Atlantic Region Integration Options

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The views expressed herein are solely those of the author and do not necessarily reflect those of the Royal Commission on Renewing and Strengthening Our Place in Canada.
Executive Summary

Newfoundland and Labrador finds itself at an important cross-roads in the 21st century and there is much pressure to renew her position within the larger federation. One option might be to strengthen cooperative relations with the Maritime provinces and find new forms of integration and interaction. For some, in an era of globalization it makes sense to redraw boundaries and reinvent state-society relations in a way that would produce new forms of innovation. For others, such diffusionist ways of thinking and prescriptive approaches to change underestimate the value of existing provincial identities, processes, and institutions. The long history of struggle over the regional integration idea provides an indication of the various challenges associated with effecting these kinds of changes in province-centred systems.

In order to facilitate a productive debate on this option, the paper discussed various related territorial, jurisdictional and institutional issues for the purpose of generating new insights that can be used to inform the recommendations of the Royal Commission. These included: the history of struggle over the regional concept; the pros and cons of regionalization; the extent to which old ideas, processes and institutions have influenced outcomes; effectiveness of existing elitist regional intergovernmental structures; and the influence of external forces on the drive to strengthen cross-border regional interaction and cooperation. It is important to stress that the work draws upon a neo-institutional framework to generate new critical insights on the future for regional integration within the current system of embedded political ideas, processes, and institutions. The intent is not to devalue or ignore the role of geography, history, social order, class conflicts and other underlying socioeconomic factors that may have influenced feelings of inclusion and exclusion. Rather, since there are practical limits to what can be achieved within a short discussion paper, I think it makes more sense to draw upon my strengths as a historical institutionalist to highlight the institutional constraints inhibiting or facilitating regional integration, and then leave it to others to deal with contextual factors.

The analysis concludes that despite much interest in regional governance and service delivery, there are still divided opinions on the pros and cons of regional integration. It is suggested that the province-centred structures we have relied upon to establish goals, principles, and make evaluations, have been organized in a way that promotes competition, reinforces elitism, and undermines evidence-based approaches to decision-making. It is recommended that there is a need to create new important institutional means for better informing public debate on the merits of regional cooperation and creating the kind of informed public opinion and political will necessary to make choices based on evidence, and not politically constructed popular myths.
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Introduction: Placing the Regional Integration in Context

The regional integration option has emerged repeatedly in political-policy debates in Newfoundland and Labrador. The following analysis will examine the regional question by exploring how the historical contestation over the regional idea in the past was influenced by adjacent provincial, governance structures and processes as well as external events and larger fundamental debates over new predictions or visions for Canada. The goal is to draw upon existing literature and practices to articulate the strengths and weaknesses of regional approaches, identify what has worked in the past, and make recommendations and suggestions about future strategies based on this historical evidence.

In the past, my research on the pros and cons of regional integration has provided much evidence that the failure to bring about structural and procedural changes in decision-making has limited what could be achieved on a regional basis (Tomblin 1991, 1995, 2000, 2002). Hence, there is little need to revisit all the pros and cons of regionalization discussed elsewhere. Nor is there a need to review all the grey and academic literature that support the same conclusion - political and bureaucratic elites at both levels of government have paid lip service to the regional cause and have, in practice, inhibited regional forms of cooperation (Savoie and Winter 1993). The fact that little has been achieved is clearly reflected in the fact that there have been so many attempts over the decades to kick-start the project or provide the kind of data that would be necessary to properly assess the advantages and disadvantages of regional cooperation. This refusal to experiment, engage the public and promote new forms of integration and interaction has helped to reinforce the status quo, but it has also made it difficult for those hoping to gain a better understanding of the merits of a less competitive, provincial approach to development. It also tells us a great deal about the factors that impede new approaches, despite pressures from below and above to bring about change.

It should be noted that some public choice theorists openly embrace the argument that provincial competition is good. They also generally oppose the assumptions of those who believe that Atlantic integration would produce new economies of scale and better public services. Indeed, the Atlantic Institute for Market Studies has argued for a more market-oriented and competitive approach to restructuring. Due to the fact that this public choice approach is more recent and has not had a significant impact on the political or academic debate over Atlantic cooperation, it will be left to others to discuss the merits of such an approach. Rather, our focus will be more on Newfoundland nationalism and community-centred approaches that offered different assumptions and critiques (House 1986; Sinclair 1988; Baldacchino and Greenwood 1998). Historically speaking, these frameworks played a more important role in confronting universal, economic-techno deterministic ways of thinking or approaching restructuring in Newfoundland and Labrador.

We will examine the historical and institutional context of the regional integration question, and why it has been so difficult to bring about fundamental changes based on the regional model. It should be recognized that while there will be an attempt to provide some comparative analysis, the primary objective is to inform a debate over the pros and cons of the
regional option for Newfoundland and Labrador in the 21st century. Interprovincial forms of regional integration, for the purpose of this analysis, refer to the deliberate political strategy or process of pooling sovereignties across provincial boundaries and creating new regional forms of social interaction and political cooperation. This can be achieved either through by-passing established province-centred governance and mechanisms entirely and creating new regional ones (such as regional commissions or parliaments) or the alternative strategy of promoting regional cooperation and new forms of association - but relying upon existing government structures. Since the first model requires a regime change, it is not surprising that it has been more difficult to achieve. To date, the Atlantic-Maritime partnership has not gone very far in contesting or threatening embedded province-centred systems. Predictably, from an institutional perspective at least, this second model has made it difficult to radically reorient patterns of state-society relations or change the political game in a way that would transform the behaviour of competing provincial state elites.

Other forms of regional integration include sub-provincial regionalization which involves devolving power and authority to the community-level (example: provincial health authorities or economic development boards) and transborder regionalism which involves regional experiments among provinces and states (Brown and Fry 1993).

It does not help that regionalization, like federalism, is a slippery concept and has been associated with dissimilar movements, strategies, agendas and objectives over time. While regionalization and restructuring appear to go together, there are different ideas and interests involved. Consequently, as one would expect in any competitive, pluralist system, these interests naturally compete for power and influence. As domestic or external circumstances change, established regimes must adjust or be replaced. Seen in this way, regionalization upon closer examination can produce very different outcomes.

