

THE PARTICIPATION OF BUSINESS AND NON-
BUSINESS INTEREST GROUPS IN THE CANADIAN
TRADE POLICY MAKING PROCESS

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By
Jan Pavel

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Canada

OR

Dean
College of Graduate Studies and Research
University of Saskatchewan
107 Administration Place
Saskatoon, Saskatchewan S7N 5A2
Canada

Abstract

The thesis presents research on participation of interest groups in the Canadian trade policy making process that has relatively recently been extended to include non-business interest groups who now participate in the process that was previously limited to government officials and business groups representatives. The research examines how both business and non-business groups perceive their participation in this process. To achieve this aim, interviews with two representatives of business groups and two representatives of non-business groups were conducted. The resulting data include information about groups motives for engagement in the Canadian trade policy making process, the perceived effects Canadian institutions have on interest groups' participation in the process, and whether, and if so how, the extension of the process to include non-business groups has changed the lobbying strategies of business groups. The research results allow the author to test contradictory propositions about interest group's participation in the process found in literature and to arrive at a more accurate model of groups' involvement in the Canadian trade policy making process.

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Věnování

Tato práce je věnovaná mé mamince,
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Chapter 1

Introduction

Most scholars agree that the abortive negotiations of the Multilateral Agreement on Investment (MAI) by the OECD in 1998 and the opposition to the 1999 WTO Ministerial Meeting in Seattle by NGOs have led to increasing pressure on governments to open their trade policy making process to a wider range of interests (Stairs, 2000; Isaac, 2003; Hocking, 2004). Canada is one of the countries that has responded to these increasing pressures with the greatest determination and has opened its trade policy making process to a number of newly recognized stakeholders. In addition to the groups that are considered to be members of the trade establishment, primarily business groups, and experts, the process has been opened to non-business civil society groups (e.g. environmental, human rights, and labour groups) as well as to the general public. However, the extension of the process to include consultations with these groups has not been without complications. A decade after these events very little has been done to clarify how this new model of trade decision making in Canada works.

Literature on the functioning of the current trade policy making process in Canada argues that business and/or non-business civil society groups feel dissatisfied with the process. Some literature even suggests that this dissatisfaction leads to the retreat of business groups. However, the main problem stems from the fact that individual authors do not agree with one another who the affected groups are and what lies behind their alleged dissatisfaction and retreat. Some identify the affected groups as non-business civil society groups, other as both business and non-business civil society groups, and yet some as only business groups. Authors state as sources of

dissatisfaction the disadvantaged position of certain groups in the process or the dilution of influence of any particular voice due to the increased number of voices. In addition, the retreat of business groups from the process, some observe, is not only attributed to the difficulty of governments listening to all views equally and intensively but also to the fact that far-reaching liberalization of Canada's trade in the past has led to declining need of business groups to engage in policy making. This ambiguity represents a substantial gap in our knowledge which makes effective evaluation of achievements or failures of the opening of the trade policy making process difficult.

The aim of this research is to clarify this ambiguity by inquiring how both business and non-business civil society groups perceive their participation in the Canadian trade policy making process. To some degree, the research focuses on interest groups' perception of their participation in Canada's trade policy making towards the European Union. The foremost reason for this approach is that, in light of persisting interest by Canadian business to establish free trade with the European Union, some of the arguments made by the authors of the literature on this issue/topic, such as that business retreats from the process because of its satisfaction with the state of liberalization of Canada's trade, already seem unlikely to be true. However, the questions constituting the interviews with representatives of business and non-business civil society groups, conducted for the purpose of this research, are designed to allow and even encourage answers that would go beyond this narrow context and provide group's perception of their overall experience with engagement in the Canadian trade policy making process. This eventually allows me to draw conclusions about the groups' engagement in the process as a whole.

In order to achieve my aim, the thesis is divided into six chapters. The second chapter, following this introduction, provides an overview of the historical evolution and the current structure of the Canadian trade policy making process. The third chapter presents propositions from the literature with which to evaluate the functioning of the current Canadian trade policy making process. It points to contradictions among these propositions, formally states the research aim, sets out research questions, and explains the method for achieving the research aim and answering research questions. Lastly, the chapter introduces interest groups that are interviewed, and provides the reason for their selection. The fourth chapter reviews theoretical literature on the political behaviour of interest groups as well as literature on corporate political action. This is done with a special focus on theories that describe interest group behaviour with which the research questions are concerned. Most importantly, it suggests what questions should be included in the questionnaires. The fifth chapter evaluates the results of the interviews with both business and non-business civil society groups. It provides answers to the three research questions. It uses these answers to clarify the original ambiguity among the authors and presents a new model of the functioning of the trade policy making in Canada from the perspective of interest groups. Finally, the sixth chapter summarizes the arguments and considers some of the implications.

Chapter 2

Background

Historical Evolution

This chapter consists of two sections. The first section provides a historical overview of the evolution of the Canadian trade policy making process. It pinpoints the main factors and events which have shaped its structure over the course of time. The discussions on each of the periods of this evolution also include Brian Hocking's theoretical models of particular evolutionary stages as he applies them to the Canadian case. The second section presents the current formal and informal structure of the Canadian trade policy making process. It explains the roles the individual actors involved in the process play.

The following account draws largely from the work of Denis Stairs. He points out that the Canadian political culture as well as the Canadian approach towards conducting foreign affairs originated in the British tradition. Typical of this tradition were the dominance of executive power over foreign policy and a certain suspicion of popular involvement in public policy making in general (Stairs, 2000: 11; Hocking, 2004: 14). Particularly in foreign affairs, this exclusive nature of decision making persisted longer than it did in other areas. Denis Stairs argues that there were two main reasons for this. First, before World War I, safeguarding of national security or promoting commercial interests abroad did not seem to have partisan political significance. Foreign affairs were "above" politics and therefore were out of reach of public debate. Second, almost every trade or other international negotiation requires trade-offs, communication of which to the general public would make conclusion of any such agreement substantially harder (Stairs, 2000: 11). In practice, international affairs were conducted by

narrow elite which consisted of a number of foreign affairs professionals, the Prime Minister and a limited number of other cabinet ministers.

The figure of Prime Minister Mackenzie King defined the inter-war period. Even though he publicly attributed decision making powers with regard to foreign affairs to parliament, in practice, he assumed the role of the primary decision maker (Stairs, 2000: 12; Hocking, 2004: 15). Stairs argues that this approach was chosen strategically. It was believed that popular involvement in foreign affairs would lead to ill-advised policies abroad while triggering dangerous divisions at home. In other words, King's main objective was to overcome fragmentation of domestic politics and strengthen national unity, which was still fragile at that time (Stairs, 2000: 12).

The period shortly after 1945 saw Parliament's increasing engagement in discussions over foreign policy issues. One of the reasons behind this development was that Canada had come to play a more significant role in world affairs. Equally important was the retirement of Mackenzie King in 1948. However, even this new era of Canadian foreign policy did not lead to a substantially different approach to foreign affairs. Knowledgeable professionals still played almost an exclusive role in the decision making process (Ibid.).

The outbreak of the Cold War further petrified old patterns of conducting international politics. National security issues as well as other issue areas were conducted behind the scenes and out of the sight (Ibid.).

Perhaps the first attempt to challenge this exclusive model of decision making in foreign affairs came with the election of Pierre Elliott Trudeau's government in 1968. However, Stairs points out that Trudeau's concept of "participatory democracy"

“...had less to do with “democracy” than with the desire to weaken what was presumed to be the intellectual inertia of External Affairs and National Defence officials by exposing them to competing ideas from independent sources.” (Ibid., 13)

Those who were invited to attend these government deliberations and serve this purpose were selected by the Department of External Affairs. Academics constituted the majority of attendees. Representatives of the general public were not present and they were not encouraged to do so (Ibid.).

Up to that point, the exclusive conduct of trade negotiations by governments has not been effectively questioned. Brian Hocking calls trade policy making practice when only the executive level of government is engaged a “club model”. This model of trade policy making is based on bureaucratic adaptation to the changing trade agenda. In other words, the club model represents a trade policy making process where consultations are conducted among foreign/trade/sectoral ministries. This system is closed to external actors (Hocking, 2004: 11-12)

Important changes first occurred in the 1970s and 1980s. Brian Hocking notes that the first serious opening of the trade policy making process to new actors was caused by growing pressure from the provinces (Ibid., 12). As international trade negotiations progressed during the Tokyo Round, most of the tariff barriers were abolished, and the trade agenda shifted to non-tariff barriers and trade issues with a broader social dimension (Dymond and Dawson, 2002: 25). As the result, trade agenda started including matters that fell under shared federal-provincial or exclusive provincial jurisdiction, giving provinces a reason to demand a seat at the table. Above all, it is important to note that provinces are often responsible for implementation of federal legislation. Potential resistance from provinces to new federal trade deals may result in non-implementation of the trade deal. This constitutes another reason why federal governments realized the need to consult with provinces.

In the 1970s and 1980s, trade officials held informal discussions with business groups, but they were not included in the policy process in any formalized way. Prior to 1985, trade negotiations, including those in the content of the General Agreement on Tariffs and Trade, were budgetary secrets; therefore, they were not subject to public scrutiny (Ibid.).

However, by the 1980s, the trade agenda became increasingly complex and the range of interested parties was more varied. Government trade negotiators lacked technical information on energy, telecommunication, transportation, food safety and other issues (Hocking, 2004: 5). As a result, senior officials started meeting periodically with the Canadian Business and Industry Advisory Committee (a Canadian offshoot of the OECD Business and Industry Advisory Committee) and with provincial officials (Dymond and Dawson, 2002: 26).

A real breakthrough in the development of formal consultative mechanisms was the decision to negotiate the Canada-US Free Trade Agreement. It resulted in the creation of the Trade Negotiation Office (TNO) in the mid-1980s. This newly created agency institutionalized consultations with both provinces and business. This institutionalization was reflected in TNO's task of consulting with provinces and representatives of business. First, it was responsible for conducting the negotiations and consulting domestic interests through the International Trade Advisory Committee (ITAC). Second, in the business context, it was responsible for establishing panels of representatives from specific industries, referred to as Sectoral Advisory Groups on International Trade (SAGITs) (Hocking, 2004: 17). In fact, the opening of the trade policy making process was limited only to provinces and certain business groups, and there was no desire to initiate consultations with groups that opposed the Canada- US free trade or were motivated by other political concerns (Stairs, 2000: 16).

Inclusion of provinces and business groups in the trade policy making process are conditions which allow Hocking to categorize this stage of the Canadian trade policy making evolution as an “adaptive club model”. He uses this term to describe systems which recognize that trade diplomacy demands greater outreach to constituencies most affected by it, whilst still operating by rules ensuring that modes of consultations remain largely closed (Hocking, 2004: 13). In other words, this model of trade policy making could be defined as “controlled openness”. Consultations are mainly between various ministries and the business sector (Ibid., 12).

Whereas Hocking as well as Dymond and Dawson talk about political (i.e. demands of provinces) and technical (i.e. government’s need for technical advice from business groups) impetuses for the changes in the way trade policy was developed, Stairs points to the effect of the global communication media on the emerging activity of non-government organizations (NGOs) at approximately the same time. He explains that the modern media helped to create a growing political awareness about newer issues on the international agenda, and that these developments posed a direct challenge to the traditional view of foreign policy. Economic, social, environmental, cultural, and other NGOs started striving to influence the substance of government policy.

“It was now possible to harbour such ambitions not just because the government could be politically intimidated into responding to them, but also because in some areas it needed the help.” (Stairs, 2000: 14)

Individual NGOs were involved when they could offer information, expertise and administrative resources. One of the early examples of NGOs involvement was their participation in the Canadian delegation to the 1972 Stockholm Conference on the International Environment.

Nevertheless, much of this activity was *ad hoc*, particular consultations were conducted only in the instance of policy controversies or major multilateral conferences (Ibid., 15).

The period following the ratification of the Canada-US free trade agreement saw the most recent attempts to exercise pressure on the Canadian government to open its trade policy making process. Canada-specific factors, a mix of constitutional, cultural and political developments, further enhanced by societal responses to globalization have defined this new episode in the evolution of trade policy making. As mentioned previously, the trade agenda was substantially affected by the growing involvement of provinces. Furthermore, a very decisive role was played by the ethnic composition of the country. Hocking presents the “Quebec factor” as a significant determinant in the orientation of Canadian foreign policy and the process through which that policy is conducted. He points to the perceived...

“...reflection of the need recognized by most governments to base external policy on domestic consensus, but, in the Canadian case, this is reinforced by the intersection of the ethnic-linguistic dimension and the pressures and tensions inherent in a federal system.” (Hocking, 2004: 15).

Perhaps this period could be framed by two events. First was the election of the Jean Chrétien Liberal government in 1993. This government made the fullest political commitment to the opening of foreign policy making to a wide range of interests. It was committed by its “Red Book”, its election platform, to the “democratization” of foreign policy and to an “open process for foreign policy making” (Stairs, 2000: 15; see also Vickers, 2004: 186). Second, the process of trade policy opening culminated with the 2001 Summit of the Americas held in Quebec City. Lortie and Bédard argue that the Department of Foreign Affairs and International Trade (DFAIT) developed, for the purpose of this summit and onwards, a new coherent and inclusive approach to foreign policy making based on a firm commitment to greater transparency (Lortie and Bédard, 2002: 326).

The period between these two events was marked, especially, by the 1998 negotiations of the Multilateral Agreement on Investment (MAI) and the 1999 WTO Ministerial Meeting in Seattle. Many agree that the controversy surrounding both negotiations created a new wave of pressure on governments to open trade policy making to the general public. In the case of the MAI negotiations the critics pointed to little public awareness of the details of the agreement. When the draft of the agreement leaked, it caused outrage among global NGOs. The MAI appeared to establish a new body of universal investment laws which would severely dilute national laws on environmental protection, regulation of labour standards, and human rights. Not dissimilar to the case of the MAI, in Seattle public opposition arose against WTO policies of free trade.

While some identify these last two events as providing the original impulse to the change of direction of many governments to greater openness in the making of their trade policies, Stairs argues that from the Canadian point of view these instances of public opposition represented a new phase on a continuum of development rather than a dramatic innovation in itself (Stairs, 2000: 15). However, it is safe to say that the collapse of the MAI negotiations (1995-1998), which were chaired by the Canadian Minister for International Trade Sergio Marchi during its final conference in Paris, had substantial impact on the Canadian approach to trade decision making. Determined to avoid similar failure in the upcoming WTO ministerial meeting in Seattle, Marchi initiated a wide-open consultation process as part of general preparations. Access to information and transparency of the process were supposed to dispel the anxieties of potential critics. Consultations started in September 1998, one month before the final collapse of the MAI negotiations. The agenda of the public consultations included issues related to the World Trade

Organization (WTO) as well as to the proposed Free Trade Agreement of the Americas (FTAA) (Stairs, 2000: 17-18; Dymond and Dawson, 2002: 28-29).

The results of the consultations were reflected in a number of recommendations for the future conduct of trade negotiations. It was suggested that in addition to the specialized economic interests, the consultation process should include non-business civil society groups. Moreover, it was suggested that the consultation process should be more continuous than before. In particular, this meant that consultations with the NGOs and other private sector interests should not be conducted only during the early phases of policy development, but also over a time-frame that would include the process of negotiation and then implementation. In addition, it was suggested that interest groups should not have access only to parliamentarians, but also to the executive branch of government. Lastly, one of the recommendations suggested that the Canadian government should promote reform of international institutions, such as the WTO, aimed at creation of formal relations with non-business civil society groups (Stairs, 2000: 19).

