



**BORDERS IN  
GLOBALIZATION**





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# Borders in Globalization: Alberta in BIGger context

**Geoffrey Hale**  
**University of Lethbridge**

*This article provides an overview of the varied interactions of globalization and bordering processes in Alberta, a landlocked Canadian province heavily dependent on energy, other resource and commodity exports. It emphasizes the continued relevance of Rosenau's concept of "framegration" – the simultaneous interaction of trends towards integration and fragmentation – to varied patterns of multi-level governance which characterize governance relationships among multiple governmental, economic and societal stakeholders affected by the interdependence and cross-border movements of people, goods and services addressed in this special edition. Regulatory systems governing these movements and their related infrastructure are typically specialized by sector and sub-sector, reflecting highly segmented patterns of federal-provincial, interprovincial, Canada-U.S., and broader international cooperation and, sometimes, competition. Twenty-first century trends towards economic integration face overlapping and contradictory impulses towards "rebordering" in many sectors. These trends are reinforced by a proliferation of governance entities and ongoing relocation of authority, whether formal or informal, pushing the task of governance beyond the boundaries of federal or provincial states while complicating the definition and achievement of major policy objectives.*

## **Borders in Globalization: Alberta in a *BiGger* Context**

The evolving functions and workings of national governments and borders during the post-Cold War era have reflected ongoing tensions among cross-cutting, sometimes contradictory factors. Integrative factors associated with the emergence of broader regional and global economic systems, and related patterns of cultural interaction have prompted most major economic and political actors to adapt to growing international interdependence, particularly since the 1980s.

However, the often disruptive effects of these forces on domestic economic, social and political relationships have triggered numerous pressures on governments. Sometimes, citizens and particular interests seek assistance from governments in adapting to these trends. Sometimes, they seek government action to shield them from internal and external risks arising from these changes. Some of these adaptations may reflect “territorially”-based political decisions within the jurisdictions of particular governments. Others reflect more a-territorial or extra-territorial arrangements resulting from varying mixtures of market forces, unilateral actions by external governments or political actors, and cooperative actions among governments, often through functional, policy-specific international organizations.

In recent years, scholars have coined numerous terms to describe the interaction between multi-jurisdictional interdependence and contemporary forms of governance, including multi-level governance, multi-dimensional governance, subsidiarity, intermesticity, the perforated state, and the disaggregated state (Burgess, 2006; Slaughter, 2002; Lake, 2003; Krasner, 1999). James Rosenau’s (2000) concept of “framegration” fits comfortably within this disciplinary jargon, but usefully attempts to reconcile two separate phenomena: integration and fragmentation.

The *Borders in Globalization* project addresses the extent to which existing regulatory systems governing movements of products, services and people “straddle” borders as opposed to being organized primarily along territorial lines. Answers to this question vary widely across economic sectors and types of human mobility. Regulatory systems governing major energy and other commodity exports, and related infrastructure, are typically specialized by sector and sub-sector. Similar variations apply across modes of transportation or transmission and categories of people. The result is often highly varied systems of multi-level governance with varied interprovincial and international barriers, notwithstanding efforts at cross-border and federal-provincial regulatory coordination.

The differential effects of globalization and its implications are particularly noticeable in Canada’s far-flung regions. Canada’s huge geographic landmass, the world’s second largest after the Russian Federation, highly decentralized federal system, economically and culturally distinctive regions have often reinforced tensions arising from political requirements to balance regionally-based interests within broader national, North American or wider international systems of governance, economic and social exchange.

On one hand, continental and global economic systems shrink social and economic distances, blurring or erasing borders, and linking societies together in ways unimaginable to previous generations. However, many of these processes also trigger cultural, economic, and political sensitivities, upending traditional sources of power, stability, and economic growth, and frequently exposing deep societal fissures. Landlocked jurisdictions often face additional challenges in managing these tensions, not least the securing of reliable transportation corridors, and the negotiation of political and regulatory obstacles to market access and diversification (Collier 2006).