For example, regionalization cannot simply be thought of as a form of decentralization. In Newfoundland and Labrador, regionalization of health services has, in practice, been a centralizing force. Regional integration at the executive, interprovincial level would likely weaken, not strengthen local community autonomy. Second, it is also unclear that regionalization strengthens democracy. It could, but Premiers’ meetings or regionalizing public bureaucracies would do little with respect to making the system more accountable. Third, it is an oversimplification to assume that regionalization is more innovation and results in substantial savings. In Canada, there has been much debate about the pros and cons of centralization and decentralization. Nor does the experience with regionalization and restructuring at the sub-provincial level provide evidence that health services costs go down as a result of these kinds of experiments. Given the growing attention paid to regional communities within the new global economy and community studies, however, understanding the dynamics of this approach to restructuring is of critical importance to the province.

Since the days of Joey Smallwood, there has been much discussion about the advantages and disadvantages of promoting new forms of integration or giving up provincial control over the development process based on integrated strategies, best practices or new forms of knowledge that were constructed elsewhere. To be sure, these restructuring debates have been greatly influenced by external events and actors. On the other hand, the political-policy outcomes generated have also been affected by the power of embedded provincial ideas,
processes and institutions that have tended to be ignored or underestimated by critics. Hence, understanding why the quest for regional reforms has never achieved very much, requires an approach that pays more attention to when policy regime changes occur and the kind of factors that either inhibit or facilitate fundamental changes. The paper draws upon the regime literature to deal with the historical interplay among competing ideas, institutions, and other forces that have influenced the rise of the regional option, but also made it difficult to effect radical policy-political changes on a regional basis. The intent is to rely upon concepts and theories in political science to inform a discussion of the key factors that shaped the struggle, and what would need to change to facilitate new forms of interprovincial integration and interaction, assuming, of course, this was considered to be a desirable objective.
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How and When Regime Changes Occur?

Whether established ideas, processes, boundaries and institutions can survive or respond to new policy-political challenges depends on various factors. In this regard, the regime literature is an invaluable aid in discussing and identifying the various factors affecting regime changes, how and when they occur, if at all. For example, it has long been recognized that regime changes normally occur when there is a political and policy crisis big enough to challenge the status quo (Hall 1989, 1993; Bradford 1998). However, in the end, whether a regime change is achieved or not is ultimately to be determined by a variety of factors, including: the popularity of new ideas; the power, autonomy and capacity of old embedded ideas, processes, and institutions; as well as the opportunities and incentives available to reconstruct another vision, build consent, and mobilize the kind of coalition necessary to contest for power and institutionalize a new paradigm or system of knowledge creation. It should be noted that scholars hold different views on state-society relations or the determining impacts of economic, institutional and public expectations on political-policy outcomes.

For example, modernization and globalization theorists have tended to approach political-policy change as inevitable when economic circumstances change (Courchene 1997; Nova Scotia, New Brunswick and Prince Edward Island 1970). These diffusionist theories about the inevitability of change have been hotly contested by state-centred and other neo-institutional theories which suggest that political-policy outcomes are also greatly affected by the power, autonomy and capacity of old ideologies and identities associated with inherited state structures that have been underestimated, undervalued, or ignored in these more prescriptive approaches to change (Cairns 1988, 1995; Nordlinger 1981; Pierson 1994). These different conceptual frameworks provide a convenient way for approaching the history of struggle over the integration question in Newfoundland and Labrador.
Disagreements Over the Nature and Effectiveness of Regionalization

From the start, governments and citizens in Newfoundland and Labrador have been haunted and divided by different, but in many respects, similar debates over the integration question over time. During the earlier Canadian Confederation debates, and again in 1949, questions were raised about how integration and modernization would influence self-reliance, local traditions and future patterns of socio-economic development.

Complicating matters further, from the start, there was a clear attempt to roll the new province closer towards the Maritime orbit with the intent of making it easier to acquire the values of industrialization and become a full partner in the Canadian economic and political system. Much of this was based on the premise that old economic traditions, cultures and rural settlement patterns had to change based on the diffusionist models and best practices constructed and defended in critiques developed by modernization thinkers. The integration issue has resurfaced again and again and has been fought at different times and in dissimilar policy fields. Viewed this way, it is easy to see why selling the idea of integration whether in an era of nation-centred modernization, or globalization has proven to be a difficult challenge.

The regional integration struggle that first emerged in the province in the 1950s, and has gone through various battles since, provides an opportunity for us to better understand the forces of integration and disintegration in the province and the internal and external constraints which have inhibited structural changes in the past. With this in mind, the paper examines various questions related to the regional integration option:

$ arguments for and against regionalization;
$ inhibitors and facilitators of regional reform;
$ effectiveness of existing regional intergovernmental processes-institutions; and
$ the influence of the national context on the history of struggle over regional integration.

These issues are framed in a way that should make it easier to analyse and debate various options and approaches to integration in the future. These will be discussed in the conclusion.
Contest Over Regional Integration

Regional integration is a complex subject and there have always been conflicting views on the advantages and disadvantages associated with pooling sovereignty, merging provincial cultures, public-private institutions, and forging the kind of best policy practices and partnerships required to stimulate innovation and address cross-border challenges and opportunities. It is also important to note that the concept of Atlantic regional integration-cooperation has emerged repeatedly throughout history and been pushed onto the agenda by critics who assumed that restructuring issues were not being adequately conceptualized or addressed by the existing province-centred policy regime. These critics have tended to be academics but outside governments have, from time to time, also played an important role in the regional game. Clearly, because the intellectual champions of regionalism have never had the kind of independent, institutional base or structure that would make it possible to contest for power, or create new forms of knowledge, they have always depended upon others to push their cause, provide the data required for analysis, or disseminate information. Subsequently, their influence has come and gone in waves, depending on the political-policy context, interest and support of other policy actors and institutions.