The Canadian government incorporated many of these recommendations in its strategy for the WTO ministerial meeting in Seattle. During the preparatory phase, it conducted many consultations across Canada with the general public and interested specialists. At the bureaucratic level, it enhanced cooperation of various government departments. It extended consultative activities of the Department of Foreign Affairs and International Trade to the agricultural sector. New SAGITs such as the Agriculture, Food and Beverage SAGIT were created. In addition, transparency of the process, access to information, as well as assistance to interest groups with registration for the meeting, were promoted through government internet websites and various publications. (Ibid., 20-25)

The preparation for the Seattle ministerial meeting did not end these elaborate consultative activities. Representatives of business and NGOs were to some extent incorporated into the delegation itself. Even though the Canadian delegation experienced problems with organization of the consultation process and especially with clashes of interests among its members, Seattle set a precedent for trade policy making in Canada. Most of the innovations in the consultation process have become a part of the permanent trade policy making institutional structure. The new priority DFAIT gave to the consultation process was reflected in the establishment of the Trade Policy Consultations and Liaison Division (Stairs, 2000: 25-38). The ITAC has been reorganized and replaced by the Team Canada Inc. Advisory Board. Its role remained largely unchanged and it consists of providing counsel on trade policy and market access questions as well as trade and investment promotion (Dymond and Dawson, 2002: 27). SAGITs were adjusted in the membership to incorporate greater representation from labour, environmental and other interests (Stairs, 2000: 25-38).

Finally, the changes in trade policy making culminated with preparations of the Summit of the Americas in 2001. Canada as the hosting country took the summit as an opportunity to showcase its democratic values and to take the first step toward establishing a tradition of openness and transparency in the summit process. This approach was a direct reaction to the high profile role civil society groups had acquired in decision making regarding economic questions. The Canadian government adopted a coherent and inclusive approach. The approach was coherent by emphasizing the importance of democratic institutions, a rule-based system to manage globalization at the regional level, promotion of quality education for all, respect for workers' rights and the environment, enhancement of effective social policies, and promotion of cultural diversity. Considering the various levels of development of the countries in the

hemisphere, this was not an easy task. To achieve it, Canada together with the countries of the hemisphere had developed a coherent and balanced programme of hemispheric co-operation comprising the political and social aspects of regional integration (Lortie and Bédard, 2002: 326-328).

The inclusiveness of the approach rested in promotion of participation by citizens' groups, not just at the summit but also in the preparations leading up to it. For example, in February 2000, Canada's permanent representative to the Organization of American States took the initiative, as chair of the Special Committee on Inter-American Summit Management, to open committee sessions to civil society. In the year preceding the summit, the committee served as the hemisphere's primary mechanism for civil society consultations. During the summit, persistent efforts by Canada's Minister for International Trade convinced other trade ministers agree to publish the draft of the FTAA agreement. The main communication channel between the governments and the public became the Committee of Government Representatives on the Participation of Civil Society (Ibid., 328-333).

The changes that happened in 1990s and the beginning of the 21st century, primarily the extension of the trade policy making process to include representatives from labour, environment, and human rights groups, have resulted in creation of a "multistakeholder model", as Brian Hocking calls it. He argues that the main motive behind these adjustments was to counter growing opposition to the goals of free trade. This model aims to enhance consensus in favour of free trade and provide it new legitimacy. Consultations are now conducted between government ministries, business groups, as well as non-business civil society groups. The multistakeholder approach may produce a "crisis of expectations" amongst governmental and

non-governmental participants when interest groups' views do not find reflection in government policies (Hocking, 2004: 12-14).

To recapitulate, after a long period of elitist trade policy making, the first opening of the process came with the need to change the ways the Department of External Affairs and National Defence develops policies during Trudeau's government. Academics were asked to show trade officials alternative ways of doing things. However, probably the first serious opening of the process occurred during the Tokyo round of GATT negotiations. Since the trade agenda shifted to include issues falling under provincial jurisdiction, the trade policy making process often had to be adjusted to include the provinces. This was necessary in order to make sure that implementation of future trade agreements affecting their jurisdiction would not be thwarted by provinces. As the trade agenda became more complex, especially when Canada negotiated free trade with the United States, business groups were invited to provide their expertise and participate in the trade policy making process in a formalized way. Having said that, it is not surprising that the rise of global civil society groups and awareness of the general public about international affairs has led to the most recent adjustment of the trade policy making. The belief that non-business civil society groups should have a voice in economic decisions has put pressure on governments to further open the process and initiate consultations with various NGOs. Traces of all these episodes in the history of the trade policy making evolution can be found in the current structure of the process which will constitute the content of the next section of this chapter.

The Current Structure of the Canadian Trade Policy making

The second section of this chapter is concerned with the current institutional structure of the Canadian trade policy making process. The objective is to present the role of individual participants in the process. The following discussion relies heavily on the work of Denis Ciuriak and the official website of the Department of Foreign Affairs and International Trade.

As noted earlier, executive authority for the conduct of international trade policy in Canada's parliamentary system of government is vested in Cabinet. To obtain Cabinet support for proposed international trade policy initiatives, the Minister of International Trade submits a Memorandum to Cabinet outlining the proposed participation in negotiations, the costs and benefits thereof and an assessment of the various issues and risks involved. The preliminary work to facilitate Cabinet approval is conducted by officials from DFAIT, who consult with counterparts from other government departments and agencies whose interests might be affected by such negotiations (Ciuriak, 2004: 217-218).

As a consequence of the public opposition to trade negotiations in the late 1990s parliamentary committees have become a prominent part of the trade policy process. The House of Commons Standing Committee on Foreign Affairs and International Trade and its Subcommittee on International Trade, Trade Disputes and Investment have held public hearings on Canada's trade policies, including its priorities within the WTO and FTAA contexts. Similarly, the Standing Senate Committee on Foreign Affairs has also been active on international trade issues, having considered the legislation implementing the Canada-U.S. FTA, the NAFTA, the Agreement Establishing the WTO, the Canada-Israel Free Trade Agreement and the Canada-Chile Free Trade Agreement. In addition, Canadian parliamentarians also regularly participate in the multistakeholder consultations, in roundtable discussions, as panellists and speakers for

information sessions sponsored by industry associations and NGOs, and as advisors to Canada's trade delegations (Ibid., 219-220).

The following trade policy making structures are parts of the permanent consultations framework. The Department of Foreign Affairs and International Trade uses a range of consultative mechanisms to gauge the views of provinces, industry, non-governmental as well as public interest groups and Canadians at large on current trade policy issues.

The process under which Federal-Provincial-Territorial relations has been conducted is known as "C-Trade". Representatives of Canada's provinces and territories meet on a quarterly basis to review trade and broader economic development and to discuss ongoing and newly emerging international trade issues (Ibid., 221).

In consultations with the business sector, the SAGITs and Team Canada Inc, the successor of ITAC, constitute the formal level of trade policy making. The SAGIT consultative mechanism now consists of 12 advisory groups and continues to provide an important source of advice for the government. Each SAGIT includes representation of senior business executives with some representation from industry associations, as well as members of labour and environmental non-governmental organizations, and academia. The Team Canada Inc advisory board provides counsel on trade policy and market access questions as well as issues related to trade and investment initiatives. Its role and scope have remained largely unchanged over the past fifteen years (Dymond and Dawson, 2002; DFAIT 2004).

The Small and Medium-sized Enterprises (SME) Advisory Board on International Trade operates separately from Sectoral Advisory Groups. It is comprised of 20 representatives from small and medium enterprises (SMEs) with an interest in exporting. They are appointed by the

Minister of International Trade and they provide advice on issues affecting their companies (DFAIT 2004).

Another body of the Permanent Consultations Framework is the Academic Advisory Council (AAC). Established in 1998 by the Deputy Minister for International Trade, AAC serves to obtain on a regular basis the views of leading experts in economics, law, political science, and other disciplines on trade and other international issues. The views received from these sources are seen as complementary to the input from interest groups and provide a broader, more integrated analysis of ongoing and emerging trade and related social and economic issues (Ciuriak, 2004: 222-223).

In order to open the trade policy making process to the wider spectrum of interests, DFAIT holds periodic information sessions with stakeholder groups to address trade and investment-related issues. Participants include the Minister and the Deputy Minister from time to time, as well as parliamentarians engaged in the issues. In partnership with other government departments and agencies, the Department also coordinates ongoing sectoral consultations over and above discussions within the SAGIT process that cover a range of issues already under negotiation (Ciuriak, 2004: 223; DFAIT 2004)

The formal layer of the Canadian trade policy making process is complemented with various informal programs. The objective of the DFAIT's programs is to achieve the broadest public outreach possible. Department officials participate frequently in informal meetings, seminars, roundtable discussions and similar events conducted across Canada. These provide opportunities for in-depth and issue-specific discussions/debates on policy concerns with business and industry associations, NGOs and public interest groups, and the academic community (Ciuriak, 2004: 223-224).

Chapter 3

Research Aim and Method development

While the first adjustments to the trade policy making process to include provinces and business groups were motivated by the need to ensure implementation of trade agreements and to gather technical information, the most recent changes stemmed from the need to provide the process new legitimacy (see Hocking, 2004: 8). Even though the opening of the process to new actors from the late 1990s on has helped to restore its damaged legitimacy, as witnessed by the growth of public support for free trade agreements from 61 percent in 1999 to 71 percent in 2004 (Ciuriak, 2004: 224), the process, according to critics, suffered from different deficiencies. Dymond, Dawson, Hocking, and Ciuriak offer several propositions on how the Canadian trade policy making process with a multiple stakeholders functions that identify a number of problems in the process when an attempt is made to reconcile interest groups' views. The fact that the authors identify malfunctioning in the process would not represent a problem if these propositions were not so often contradictory. Thus, the objective of this research is to shed light on the participation of interest groups in the process. This chapter takes the first step toward that goal by presenting these propositions. It examines individual propositions and points to the contradictions between them. Having done that, this chapter formally states the thesis' research aim, sets out research questions and explains the method for achieving the research aim and answering the research questions. In addition, the chapter introduces interest groups that were interviewed, and provides the reason for their selection.

Propositions

The following four propositions represent existing evaluations of the functioning of the Canadian trade policy making process after its extension to include representatives of non-business civil society groups (e.g. labour, environmental, and human rights groups). The main objective of the presentation of these propositions is to point at contradictions among/between them.

Proposition 1

In their assessment of the new consultation process, Dymond and Dawson point to the finding that the opening of the trade policy making process has brought mixed results for individual participants. They observe that those groups

“...with existing ties to the government or those considered as part of the trade establishment (private sector, business, and technical specialist) claim to have experienced positive results in helping governments fine tune negotiation positions. Those groups [including non-business civil society groups] who reject the fundamental economic growth premise of trade liberalization find the process of dealing with bureaucrats frustrating because the officials are, of necessity, constrained from entering into debate about the merits of government policy or the need for a fundamental change in direction” (Dymond and Dawson, 2002: 29).

Proposition 2

Interestingly, in a presentation to the Centre for Trade Policy and Law, William A. Dymond [alone] put the evaluation of the functioning of the consultative process quite differently. Not only does he admit that peripheral stakeholders (i.e. non-business civil society groups) are frustrated when governmental officials seem deaf to their demands for policy change, he also emphasised that core stakeholders (i.e. business groups) are frustrated about standing in line to be heard (Dymond, 2002).

Proposition 3

A very essential proposition by Brian Hocking is that the attempts to redefine the role of older consultative mechanisms, such as the SAGIT system in Canada, provide a breeding-ground for institutional tensions. He states that:

“...the redefined “club” system brought together policy makers and business people in a closed environment with rules and procedures that ensured the old ethos of the club model was sustained, albeit with a wider cast of players. Moreover, it ensured that consultation was focused on participants in broad agreement on the goals of trade policy, if not on specific issues” (Hocking, 2004: 22).

The relationship described, of course, has changed by the expansion of membership to non-business NGOs (non-business civil society groups). Hocking argues that, from the viewpoint of one DFAIT trade specialist, this represents a more general tendency for business to “retreat” from trade policy, because “trade policy is not primarily about them” (Hocking, 2004:22). The question then is whether, in fact, this expansion led to the government’s concentration on the demands of non-business civil society groups, and consequently to a retreat of business from trade policy making.

Proposition 4

Ciuriak contends that with the implementation of the Canada-US Free Trade Agreement and its successor, the North American Free Trade Agreement, as well as of the Uruguay Round of multilateral trade negotiations that brought into being the World Trade Organization, a substantial amount of Canada’s trade was effectively liberalized. As a result, the overall interest in trade negotiations by the business community, which had previously been an important driver of trade policy, noticeably declined in Canada as it did elsewhere (Ciuriak, 2004: 214). Furthermore, Ciuriak observes that the increase in the number of voices has the effect of diluting

the influence of any particular voice. He explains that groups holding views which do not find obvious reflection in government policy can feel disenfranchised from the process (Ibid., 223).

Propositions Disaggregated

The propositions presented above aimed to describe how existing actors in the trade policy making process, such as business groups, responded to the extension of the process to include consultations with non-business civil society groups. Simultaneously, the aim of the propositions was to shed light on how non-business civil society groups, newly recognized stakeholders, managed to position themselves within the process. Above all, the reciprocal impact of the presence of business and non-business civil society groups on participation in the process is of particular interest to the authors (i.e. Dymond and Hocking). In addition, Ciuriak explains a new trend in the behaviour of business groups in the process brought by the liberalization of Canada's trade.

In order to be able to clearly distinguish what information the propositions include, individual arguments are summarized. One learns that:

Proposition 1

- 1) Business groups experience positive results in helping governments fine tune negotiation positions.
- 2) Business groups are considered to be part of trade establishment and have existing ties to the government.
- 3) Groups that reject the fundamental economic growth premise of trade liberalization find dealing with bureaucrats frustrating.

Proposition 2

- 1) Non-business civil society groups are frustrated with the functioning of the process due to the perceived impossibility of making government reflect their proposals.
- 2) Business groups are frustrated about standing in line to be heard, because of the government's need, now, to also listen to non-business civil society groups.

Proposition 3

- 1) Business groups feel that the government now pays more attention to demands of non-business civil society groups and this leads to a more general tendency for business to "retreat" from trade policy making, because "trade policy is not primarily about them".

Proposition 4

- 1) Conclusion and ratification of a number of international trade agreements has led to effective liberalization of Canada's trade. This has resulted in the declining need of business groups to engage in trade policy making.
- 2) The increase in the number of voices in the trade policy making process has resulted in the dilution of any particular voice.
- 3) Groups that hold views which do not find obvious reflection in government policy may feel disenfranchised from the policy making process.

Contradictions between Propositions

Having disaggregated the individual propositions, it is now possible to proceed to compare them. At first sight, it is evident that many of the statements are contradictory. I argue that it is possible to arrange the contradictions along two lines. First, the propositions disagree about which groups have been affected by the changes in trade policy making. Second, propositions are ambiguous about what lies behind groups' dissatisfaction with the process.

As noted above, individual propositions provide conflicting evidence of who the affected groups are. While the first proposition argues that business groups experience positive results from consultations with the government, and that frustration is felt by the groups that reject the fundamental economic growth premise of trade liberalization, the second proposition identifies both business and non-business civil society groups as frustrated. The third proposition, however, contends that it is, in fact, only the business groups that find the new process frustrating, implying that non-business civil society groups receive more attention from the government. Finally, the fourth proposition implies that dissatisfaction can be found on both sides. However, by claiming that trade liberalization has led to the decline of interest of business groups in trade policy making, it suggests that the new composition of the actors in the process did not affect the behaviour of business groups in the first place.