More recently, these tensions have undermined broader societal acceptance of the implications of global market integration for domestic governance and public policies as demonstrated in the so-called “Brexit” referendum of 2016, and the subsequent election of Donald Trump in the United States. They are also visible in systematic litigation in multiple jurisdictions, punctuated by periodic civil disobedience, associated with environmental and other challenges to resource development and pipeline infrastructure projects. These events have featured considerable populist angst over the uneven distributional and/or environmental consequences of deepening integration and economic openness. Whereas just two decades

ago analysts were focused on the implications of the erosion of borders around the world, they are now focused on the implications of their reassertion by some interest groups and governments.

This edition of *Journal of Borderland Studies* examines these challenges in the context of Alberta: Canada's fourth largest province by population and third largest in economic terms, Landlocked Alberta is a dynamic, heavily urbanized yet largely resource-driven economy which has experienced considerable economic diversification since the 1980s. The province's major export sectors, particularly its energy and agri-food sectors, have been transformed by changes to wider regulatory and market structures, major technological innovations, and the opportunities and pressures arising from global and North American commodity price cycles. These shifts have prompted large-scale movements of people and capital, creating substantial ripple effects in both larger and smaller Canadian jurisdictions. However, they have also provoked and been caught up in countervailing social and political tensions across North America with broader implications transcending provincial or national boundaries.

These trends have paralleled the broader post-1990 expansion of trade and investment flows, and related governance trends through bodies such as the World Trade Organization and its more specialized affiliated organizations. They have also been directly affected by broader regulatory trends provoked by U.S. and wider international security concerns resulting from increased mobility of people, goods, services and capital in the 21<sup>st</sup> century. Political and social concerns over national and human security, energy and critical infrastructure security, food safety, environmental safety and sustainability have prompted major efforts at "rebordering" within and beyond North America (Andreas and Biersteker 2003; Brunet-Jailly 2007; Konrad and Nicol 2008; Gattinger and Hale 2010). These shifts have significant implications for sub-national jurisdictions such as Alberta which depend heavily on international trade and investment for their economic security and societal well-being.

These situations demonstrate the overlapping and contradictory impulses that have come to characterize important parts of the international system and its interaction with domestic politics and governance. On the one hand, the dynamics of globalization have reduced time and distance as principal impediments to interaction between different parts of the globe, facilitated the integration of economies, stimulated the growth of new institutions such as the WTO, and opened new avenues for a host of sub-state and non-state actors to enter the governance game. Yet, these same dynamics have also brought about significant pressure on traditional governance structures rooted primarily in states, fragmenting the nodes of governance authority, and, some argue, undermining the utility of the state itself (Rodrik 1997; Wolf 2001). It is these very pressures that have prompted the reconsideration of the entire postwar architecture within and among several major industrial nations witnessed in 2016.

The proliferation of governance entities competing with states at an international level also includes a broad range of non-governmental, for- and not-for-profit associations, industry groups, and environmental organizations. Many of these groups are not even groups in the sense of a formal organization, but are instead best characterized as networks (Hooghe and Marks, 2003), the coordination of which has been greatly facilitated by the advent of social media. Yet, the dispersal of governance is not uniformly upward toward multilateral institutions with a focus on international issues. We also see the fragmentation of governance taking place in the devolution of authority downward to localized, often non-governmental forms of governance. This kind of localized authority includes everything from the progressive decentralization or devolution of federal authority to sub-state levels of government, to the plethora of non-government organizations that organize locally.

These dynamics reinforce Rosenau's (2000, 2003) argument that contemporary global governance is actually characterized by three overlapping polarities—globalization and localization, centralization and decentralization, and integration and fragmentation. These competing polarities and the forms of governance they have spawned have rendered traditional state-centric government merely one of many focal points of authority. While it is premature to begin writing obituaries for the state (Wolf, 2001), the growing importance of other levels of governance, as well as their proliferation, has vastly complicated the policy process with respect to many issues. Rosenau (2000: 12) identifies at least six different kinds of contemporary governance collectivities:

1. public subnational and national governments
2. for-profit private transnational corporations
3. international governmental organizations
4. subnational or national not-for-profit NGOs
5. international or transnational not-for-profit NGOs
6. markets which have a range of formal and informal structures

As Rosenau argues, these broad “fragmeigrative dynamics have added to the crises of states by relocating their authority in diverse directions, upward to supranational institutions, downward to subnational entities, sideward to social movements, nongovernmental organizations, corporations, and a wide range of other types of collectivities.” (Rosenau 2000: 7) Many of these collectivities are held together and connected through horizontal, rather than traditionally vertical, flows of authority. In other words, the links between information, decision-making, and governance all flow between some of these new collectivities rather than to and from governments. In contrast to the types of governance that flow vertically up or down, newer forms of governance (formal and informal networks, for example) are pervaded by nuance, by interactive and multiple flows of influence that may either pass through or by-pass the halls of government, pushing the tasks of governance beyond the boundaries of the state while also complicating the completion of those tasks (Rosenau 2000: 15).