Viewed historically, the regional idea can be linked to quite dissimilar eras of ideological debate and social reconstruction. As a result, the movement has been associated with very different assumptions and critiques that seem to have had little in common except for the fact that when circumstances changed there was increased pressure to reconstruct reality based on new values and not inherited province-based governance and decision-making systems. Consequently, we need to recognize that conceptual frameworks and political circumstances have changed over time, and so has the provincial government’s view of the Newfoundland-Maritime partnership. It is also important to recognize that regional integration as a concept has been applied in different policy-political contexts and can be thought of as a continuum that includes administrative, economic, and political union (Tomblin 1995: 4). Each of these ideas have been debated over time.

Observed this way, it is convenient to think of the idea of strengthening transborder regional cooperative regimes as being in competition with embedded provincial ideas, processes and institutions that have traditionally been relied upon to conceptualize problems and then construct priorities and solutions based on these definitions. As illustrated by Bradford (1998: 9-12), there are different views on state and societal autonomy and whether political and policy changes are inevitable when economic and social conditions change. Nor is there a consensus on the underlying causes of development and underdevelopment. Consequently, regional integration has remained controversial. Cross-border regional interaction and partnerships have lacked the kind of institutional organization, political support and incentive that would be necessary to achieve a regime change. At the same time, due to the importance of regional clustering in the new global economy literature (Porter 1990, 1991), and the increasing popularity of neo-liberal globalization critiques in the country and elsewhere (McBride 2001), regional integration remains a salient issue that cannot and should not be ignored or underestimated in Newfoundland and Labrador.
By conceptualizing the regional debate this way, we are in a better position to debate the merits of restructuring and best practices associated with regionalization. Rethinking lines and approaches, or restructuring usually occurs only during times of stress. Whether change occurs or not and the direction and pace of change is thought to be influenced by various factors, including: the capacity of the old regime to survive and meet new challenges; as well as the level of support that can be marshalled to defend the existing system, or, conversely, create a new one.

Restructuring, as one would expect, is not a smooth process. It involves stress because the policy regime is at stake and the outcome might include changes in values, structure, organization, power differentials and even identities which cannot be reinvented once they are replaced. These historical contests over Atlantic regionalism provide us with important critical insights on Newfoundlands’ place within the larger federation, as well as the political-policy constraints (inherited historical constructions) that have either inhibited or promoted certain forms of interaction and integration.
Modernization and the Quest for a New Approach

Since the 1960s, one of the great mysteries debated by political scientists was the survival of provincialism in an era of industrialization and modernization (Cairns 1988: 144; Gibbins 1982). Modernization theorists around the world had predicted that federalism was becoming obsolete and outdated. In Canada, the theory did not seem to work in practice and this stimulated much academic and political debate.

During this era, Canadian scholars on both the left and right, were highly critical of embedded provincial structures and practices, albeit for different reasons. Left-leaning critiques raised various concerns about how provincial structures and processes undermined opportunities to raise and mobilize class consciousness and political support for more progressive policies and political practices (Porter 1965). More recently, Bickerton raised similar concerns, from a political economy perspective, about how adjacent provincial structures and processes have inhibited opportunities for mobilizing the kind of broad regional coalition of business, labour and other interests that would make it much easier to meet new challenges and become more innovative, but in a way that would better serve the public interest and not just those of political elites (Bickerton 2001). Economists in their market-centred critiques have raised other concerns about the economic inefficiencies associated with smaller provinces and the extent to which provincial boundaries and federal regional policies since 1973 (when there was a shift away from Ottawa-dominated to province-centred General Development Agreements) have worked against economic integration-cooperation in both Atlantic Canada and the Maritimes (Lithwick 1982; Winter 1993; Courchene and McDougall 1991). They argue that underdevelopment has been a product of embedded provincial state boundaries and policies that have constrained market integration, innovation and adjustment. Feehan has contested the idea that there are, in fact, substantive economic benefits to be gained by Atlantic integration (Feehan 1993).

These debates over province-building sparked much interest and debate over state capacity and autonomy but there was never a consensus on the origins of or consequences of province-building. Consequently, different conceptual frameworks emerged to explain and debate the persistence of decentralization in an era of modernization-centralization. The issue of whether external socio-economic forces do or should determine political-policy outcomes was hotly contested. More economic-centred, modernization thinkers in the critiques they presented argued that boundary changes were inevitable, that unity and central planning was the way of the future for a modern economy - not disunity. It was proposed that it was a time to reconsider territorial boundaries based on new economic realities that made political and policy change inevitable. These market-based diffusionist assumptions were contested in critiques by institutionalists who suggested that state capacity and autonomy still mattered and should not be underestimated. State-centred arguments reversed the causal arrows and argued that the society can also be viewed as a product of state power and political construction or reconstruction. The cultural perspective presented the view that cultural traditions also needed to be considered in any restructuring exercise and economic logic does not always determine priorities and future directions (Bradford 1998: 11).
Others, who were informed by the dependency framework, further contested these market-centred assumptions that the best way to reverse the problem of underdevelopment was to simply give up local control over the development process and adopt the best practices constructed and disseminated by other competing modern-industrial societies (Alexander 1983; House 1986; Sinclair 1988; McDonald 1987; Summers 1994; Newell and Ommer 1999; and Cadigan 1995). Because these dominant ideas promoted by modernization thinkers were reflections of the experiences and territorial-ideological power struggles and constructions elsewhere, it was suggested that these posed problems for societies that had their own systems of knowledge creation and contestation to rely upon.

As one would expect, the strength of these inherited domestic structures and processes determined, to a certain extent, reform agendas and responses. In New England, for example, in the 1930s and 1940s, there was much pressure from the centre and other regions to adopt a more regional approach to flood control and industrialization. It was suggested that existing boundaries were inappropriate and incompatible for dealing with the new challenges and opportunities associated with a new era. Yet, understandably, it was never easy for the governors in Maine or Vermont to embrace an eco-regional approach that would have likely created more benefits for Boston and other cities in the south, while flooding tracts of land in the north. From where they sat, there was little political incentive to support these kinds of changes. Consequently, the approach took decades to institutionalize (Gere 1968).