Also, explanations of the causes of group dissatisfaction with the functioning of the process do not provide a coherent picture. The first proposition implies that non-business civil society groups feel disadvantaged in comparison to groups which are considered to be a part of the trade establishment. Non-business civil society groups may see trade officials as biased against policy proposals which challenge the proposition that trade liberalism leads to growth. On the other hand, the second proposition identifies business groups as frustrated with the

process. This time, the argumentation rests on the perception that the increase in the number of voices within the process has resulted in the necessity of business groups to share government's attention with non-business civil society groups. The second proposition agrees with the first one arguing that the main cause of non-business civil society groups' dissatisfaction stems from perceived government reluctance to listen to their demands. In the case of the third proposition, the argument changes entirely. The author implies that business groups are discontent with the amount of attention the government pays to the demands of non-business civil society groups. In fact, they feel that the trade agenda has been sidetracked by issues that are closer to the agenda of non-business civil society groups. This also implies that non-business civil society groups benefit from such a situation. Lastly, the fourth proposition suggests that the main motives behind the changes of business behaviour derive from the effective liberalization of Canada's trade in the past. In other words, Ciuriak observes that increasing liberalization of trade results in a declining need of business groups to engage in policy making. This explanation provides a completely different perspective. While previously factors influencing groups perception of the process were the presence of other interests groups, the process itself, or the government's approach, in the last case, liberalization alone is the main factor in the business decision not to continue participating in the trade policy making process.

Research aim

Awareness of these contradictions provided the original impetus for the conduct of this research. Thus, the research will focus on clarification of how business interest and non-business civil society groups perceive their participation in the process in which the Canadian government defines and develops trade policies.

As I argued before, the context of Canada's trade policy making towards the European Union is used as a point of departure for this research. The foremost reason for this approach is that, in light of persisting interest from Canadian business to establish free trade with the European Union, some of the arguments made by the authors of the proposition stated earlier in this chapter, such as that business retreats from the process because of its satisfaction with the state of liberalization of Canada's trade, seem unlikely to be true. Nevertheless, the overall objective of the research is to come up with conclusions about Canada's trade policy making as a whole. Hence, the questions constituting the questionnaires used in the interviews with representatives of business and non-business civil society groups are worded in such a way that allows and encourages answers describing the groups' experience with the trade policy making more broadly. Also the interviewees' willingness and often perceived necessity to refer to their overall experience with the trade policy making process, when asked about particular issues related to Canada's trade policy making towards the EU, have allowed me to draw conclusions about the broader process.

The aim of the research is to answer questions arising from the ambiguity and contradictions found in the existing literature. To achieve this aim I look at participation of business and non-business civil society groups within the process more closely. In fact, the research will seek answers to three questions: why, where, and how do business and non-business civil society groups engage in trade policy making. First, the research will try to inquire "why" groups decide to engage in or disengage from the trade policy making process. Second, the question "where" addresses the institutional environment, in which interest groups carry out their political actions. Therefore, the question "where" is meant to inquire how the Canadian government institutions affect participation of business and non-business civil society groups.

Third, the question “how” will focus on the strategies Canadian business groups use to achieve their policy goals and particularly on whether or how these have changed because of the extension of the trade policy making process to new groups. It is important to note that the question “how” will be included only with respect to business groups. Since my primary aim is to find out about possible changes in group strategies as a result of the extension of the trade policy making process to non-business civil society groups, posing this question to representatives of non-business civil society groups, newcomers in the process, would be irrelevant because the trade policy making process previously involved only business groups. The questions posed to the representatives of all interviewed groups will seek answers about the groups’ experience with the process in the time period between the formal extension of the process to non-business groups (i.e. after the 1999 WTO Ministerial Meeting in Seattle) and the time when the interviews were conducted (i.e. summer/fall 2008).

As a result of this extensive research, the study contributes and extends our knowledge of the functioning of trade policy making in Canada from the perspective of interest groups. At the same time, as the result of my effort to clear up the contradictions between individual propositions, I come up with a new, more accurate interpretation of engagement of interest groups in Canada’s trade policy making process.

The Research Questions

- 1) What motivates groups to enter or exit the Canadian trade policy making process?
- 2) How do Canadian government institutions affect participation of groups in the process?
- 3) What are the group strategies to achieve policy goals, and particularly have these changed because of the extension of the Canadian trade policy making process to new groups?

Method

Data for the thesis were generated through the use of questionnaires designed to elicit responses from two representatives of business lobby groups and two non-business civil society groups. Each of the representatives of the interest groups had been given a copy of the questionnaire some time before the interviews took place, so that they could familiarize with the individual questions. The interviews were conducted on the phone. The results of the interviews were recorded in the form of written notes.

The design of the questionnaires and the selection of the questions are largely based on various interest group theories, which will be examined in the next chapter. The construction of the questionnaires was aided by insights based on these theories. The questionnaires consist of three main parts. Each of these parts addresses one of the research questions. The first part consists of questions based on theories which seek to answer why groups enter and exit the trade policy making process. The second part includes questions derived from theories which seek to explain what the impact of government institutions on group behaviour is and vice versa. The third part consists of questions derived from theories concerned with explaining how groups

select strategies and how these change over the course of time. Questionnaires for non-business civil society groups do not include this part. Instead, I present them with some of the arguments provided by business groups during interviews with them. In addition, questionnaires include a part that asks about groups' position towards propositions extracted from existing literature and stated in the beginning of this chapter.

Interviewed Interest Groups

The primary criterion for selecting the two business groups was to ensure that corporate membership of at least one of the groups would include the widest possible range of businesses. This would increase the likelihood that the group's views reflected the views of the mainstream. Therefore, the well-known Canadian Council of Chief Executives (CCCE), which represents some 150 leading Canadian corporations¹, seemed like the best candidate.

In the statement of its goals the CCCE argues that “Canada is a prime beneficiary of trade and investment liberalization, and North America will continue to dominate Canada's trade and investment flows. This degree of dependence reinforces the need for our country, as part of its strategy for managing North American integration, to offer strong and consistent support for multilateral institutions and processes and to pursue complementary regional and bilateral strategies, especially in Europe, Asia and Latin America.“ The CCCE actively supports establishment of global market rules in new areas, further integration on the continent by the of the North American Security and Prosperity Initiative, the creation of a much broader free trade zone encompassing the entire western hemisphere, APEC's primary objective of achieving free trade and investment in the Asia Pacific region by 2010, and the enhancement of Canada-European Union trade and investment through improvements in shared commercial standards,

¹ For the complete list of CCCE's membership see <http://www.ceocouncil.ca/en/about/members.php>

regulations, trade in services, investment rules, intellectual property protection and government procurement (Canadian Council of Chief Executives 2009).

Since the research, to some extent, focuses on Canada's trade policy making towards the EU, I decided to address the Canada Europe Roundtable for Business (CERT) as the second group to interview. CERT represents 35 organizations in such sectors as energy, mining, infrastructure, accounting, research, and electronics.² Its priority is to promote closer trade cooperation between Canada and the European Union. CERT produces reports evaluating the costs and benefits of trade liberalization between Canada and the EU, and it actively engages in seeking support for this effort (Canada-Europe Roundtable for Business 2009).

When selecting non-business civil society groups, I focused on groups that represent at least some of the following three interests: labour, the environment, and human rights. Particularly, I selected groups well known in Canada. As a representative of labour the Canadian Auto Workers (CAW) was selected. It is the largest private sector union in Canada with over 250,000 members. The Canadian Labour Congress was also addressed, however none of the several attempts to request interviews elicited a response. The CAW, apart from its priority to protect workers' rights and employment, is also involved in a number of other causes. For example, it issues policy statements on social policies such as family policy, education, health and safety, as well as the environment, immigration and refugee policies, and so on (Canadian Auto Workers 2009).

Lastly, I selected the Council of Canadians (CC) for an interview. This group is not only widely known, it is also concerned with a number of issues related to the environment, culture (e.g. the Canadian national identity), public services, transparency of trade negotiations, and so on. The sheer span of its agenda makes it a desirable candidate for questioning.

² For the list of CERT's participating organizations see <http://canada-europe.org/en/Membership/index.htm>

It sees itself as a “watchdog” over government and corporations and offers a critical voice on key national issues. It has run citizens’ campaigns against cutbacks and changes to Canada's system of public pensions, the proposed mergers of four of the country's biggest banks, and the introduction of Bovine Growth Hormone into the nation's milk supply. It has also worked with groups and individuals across the country to fight the “alarming concentration” of media ownership in Canada. More recently, the Council has launched campaigns to prevent the bulk export of Canada's fresh water and to protect Canada's public health care system from privatization. Since 2004, the Council has focused on fighting deeper economic integration with the United States (Council of Canadians 2009).

Chapter 4

Theory

The literature attributes credit for the foundation of the modern group theory to Arthur Bentley. He is especially known for arguing that “there is no group without its interests” as early as 1908 (Olson 1971: 8). However, the work of this perhaps first pluralist had stayed largely forgotten until it was rediscovered in 1951 by David Truman. Truman, himself a pluralist, conceptualized the main features of the theory in his work *The Government Process*. The theory of pluralism also known as “interest group theory” provided fertile soil for other scholars who came up with their own explanations of interest group behaviour. One of the strongest reactions to the pluralist point of view was *The Logic of Collective Action* by Mancur Olson, first published in 1965.

The following more than four decades have seen an abundance of new theories. This time period can be divided into three generations of group theories, each of which embraces a different approach. The first generation, which also includes Truman’s and Olson’s work, is significant for the sheer diversity of individual group theories. Apart from interest group theory and the theory of collective action, the time produced theories such as public choice theory, transaction cost theory, resource dependency theory, exchange theory, the behavioural theory of the firm, institutions theory, and agency theory.

The second generation of group theories is characterized by attempts to integrate previous knowledge. This approach called “variable theories” aims to provide more accurate understanding of group behaviour by pooling the insights of previously competing theories. One of the leading scholars of this theoretical approach is Kathleen A. Getz. According to her, the

added value of this approach lies in the possibility of examining an issue from a multitude of theoretical perspectives (Getz, 1997: 60). Her work, *Research in Corporate Political Action: Integration and Assessment*, will be discussed in this chapter.

The third and the latest innovation, with respect to the research on group behaviour, has been delivered by the protagonists of so called “process theories”. Pettigrew, Woodman, and Cameron (2001) assert that process theories examine processes across a number of levels of analysis. Process theories concentrate on the role of imperfect knowledge in decision making of a firm as well as whether there has been a change in political activities of a firm vis-à-vis its historical path (Lamberg et al., 2004: 341).

Although new theories always insist on their superiority, I argue that all research is unique and that it often requires different theoretical approaches. This means that even older theories and approaches may in particular situations be more suitable than their more recent counterparts. Since the theories here are to serve as a source of inspiration for the questions in the questionnaires, the exploration will not differentiate between older and more recent concepts. The primary objective is to underpin the three research questions with theories concerned with the same matter. One or more theories relevant to a research question will help me select and concentrate on factors which may also influence behaviour of groups under examination in this thesis. The theoretical exploration is divided into three parts, each of which addresses one of the research questions. Each part is structured as follows. First, it presents an example of an ambiguity arising from the four propositions stated in the previous chapter that inspired the particular research question. Second, the text elaborates on theories and approaches that deal with the same issues and explains how they could help clarify the situation in the Canadian trade policy making process. Third, a question or questions for the questionnaires are suggested.

Theories Dealing with Motives

Why groups engage or disengage in trade policy making is the first issue I explore. If, for example, propositions one and four are examined, one can see that their authors put forth two absolutely opposing findings. Whereas Dymond and Dawson claim that business groups are content with their engagement in the trade policy making process and that these groups see their engagement as beneficial, Ciuriak explains that business groups retreat from the process because previous liberalizing trade agreements have made their presence in the process unnecessary. This inconsistency has led me to inquire about the groups' motives for engagement or disengagement in the trade policy making process. In order to construct questions to determine these motives a thorough exploration of group theories is conducted.

Not surprisingly, the question "why groups decide to participate or leave the policy making process" is of predominant concern to many theories. Inclusion of all theories that attempt to explain this subject matter would not lead to a desirable outcome. Therefore, I only select those theories which are relevant to the Canadian context and issues raised by the four propositions.

In order to find answers to the question "why do groups enter and exit policy making", I find the approach proposed by Kathleen A. Getz as the most suitable. As noted earlier, Getz' approach is inclusive. Through the combination of the individual theories, Getz strives to achieve an integrated picture of the possible motives which lead groups to engage in or disengage from a political action. This means that a researched subject can be simultaneously examined by, for example, interest group theory, dependency theory, and the theory of collective action. For the purpose of my research, I combine these group theories: interest group theory, public choice theory, dependency theory, and institutions theory.

Interest group theory developed around Truman's stability-disruption-protest model. This model argues that political systems, from time to time, fall into disequilibrium, because their normal stability is upset by changes in policy or other changes that affect certain interests in society. The natural reaction to this disruption is protest that takes on the character of interest group mobilization and political action (Mundo, 1992: 20). This model is particularly useful to help find answers to two aspects of this research. First, it may help uncover the nature of the relationship between business and non-business civil society groups. In particular, by asking whether political activities of non-business civil society groups constitute a disruption for business groups, one can learn about business groups' motives to engage in the policy making process. Of course, this is also applicable vice-versa by asking whether activities of business groups constitute a disruption for non-business civil society groups.

Second, the use of Truman's model seems to explain the retreat of business groups from trade policy making as observed by Ciuriak. He asserts that business groups retreat from the trade policy making process due to the far-reaching liberalization of Canada's trade in the past. In fact, using the vocabulary of interest group theory he argues that business groups have successfully engaged in a protest against high tariffs and now they enter a stage of stability when there are not significant threats to their interests. Therefore they retreat. In other words, business groups have lost the motive/reason for their participation in the process. Hence, one of the questions should confirm this proposition as well as this reasoning by asking about groups' positions on the effect of the tariff reduction on their political activities.

Public choice theory argues that if firms perceive a benefit in potential government policy, they enter the policy arena to "purchase" that policy. Similarly, firms that perceive a cost in potential government policy enter the political arena to purchase inaction from public officials.

Public choice theory focuses on public goods. A public good is defined as a good requiring indivisibility of production and consumption, non-rivalness, and non-excludability (McLean, 1987: 11). A good example of such a good is tariffs. A textile firm lobbying for protection from foreign importers, if successful, will share this protection with other textile companies in the industry. The insight of public choice theory could be used to supplement or provide alternative information about groups' motives to participate in policy making. This can be achieved by inquiring about groups' engagement in promoting or coming out against certain public policies.

The decision to use resource dependency theory was largely motivated by the need to provide an alternative to the question asking whether the substantial liberalization of Canada's trade in the past leaves the business sector largely unaffected by government decision-making with the exception of a few trade issues. In the case that interviewed groups reject any kind of such correlation, a question about the existence of dependency on the government arises. John P. Kotter explains that since dependencies can pose a threat to a firm's survival and autonomy, firms are motivated to act. They risk not accomplishing their goals, not having discretion in setting of their goals, or their firm's demise. Therefore, firms often opt to actively manage their external dependency (Kotter, 1979). In fact, the state of dependency evokes the need to be politically active. This means that posing a question about groups' perceived dependency on government may further clarify what motivates groups to engage or disengage in the Canadian trade policy making process.

Institutions theory puts forth another perspective that may help clarify what motives lie behind groups' engagement in Canadian trade policy making. This theory builds on the assumption that norms and expectations determine organizational and individual behaviour. Institutions such as government or education systems are widely accepted as legitimate. In terms

of political action, the behaviour of firms involved either conforms to existing institutional expectations or is intended to change expectations and thereby establish and legitimate new institutions (Getz, 1997: 47). Such patterns of group behaviour are addressed in two of the four propositions. In proposition number one by Dymond and Dawson, it is argued that non-business civil society groups are frustrated with the trade policy making process because their demands for changes in the direction of Canada's trade policy are considered too extreme. Does this mean that non-business civil society groups aspire to establish and legitimate new institutions? In other words, does this mean that these groups attempt to change the fundamentals of Canada's trade policy? Similarly, in proposition number three Brian Hocking asserts that business groups retreat from the process because trade policy is no longer primarily about them. Is not this a reason for business groups to rather engage in political actions, and press for a more favourable direction in trade policy? Questions raised here compel an inquiry about both business and non-business civil society groups' position toward the direction Canada's trade policy is taking and how active they are in shaping this direction.