Post-Second World War trade liberalization’s contribution to gradual international economic integration always presented policy-makers with comparable challenges. However, as stakeholders around the world have come into deeper and more frequent contact with one another through numerous pathways, there have also been important reactions that have challenged the state’s capacity to manage them. Trade liberalization inherently creates winners and losers. Yet, until the end of the Tokyo Round of GATT negotiations in 1979, liberalization mainly involved tariffs (Anderson 2012a) and the impact their reduction had on narrowly focused sectors (the losers). However, subsequent multilateral and regional trade agendas increasingly have dealt with a whole range of so-called behind-the-border, or non-tariff, barriers to trade which reach deeply into domestic governance, and politico-societal trade-offs, including those associated with “sovereignty.” Such measures are inherently more controversial, especially if characterized by major domestic distributive differences in costs and benefits (Anderson 2012b).

Alberta is hardly immune from these global realities. But it also occupies a unique geopolitical, social, and economic space, presenting the province with specific challenges. It is those challenges to which this special issue of the *Journal of Borderlands Studies* is dedicated. Alberta is an anomaly in the study of borders and borderlands. As noted by Geoffrey Hale’s article in this issue, its major cities are more distant from principal border crossings and major American population centers than any other Canadian province bordering the United States except neighboring Saskatchewan. However, major export sectors of this landlocked province have become increasingly dependent on negotiated access to U.S. and other foreign markets – and often to the consent of other provincial governments – than those of any other province. At the same time, its major firms are deeply embedded as significant actors within North American and broader international corporate and distribution networks and capital markets (Kellogg 2015).

Consequently, Alberta and most Albertans tend to relate to border issues and policies (if they think of them at all) as subsets of broader economic and regulatory systems, rather than as members of borderlands communities characterized by frequent family, cultural or recreational pursuits. Although post-9/11 border thickening did not preclude substantial increases in cross-border travel and tourism, especially between 2009 and 2014, cross-border interactions are quantitatively and qualitatively distinctive from those of more densely populated U.S.-Canadian border regions.

The contributors to this special issue of JBS tackle these complex issues and dig into the complexity of the “flows” into and out of Alberta’s economy in particular sectors and issue areas: labor markets, oil sands supply chains, pipeline infrastructure, agriculture, water management, and critical infrastructure security.

Geoffrey Hale examines the major forces shaping economic and human interactions across Alberta's borders and borderlands shaped by cross-cutting patterns of globalization, North American integration, and the projection of territorially-based interests to shape and manage these flows. This article summarizes three fundamental challenges facing Alberta's cross-border relations: its relative dependence on resource and other commodity exports, the dispersed character of its export markets, trade and travel corridors (including the geographic barrier of the Rocky Mountains, and the modest and dispersed populations of border regions). It notes that Alberta's strategic interests require the strengthening of its producers' access to existing and emerging markets and a diversification of their distribution networks. However, several of these networks are extensively contested, whether on market or political grounds. These realities create an increasingly complex, variable "geometry" of market and regulatory conditions in current and emerging markets.

Ian Urquhart examines the implications of the land-locked quality of Alberta's oil and gas sector by usefully exploring the complex history and politics of energy trade-related regulatory and infrastructure approvals. Urquhart suggests that the functional distribution of regulatory authority between central and sub-national governments characteristic of Canadian federalism provides incentives to political actors to "raise, affirm or erase" borders to pursue valued political and economic objectives. He also notes that the evolving strategies of different governments and economic interests may affect the balancing or advocacy of competing producer, consumer, environmental and First Nations interests within Canada as much as that between Canadian- and foreign-based interests.