Since I have already examined the history of struggle over the regional integration in some detail, we will use this as a reference point in responding to the Commission’s questions (Tomblin 1995; 2000; 2002). The purpose here is to simply summarize and overview these earlier findings.

Premier Smallwood’s initial response to the regional integration question indicated that he was open and flexible when it came to regional cooperation. The entry of Newfoundland into the Canadian orbit in 1949 created a number of political-policy challenges and it was decided that the Maritimes would be the model for the new province. Subsequently, there were efforts in the early 1950s for the premiers and business leaders to meet, discuss common problems, and when possible, develop common strategies, but on a voluntary basis (Tomblin 1995). The rise of the Atlantic Provinces Economic Council (APEC) in 1953 provided a way for economists to disseminate their market-centred critiques and pressure for change in a way that other scholars did not.

These activities did not amount to much, in part, because provincial institutions and orbits remained strong and regional ideas and structures were minimal at best. Nineteen fifty-seven was a pivotal year in the quest to bring about fundamental changes. First, equalization became a reality. Second, Ottawa was committed to the regional disparity problem. These policies were highly controversial in other parts of the country and while premiers in poor provinces welcomed the new commitment, there were also concerns about the direction of change that went hand and hand with this kind of external interference (Tomblin 1995: Chapter 3). Modernization theory, after all, forecast the demise of federalism and helped legitimize the destruction of competing systems of knowledge creation and policy learning, not to mention Ottawa’s spending power.
Initially, the federal government seemed to adopt a very aggressive approach and suggested that the Atlantic premiers must work together and develop common strategies. Since the new commitment to redistribution was not popular in other provinces, there was much pressure on Ottawa to bring about rapid changes quickly. The arguments of modernization theorists that provincial boundaries and existing practices had themselves caused the problem of underdevelopment provided fodder in this battle over competing visions.

Given the fact that there was never a clear academic or political consensus on the issue of regional disparity, or whether the underlying causes were internal or the result of external control and exploitation (Brodie 1990), it was predictable that there were going to be problems mobilizing sufficient political support for a regime change in a divided, competitive, federal system. Quite simply, as a result of equalization, and the power of provincial institutions, there was little incentive for the premiers to sacrifice their existing territorial and jurisdictional interests based on the arguments constructed and imposed by outsiders - despite outside threats and arguments that these institutions were unsustainable and contributed to the problem of underdevelopment in the first place. Despite various development and administrative problems, coupled with outside pressure, Prince Edward Island and Newfoundland and Labrador had little incentive to give up provincial status and put themselves in the same situation as Cape Breton or northern New Brunswick.

Faced with these circumstances, and faced with other problems as a result of resettlement, Term 29, APEC’s support for Maritime Central Airways as a regional carrier, among other factors, Smallwood’s enthusiasm for cooperation had dissipated by the mid-1960s. Consequently, he quit the regional club in 1965 and opted for a bi-lateral approach to intergovernmental relations thereafter (Conrad 1993: 424).

Despite forecasts by modernization thinkers about the inevitability of change, the Newfoundland Premier proved that provincialism remained a viable option. The battle over regional integration that intensified in the Maritimes proved also that it was a mistake to underestimate the power and capacity of executive-dominated provincial structures and processes.

However, opinion was more divided in the Maritimes and consequently, it took longer for provincialists to win the battle over territorial integrity. Initially, New Brunswick supported the idea of regional integration. Due to the restructuring that had already occurred as a result of the Byrne Commission report (which introduced the idea of Atlantica) and the Equal Opportunity Program, Ottawa had a strong ally in the quest to create new forms of knowledge and effort to erect a coalition around a new regional vision. The vehicle chosen to bring this about was the Maritime Union study that included a number of the same people that had previously been involved in the process of restructuring in New Brunswick. Another important factor, at the time, was the increasing threat posed by Quebec independence and pressure to deal with the problems this would create for the Atlantic region. Regionalization was one option considered.

The Maritime union report argued that the problem of underdevelopment was closely associated with provincialism. Hence, it was recommended that regime change was required. The authors of the report were greatly influenced by the European integration experiment and growth pole theory that was gaining prominence throughout the world. As a result, they
recommended that three new structures were required: a commission; a regional parliament; and premier<=council. Since Ottawa had also structured the Department of Regional Economic Expansion based on the urban-based ideas of growth pole theory, the regional movement appeared to be gaining momentum.

With evidence that Maritime public opinion supported a regional approach (Tomblin 1995: 93), the federal government, the media, other provinces, and various critics reacted by putting much pressure on the Maritime premiers to sacrifice their territorial and jurisdictional interests or powers. Even though the Premier of New Brunswick originally supported the idea of establishing a commission, Nova Scotia and Prince Edward Island never did. Despite this brief, impressive mobilization of opposition forces, they were still no match for the premiers in the long run. Regionalism lacked sufficient institutional support and even though the provinces were experiencing problems, and even with the problems posed by increasing Quebec and Western alienation, there was still not the kind of political-policy crisis that would have been necessary to force radical ideological-territorial changes in the federal system. In spite of the normative prescriptions promoted in various critiques constructed by experts and disseminated by external territorial-ideological competitors, the premiers acted to ensure that the status quo remained an option. That might also explain why there have been so few public opinion surveys carried out on the regional integration option since the Maritime Union study.

Consequently, the premiers decided that since there were benefits to meeting and promoting integration through various cooperative activities, the best approach would be to establish a premiers council only, supported by a secretariat. This way, the status quo would be preserved and nothing would change unless they all agreed. Predictably, the Council of Maritime Premiers was designed to defend and promote established territorial and jurisdictional boundaries and it remained the premiers’ show. The practice of meeting behind closed doors ensured that the premiers remained in charge and there were limited opportunities for regionalists who lacked the kind of political resources, and information that would have been necessary to construct a new vision, mobilize support behind it, threaten adjacent provincial structures or processes and then replace these.