Summary

The objective of the first part of this chapter was to help clarify what stands behind groups' motives for engagement or disengagement in Canadian trade policy making. Examination of the theories narrows the research focus to four factors: activities of political adversaries or other disruptions, need for a public policy, level of dependency on the government, and relation to existing institutions. By asking questions about these factors, it is believed that a comprehensive picture of groups' motives for engagement will be constructed. The questions arising from the four theories should not be understood as only providing

alternatives to one another. Another reason why such questions should be posed is to chart the array of motives for engagement cited by groups.

Theories Dealing with Institutions

How the Canadian government institutions affect participation of groups in the trade policy making process is the second research concern. The idea to pay attention to this aspect of government-groups relations stems from the need to clarify contradictions in propositions number one and three. While Dymond and Dawson assert that groups with existing ties to the government (e.g. business groups) experience positive results in helping governments fine tune negotiation positions, Brian Hocking claims that business groups retreat from the process because the Canadian government now listens more to the demands of non-business civil society groups, and that the process is no longer primarily about them. At the same time, Dymond and Dawson point to the frustration of those non-business civil society groups that attempt to promote substantial changes in Canada's trade policy. They argue that the government officials are, of necessity, constrained from entering into the debate about the merits of government policy or the need for a fundamental change in direction (Dawson and Dymond, 2002: 29). Do Canadian government institutions favour business or non-business civil society groups? Is there an established bias within Canadian government institutions? Those are just some of the questions one might be asking when introduced to this inconsistency. Further questions are discussed below.

In order to shed light on the impact of institutions on participation of groups in the process, another exploration of group theories is conducted. This time, I borrow insights from a process theory as well as from two individual group theories. In particular, I work with

Lamberg's concepts of "institutional opportunities and constrains" and "path dependence" which are a part of his process theory, and with insights from institutions theory and interest group theory.

Lamberg, Skippari, Eloranta, and Mäkinen (2004) describe their theory in an article *The Evolution of Corporate Political Action: A Framework For Processual Analysis*. They contend that their model supplements existing research by offering the possibility to explain the long-term consequences of political action in the context of wider societal changes. They differentiate among four levels of analysis. These are: path dependence, organizational slack, competitive environment, and institutional opportunities and constrains. Together these levels of analysis constitute a complex system of factors that influence political actions of groups. Since political actions also influence these factors, they argue that the process is in essence systemic and path dependent.

The concept of institutional opportunities and constraints process is the first one to be discussed. Institutions whether formal (e.g., legislation) or informal (e.g., codes of conduct) are defined as the primary determinants of the rules by which a particular game is played. Institutions represent constraints and options firms and groups deal with. In fact, individuals, firms and groups can deliberately modify, and even eliminate these institutions through choice and action (Lamberg et al., 2004: 346). An important observation by the authors is that the genesis of institutions can be traced to historical events, which determine the distribution of power among societal groups. Furthermore, government policies are also prone to lock-in. Lock-in often has long-term effects. They offer an example of the U.S. policy decisions of the 1930s to subsidize agricultural products and liberalize the trade of manufactured products which continued to define U.S. trade policy for decades (Ibid.) In the Canadian context, it could be

useful to inquire whether one can observe similar patterns with respect to trade policies. Specifically, by posing a question about the approach successive Canadian governments have embraced towards liberalization of Canada's trade, one could learn more about the political environment both business and non-business civil society groups are exposed to. In other words, one could learn about the opportunities and constraints which may define government-groups relations.

Path dependence is a concept I use with respect to my third research concern (discussed in detail later in the third part of this chapter). However, one of the four conditions the authors argue leads to path dependence may also provide an explanation of how government-interest group relations are shaped. "The dynamic increasing returns to adoption" is the condition. Lamberg and his colleagues argue that competition among interest promotion strategies leads to locking-in of the one which produces the most pay-offs. Interestingly, a firm may also link itself to a certain ideology and a group of political decision makers, the result of which may be creation of a trajectory for future political moves. In other words, the involved actors may cognitively construct models of how the political system works (Ibid., 343). This finding could be used to explain the "special relationship" between the Canadian government and business groups as suggested by proposition number one.

Another theory discussed is institutions theory. Much like the concept of "institutional opportunities and constraints, the institutions theory stresses the importance of norms and expectations in determining organizational and individual behaviour (DiMaggio and Powell, 1983). Getz explains with respect to institutions theory that institutions circumscribe behaviours to assure conformity with and consistency among value patterns (Getz, 1997: 48). The main objective of institutions is to make other actors comply with their rules. A change in the

institutional values is then brought about through political action. A possible explanation why certain groups experience difficulties in promoting their interest when dealing with government institutions is that institutions favour values of their opponents. Therefore, one of the questions in the questionnaires should address this matter.

The last theory discussed in this section derives from interest group theory, or more precisely, from its neopluralistic successor. Its advocate, Andrew S. McFarland, conceptualizes his view of group behaviour in so called “social movement theory”. This theory also builds on Truman’s stability-disruption-protest model. However, this time the model applies to substantially longer periods of time. McFarland explains that most policy areas are characterized by long periods of relative equilibrium, which are interrupted by incremental change. These changes are consequences of social movements (e.g., environmental or anti-global) which often develop for a substantial period of time before they are strong enough to trigger a change. Such a change may take on the character of increased government regulation agenda, as adopted in the 1960s and 1970s in the United States and elsewhere. As a result, firms initiate formation of interest groups that lobby and engage in influencing public opinion in a direction opposite to social movement organization interests. These actions lead to a new equilibrium. The main message of such counter-movements is “freedom,” which is interpreted to mean freedom from government intervention in “free markets” and freedom from government social regulation (McFarland, 2004: 72-73). McFarland argues that, at least in the case of the United States, these changes appear in waves. He observes periods favourable to civil society demands (e.g., in the decades of the 1900s, 1930s, and 1960s), and periods accommodating to the needs of the business sector (e.g., in the decades of the 1890s, 1920s, 1950s, and 1980s). This indirectly

implies that institutions embrace normative approaches, which consequently may influence group participation. Groups may experience difficulties in promoting their interests.

Considering that propositions number three and four argue that there is a retreat of business groups from the policy process, one would conclude that trade policies are in a state of relative equilibrium. Nevertheless, proposition number three suggests that this retreat is mainly caused by excessive activity of non-business groups, the very groups that according to social movement theory provoke business retaliation. At the same time, other propositions note that non-business civil society groups complain about difficulties they experience with pushing through their agenda. What does that imply? Do Canadian government institutions act as an advocate of business regardless of businesses' engagement? Are the current values of Canadian government institutions favourable to the business interests or non-business civil society groups? Similar questions should certainly be included in the questionnaires.

Summary

The second part of this chapter aimed to find possible theoretical explanations of the impact of government institutions on participation of interest groups in trade policy making. All three theories discussed here, to a large degree, draw on similar logic. The crucial elements in their explanations are institutional values and norms. These values and norms influence behaviour of interest groups as they interact with government officials. They can constitute either an opportunity for or a constraint to groups' political actions. Political action can also be used to change institutional values and norms. However, one also learns that there are factors that can make such a change difficult. McFarland claims that institutions tend to retain certain value patterns over longer periods of time (waves). In addition, Lamberg argues that government policies are prone to lock-in. This suggests that for longer periods of time there are interests that

do not find the policy climate favourable to them as well as that there are interests that benefit from it. Therefore, it is important to inquire about recent and current values Canadian government institutions possess with regard to trade as perceived by both business and non-business civil society groups.

Theories Dealing with Strategies

The third research concern aims to inquire about the strategies interest groups use when promoting their interests within the trade policy making process. In particular, my concern is to find out whether or how these have changed in the face of the extension of the trade policy making process to new groups. This last section of the theoretical inquiry is specific in two respects. First, it concentrates solely on possible changes in strategies of business groups. This is due to my prime aim to find out about possible changes in business group strategies as a result of the extension of the trade policy making process to non-business civil society groups. Non-business civil society groups as newcomers to the process were not compelled to rethink the way they conduct their political activities. Second, the decision to engage in the inquiry of this matter has been inspired by the four propositions only indirectly. The impulse to take possible changes in groups' strategies into consideration was a consequence of my preliminary theoretical exploration. Some theories suggest that groups become less flexible in adjusting to changes the longer they participate in a particular system. Propositions number two and particularly number three indicate that business groups may have failed to adjust to the changes the extension of the process to non-business civil society groups has brought about. Therefore, this section concentrates on a theory that provides explanation of changes in groups' strategies over the course of time.

For the purpose of pursuing the third research concern, I exclusively draw from the concept of “path dependence” which is a part of Lamberg and his colleagues’ process theory. This concept is defined as the dependence of outcomes on the path of previous outcomes, rather than simply on current conditions. They argue that choices made on the basis of transitory conditions persist long after those conditions change. In other words, they state that processes are unable to shake free of their history. The authors have identified, in the literature, four types of conditions that lead to path dependence: sunk costs, technical interrelatedness, increasing returns, and dynamic increasing returns to adoption. First, in terms of sunk costs, they argue that firms with established lobbying organizations (such as a government affairs office) through which they receive and provide political information, demonstrate more political activity than other firms (Lamberg et al, 2004.: 342; see also Rehbein & Schuler, 1999: 150).

Second, technical interrelatedness means that firms only rarely change their entire organizational or technical structure. Firms change their political action focus rather incrementally. Therefore, if the changeover of the personnel, which is responsible for the conduct of political actions on behalf of a firm, continues to be low, the quantity and especially quality of its actions are likely to be derived from earlier experiences (Lamberg et al, 2004: 342).

Third, increasing returns are related to the benefits firms gain from maintaining the level and quality of political activity. It is also argued that new firms may obtain equal benefits by adopting similar strategies as incumbent firms. The main rationale behind this is that “...the adoption of new kinds of political activities would mean rising coordination and physical costs, whereas the continuation of “doing the same” reduces the costs” (Ibid.).

Lastly, the dynamic increasing returns to adoption means that various events, even historical accidents, lead to fluctuations in the importance of competing procedures and

techniques. This competition eventually results in locking-in of the modes which offer more pay-offs. Furthermore, the authors argue that path dependence also means a reduction in possible strategic choices through the learning and locking in of cognitive models of political action.

Summary

The aim of the last part of this chapter was to find out how groups adjust their political strategies in reaction to changes in the policy arena in which they are engaged in. One learns that groups may experience difficulties in responding to changes as promptly as the situation would require. This could hypothetically be a reason why business groups are frustrated with the trade policy making process when they no longer achieve the same results as they were used to. At the same time, established relations with decision makers and ties to prevailing ideology may give them advantages in comparison to groups that have become active members of the process only recently (see path dependence in the second part of this chapter). A question about the impact of the changes in the structure of the Canadian trade policy making process should be posed. Also, a question that would inquire about the existence of any above standard ties between the government and business should be included.

Chapter 5

Results

The fifth chapter is concerned with the results of the four interviews. This chapter presents the data collected to answer the research questions and explains how the information derived from them has helped to achieve the research aim. In order to accomplish this task, the chapter is divided into three sections. The first section addresses the three research questions. Information from all four interviews is used to draw a more comprehensive picture of the groups' engagement in the Canadian trade policy making process. In the second section, I utilize this information to clarify the ambiguity and contradictions of the original four propositions by different authors. In the last section, I integrate the knowledge retrieved from the first and the second sections of this chapter to come up with a new, more accurate, model of groups engagement in the Canadian trade policy making process.

Section One

Research Questions

As noted above, the first section of this chapter presents the answers provided by the four representatives of the interviewed interest groups with respect to the three research questions. Therefore, the next three subsections of this section of the chapter, one after the other, talk about groups' motives for engagement in the Canadian trade policy making, groups' perceptions of how the Canadian government institutions affect their participation in the trade policy making process, and the impacts of the extension of the process to non-business civil society groups on

the business groups' choice of lobbying strategies and the business groups' participation in the process. In addition, a subsection concerned with answers to complementary questions for the non-business civil society groups is included. In this part, I confront the non-business civil society groups with some arguments provided by the business groups during interviews with them.

Research Question One

What motivates groups to enter or exit the Canadian trade policy making process was the first research question. Questions in the part of the questionnaire concerned with this matter were based on insights from interest group theory, public choice theory, resource dependency theory, and institutions theory. In particular, the questions inquired whether the groups' motives for engagement were: political activities of opposing groups, a need for certain public policies, dependency on the government, or a need for a change in institutional values and norms also reflected in government policies (see part one of the questionnaires in appendixes one and two).

The assessment of the information obtained with respect to the first research question points to one main difference between the business groups and the non-business civil society groups in the nature of their political engagement. While the business groups see the process as a forum in which they can actively promote their trade "ambitions", the non-business civil society groups claim that their political activities are mostly of a defensive nature.

The representatives of both the Canadian Auto Workers (CAW) and the Council of Canadians (CC, the Council) acknowledge that in reality many of their activities are aimed at counteracting previous business actions. Jim Stanford, CAW economist, argued that the reason why his group finds itself in this position is mainly due to the fact that business has the upper

hand when dealing with the government. As a result, he explained, the CAW often opposes activities of business groups which it believes could harm Canadian industries.³ Brent Patterson, director of organizing from the Council of Canadians, concurred with Mr. Stanford and added that the Council had been, after all, founded to oppose the Canada-US free trade agreement (CUFTA).⁴ Subsequently, the Council has engaged in opposing a number of other trade agreements or particular provisions of trade agreements.

On the other hand, the business groups reject that political activities of non-business civil society groups were the main or even one of the motives for their engagement in the process. Sam Boutziouvis, vice president of the Canadian Council of Chief Executives (CCCE), explained that the primary motives for his group's political engagement are the priorities of its members. These constitute an array of reasons for taking the offensive in political actions. In defensive terms, the CCCE stands out against efforts to build barriers to open markets, investment flows and trade in general. He argued that the focal point of the CCCE's activities lies in promoting particular policies. Similarly, Jason Langrish, executive director from the Canada Europe Roundtable for Business (CERT), also sees policy promotion as the *raison d'être* for his group. However, he explained that the CERT seeks a broader agreement among

³ As an example of a defensive political action, Jim Stanford cited CAW's actions with regard to the Canada-South Korea free trade agreement. The CAW's position has been that further liberalization would only reinforce the main structural features of Canada's trade with South Korea. The amount of manufactured goods exported from South Korea to Canada is substantially larger than the amount of the same goods exported the other way. Stanford explains that the CAW's effort to stop this agreement has been successful mostly due to CAW mobilization of the business sector, in first place the automobile industry. CAW managed to convince business that free trade with South Korea is not in its best interest. He argued that Korean firms would strengthen their position in the Canadian market which would result in a substantial loss of jobs. On the other hand, an increase in exports of Canadian manufactures to Korea seems less likely.

⁴ Brent Patterson noted, as the Council of Canadians' recent achievement and an example of defensive engagement, actions aimed against the Security and Prosperity agreement, known also as NAFTA plus. This agreement was to further regulatory cooperation between NAFTA member countries. Since the content of the agreement consisted mostly of regulations, the signatories were not compelled to bring it to Parliament. However, when around three hundred changes are proposed, Patterson argues, it raises concerns. He argued that the Council's opposition contributed to discrediting of the agreement, so that it is widely acknowledged that it has to be re-launched

politicians on cooperation between Canada and the European Union rather than dealing with specific policies.

The non-business civil society groups confessed that they largely find themselves in a defensive position. Jim Stanford, nevertheless, pointed out the CAW's role in the Auto Investment Pact as an example of a CAW initiative. If the CAW's proposals had been adopted, he argued, it would have kept employment in North America, it would have also protected participating countries (Canada, the United States, and Mexico) more effectively against imports, and it would have ensured a fair share for each of the participants.