Chris Kukucha uncovers the degree to which the rapid expansion of Alberta's oil sands is connected to a diverse global supply chains, using input-output models of economic analysis. This study illustrates the extensive interdependence of North American supply chains related to machinery, equipment and other materials used in oil sands extraction, but also its geographically dispersed character. These networks are a key factor in reinforcing Canada's trade diplomacy in the United States, which emphasizes Canada's role as the lead export destination for most American states (Robertson 2008; Hale 2012). They have also provided alternative markets to Central Canadian manufacturers hard hit by rising exchange rates in 2006-13, triggering domestic debates over the extent to which the Alberta energy boom has contributed to a Canadian variant of the so-called Dutch Disease (Beine, Bos and Coulombe 2012; Cross 2013). Kukucha's article also notes interesting, persistent data anomalies and deficiencies, which complicate the technical task of analyzing the nature and evolution of market flows.

Richard Mueller begins by looking at recent changes and trends in Alberta's labor markets *and their interaction with evolving patterns of international and interprovincial migration*. As in the past, these shifts have reflected major disparities in levels of economic activity across provinces, reinforced by Alberta's energy boom of 2000-2014. However, major changes to federal immigration policies, particularly their increased emphasis on marketable skills and greater provincial involvement in "nominating" prospective immigrants have also played significant roles – although significant challenges remain in fields such as recognition of immigrants' occupational and professional credentials.

Kevin Wipf examines the profound transformations taking place throughout Alberta's agricultural and agri-food sectors. Wipf notes the gradual paradigm shift in federal and provincial agricultural and related transportation policies since the 1980s. He discusses the implications of these trends for market and product diversification, especially outside North America, while recognizing that these trends have highly varied effects across product categories. Border issues relating to market access, trade barriers, product standards and food safety have created an increasingly complex, dynamic environment for domestic producers and processors, with significant implications for Alberta's economy and society.

Yale Belanger's analysis of water management and stewardship in the Alberta-Montana borderlands explores the interaction of history, culture, law and politics in efforts to revisit the management of the Milk / St. Mary River watersheds, based on the 1921 water apportionment order of the International Joint Commission (IJC) under the 1909 US-Canada Boundary Waters Treaty. Belanger's analysis explains the complexities of multi-level governance of water resources in Alberta and Montana, and multiple factors ranging from interest group and bureaucratic politics, to very different legal systems governing water rights

in each jurisdiction, to the joint decision-trap inherent in IJC processes designed to engage politically contested issues in each country.

Geoffrey Hale and Cailin Bartlett assess the challenges of sectorally-varied multilevel governance regimes governing three major aspects of critical infrastructure (CI): electricity transmission networks, pipelines, and food safety. They note that the reliability and resilience of sectorally-varied CI networks depend on extensive regulatory, intergovernmental and inter-firm cooperation across provincial and national boundaries. Most CI networks are privately-owned, imposing primary responsibilities for risk management on system operators. Intensity of regulation varies with the extent of risks to varied publics, and the relative adequacy or inadequacies of operators' preventive and safety systems. Rising public expectations across multiple jurisdictions have escalated pressures on regulators, governments, and industry for increased responsiveness to a diverse, growing range of communities, stakeholders and activist groups. Failure risks further growth in political and legal challenges to new infrastructure development.

These studies demonstrate the extent and complexity of cross-border and broader international interdependence across multiple economic and policy sectors. The variety of competing interests in play within Alberta, other provinces, neighboring regions, and wider markets generate simultaneous but varied forces of fragmentation and integration in each jurisdiction. The functional segmentation of policy sectors and sub-sectors becomes a functional necessity to manage these forces – recalling Anne-Marie Slaughter's observations on the dynamics of horizontal international integration (Slaughter 2004). Major policy shifts during the past generation have frequently followed economic, political, technological and/or environmental shocks that have demonstrated the inadequacy of existing arrangements. As sub-national jurisdictions like Alberta are generally policy-takers, rather than trend-setters, overcoming this inherent disadvantage requires the development of networks capable of engaging policy makers and relevant stakeholders beyond its borders. As a result, Alberta's economic, societal and environmental progress depends on cross-border cooperation with other Canadian provinces as well as its American neighbors and emerging markets around the world.

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