As a result, in areas that were less controversial or highly technical, there were opportunities to establish joint agencies and work together. These included such agencies as the Maritime Provinces Higher Education Commission (for Post-Secondary Education); Atlantic Provinces Education Foundation (to coordinate planning and develop curriculum); the Maritime Provinces Harness Racing Commission; Land Registration Information Service; and the Maritime Municipal Training and Development Board. But even here, there were various political and administrative constraints that impeded efforts at coordination (see Tomblin 1991, 1995, 2000, 2002). As predicted by the Maritime Union report, the premiers did find it more difficult reaching agreements where issues were politically sensitive such as sharing of lottery revenues, constitutional issues, port development, shrimp quotas, transportation policy (and as evidenced in conflicts over the offshore, nuclear power, pipelines, and the inability to establish a energy commission in the late 1970s) - energy policy. In these areas, there was more competition than cooperation.

By 1973, Ottawa’s commitment to long-term planning and regional development had clearly declined as evidenced in the decision to launch a more province-friendly General Development
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Agreement (GDA) approach to regional development policy. Bloodied and wary from its near defeat in the early 1970s, the federal government no longer had the will or political capital to take on the provinces in the same aggressive manner. Regional disparity remained a mystery but the federal government faced strong provincial resistance and there was little political incentive to find solutions or carry on the regional fight. At the time, regional development policy had become an even lower priority. Consequently, the decision was made to change the system of finance based on a more province-centred GDA approach (Savoie 1986: 55). Thereafter, these actions reinforced provincial powers and the idea that the premiers should be most responsible for designing and implementing regional development policy. It was a pragmatic response, and also a sign of Ottawa’s inconsistency, lack of interest and inability to control future patterns of development across provincial boundaries. Province-building (or the quest to build institutions for the purpose of controlling provincial development patterns and identities) even if it did inhibit the kind of economic integration and planning considered vital by nation-centred reformers, remained strong in an era of modernization. In Quebec, the drive for modernization during the 1960s did not bring about the kind of increased convergence that had been predicted and hoped for by modernization theorists and the supporters of this model (Simeon and Robinson 1990: 122). These patterns were replicated in other provinces, including Newfoundland and Labrador.

The defeat of Smallwood ushered in a new approach to the regional integration question in Newfoundland and Labrador. In fact, there was a clear attempt to resist the idea of Atlantic Canada altogether. The new government came into power as a result of the mobilization of a new coalition of interests that opposed Smallwood’s model of development. It was an era known for its aggressive style of province-building when much attention was placed on taking advantage of the momentum associated with new development ideas, a new style of leadership dedicated to solidifying links with rural communities, and constructing a modern bureaucracy more capable of defending against externally constructed industrial visions (House 1986).

At the same time, the new Conservative government recognized the value and logic of being part of the Eastern Premiers and New England Governors transborder experiment that began in 1973. Even though this organization has never achieved very much with respect to accelerating integration or interaction of cultures, institutions or policy traditions across boundaries (nor was it ever designed for such a purpose), the governors and premiers always recognized the benefits of meeting on a regular basis to coordinate strategies and compare best practices. Along the way, this multi-state regional confederation has had to struggle with its own structural problems associated with incompatible objectives, different cultures, sub-national institutions, and structures. And these have made it very difficult to go very far in solidifying new forms of cross-border regional integration within the Northeast international zone to any great extent (Tomblin 2000).

On the Maritime front, the regional integration experiment continued - but at a snail’s pace and on the premiers’ trajectory. By 1979, the jig was up, and Ottawa had decided that the inability or refusal of the Maritime premiers to promote effective regional integration strategies and mechanisms, despite federal support and encouragement, provided clear evidence that province-building continued to be the political-institutional reality and reference point for new reforms. Consequently, the decision was made to no longer provide financial assistance for the regional experiment. The provinces were on their own as the status quo continued.
In the late 1980s, the regional idea was again forced onto the public agenda. The Maritime premiers came to recognize that the regional experiment had lost momentum at a time when transborder regionalism was becoming a more popular prescription in Ottawa, Quebec, Ontario and the Far West. There was renewed pressure to abandon old approaches and adopt new ones. Faced with new challenges that came in the form of globalization, debt, service-based economy and another national unity crisis, the decision was made by the Maritime premiers to hire Charles McMillan, an expert in economic efficiency and also a friend of Prime Minister Mulroney to come up with a new regional vision. Comparable to the earlier Byrne report in New Brunswick, the vision constructed by McMillan included Newfoundland and Labrador. Yet, this vision was informed more by the assumptions of neo-liberal globalism than Keynesian-inspired industrialization.

The McMillan report did, however, adopt a much more pragmatic, province-friendly approach than had been the case with the previous 1970 Maritime union study. This may have been partly a product of the narrower focus mandated by the premiers or reflection of a time when centralization was no longer seen in the same positive light. It also likely reflected the lessons of the past - that radical changes were more difficult to achieve than incremental ones. While the McMillan study lacked the kind of detailed analysis associated with the more controversial 1970 report, it repeated many of the same themes: such as the need to reduce trade barriers; lower costs; promote policy learning; and pool sovereignties. Much of McMillan’s analysis appeared to be based more on faith than analysis, but he never had the kind of resources that were made available to the authors of the 1970 report. As indicated by James Feehan, the McMillan report did not provide much evidence to support its claim that Atlantic economic integration would necessarily produce economic benefits (Feehan 1991). Feehan provided evidence to support his argument that such assumptions may, in fact, have been misguided (Feehan 1993).

As in the past, there was a clear attempt on the part of McMillan to create the impression that given the political circumstances facing the premiers, they would have little choice but to recognize the benefits of regional communities in a new global economy - but when the nation-state, not federalism, was said to be in decline. These new realities, it was argued, required a new commitment to working together on the Atlantic Canadian partnership, but this time on a more incremental basis. Given such assumptions about the benefits and inevitability of political-policy change, McMillan appeared confident that the combination of domestic and external economic forces would eventually influence all four provinces the same way and push them in a common orbit.