On the other hand, the priorities Mr. Patterson enumerated suggest that the Council's ambition is not necessarily policy initiation, at least in trade matters. He supported this assertion by arguing that the Council of Canadians does not like to be profiled as an anti-trade group. He explained that its objective is to take action when there is lack of democratic procedures (i.e. transparency of negotiations and inclusion of all affected actors in negotiations) during negotiations or in a trade agreement itself. For example, its attention is raised when a proposed agreement indicates that corporations would be given too much power. The Council also pays significant attention to arrangements in trade agreements dealing with conflict-resolution mechanisms. Lastly, the Council stands out against arrangements in agreements that would lead to privatization of public services. Within the Council it is believed that there are better ways of making trade agreements. But in essence the Council does not oppose them.

In part one of the questionnaires, I also inquired whether engagement of business groups in the process was influenced by a level of dependency on the government to further groups' goals. Analogously, I asked about the possibility that the level of liberalization of Canada's trade may have left groups less affected by government decision making as this has declined with

liberalization. This question was addressed only to the business groups. The decision to do so was based on the presumption that unlike a firm which can bypass government decisions by moving its production into a different jurisdiction, labour, environment, or human rights groups have to rely on government decision making powers and, therefore, they are inherently dependent on it. Both business groups basically rejected that they are dependent on the government. However, as Mr. Langrish notes, business depends on government actions if it wants a free trade agreement with the EU. Yet, Langrish confirmed my previous assumption and argued that business always finds ways to avoid government regulations. As an example, he suggested that a firm can buy a different firm in a jurisdiction with fewer regulations. But he also stated that it is in the government's best interest to make the conditions for business favourable as businesses can always leave.

However, at the same time, the business groups did not agree with the argument that the present state of liberalization of international trade leaves the business sector largely unaffected by government decision-making with the exception of a few trade issues. Both Boutziouvis (CCCE) and Langrish (CERT) called for more liberalization. In particular, Langrish stressed that there still are significant tariff and non-tariff barriers. He argued that some of the tariffs are still high enough to negatively affect a firm's margins. In addition, he explained that if there is no free trade agreement between Canada and the EU, companies with branches on both sides of the Atlantic will continue to experience double taxation as they have to pay a tariff each time they transfer goods between their branches. Hence, the business groups engage in the trade policy making in order to further facilitate abolishment of various barriers to trade.

A final question inquired whether groups take part in trade policy making in order to change Canada's trade policy or to defend the *status quo*. The results of the interviews show that

the reality is more complex than a conception which divides groups between opponents and supporters of the government policies allows. Not surprisingly, the business groups support government's trade policies. Mr. Langrish pointed particularly to policies which are concerned with the WTO agenda. Boutziouvis added NAFTA as clearly beneficial to business. Yet, they would like to see further liberalization. For example, Boutziouvis noted the well known need of Canada to diversify its trade. He also stressed that the government's approach should be less *ad hoc*, particularly with China. Interestingly, both Jim Boutziouvis and Jason Langrish agreed that the business sector faces important challenges when promoting its interests including free trade agreements. First, they argued that the main problem is of a domestic nature. Canada has a very fragmented market which is administered by ten regulators (ten provinces). This becomes a problem when the federal government deals with a third party. It cannot ensure that an agreement will be fully implemented. Second, Langrish (CERT) claimed that the main opponents of the CERT are groups like it (i.e. other business groups), which insist that too much energy is spent in attempting to achieve anything with the EU. These business groups argue that Canada should focus on the United States because in negotiations with the EU Canada would have to make many compromises. In addition, Boutziouvis (CCCE) noted that there are some domestic interests which increasingly oppose any further liberalization. Among those are industries such as culture, banking, telecommunications, transportation, education and health care. In fact, the business groups engage in trade policy making not to change the direction of the country's trade policies but to ensure continuation of the current policy of trade liberalization.

With regard to the non-business civil society groups, the main finding has been that these groups do not engage in the trade policy making to uncompromisingly oppose the current trade policies of establishing new free trade agreements, however, they do state a number of conditions

under which they are willing to support them. The groups argued that their position on free trade agreements is different country to country. With each country they emphasise different aspects. For example, it cannot be claimed that they were striving to fundamentally change Canada's policies toward the EU. Their approach to this matter is rather cautious. Mr Stanford (CAW) argued that particularly in terms of the Canada-EU free trade he sees more risks and only some opportunities for Canada at the moment. He emphasized that the structure of Canada's trade with the EU is a potential source of the risks. Since the EU already exports more manufactured goods to Canada than Canada does the other way, he is afraid that further trade liberalization would allow the EU to flood the Canadian market with its manufactured goods. Furthermore, he is afraid that if the final agreement abolishes only tariffs without harmonization of standards, it could lead to deepening of Canada's dependency on the exports of natural resources. However, he explained that it largely depends on the type of the agreement chosen. Brent Patterson argued that it seemed that the agreement would be based on the model of NAFTA which, according to him, does not provide grounds for fair trade. He explained that higher standards in Canada, in the case of adoption of an agreement eliminating only tariffs, could work to Canada's disadvantage as it could make its goods less competitive. Above all, he claimed, information had leaked that bureaucrats in Brussels had composed a draft of the agreement, a text no civil society group in Canada had yet seen. This apparently goes against the democratic principles the Council supports (e.g. transparency of negotiation and inclusion of all affected actors in negotiations). The Council of Canadians is also attentive to and suspicious of the European interest in the free trade in services, government procurement, and privatization of government services. Furthermore, Mr. Patterson contended that the EU is mainly interested in Canada's natural resources especially after Russia presented itself as an unreliable trade partner. He also noted that the EU

Commission's focus on privatization of water constitutes a big problem to the Council. Lastly, he is afraid that an agreement with the EU would give the United States the right to take part in Canada's privatization of public services if that would become a part of the agreement.⁵ Hence, the motives for non-business civil society groups' engagement in trade policy making is to prevent these things from happening.

Summary and Evaluation

One learns that the prevailing motive for engagement for the business groups is promotion of interests of its members. In other words, business groups focus on advocating particular policies, often concerned with liberalization, deregulation, or harmonization of standards. On the other hand, participation of non-business civil society groups does not constitute a motive for business groups to engage in the process as non-business civil society groups, in a large majority of cases, are not initiators of policies. Non-business civil society groups primarily act in response to previous business actions, not the other way around. Even though the non-business civil society groups argue that their secondary role in the process is caused by the fact that the business has the upper hand when dealing with the government, one should not forget that the nature of the non-business civil society groups' goals may predetermine them for the defensive role. At the same time, it is essential to emphasize that non-business civil society groups also engage in the process to promote particular policies, though they promote them in a defensive way. The CAW, for example, fights to sustain employment and defend workers' rights. The Council, on the other hand, stands up against an extension of corporate power or to promote democratic principles in trade policy making.

⁵ Within the context of the WTO agreements, the most favoured nation provision extends rights to third parties if these have not been granted them before.

The questions concerned with dependency as a factor in business groups' decision to participate in trade policy making produced, not surprisingly, relatively straightforward answers. Business groups basically rejected that they are dependent on the government. They argued that a firm can always move production somewhere else where the conditions are more favourable. Nevertheless, I argue that the fact that business groups show interest in government policies and they demand more liberalization demonstrates that they would prefer a change to happen in Canada to having to choose to leave. Therefore, I believe that, in fact, business is dependent on the government. The decision to stay and not to move production elsewhere is based on a careful calculation of all the costs and benefits of tolerating a certain level of dependency, on the one hand, and moving to a different jurisdiction on the other. Moreover, business groups explicitly acknowledge dependency on the government if they want a free trade agreement. Therefore, it can be argued that dependency on the government is one of the reasons for their engagement in the trade policy making. As the next section shows, the argument could also be that, on the other hand, the government is dependent on the business for employment and taxation.

Lastly, one learns that the motives for engagement in trade policy making of the addressed interest groups cannot be strictly divided between support for and opposition to current Canadian trade policies, as the example of the Canada-EU free trade initiative shows. Although in the large majority of cases business supports efforts to establish free trade with the EU, there are also business groups that believe that Canada should rather strengthen its ties with the United States. Interestingly, neither of the interviewed non-business civil society groups clearly opposed deepening of trade cooperation with the Europeans. The common denominator of the interviews with the Mr. Stanford (CAW) and Mr. Patterson (CC) was that the stand they will take depends on the content of the free trade agreement. The non-business civil society

groups declare that they will oppose a trade agreement that would be based only on abolition of tariffs. At the same time, they show preparedness to stand out against free trade in services, and one that entails non-discrimination in government procurement, as well as privatization of government services. Although, non-business civil society groups impose a number of conditions if they are to support a free trade agreement, the motive for their engagement in the process is not to oppose any further liberalization. In the case of business groups, the main finding has been that, even though for the majority the perceived need to further liberalize is the primary motive for engagement in the trade policy making process, individual business groups may differ on how to pursue this objective.

Research Question Two

The second research question inquired how Canadian government institutions and particularly the values they embody affect participation of groups in the trade policy making process. The questions included in the part of the questionnaires concerned with this matter were based on the insights from Lamberg's concept of "institutional opportunities and constraints" and "path dependence", as well as institutions theory and interest group theory. The underlying aim of the questions was to find out about the ideological characteristics of the Canadian government institutions and to what extent these constitute opportunities and constraints to groups participating in trade policy making (see part two of the questionnaires in appendixes one and two).

All four interviewed groups, both representatives of business and civil society, in general agreed that the successive Canadian governments have been promoting liberal ideas in trade policy. However, as indicated earlier, according to the business representatives, the present state

of liberalization of Canada's trade is far from perfect. Langrish (CERT) noted that certain industry sectors such as potash are still immune from takeover. In other words, he argued that there are still restrictions on foreign ownership in place. The existence of agricultural marketing boards or route restrictions in air travel are just some other examples of persisting barriers to trade. In a similar spirit, Langrish argued that, particularly with respect to the furthering of Canada-EU trade relations, a number of the Canadian governments have been trying to liberalize, however, only some of them were serious. As an example of a very proactive approach, which was not seen with his predecessors, he stressed the activities of then Minister of Foreign Affairs, David Emerson. Boutziouvis (CCCE) also noted that, in comparison to the EU and the United States, Canada has been falling behind in negotiating free trade agreements with developing countries. He believes that this must be changed: while Canadian government institutions have favoured liberal ideas in trade policies for a long time, according to the business groups, these institutional values have not been sufficiently reflected in practical trade achievements (e.g. free trade agreements) yet. On the other hand, non-business civil society groups often find government views about liberalization to create major challenges to their political engagement, as will be demonstrated below in greater detail.

A sharp contrast in opinions is evident when assessing the business and non-business civil society groups' perception of their relationship with the government. Particularly, I intended to inquire whether groups felt advantaged or disadvantaged when promoting their interests in trade policy. Despite the fact that business finds government policies favourable, the business representatives rejected the view that business and government ideological similarities would contribute to the success of a number of business policy proposals. Boutziouvis (CCCE) would not confirm the argument that business groups possess an ideological advantage when dealing

with the government. Nevertheless, he argued that business certainly benefits from a strong relationship it has built with government departments. He explained that non-business civil society groups are often pushing on open door. Government is trying to listen, he said. However, he argued, non-business civil society groups need to take a more constructive approach. On the other hand, Langrish (CERT) admitted that business is advantaged but he attributed the advantage to the financial and human resources his and other business groups have available in comparison to non-business civil society groups. For example, he noted that one of the reasons why non-business civil society groups lack professionals knowledgeable of how to approach the government or how to structure their policy proposals is that former government officials, after their government career, often choose to work in the business sector whereas non-business civil society groups do not have access to such resources. In addition, he agreed with Boutziouvis that non-business civil society groups need to take a more constructive and focused approach to increase their chances to successfully achieve their goals. He also stated that non-business civil society groups do not come up with new ideas, and that they manipulate facts, provide incorrect information, and spout populist rhetoric. For him actions of non-business civil society groups are not about policies. He argued that their approach is can be explained by the fact that, for example, environmental groups are not accountable to anyone. On the other hand, business, according to him, is accountable to its shareholders. Business groups, in fact, argue that the positive results they experience in dealing with the government are not a result of any privileged position bestowed on them by the government. It is the constructive, focused and professional nature of their proposals not characteristic of proposals of non-business civil society groups that accounts for the success of business organizations.

One of the questions also inquired about the possibility that Canadian governments would act as an advocate of business even without business lobbying. Boutziouvis (CCCE) rejected this view and argued that Canadian governments do not act to fulfill specific business needs but to protect national interests, and to assure mutual benefits from healthy trade exchange. On the other hand, Langrish agreed and said that governments assume a role of a business advocate although he added that the government does so only when business itself shows interest. He explained that Canada, as a relatively small country in comparison to the United States or the EU, does not have the resources to widely participate in trade negotiations. In other words, Canada pursues actions only where there is a declared business interest.

Non-business civil society groups do not hesitate to characterize the government's approach as attuned to business needs. Both civil society representatives asserted that business has an advantage when dealing with the government. Jim Stanford (CAW) explained that there are obvious political and economic reasons for this. A firm can easily threaten the government that if it does not concede, it will take its investments and employment somewhere else. Brent Patterson (CC) argued that business does not only have better access to the decision makers, it also has the potential to drive the trade agenda. He also argued that the degree of closeness between the business and the government is almost undemocratic. As a result, the non-business civil society groups experience difficulty having their interests reflected in government policies.

Boutziouvis (CCCE), on the other hand, argued that "the current government is a government of the main street". He contended that the Harper government was not immediately open to big business, and continues along these lines. The primary focus of this government, Boutziouvis explained, has been on consumers and small businesses. An example of this policy is reduction of Canada's GST from seven to five percent, he argued.

When confronted with Boutziouvis' argument in one of my additional questions, Jim Stanford (CAW) argued that having consumers and small enterprises as a priority does not exclude good relations with big business. On the contrary, he stated that the government tends to favour small business for political reasons.

Similarly, Stanford asserted that even though non-business civil society groups experience more access to the government than in the past and that the government is active in soliciting public opinion, this soliciting is done for political reasons, not for the input non-business civil society groups offer. In other words, he claimed that the government conducts consultations with non-business civil society groups only to appease the general public but, in fact, it is not interested in their views. He explained that it does not matter what is discussed in the consultations, government has free trade views which are subsequently reinforced by business. Exceptions are cases such as the attempts to establish free trade with South Korea as outlined earlier. Brent Patterson (CC) agreed with Mr. Stanford and said that for his group engagement in the trade policy making process creates a dilemma. The question is why you would engage; sometimes you are just lending legitimacy to a system which you believe has fatal flaws.

Summary and Evaluation

The main finding of this section was the almost complete clash of business and non-business civil society groups' views. Perhaps the only point business and non-business civil society groups agree on is that the successive Canadian governments more or less support liberalization of Canada's trade. However, while business argues that a number of governments were not supportive enough, and that further liberalization should continue to allow Canada to

catch up with that attained by other developed countries, the non-business civil society groups believe relations between the business and the government are almost symbiotic.

The business groups asserted that they have not attained their goals because of ideological closeness to the government, but by patient building of strong relations with particular government departments. They argued that if non-business civil society groups had the same financial resources as does business, and if their policy proposals were more constructive and their strategies were more focused and professional, they would do just as well.

On the other hand, the non-business civil society groups seriously questioned whether there was any utility in the consultations. They argued that the consultations are only proforma. The non-business civil society groups also question whether they should keep lending legitimacy to a process which does not take their views into consideration.

Even though business groups would disagree, the consequence of the government institutions' liberal values is the creation of an environment of implicit "opportunities and constraints" for participating interest groups. While business groups do not feel constrained, groups that are less enthusiastic about trade liberalization find this setting to be an impediment to their successful political engagement.

However, I argue that the main source of the non-business civil society groups' low success rate in promoting their interests primarily stems from the naturally indispensable role business plays in the life of a state and society. It is likely that non-business civil society groups would not play a more substantial role even in an environment where government institutions held protectionist or otherwise less-liberal views about international trade.

