but perhaps comparisons with the former Soviet Union, Czechoslovakia or Yugoslavia better convey the fact that multinational political ties without cultural cement can eventually be weakened.

culture. But this is only saying that there is a Canadian polity. And since culture is used here in the sense of a social glue, then political culture in Canada has been operating in the opposite manner — as an alienating and unintentionally centrifugal force. A successful federalism does not require a single, defining national culture. Indeed, federalism cannot even be described or comprehended in these terms. The vision of federalism as bequeathed by Trudeau is appropriate to the ideal of a homogeneous nation-state, but Canadians realize that no single or dual nation-state exists. Perhaps it is time to discard this vision.

Regionalism lays the basis for the post-nation-state ideal, in which the whole is not assumed to be greater than the sum of its parts. The new notion of federalism, based on the regions, does not require inventing: it already exists in the name of *confederalism*. In explicit contrast to federalism, confederalism is defined as a voluntary association of sovereign states that delegate limited authority to the centre.<sup>45</sup> Under this system, primary ties to constituent governments are not disturbed, and the centre is unable to legislate for all constituent governments simultaneously. The 1920s compact theory was an expression of confederalism. A “national myth” is nothing more than an abstract conceptual impediment to this new arrangement. In this context it becomes impossible to dismiss René Lévesque’s goal of sovereignty-association as a cynical halfway house unworthy of the respect accorded to an elegantly simple demand for independence.<sup>46</sup> In the post-nation-state context, Lévesque was the confederalist and Trudeau the centralist.

The break-up of Canada will not have been caused by “regionalism”, but rather by regional pressures — not unique to Canada — to which an obsession with national unity has precluded effective responses. The act of secession by Quebec may be the necessary vehicle by which a new confederation is achieved. Recent federal initiatives have proposed even deeper constitutional change than the Meech Lake Accord; it is reasonable to suppose that they will suffer the accord’s fate unless the confederal arrangement they imply is made specific. This may be the only way of burying the “two nations/ten provinces” dilemma.

The idea and institution of the nation-state is unravelling in Europe. The regions can already conduct their economic affairs without recourse to the national capitals. If the example of Europe has any meaning, it suggests that an independent Quebec will be far more likely to participate in a confederation than to shun it. However, the politics of the Continent appear to be swinging to the Right — in both “have” and “have-not” regions — which indicates a loss of sympathy for the ideal of a confederal European Community, in which there is promised to be a levelling of economic disparities.<sup>47</sup> A looser confederalism in Canada is thus hardly a guarantee

45 See, for example, Allan Bullock et al., eds., *The Fontana Dictionary of Modern Thought* (London, 1988) and Roger Scruton, *A Dictionary of Political Thought* (London, 1983).

46 As did David Alexander in “Old and New Money”, *JCS*, 15, 3 (1980), p. 109.

47 The Danish people’s rejection of the 1991 “Maastricht Treaty” (for closer economic union of the EC member states) in a referendum this past summer can be attributed in part to the resurgence of the European far Right. Confusing alliances have, however, formed across ideological lines. Opposition to Brussels-controlled “Euro-federalism” also arises from those on the farthest Left of the British Labour Party. One source of the confusion, in Britain at least, can be attributed to differing interpretations of “federalism”, with “Euro-sceptics” of either extreme seeing it as synonymous with

that the economic goals of various regions can become and remain complementary. Neither of the two regionally based “federal” parties in Canada could be described as progressive, and it is not unthinkable that supporters of the Reform Party might be unwilling to countenance confederal arrangements with an independent Quebec.

A special report on “post-modernist” Canada in the *Economist* concluded with sobering thoughts: “Many Canadians will hang on to their traditions. But the two founding nations will count for less and less: Quebecers will diminish in number, and descendants of the British will be an ever-smaller share of the rest. Sooner or later Canadians are going to become Americans. Too bad”.<sup>48</sup> Canada, of course, has always had to consider the immediate presence of the United States and the North American context. The Free Trade Agreement itself poses many questions. As its opponents argued, will it serve to aggravate regional disparities and hence political fragmentation? Or will it allow each region to develop its “natural” economic linkages with neighbouring American regions? Would this be the first step in a confederated Canada’s absorption into the United States, piece by piece? And is this possibility the single reason why Canada has shunned true federalism in favour of a strong central government? But the prediction that Canadians will inevitably become Americans is as plausible as the prospect of Basques becoming Bavarians. Newfoundlanders will still be Newfoundlanders, Québécois will remain Québécois, and the rest will still be whatever they choose to call themselves now. Confederalism is not a threat to cultural integrity — but it is true that the economic implications are beyond prediction.

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“centralism”. That the post-Thatcherites, for instance, object in this way is remarkable, given that Thatcher’s government implemented a comprehensive centralization of the British state throughout the 1980s — at the expense of local government.

48 *Economist*, 29 June 1991, p. 18.