In the 1990s, even though modernization theory was replaced by a globalization discourse, and growth pole theory had been replaced by Michael Porter’s theories on the importance of regional clustering for a new economy (Porter 1990; 1991), some things had not changed. For example, the new neo-liberal global vision vying for power was also constructed externally and there was much outside political pressure to recognize and embrace a new regional model and approach to innovation and knowledge creation. For example, the 1993 Liberal Plan for Canada, clearly indicated that it was a strong supporter of the regional approach and planned on using this conceptual framework in addressing new economic challenges and for improving socio-economic conditions in the future (Tomblin 1995: 3). With the increasing popularity of transborder, continental approaches in Quebec, Ontario, Alberta, and British Columbia,
coupled with the rise of new conceptual frameworks that supported integrated regional strategies and approaches, Newfoundland and Labrador faced new challenges. On the other hand, as in the past, bringing these kinds of changes to fruition proved to be difficult as long as the regime survived and spatial-political tensions over the needs of the old-rural and new-urban economies survived intact.

These were difficult times. The combination of problems with the fishery, forestry, and other natural resource sectors of the economy in Newfoundland and Labrador, coupled with problems with federal-provincial debts, out-migration, and the threats posed by Quebec independence helped create a sense of political-policy crisis in the province. The political landscape also changed with the rise of a new style of political leadership. Clyde Wells was a critic of Peckford’s more decentralized, interstate, interventionist, old economy, dependency approach to viewing Newfoundland and Labrador’s place within the federation. His vision and priorities were influenced more by new economic theories as well as the need to strengthen national institutions in a way that would allow regionalism to be expressed at the centre (intrastate as opposed to interstate federalism). The new Premier believed that it was time for fundamental change based on new, more innovative ways of thinking. Consequently, he bought into the idea of Atlantic regional integration and interaction. Suddenly, as a result, Newfoundland and Labrador was back into the regional orbit.

Premier Wells was a reformer who was less supportive of embedded political and bureaucratic assumptions and was committed to rethinking provincialism and developing a new economic development strategy for the province. This involved preparing for the challenges of the new global economy and shifting power from the provincial state both downwards to the community level and upwards as well. In an effort to deal with the collapse of the old economy and fiscal imperative, the Liberal government reformed the education system, implemented a Strategic Economic Plan, promoted tourism, knowledge-based industries, and established 20 community-based economic zones. It is worth noting that it was a time when there was much interest in restructuring the public service and introducing new systems of service delivery and accountability based on the New Public Management (NPM) model.

Even though it was Margaret Thatcher who first pushed these ideas into the political arena, as indicated by Pal, while Ahe political roots of the NPM were initially in the conservative end of the political spectrum, over the last decade governments of every political stripe have accepted at least part of the message and have started to reform their internal structures and connections with social partners@Pal 2001: 192). It was a philosophy that called for greater market efficiencies, less government but also more civic engagement and democracy. Not surprising, these competing objectives were often in contradiction and created various problems and ADemocratic deficit@challenges for political leaders hoping to build the kind of political support necessary to bring about a regime shift. According to Paul Pierson, a leading historical institutionalist and expert on path dependency, however, there were even limits to what Margaret Thatcher could achieve (Pierson 1994).

In the Maritimes as well, the 1990s were a period of uncertainty and restructuring. With the decline in federal transfers required to finance provincial institutions, coupled with major changes in the underlying political economy, and the collapse of many rural resource industries and communities, suddenly, the idea of accelerating new forms of regional integration and
innovative partnerships at both the community and interprovincial level became more popular. With fewer political resources to sustain and mobilize provincial interests and issues, there was much pressure and discussion about the need to rethink old top-down, province-centred strategies. Moreover, in an effort to avoid political blame for declining public services, there emerged a pattern of devolving power and responsibility to the provinces and then to the community level.

In Newfoundland and Labrador, despite dwindling political resources, there was little evidence of the kind of political-policy changes that had been predicted by critics of the old provincial regime. As in the past, critics may have again underestimated the capacity of old ideas, processes, and institutions to survive, control forms of innovation and social learning, in spite of changing circumstances.

Regionalization as an idea remained popular but these reform experiments were constrained by adjacent structures. Within the province, for example, despite growing pressure to devolve power to the community-level and support from Premier Wells, the reforms actually achieved were rather limited in scope. Much of this may have been due to the fact that adjacent provincial structures and processes remained intact and there were insufficient institutional opportunities to contest their power. According to House, Wells, who was a critic of established processes and structures, made the mistake of not contesting these when there was a chance to do so and construct a different path (House 1999).

Ironically, these community forms of devolution also likely worked at cross-purposes with larger cross-provincial forms of integration and interaction. It seems logical that the more power is devolved at the community level and the more diversity that is created, the greater the challenge associated with implementing integration strategies across provincial boundaries. Coordinating services and strategies at the Atlantic level would be more, not less of a challenge, under such circumstances.

With respect to Atlantic restructuring and regionalization, initially there appeared to be much interest in bringing about new changes as a result of federal cutbacks and increasing popularity of the neo-liberal global model. This was reflected in various new regional initiatives, including a further reduction in interprovincial trade barriers, a new Maritime Development Fund, and an effort to find more innovative ways to coordinate trade promotion campaigns in places like New England. Despite these initiatives, however, very little had actually changed in policy practice or institutional form. Given concerns about the democratic deficit, and general lack of accountability associated with insular, executive-dominated intergovernmental processes, there were but a few brief attempts to bring legislatures and cabinets closer to the regional tent (Tomblin 1995; Bickerton 2001). Even though there were areas where cooperation was achieved, the provinces continued to be competitive entities.

The 1990s were a period of much contestation and uncertainty. Consequently, there was a clear attempt to build a powerful coalition of interests around the new neo-liberal, global ideas of people like Michael Porter and Thomas Courchene. Porter had previously been hired by the Business Council of Canada and the Mulroney government to question the viability of the old natural resource based economy and what was described as counterproductive practices and structures associated with the old redistributive, natural resource-dependent Canadian regime (Porter 1991). Courchene, who was one of the most respected economists in the country, also
played a significant role in pushing a new neo-liberal, techno-economic, *Aglocal@vision* that competed for power and influence. He argued that change was inevitable due to domestic and international changes and that even Ontario had little choice but to become a region-state in a larger continental-global economy (Courchene and Telmer 1997). It is important to note that Courchene was closely associated with the Ontario and Alberta governments. Thus these ideas had a major impact on political-policy discussions over future east-west forms of association and redistribution in the country.