Research Question Three

The third research question inquired whether or how business groups have changed their lobbying strategies in the face of the extension of the Canadian trade policy making process to non-business civil society groups. For obvious reasons, this question was addressed only to the two interviewed business groups. After all, the reaction of business groups to the extension of the process to non-business civil society groups is what was examined. The questions in the questionnaires concerned with this matter drew solely from Lamberg's concept of "path dependence". The thesis borrowed particularly from the main argument that processes are unable to shake free of their history. In other words, the question was whether the alleged retreat of business groups from the trade policy making process was not caused by business groups' inability to adjust its lobbying strategies to the presence of new participants in the policy making process (see part three of the questionnaire in appendix one).

Boutziouvis argued that over the past twenty years, the CCCE's lobbying strategies have become more targeted. While in the past CEOs participated on various panels and discussions forums, now, they chose a more direct approach. They prefer to address decision makers face-to-face. Nevertheless, he explained that the main reason for this adjustment stems from the fact that the CCCE has only twelve people available, not because there would be any need to do so resulting from the extension of the process to non-business civil society groups. Basically, the allocation of human resources to different tasks does not allow them to participate in those discussions as frequently as in the past. It is also important to note that this change in the pursuit of the CCCE's strategies by no means signify a retreat of the group from engagement in the trade policy making process.

Langrish explained that the CERT has also undergone a shift in the way it promotes interests. While the original strategy was based on emphasizing benefits of particular policies, now, he said, the CERT focuses on advocacy to, arguably, present a politician a vote winner. For example, the CERT argues that a trade agreement with the EU would not lead to opposition and that it would not do damage to the politician's public image. On the contrary, CERT argues that politician's support of this effort could bring him or her political advantages. Langrish acknowledged that the presence of non-business civil society groups in the process could diminish the effectiveness of the CERT's strategies. However, it is not the case in any major way, he argued. As in the case for the CCCE, the change in the lobbying strategies the CERT has undertaken is not to be understood as a retreat of the group from engagement in trade policy making.

Summary and Evaluations

From the information provided by Boutziouvis and Langrish, it is evident that business groups have carried out changes in the way they promote their interests. Both the CCCE and the CERT have adopted new lobbying strategies based on a person-to-person approach. Nevertheless, contrary to my original assumption, there is no direct evidence for a causal relationship between the extension of the policy process to non-business civil society groups and the changes pointed out by the two business interviewees. Above all, Boutziouvis (CCCE) asserted that the actual cause of the changes in the CCCE's lobbying strategies is the limited number of human resources available to his group. However, in conclusion, I argue that although the business groups do not attach much importance to the role of non-business civil society groups in the change in their strategies, the possibility that their presence has made business groups conduct more "aggressive" lobbying strategies towards decision makers should not be

ruled out. In fact, the change in both groups' strategies may have worked to prevent decline of their effectiveness, and thus prevented frustration among business groups and a potential retreat.

Additional Questions to the Non-Business Civil Society Groups

The aim of the third part of the questionnaires directed at non-business civil society groups was to elicit responses to some of the arguments provided by the representatives of the two business groups (see part three of the questionnaire in appendix two).

The first and the second questions derived their inspiration from the argument provided by Boutziouvis (CCCE) that non-business civil society groups (e.g. environmental, labour, and human rights groups) will not align against further deepening of trade relations between Canada and the EU. He asserted that there is an undercurrent among non-business civil society groups that sees the EU as a leader in environmental, labour, and human rights standards. Unlike in the case of Canada-Columbia free trade talks, there is less to oppose and thus, the completion of the free trade negotiations will be easier to achieve, he argued.⁶

The non-business civil society groups both rejected this argument as misleading. Mr. Stanford (CAW) explained that the high level of labour, environment, and human rights standards in the EU cannot constitute a reason for his group to accept a trade agreement. He argued that in the first place the agreement has to be beneficial. He explained that his organization's approach is different from country to country. With each country it emphasises different aspects. While with China it is afraid of losing employment, or market share with

⁶ In the case of free trade negotiations between Canada and Columbia, Boutziouvis argued that non-business civil society groups stood in strong opposition to business groups. On one hand, civil society groups demanded the negotiations to be suspended arguing that Canada should not enhance trade cooperation with countries which do not respect human, labour right and have poor record of environmental protection. On the other hand, business argued that trade exchange will pour money into the country's security, a strategic partnership will be established, and this will eventually lead to stabilization.

respect to South Korea, the United States was seen as a market opportunity. On the other hand, the CAW's position to a trade deal with the EU has still to be determined. It is hard to predict what stand the CAW will take, he stated. However, it is known that the group's decision to engage in support or opposition to Canada and the EU trade rapprochement will depend on the nature of the free trade agreement.

Brent Patterson (CC) also rejected Boutziouvis' argument and listed a number of reasons, which make the Council embrace a rather cautious approach. He explained that when a trade agreement with a country is debated, the Council asks what the "corporate clause" will be, how the agreement is going to affect public services, and whether the process is democratic (see also answers to the first research question). Similarly to Stanford, Patterson argued that the nature and the extent of agreements are the most important factors which will determine the Council's position to further liberalization of trade between Canada and the EU.

The third question in this part of the questionnaires was based on Langrish's (CERT) argument that if non-business civil society groups had the same resources as do business groups, they would do just as well in promoting their views in the trade policy making process. Jim Stanford (CAW) argued that finances indeed play a role. Unlike his group, business has the resources to hire a number of full-time lobbyists. However, the heart of the problem lies in the fact that business has strong levers on the government. In other words, business has the power to make jobs appear or disappear, and therefore its position is so strong.

Brent Patterson (CC) presents a different perspective. He emphatically argued that money is not everything. His explanation is that non-business civil society groups such as the Council of Canadians have, in fact, an advantage when it comes to mobilizing public opinion. When something is undemocratic, the media may play a decisive role in exercising pressure on the

government and/or business. However, he acknowledged, a problem arises if media ownership is aligned with business. Then it may be difficult to get the message out.

Summary and Evaluations

Answers presented above show that groups do not share the view that trade cooperation with the EU has to be necessarily beneficial. Particularly business groups may have to reassess their expectations with regard to the behaviour of non-business civil society groups during the potential Canada-EU free trade negotiations. On the other hand, although the non-business groups pointed to a number of features that might be problematic to them (see also answers to the first research question) if included in the Canada-EU free trade agreement, they never questioned the fundamentals of free trade as such. This is particularly important to know in order to rightly identify the causes of their overall frustration with the Canadian trade policy making process.

The non-business civil society groups also disconfirmed the view that the lack of substantial financial resources is the fundamental impediment they perceive to prevent them from being equally successful at promoting their trade interests. It is rather and most importantly the dominant political and economical position business holds that creates constraints to a meaningful engagement of non-business civil society groups. In addition, even though the non-business civil society groups express frustration with the dominant position of business groups in relations with the government, Brent Patterson (CC) asserted that non-business civil society groups are not that helpless. The media are an important tool that such groups use in some instances.

Section 2

Clarification of the Contradiction

The aim of the second part of this chapter is to clarify the contradictions among the four propositions discussed in the beginning of the third chapter and, thus, accomplish one of the research aims. The following section is divided into two subsections. In the first subsection, the individual arguments the propositions consist of are confronted with the information collected during the interviews and largely presented earlier in this chapter. Given these findings a decision whether the arguments can be confirmed, disconfirmed, amended or left unresolved is made. To support my conclusions, I also present information derived from answers to the questions in part four of the questionnaires, which directly arose from the main arguments of the four propositions (see part four of the questionnaires in the appendixes one and two). In the second subsection, I recapitulate and assess the results of the previous assessment, and I also discuss some questions which still arise from it.

Proposition Number One

Argument: *Business groups are considered to be part of trade establishment and have existing ties to the government.*

Decision: *Confirmed*

The research has revealed that indeed the position of business groups within the trade policy making process is well established. Business groups do not deny that they have developed close relations with government departments. What is more, Boutziouvis (CCCE) argued that non-business civil society groups should embrace similar constructive approaches in dealing with the government and build ties of their own. Also the fact that many former officials choose

to work for business ensures strong personal ties between the business and the government. One should also not forget that, even though the interviewed business groups insist that the government approach to liberalization has not always been ideal or serious enough, they, in general, agree that governments have been promoting liberal ideas in trade policy, which they support. In addition, a certain level of mutual dependency between the business and the government provides conditions which make relations between them more intensive and durable. In particular, it should be pointed out that the government depends politically and economically on the taxes and employment business produces. After all, Langrish (CERT) confidently asserted that it is in the government's best interest to make conditions favourable for business because firms can always choose to leave. At the same time, business groups do realize that they have to cooperate with the government if they want to enhance their trade opportunities through, for example, a free trade agreement.

***Argument:** Business groups experience positive results in helping governments fine tune negotiation positions.*

***Decision:** Confirmed*

The representatives of both business groups confirm that their relations with the governments and their experience with the consultations process are positive. Boutziouvis (CCCE) explained that business groups have managed to develop [a feeling of] trust between them and the government officials. This plus the constructive character of their proposals, he argued, has made their mutual cooperation positive. He emphasizes "the power of ideas". Business and non-business civil society groups, he explained, if they want to experience similar results, must come up with ideas and proposals which are in the best interest of the country, bring prosperity, and help Canadians, as these are the primary criteria for the government.

Langrish (CERT) also agreed that business experiences positive results in helping governments fine-tune negotiation positions. Along the lines laid out in the first part of this chapter, he explained that business groups may have greater influence and better results if they have experienced personell and sufficient financial resources.

***Argument:** Groups that reject the fundamental economic growth premise of trade liberalization find dealing with bureaucrats frustrating.*

***Decision:** Amended*

The business and non-business civil society groups confirmed that governments support liberalization of Canada's trade. Hence, groups that reject liberalization as such logically must feel frustrated as the likelihood that a government would accept their demands is minimal. In a sense, the argument by Dymond and Dawson is self-explanatory. Yet, the research has revealed that the argument is not accurate.

The interviewed non-business civil society groups indeed confirmed that they are frustrated with the trade policy making process. Particularly, they claimed that the reconciliation of public input within the framework of trade policy consultations is conducted only for political reasons (i.e. to provide legitimacy to Canada's trade policy). It is not conducted to include views of non-business civil society groups in Canada's trade policy. Langrish even speculated whether it is appropriate for his group to further lend legitimacy to the process because he believes that the government does not take its views into consideration. He also argued that the degree of closeness between business and the government is almost undemocratic, and that it constitutes an impediment to non-business organization's political engagement. This all leads to the frustration among non-business civil society groups.

However, contrary to the original argument that the groups which find dealing with bureaucrats frustrating are those which reject the fundamental economic growth premise of trade liberalization, neither the Council of Canadians nor the Canadian Auto Workers rejects liberalization as such. Yet they feel frustrated with the trade policy making process. In particular, Brent Patterson (CC) asserted that the Council's motives for engagement in trade policy making are not based on anti-trade sentiments (see responses to the first research question). Similarly, Stanford argued that the CAW also does not take a negative stand to free trade proposals. He explained that the Council's position heavily depends on the character of a proposed trade agreement. Therefore, I amend the original argument that the frustration with the conduct and results of the Canadian trade policy making process is also felt by groups that do not reject trade liberalization. The examples of such groups are non-business civil society groups, whose views are presented in this study (i.e. the Canadian Auto Workers, and the Council of Canadians).

Proposition Number Two

Argument: *Non-business civil society groups are frustrated with the functioning of the process due to the perceived impossibility of making government reflect their proposals.*

Decision: *Confirmed*

The interviewed non-business civil society groups confirmed that they are frustrated about governments not reflecting their policy proposals. Brent Patterson argued that the Council is frustrated but not surprised. Jim Stanford also confirmed that his group is frustrated, particularly, because governments encourage the CAW to participate in trade policy making, they encourage the CAW to take part in the consultations, but ultimately do not take its views seriously. It is frustrating to undergo this costly process, he said, and achieve nothing. As noted several times before, non-business civil society groups even speculate whether they should

continue engaging in the trade policy making process. According to the non-business civil society groups, the government has extended the process to non-business interests only for political reasons. Above all, they see the closeness between business and the government as undemocratic and as a substantial impediment to the promotion of their interests.

***Argument:** Business groups are frustrated about standing in line to be heard, because of the government's need, now, to also listen to non-business civil society groups.*

***Decision:** Disconfirmed*

The interviewed business groups did not complain that they had difficulty being heard by government officials. Hence, this could not be a source of frustration for them. Both Boutziouvis and Langrish, when explicitly asked about this matter, rejected the argument that they are frustrated and stressed that the real source of frustration to business groups is the fragmentation of Canadian decision making given that both the federal and the provincial governments are involved (see also answers to the first research question). Above all, the business group repeatedly noted that their interactions with the government are positive. At the same time, the representatives of the two business groups never implied that activities of non-business civil society groups after the extension of the trade policy making process resulted in the limitation of business access to the decision makers. On the contrary, business groups proudly spoke of the strong ties they have built with various government departments.

Proposition Number Three

Argument: *Business groups feel that the government now pays more attention to demands of non-business civil society groups and this leads to a more general tendency for business to “retreat” from the trade policy process, because “trade policy is not primarily about them”.*

Decision: *Disconfirmed*

After a careful evaluation, I have concluded that this argument cannot be confirmed. Boutziouvis (CCCE) strongly asserted that there is no retreat. He explained that the only observable change has been a gradual shift of business focus from tariffs to non-tariff issues. Nowadays, business is primarily concerned with regulation, he argued. Importantly, one has to note that the non-business civil society groups themselves described their position in the process as generally defensive and the government as attuned to the needs of business. Not at all did the non-business civil society groups express appreciation for the attention the government pays to their demands. When the non-business civil society groups were explicitly asked, Stanford and Patterson both responded that they did not see any retreat of business groups. Therefore, it cannot be claimed that the government’s attention to the needs of non-business civil society groups would constitute a reason for business groups to retreat.

Yet, there is an observation made by Langrish that argues in which he argues there has been one instance of a retreat of the business groups from trade policy making process due to prevalence of issues raised during trade negotiations which are by substance closer to the interests of civil society groups. He explained that there has been frustration among business groups that the WTO Doha Round was the designated development round. The source of this frustration, he continued, is the belief that the purpose of the WTO should be trade liberalization not economic development in poor countries.

To resolve this ambiguity, it is necessary to realize that this observed retreat happened in the context of the WTO not within the framework of the Canadian trade policy making process. It is known that liberalization, particularly within the framework of the WTO, has increasingly been opposed by various non-business civil society groups as well as developing countries. The continuing lack of improvement in these countries' economic development has made the most recent round unique in GATT/WTO history. It is argued that the WTO as an organization also representing poor countries is unlike Canada, more likely to take demands of these countries for assistance with their economic development into consideration. In other words, it is unlikely that issues such as economic development of the poor world's regions would drive the trade agenda in Canada. Above all, the arguments provided by representatives of both business and non-business civil society groups assert that business is the key driver of trade policies in Canada. For these reasons, it would be incorrect to make a direct connection between the WTO and the Canadian contexts. I argue that business groups do not retreat from the Canadian trade policy making process due to the government's increased attention to the demands of non-business civil society groups.

Proposition Number Four

Argument: *Conclusion and ratification of a number of international trade agreements has led to effective liberalization of Canada's trade. This has resulted in the declining need of business groups to engage in trade policy making.*

Decision: *Disconfirmed*

This research has shown that business groups do not find the present state of liberalization of Canada's trade sufficiently satisfactory to allow them to retreat from their engagement in trade policy making. Both Boutziouvis (CCCE) and Langrish (CERT) pointed to

substantial tariff and non-tariff challenges members of their groups still face. Further liberalization is a priority for both groups. As mentioned before, Boutziouvis argued that there is no retreat. He explained that there has been a gradual shift of business interest from tariff to non-tariff issues. The CCCE, he added, continues to be interested in meaningful liberalization of markets within the framework of the WTO as well as with the United States, Mexico, the European Union, China, Brazil, Japan, and the countries of Latin America. Also, Langrish stressed that there still are all kinds of barriers in place. He explains that some of the existing tariffs can “still eat a firm’s margins”.