These were challenging times for Newfoundland and Labrador - but conditions were not as bad as had been predicted by neo-liberal global critics. Even though there was a crisis with respect to out-migration and the health of many rural communities, there were still sufficient political resources, incentive and justification to continue along the same political-policy path. This lack of political-policy crisis likely influenced political-policy responses and strategies thereafter. Despite the collapse of the cod fishery, new species created other opportunities. In fact, overall, the fisheries was generating more wealth than it ever had, it was only being distributed differently. With offshore development, the Voisey’s Bay Nickel deposit and discussions over hydro development, the economic and hence political prospects for the status quo appeared to be improving. After 1995, even the national unity crisis appeared to have passed.

Another change came in the form of leadership style. With the decline of the sense of policy-political crisis, there were increased opportunities for adopting a more pragmatic political-policy approach to restructuring. Under these circumstances, Premier Tobin adopted a very different style of leadership. It was a strategy that blamed outsiders more than locals for the problems of underdevelopment. The new Premier was more of an insider, a defender of the status quo, and not a critic in the way that Wells had been. Operating in a period of greater optimism, there is clear evidence that the new Premier was less interested in change. Rather, whether at the sub-provincial, cross-provincial, or national level, Premier Tobin established a reputation of defending adjacent ideas (especially Pan-Canadian traditions of redistribution) processes and structures against external critics, other governments and companies like Inco. As evidenced in his support for Meech Lake, the new Premier supported the call to strengthen provincial government powers and institutions. At the community level, he made further decisions that likely weakened institutional support for a more regional model of community-focussed development that naturally threatened existing provincial structures or processes (House 1999). At the cross-provincial level also there was little evidence of interest in redefining governing policy paradigms or strengthening new regional forms of innovation. In fact, as evidenced in disagreements over offshore boundaries, lotteries and other territorial-jurisdictional issues, relations with the Maritimes were not very good. As a result, the tradition of meeting on a regular basis was not observed and the interprovincial experiment had, in practice, lost much momentum.

On a national front, Premier Tobin also established a reputation as defender of the old Canada against Courchene and other members of the neo-liberal global coalition, including Alberta Premier Ralph Klein and Premier Harris of Ontario. Tobin as both Premier and federal cabinet Minister went out of his way to challenge Courchene and other neo-liberal academics and politicians who had been critical of established practices, processes and boundaries. In
fact, he deliberately went out of his way to inhibit the rise of these ideas onto the public agenda (Alberta Report 1996).

By the year 2000, there was a renewed effort to sustain Atlantic regional cooperation but still on a limited, province-centred, hierarchal, behind-the-scenes basis. There were few opportunities to link communities within the region to any great extent or provide the kind of information or data required to assess the value of the regional approach. Subsequently, the decision was made to reinvent the interprovincial experiment. In an attempt to get things back on track and grab attention, Charles McMillan was again hired by the premiers to produce a new vision for the 21st century.

In *Focussing the Future: The New Atlantic Revolution*, McMillan provided an overview and updated summary for the premiers on domestic and global challenges, as well as an analysis of why current approaches were not working, and a new policy agenda for the future (McMillan 2001). As in the past, much of the analysis was constructed based on the assumption that in light of new challenges associated with limited government, new techno-economic trends, and changing public expectations, there was no other logical choice but to renew and strengthen cross-border regional structures, processes, and reforms. The recommendations included the need to strengthen the role and capacity of the regional secretariat; a new Education and Learning Commission; new initiatives in commercialization of research, procurement and electronic service delivery and finally, an Atlantic Canada Health and Technology Commission to deal with health restructuring challenges, opportunities associated with e-medicine and other new forms of innovation. With the health care system in a state of crisis, it was suggested that it made more sense to pool resources, promote policy learning, and work more cooperatively in this policy field - instead of competing for scarce resources.

McMillan again argued that there were compelling reasons to integrate and interact in ways that would create new forms of innovation, integration and knowledge. But these were, as in the past, based more on faith than concrete evidence. The response of the premiers was predictable. Operating in a political-policy context shaped by different cultures, processes, party systems, institutional traditions, systems of knowledge creation and very dissimilar economic and historical trajectories - where executive power is concentrated, meetings are held behind closed doors and the public agendas and information are dominated by competitive territorial actors who compete for power and resources, it is little wonder that there was little political incentive to disrupt existing province-centred systems of governance or knowledge creation. Given these political-institutional realities, there were limited opportunities for informing public debate or mobilizing the kind of opposition required to bring about significant political-policy change.

Consequently, as in the past, the new regional-expert vision proved to be incompatible with existing governance structures and processes. Subsequently, the kind of reforms introduced were limited in their scope and reflected provincial biases. While there have been renewed efforts to better coordinate strategies in health, education, energy, e-commerce and other new forms of integration and interaction, these have been constrained by adjacent provincial ideas, processes, priorities and established systems of implementation. Despite McMillan’s attempt to make a persuasive argument, there were clear limits on how far the premiers were willing to go in a regional direction. In fact, the strongest glue holding this partnership together was
again the desire to defend existing boundaries against outside attack. The fact that the strategy of conservative defiance has always been a permanent built-in feature of the regional game has naturally reinforced the territorial imperative. So long as the political game remains intact and there is both incentive and resources available to resist outside ideological attacks on the territorial and jurisdictional powers and traditions of the provinces involved in this partnership, the nature of the game is unlikely to change very much.
Patterns of Convergence and Divergence: Overview

Understanding regional integration requires an approach that is historical, comparative and socio-economic, but yet does not ignore the important role played by political factors and institutions in determining outcomes. As illustrated in our case-study, there have always been competing views on the causal factors that determine patterns of integration and interaction and the related issue of whether economic and political integration is a good idea.

For some, political-institutional changes are seen as inevitable when environmental changes occur. Yet, the empirical evidence does not clearly support the broader arguments constructed in the past by economic-centred modernization critiques, or more recently, neo-liberal globalization arguments that political-policy change is both inevitable or required when economic conditions change. On the other hand, there is evidence to support the claims of scholars who believe that governance structures and decision processes still matter and that environmental changes by themselves do not always produce fundamental shifts in approach. That is, politics and institutions play a role in determining state-society patterns of integration and interaction. Hence, it would appear that the province has always had some choice in the kind of mental map or vision that came to be relied upon to define and address new challenges.