Moreover, the interviewed non-business civil society groups also confirmed that there has been no apparent retreat of business groups which would be motivated by previous liberalization of Canada’s trade. On the contrary, Patterson argued that business groups would like to see further liberalization. They have been pushing for the Security and Prosperity Partnership of North America⁷, a Canada-EU free trade agreement, as well as TILMA⁸, he argued. Stanford also agreed that business strives for more liberalization both regionally and multilaterally.

Yet, Langrish (CERT) admitted that there is a retreat to a degree among some of the largest firms. He explained that firms, in the time of globalization when the state matters less, can take care of themselves. However, by emphasizing that the retreat is observed among the largest firms, he suggested that the main reason of their withdrawal is not the level of

⁷ The Security and Prosperity Partnership of North America (SPP) was launched by the leaders of Mexico, Canada and the United States in March 2005. The stated goals of the SPP are cooperation and information sharing, improving productivity, reducing the costs of trade, enhancing the joint stewardship of the environment, facilitating agricultural trade while creating a safer and more reliable food supply, and protecting people from disease. It is intended to assist, rather than replace North American Free Trade Agreement (Security and Prosperity Partnership Of North America 2009).

⁸ On April 28, 2006, Alberta and British Columbia signed a groundbreaking agreement to remove barriers to trade, investment and labour mobility between the two provinces. The agreement creates the second-largest economic region in Canada. It extends access to opportunities for businesses and workers in areas including: energy, transportation, agriculture, and investment. It also enhances the ability of workers to move from one province to the other and streamlines business registration and reporting requirements (The British Columbia - Alberta Trade, Investment, and Labour Mobility Agreement (TILMA) 2009).

liberalization of trade, but rather their sufficient capacities to “take care of themselves”. If their decision to retreat from policy making was motivated by the high level of liberalization; we would observe a similar retreat among firms of all sizes. Above all, Boutziouvis the representative of the CCCE, an organization that associates some 150 leading Canadian corporation, rejected any speculations about businesses retreating from Canada’s trade policy making process.

***Argument:** The increase in the number of voices in trade policy making process has resulted in the dilution of any particular voice.*

***Decision:** Disconfirmed*

The interviewed groups did not confirm that the increase in the number of voices in the trade policy making has led to the dilution of any particular voice. Not surprisingly, their perception of this issue corresponds with the information presented in this study so far. The business groups rejected this argument entirely and argued that their relations with the government are positive. Also the non-business civil society groups do not see dilution of any particular voice. They argued that it is their voice, not that of business, which is not meaningfully heard. The problem, non-business civil society groups believe, rests in the government’s reluctance to take their views into consideration.

***Argument:** Groups that hold views which do not find obvious reflection in government policy may feel disenfranchised from the policy making process*

***Decision:** Confirmed*

As perhaps anticipated, the research has confirmed that those groups which do not find their views reflected in government policy do, indeed, feel disenfranchised from the policy

making. In this sense, the argument is self-explanatory. The research has revealed that non-business civil society groups find the process frustrating because the government does not take their views into consideration, and as a result of that they even speculate about the usefulness of their continued presence in it. They find their participation is allowed only for political reasons.

Evaluation

The previous testing of the original four propositions using the information gathered during the interviews has helped to clear up and nearly eliminate the ambiguity and the contradictions I faced in the beginning of my research. Among the four propositions, proposition number one provided the interpretation of groups' engagement in the Canadian trade policy making process which is the closest to the findings. On the other hand, each of the three remaining propositions was disconfirmed at least in one of its key arguments.

The first proposition argued that business groups experience positive results helping government fine-tune negotiation positions while groups who reject the fundamental economic growth premise of trade liberalization find the process of dealing with bureaucrats frustrating. Even though the first proposition by Dymond and Dawson has been found to be the most accurate, the findings in this study differ from them with regard to the approach frustrated groups in the process claim to take to liberalization. In accordance with their arguments, it has been found that business groups indeed have a strong position within the trade policy making process and they experience positive results when dealing with the government. However, in contrast with Dymond and Dawson, I have observed that the frustration they attribute only to groups that reject the fundamental economic growth premise of trade liberalization can also be found among groups who do not reject liberalization of trade as such. Neither of the non-business civil society

groups interviewed rejected liberalization, or more precisely, free trade as an option. Yet, they feel frustrated with the conduct of the trade policy making. They argued that the government does not reflect their views in its policies. Therefore, I amended the Dymond and Dawson's argument, arguing that the frustration may also be found among non-business civil society groups which do not reject trade liberalization.

The second proposition argued that non-business civil society groups are frustrated because of government's perceived unwillingness to reflect their views, and that business groups are frustrated because the increase in the number of participants of trade policy making has reduced the time the government can pay to their input. With regard to this proposition, the first argument is clearly confirmed and the second is clearly disconfirmed. The interviewed non-business civil society groups confirm their frustration with the trade policy making. On the other hand, both business groups rejected that they suffer from any frustration based on limited access to government decision makers.

With respect to the third proposition, business groups disconfirmed that the Canadian government pays disproportionate amount of attention to the demands of non-business civil society groups and that this results in their own gradual retreat from the trade policy making process. Langrish's (CERT) observation of business frustration with and retreat from trade negotiation within the framework of the WTO Doha round has been found to be irrelevant to the behaviour of business groups in the Canadian context. Based upon the data collected during the research, it appears that such cases are rather rare, though they are important and have profound implications. As noted earlier, the agenda of the Doha round was triggered by unique circumstances (e.g. the poverty in developing countries), which are issues not likely to arise or to have impact when trade cooperation between, for example, Canada and the EU is discussed. In

other words, it is unlikely that a topic such as the development of poor countries would appear during free trade negotiations between Canada and the EU. In addition, if one considers that business groups are active in policy areas such Canada-US or Canada-EU trade relations, it is not accurate to talk about any general tendency of business to retreat from trade policy making. In fact, disappointment with the content of trade negotiations under the umbrella of the WTO may encourage business to extend their engagement in negotiating regional free trade agreements.

The fourth proposition argued that the effective liberalization of Canada's trade in the past has resulted in a substantial decline of business interest in trade policy making, as well as that the increase in the number of voices in the process has led to dilution of any particular voice. Lastly, it argued that groups that hold views which do not find obvious reflection in government policy may feel disenfranchised. With regard to this proposition, my research confirmed one argument and two were disconfirmed.

The research has confirmed that groups holding views which do not find obvious reflection in government policy may feel disenfranchised from the policy making process. On the other hand, neither business nor non-business civil society groups confirmed that the extension of the process would lead to the dilution of any particular voice in the trade policy making process. As a matter of fact, the interviewed business groups rejected this argument completely arguing that their relations with the government are positive. The non-business civil society groups also disagreed that there would be a dilution of any particular voice and point out that the problem lies in the government's preference for the business interests and indifference to theirs.

Finally, my research has not delivered sufficient evidence to support Ciuriak's argument that the liberalization of Canada's trade has resulted in the declining need of business groups to engage in trade policy making. In fact, most of the evidence points in the other direction.

Although, both interviewed business groups argue that the liberalization of trade achieved under the WTO or the NAFTA agreement has been beneficial to the business community, further liberalization is desired. They argue that there still are substantial tariff and non-tariff barriers to trade, hence business does not wish to withdraw from policy making. Above all, even the non-business civil society groups confirm that business groups do not show any sign of a declining interest in trade policy. On the contrary, they observe that business, in general, strives for more liberalization.

Yet, Langrish (CERT) claimed that there is a retreat from the process by some of the largest companies. However, by arguing that such companies can refrain from political engagement because they can take care of themselves, he leaves open space for speculation whether they do so because they have sufficient resources to do so or because the current level of liberalization leaves them free to choose not to participate. Considering that all the other evidence I have collected in relation to this issue strongly emphasizes the need for continuous liberalization of trade, and that the retreat has been observed only among the biggest of companies, I tend to believe that the retreat Langrish mentions is not fuelled by the high level of trade liberalization in the first place.

Section 3

Integration of the Results

The third part of this chapter delivers an integrated overview of the information I have collected with respect to my research. The aim is to provide a new model of the functioning of

the trade policy making process from the perspective of both business and civil society interest groups. By doing this, I achieve the remaining research goal.

In the beginning of my research, I faced the challenge of a number of contradictory descriptions of the functioning of the Canadian trade policy making process. Different authors saw behaviour of interest groups in the process differently. Business groups were seen as being content with the process, being frustrated, retreating because of the government's growing attention to the demands of non-business civil society groups, and retreating because of the effective liberalization of trade in the past. Non-business civil society groups were seen as being frustrated with the process, but also as receiving a disproportionate amount of attention from the government and thus discouraging business from engagement. It was impossible to determine what the actual state of affairs was. Therefore, I conducted a series of interviews with business and non-business civil society groups in order to either confirm or disconfirm arguments made by these authors, the results of which I presented in detail in the previous section of the chapter. Now, having substantially extended my knowledge of the functioning of the Canadian trade policy making process, I come up with a new model of groups in the trade policy making process which I believe provides the most accurate interpretation of the process so far. The construction of a new model was not among the initial aims of the research, however, I believe that it can serve as an efficient summary of the research and a cap stone for my research. The following text begins with a summary of the main research findings arranged in the form of a table.

	Business Groups	Non-business civil society groups
The First Research Question¹	<ol style="list-style-type: none"> 1. Business groups see the trade policy making process as a venue where they can actively promote their trade interests. 2. Business groups engage in the trade policy making process to promote the interests of their members. They engage in order to promote particular policies. 3. Business groups reject that they are dependent on the government. However, their continuous effort to promote liberalization including negotiation of new free trade agreements suggests that, in fact, one of the reason for their engagement is dependency on the government. 4. Business groups argue that there are still significant tariff and non-tariff barriers to trade and that further liberalization is needed. 5. Business groups support the government's trade policies. 6. Business groups argue that the important challenges they face are the fragmentation of the Canadian political representation among the federal government and the ten provinces, the opinion of some business groups that the focus should be on the United States not the EU, as well as growing resistance of some domestic interests to further liberalization. 7. Business groups were frustrated with the WTO Doha round as a development round 	<ol style="list-style-type: none"> 1. Non-business civil society groups often engage in the trade policy making process to defend their interests in reaction to previous actions of business groups or the government. 2. Non-business civil society groups argue that the reason why they are in the defensive position stems from the fact that business has the upper hand when dealing with the government (i.e. the government is dependent on the taxes and employment business delivers). 3. Non-business civil society groups are rarely successful in persuading the government to initiate their preferred policies. 4. The policy goals of non-business civil society groups indicate that it is not likely that they engage in policy initiation. 5. Non-business civil society groups occasionally manage to achieve their goals (e.g. the Security and Prosperity Agreement and Canada-Korea free trade). 6. Non-business civil society groups see more risks than opportunities at the moment in a potential Canada-EU free trade. 7. Non-business civil society groups argue that their stand on Canada-EU free trade will be largely influenced by the nature of the agreement. 8. Non-business civil society groups do not see an agreement which would only abolish tariffs (e.g. the NAFTA agreement) as beneficial to Canada. 9. With respect to Canada-EU free trade, non-business civil society groups are afraid of the deepening of Canada's dependency on the export of mineral resources, and they are afraid of privatization of public services or certain industries such as water.
The Second Research Question²	<ol style="list-style-type: none"> 1. Business groups agree that the current government has been promoting liberal ideas in trade policy. 2. Business groups argue that some of the governments in the past, even though promoting liberal ideas, were not serious about them. 3. Business groups argue that they have built strong relations with government departments due to business' long-term constructive approach. 4. Business groups argue that the reason why non-business civil society groups do not have similar results in promoting their interests is because of their unprofessional, unconstructive, and often populist approach. 5. Business groups argue that the reason why non-business civil society groups do not have similar results is due to the lack of financial resources and professionals knowledgeable of the policy making process. 	<ol style="list-style-type: none"> 1. Non-business civil society groups agree that the current government has been promoting liberal ideas in trade policy. 2. Non-business civil society groups characterize the government approach as attuned to business needs. 3. Non-business civil society groups argue that business has an advantage when dealing with the government. 4. Non-business civil society groups argue that the government is easily blackmailed by business. Business has the power to make jobs and investments appear or disappear. 5. Business also has the potential to drive the trade agenda. 6. Non-business civil society groups argue that the government solicits public input only for political reasons. The degree of closeness between business and the government is considered to be almost undemocratic. 7. Non-business civil society groups believe that they only lend legitimacy to the process they find oblivious to their views.

The Third Research Question³/ Additional Questions for non-CSGs*	<ol style="list-style-type: none"> 1. Business groups argue that their strategies have become more targeted. Now they prefer person-to-person interaction with decision makers. 2. Business groups try to convince decision makers that promotion of their interests can provide him or her a political advantage. 3. Business groups do not confirm that the change in their strategies has been prompted by the extension of the trade policy making process to non-business civil society groups. 	<ol style="list-style-type: none"> 1. Non-business civil society groups disagree that the high level of labour, environment, and human rights standards in the EU could constitute a reason for them to accept a free trade agreement. 2. Non-business civil society groups argue that their position to Canada-EU free trade largely depends on the kind of the agreement negotiated. 3. Non-business civil society groups also argue that they do not see fewer financial resources to be the main reason why they do not achieve the same results as business groups when dealing with the government. 4. Non-business civil society groups find media to be often a strong instrument of promotion of their interests.
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¹ What motivates groups to enter or exit the Canadian trade policy making process?

² How do Canadian government institutions affect participation of groups in the process?

³ What are the group strategies to achieve policy goals, and particularly have these changed because of the extension of the Canadian trade policy making process to new groups?

*Non-business civil society groups

A New Model of Groups in the Canadian Trade Policy Making Process

Similarly to Brian Hocking’s argument that a multistakeholder model may produce a “crisis of expectations” amongst governmental and non-governmental participants, my research shows that frustration stemming from the perceived inability of groups to achieve their goals is a significant feature of Canada’s trade policy making. Non-business civil society groups are generally frustrated with the conduct and results of the process. On the other hand, business groups, in general, see cooperation with the government as positive.

The research demonstrates that business groups are continuously active and interested in trade policy making. They engage in the process in order to promote further liberalization of Canada’s trade (i.e. removal of tariff and non-tariff trade barriers) through free trade agreements such as a potential Canada-EU free trade agreement. There has been a gradual shift of business groups’ focus from the abolition of tariff to a focus on non-tariff trade barriers. Business groups hold a dominant position in the process in comparison to non-business civil society groups. From the perspective of non-business civil society groups, business groups’ position may be dominant even in comparison to the government as they argue the government is dependent on business

politically and economically (i.e. taxes and employment). The business groups argue that their interactions with the government are positive, and that this is a result of strong relations they have built with government departments. This strong relationship also derives from business groups' long tradition of being participants in trade policy making, common government and business' support for liberalization, strong personal links between the government and business resulting from former government officials working for the business sector, as well as the fact that business is the core stakeholder in trade policy.

On the other hand, non-business civil society groups often find themselves in defensive position when faced with business initiatives. The reasons for their engagement in the process in general are different from group to group. The dominant position of business in the process as well as the government's perceived indifference to their views and demands results in frustration with the process among non-business civil society groups. They argue that the degree of closeness between the government and business is almost undemocratic and that it is a serious impediment to a "fair" engagement. They assert that the consultations are conducted only for political reasons, and they question whether they should further lend legitimacy to it by continuing their engagement.

Business groups explain that the main cause of the non-business civil society groups' largely unsuccessful performance in the trade policy making stems from their unprofessional and unfocused approach that is not based on substantive policy issues. Their ideas are not constructive and they lack knowledgeable professionals and financial resources. Yet, non-business civil society groups occasionally manage to achieve their goals (e.g. the Security and Prosperity Partnership of North America, or the Canada-Korea free trade agreement).

Even though, the business groups find the result of the consultations with the government positive, they identify three more or less acute sources of frustration. First, they identify the fragmentation of Canada's political system (i.e. federal government and ten provinces).

Second, they point to different interests within the business community. An example is the actions of some business groups that discourage the others from negotiating a free trade agreement with the EU and suggest Canada should rather focus on the deepening of trade cooperation with the United States, or examples of those business groups that do not see further liberalization as beneficial to them (e.g. culture, banking, telecommunications, transportation, services education or health care).

Lastly, they note as a source of frustration situations when the trade negotiation agenda deals with what business perceive as non-trade issues some of which may be pursued by the non-business groups. This may lead to a retreat of business groups. An example is the negative experience of business groups with the WTO Doha round where the agenda concerned with the development of poor world regions prevailed over the business interest to liberalize.

The WTO Doha round of negotiations and some cases of the largest companies are the only documented examples of a partial retreat of business groups from the Canadian trade policy making process. In the former case, it is believed that the retreat was motivated by the unique agenda which is unlikely to be brought up in other spheres of Canada's trade policy. In the latter case, it was reported that the retreat was motivated by the fact that the companies were "big enough do so, not as much free to do so".

The business groups have gradually embraced more direct, face-to-face lobbying strategies (e.g. persuading politicians that supporting their interests will provide politicians some

political advantage). On the other hand, non-business civil society groups often rely, apart from engagement in the trade policy making process, on the media as a tool of exercising pressure.

Chapter 6

Conclusions

While some research aims to explore an unknown phenomenon, some focuses on testing old hypothesis, and some strives to develop a new theory, in this study the three have become one aim. Learning more and in detail about the interest groups' perceptions of their engagement in trade policy making allowed me to test existing propositions and, based on this analysis, come up with a more accurate model of their behaviour.

In the beginning of this research, it was unclear if one should treat business groups as retreating from, being frustrated about, or being content with the functioning of Canada's trade policy making process. Similarly, it was unclear whether non-business civil society groups are frustrated with or driving the trade agenda.

It is now evident that there is no sign of any large scale retreat of business groups from the process either because of previous liberalization of Canada's trade or the government's increased attention to the demands of non-business civil society groups. Nor do business groups experience limited access to decision makers which would result in their frustration with the extended trade policy making process. It is also evident that non-business civil society groups do not benefit from any newly-bestowed privileged government treatment. In fact, most of the evidence gathered points the other way.

However, the fundamental finding of my research has been that the behaviour of interest groups within the process is more complex than the four original propositions were trying to suggest. The research has shown that various areas of Canada's trade policy have different characteristics; and that making narrow generalizations about behaviour of interest groups in the

trade policy making process may lead to unwarranted simplifications that do not reflect the actual state of affairs.

A failure to see these differences may lead to incorrect conclusions and even misperceptions by decision makers. For example, Dymond and Dawson failed to see that frustration can also be found among the groups which do not reject the fundamental growth premise of trade liberalization. While one certainly expects that the task of mitigating differences between strict supporters and strict opponents of trade liberalization must be nearly impossible, and that one side will eventually lose, knowing about the existence of frustrations among those non-business civil society groups that claim not to reject trade liberalization as such, may lead us believe that the trade policy making process cannot reconcile the interests of engaged actors.

The new model of groups involved in trade policy making in Canada, suggested in this study, has made the attempt to avoid such simplifications. It points out both the main characteristics of interest groups engagement in the process and the variations in their engagement encountered during the research. I believe that the new model represents the most accurate interpretations of interest groups' overall experience with participation in the Canadian trade policy making process. However, as it was impossible to cover all areas of Canada's trade policy making in the same detail in this study, future researchers should know that there might be other variations not stated in the model. Future researches are also encouraged to test the model and refine it on the basis of their findings.

Appendix One

Questionnaire for Business Groups

The main objective of this questionnaire is to clarify how your organization evaluates its engagement in the Canadian trade policy making process. The area which this questionnaire intends to cover is Canada-EU trade relations. Four observations stated below present the main descriptions of the functioning of the Canadian trade policy-making process in the literature. Please read each of the observations, your view of them is required. The questionnaire itself consists of four parts, each of which seeks to inquire about your organization's position or view of the nature of its engagement in the Canadian trade policy-making process. The first part seeks to inquire what the motives of your organization's engagement in the process are. The second part seeks to inquire how the Canadian institutions influence your organization's engagement in the process. The third part seeks to inquire whether or how your organization's strategies of dealing with the Canadian government have changed in the face of the extension of the trade policy-making process to non-business interest groups. The last part seeks to inquire about your organizations position on the particular observations.

I would appreciate it if you read this questionnaire and familiarized yourself with the questions as what follows will be discussed during our phone interview. I would also probably like to pose additional questions or follow-up questions during the interview.

Observation one:

Dymond and Dawson observe that those groups with existing ties to the government or those considered as part of the trade establishment (private sector, business, and technical specialist) claim to have experienced positive results in helping governments fine tune negotiation positions. On the other hand, those groups (including non-business civil society groups) who reject the fundamental economic growth premise of trade liberalization find the process of dealing with bureaucrats frustrating because the officials are, of necessity, constrained from entering into debate about the merits of government policy or the need for a fundamental change in direction.

Observation two:

Interestingly, in another article, Dymond puts the evaluation of functioning of the consultative process quite differently. Not only does he admit that peripheral stakeholders (i.e. non-business civil society groups) are frustrated when governmental officials seem deaf to their demands for policy change, he also emphasises that core stakeholders (i.e. business groups) are frustrated about standing in line to be heard (Dymond, 2002).

Observation three:

A very essential observation of Hocking's is that the attempts to redefine the role of older consultative mechanisms, such as the Special Advisory Committees on International Trade (SAGITs), provide breeding-grounds for institutional tensions. He states that:

"...the redefined "club" system brought together policy makers and business people in a closed environment with rules and procedures that ensured the old ethos of the club model was

sustained, albeit with a wider cast of players. Moreover, it ensured that consultation was focused on participants in broad agreement on the goals of trade policy, if not on specific issues” (Hocking, 2004: 22).

This of course has changed by an expansion of membership to non-business NGOs. From the viewpoint of one DFAIT trade specialist, this represents a more general tendency for business to “retreat” from trade policy, because “trade policy is not primarily about them (Hocking, 2004:22).

Observation four:

Ciuriak contends that with the implementation of the Canada-US Free Trade Agreement and its successor, the North American Free Trade Agreement, as well as of the Uruguay Round of multilateral trade negotiations that brought into being the World Trade Organization, a substantial amount of Canada’s trade was effectively liberalized. As a result, the overall interest of the business community in trade negotiations, which had previously been an important driver of trade policy, noticeably declined in Canada as it did elsewhere (Ciuriak, 2004: 214). Furthermore, Ciuriak’s critique concurs with that of Hocking and Dymond and Dawson by arguing that the increase in the number of voices has the effect of diluting the influence of any particular voice. He explains that views which are not reflected in government policy can make those who hold them feel disenfranchised from the process (Ibid.: 223).

Part one: consists of questions which seek to determine the main motives/causes of your organization’s engagement in Canadian government’s trade policy-making process.

1. Would you say that the political activity of groups (e.g. environmental, human rights, and labour groups) with interests conflicting with those of your organization's is the main or one of the reasons why the your organization decides to enter the trade policy-making process?
2. Would you say that your organization enters trade policy-making process only when it asks the Canadian government to adopt certain policies or when it asks the Canadian government not to adopt certain policies?
3. Would you agree with the argument that the present state of liberalization of international trade leaves the business sector largely unaffected by government decision-making with the exception of a few trade issues or would you say that your organization and its members find themselves in a position of dependency on the Canadian government?
4. Would you say that the existing trade policies affecting trade between Canada and the rest of the world (e.g. the European Union) is favourable to the business sector?
5. If yes, would you say that the main motive of your engagement in the Canadian trade policy-making process is to defend these policies from groups with opposing views of international trade?

6. If no, would you say that the main motive of your engagement in the trade policy-making process stems from your desire to change the direction of the Canadian government's trade policies?

Part two: consists of questions which seek to determine how the Canadian government affects participation of your organization in the trade policy-making process.

1. Would you say that the Canadian government institutions embrace a liberal approach towards trade between Canada and the rest of the world?
2. If yes, would you say that Canadian business has an advantage when promoting its interests in comparison to other groups promoting restrictions on international trade?
3. If no, would you say that Canadian business experiences difficulties in advancing further liberalization of the trade with other countries?
4. Would you say that various Canadian governments regardless of their ideological characteristics have been promoting liberalization of trade between Canada and the rest of the world since the establishment of Canada-US Free Trade Agreement?
5. If you agree with the argument that Canadian governments promote liberalization of the trade, would you say that the Canadian government acts as an advocate of the interests of Canadian business?
6. If you agree with the argument that the Canadian government promotes liberalization of the trade, would you say that certain groups with an agenda, which opposes trade liberalization are disadvantaged when dealing with the government?
7. Would you like to make your own assessment of the relationship of your organization and the Canadian government?

Part three: consists of questions which seek to inquire whether your organization has changed its strategies in dealing with the Canadian government in the face of the inclusion in the Canadian trade policy-making process to non-business interest groups.

1. Would you say that your organization has been using the same strategies in dealing with the Canadian government regardless of the presence of new non-business civil society groups in the process of trade policy-making?
2. If yes, could you say whether participation of those civil society groups has had an impact on the effectiveness of your organization strategies?
3. If no, could you name what new strategies your organization has embraced?

Part four consists of questions which seek to directly address observations made by various authors, who argue that business interest groups have retreated from the Canadian trade policy-making process.

1. Would you agree with observation number one that groups with existing ties to the government have experienced positive results in helping the government fine-tune negotiation positions?
2. Would you agree with observation number two that the Canadian business groups are frustrated when governmental officials seem deaf to their demands for policy change?
3. Would you agree with observation number three that business groups have retreated from trade policy because trade policy is not primarily about them?
4. Would you agree with observation four that liberalization of Canada's trade has resulted in a decline of interest in trade negotiations of the business community?
5. Would you agree with observation number four that the increase in the number of voices in the Canadian trade policy-making process has led to feelings of disenfranchisement by the business from the process?

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Appendix Two

Questionnaire for Civil Society Groups

The main objective of this questionnaire is to clarify how your organization evaluates its engagement in the Canadian trade policy making process. The area which this questionnaire intends to cover is Canada-EU trade relations. Four observations stated below present the main criticisms of the functioning of the Canadian trade policy-making process in the literature. Please read each of the observations. Your views on these matters would be appreciated. The questionnaire itself consists of four parts, each of which seeks to inquire about your organization's position or view of the nature of its engagement in the Canadian trade policy-making process. The first part is concerned with the motives for your organization's engagement in Canadian trade policy making process. The second part seeks to inquire how the Canadian institutions influence your organization's engagement in the process. The third part seeks to inquire what the relations between your organization and Canadian business groups are. The last part seeks to inquire about your organization's position on the four observations.

I would appreciate it if you read this questionnaire and familiarized yourself with the questions as what follows will be discussed during our phone interview. I would also like to pose additional questions or follow-up questions during the interview.

Observation one:

Dymond and Dawson observe that those groups with existing ties to the government or those considered as part of the trade establishment (private sector, business, and technical specialist) claim to have experienced positive results in helping governments fine tune negotiation positions. On the other hand, those groups (including non-business civil society groups) who reject the fundamental economic growth premise of trade liberalization find the process of dealing with bureaucrats frustrating because the officials are, of necessity, constrained from entering into debate about the merits of government policy or the need for a fundamental change in direction.

Observation two:

Interestingly, in another article, Dymond puts the evaluation of functioning of the consultative process quite differently. Not only does he admit that peripheral stakeholders (i.e. non-business civil society groups) are frustrated when governmental officials seem deaf to their demands for policy change, he also emphasises that core stakeholders (i.e. business groups) are frustrated about standing in line to be heard (Dymond, 2002).

Observation three:

A very essential observation of Hocking's is that the attempts to redefine the role of older consultative mechanisms, such as the Special Advisory Committees on International Trade (SAGITs), provide breeding-grounds for institutional tensions. He states that:

"...the redefined "club" system brought together policy makers and business people in a closed environment with rules and procedures that ensured the old ethos of the club model was sustained, albeit with a wider cast of players. Moreover, it ensured that consultation was focused

on participants in broad agreement on the goals of trade policy, if not on specific issues” (Hocking, 2004: 22).

This of course has changed by an expansion of membership to non-business NGOs. From the viewpoint of one DFAIT trade specialist, this represents a more general tendency for business to “retreat” from trade policy, because “trade policy is not primarily about them (Hocking, 2004:22).

Observation four:

Ciuriak contends that with the implementation of the Canada-US Free Trade Agreement and its successor, the North American Free Trade Agreement, as well as of the Uruguay Round of multilateral trade negotiations that brought into being the World Trade Organization, a substantial amount of Canada’s trade was effectively liberalized. As a result, the overall interest of the business community in trade negotiations, which had previously been an important driver of trade policy, noticeably declined in Canada as it did elsewhere (Ciuriak, 2004: 214). Furthermore, Ciuriak’s critique concurs with that of Hocking and Dymond and Dawson by arguing that the increase in the number of voices has the effect of diluting the influence of any particular voice. He explains that views which are not reflected in government policy can make those who hold them feel disenfranchised from the process (Ibid.: 223).

Part one consists of questions which seek to determine the main motives/causes of your organization’s engagement in Canadian government’s trade policy-making process.

1. Would you say that your organization engages in trade policy making primarily because of political activities of business groups?
2. Would you say that your organization engages in trade policy making only when it asks the Canadian government to adopt certain policies or when it asks the Canadian government not to adopt certain policies?
3. Would you say that the main motive of your organization’s engagement in trade policy making stems from the objective to fundamentally change the direction of Canada’s trade policy (e.g. towards the EU)?
4. Are there other reasons for your organization’s participation in the process?

Part two consists of questions which seek to determine how the Canadian government affects participation of your organization in the trade policy-making process.

1. Would you say that the Canadian government institutions embrace a liberal approach (i.e. free trade) towards trade between Canada and the rest of the world?
2. If yes, would you say that Canadian business has an advantage when promoting its interests in comparison to civil society groups?
3. Would you say that the Canadian government pays less attention to your demands than it does to those of business groups?
4. Would you say that your organization experiences easier access to the trade policy making process than in the past?

5. Would you say that your relations with the Canadian government within the framework of the Canadian trade policy making towards the EU are characterized by cooperation or conflict?
6. What is your organization's position on Canada's effort to strengthen trade relations with the European Union?

Part three consists of questions which seek to inquire what the relations between your organization and Canadian business groups are.

1. Would you say that the nature of relations between your organization and business groups within the framework of the Canadian trade policy making towards the EU is cooperative or rather conflictual?
2. Would you say that there is a difference between your relations with business groups within the framework of the Canadian trade policy making towards the EU on the one hand, and relation between you and the same groups with respect to say the United States, Japan, China or developing countries, on the other?
3. If your organization feels disadvantaged when it deals with the Canadian government, is this because you have fewer financial resources than do business groups to engage in the policy process?
4. Would you say that there are other reasons which put your organization into a disadvantaged position?

Part four consists of questions which seek to directly address observations made by various authors, who argue that business interest groups have retreated from the Canadian trade policy-making process.

1. Would you agree with observation number one that groups with existing ties to the government have experienced positive results in helping the government fine-tune negotiation positions?
2. Would you agree with observation number two that the Canadian civil society groups are frustrated when governmental officials seem deaf to their demands for policy change?
3. Would you agree with observation number three that business groups have retreated from trade policy because trade policy is not primarily about them?
4. If you agree with observation number three, would you say that the Canadian government pays more attention to demands of your organization than it does to business groups?
5. Would you agree with observation four that liberalization of Canada's trade has resulted in a decline of interest in trade negotiations of the business community?
6. Would you agree with observation number four that the increase in the number of voices has the effect of diluting the influence of any particular voice?

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