Finally, there has never been a clear consensus on how economic and political forces interact and produce wealth and the best way to replicate innovation in other societies. Consistently over time, the contestation over the integration question and best economic-policy practices have been greatly affected by urban-rural cleavages, the political game, how political resources have been distributed within the province, as well as the kind of coalitions that have been mobilized around these. Whether in the era of modernization or neo-liberal globalization, these kinds of divisions help to explain the cautious and even inconsistent approaches to the regional integration question and economic development adopted over time.

Consequently, a broad variety of contending approaches have emerged and historically constructed in different economic eras in Newfoundland and Labrador in order to deal with and respond to the regional integration question. These were constructed to explain divergent patterns of development and underdevelopment. Over time, there have been very different views on whether it was a good idea to resist or embrace modernization, and more recently, neo-liberal global practices. Such divisions about whether it makes sense to replace embedded provincial understandings about core economic and social relationships with new best regional practices provide critical insights on why it has been difficult to effect these kinds of fundamental changes.
Effectiveness of Existing Regional Structures and Mechanisms

The regional structures that have been built and relied upon to deal with cross-border issues between Newfoundland and the Maritimes have created various dilemmas, paradoxes and achievements, as well as failures. Some critics have never seen the value of balancing regional unity with provincial diversity in the Atlantic-Maritime region and consequently they have promoted visions that are uncongenial to the principle of federalism. Yet, the fact that provincial governments have always had ways for defending themselves has helped to reinforce much counter-resistance and the rise of intergovernmental structures and processes that were carefully designed to make sure that the territorial and jurisdictional interests of each province were never threatened. The confederal, regional partnerships that were constructed based on the principle of unanimity helped to preserve the status quo. The fact that the regional integration debate has emerged repeatedly in both the western and eastern periphery areas of the country and came to be interpreted as being imposed by outsiders has not helped the regional cause very much either (Tomblin 1995).

Even if there were benefits to integration, the premiers were always in a position to resist change. The fact that modernization and globalization practices were designed to deal with urban challenges and opportunities created political problems. Yet, because the premiers had much control over the public agenda as well as sources of information, it was always possible to limit the power of critics who lacked evidence and influence. The only time these ideas mattered at all was when outside governments decided to use them to legitimize their actions. As we have seen, these episodes were rather sporadic and reflected the fact that regionalism lacked institutional form within the federation.

The kinds of tensions between institutional context and regional integration are not unique to Canada. In the United States and Europe also it has not been easy challenging or replacing existing national or sub-national boundaries or institutions with new regional ones, in spite of the ideas put forward by regional reformers (Gibbins 1982; Daniels 1988; Derthick 1974; Gere 1968; Gress 1996; Hooge and Marks 1996; Jones and Keating 1995; Pierce 1976).

It is also worth noting that the effort to manage problems of interdependence through these kinds of intergovernmental structures has received much negative attention by critics over the years. These criticisms have focussed much attention on the extent to which these structures and processes are insular, non-democratic, non-transparent, non-accountable, executive-bureaucratic dominated, inhibit public participation, and have made it very difficult to enhance policy learning, adopt an evidenced-based approach, or mobilize the kind of coalition required to effect change across jurisdictions (Nova Scotia, New Brunswick and Prince Edward Island 1970; Simeon and Cameron 2002; Bickerton 2000).

In spite of these criticisms, there have likely been benefits to meeting to discuss common problems. Even if the regional confederacy was designed to control the level of integration achieved based on the territorial and jurisdictional needs of the governments involved, and hence could never go very far along the integration continuum, there have still been benefits to working together on common problems. Besides, since the regional integration project was
as much a response to conditions within the federation as the result of a social movement, it became a convenient vehicle for responding to federal regional policy and improving the negotiating position of the Atlantic-Maritime provinces within the federation. Remarkably, this was achieved without sacrificing much provincial autonomy or capacity. As indicated by Bickerton, regional integration (as evidenced in the 1920s Maritime rights movement) could under the right circumstances result in the re-awakening and mobilization of broad support for a new model of social and political organization that extends across provinces. According to his analysis, whether this happens or not will depend very much on the strength of existing province-centred regimes. According to Bickerton, the continuing importance enjoyed by vertically-integrated political and bureaucratic mechanisms as the main means of acquiring or leveraging an inflow of resources discouraged the formation of strong horizontal linkages at the local and regional level, as well as cooperative, solidaristic and community strategies of coping with and overcoming economic and social problems. (Bickerton 2001: 59).
Federal Government’s Role as a Silent Partner in the Confederation

Even though there have been times when the national government, in alliance with other provinces, has pressured for new forms of regional integration in both Atlantic and Western Canada, other adjacent federal structures and practices, ironically, likely constrained and undermined these attempts at external policy interference (Tomblin 1995; 2000). Federalism by design makes it difficult to move in one direction. It is after all, a system based on both unity and diversity.

There is historical evidence that the federal government has, from time to time, embraced regionalization as a preferred option for Atlantic Canada, as well as Western Canada. Consequently, the centre has employed both the carrot and stick to pressure these kinds of behavioural and institutional changes. But Canada’s peculiar competitive, yet at the same time generous system of federalism, likely made it difficult to subdue or subordinate smaller provincial empires or unilaterally impose a regional vision from above. As a result of equalization and other features of a generous system of fiscal federalism that reinforced a competitive, bi-lateral, province-centred approach to development issues, the national state was simply never in a position to unilaterally impose its preferences or force the premiers to accept these kinds of changes. By design, federalism makes it possible and even encourages sub-national communities to choose their own paths. They are, by design, political competitors, and the game that has been constructed makes it difficult to cooperate.

Federal administrative and political structures were never specially designed to impede or promote regional integration. For example, even though there is a regional component to the system of representation in the Senate, these appointed officials represent their provinces at the centre, not Atlantic Canada. The system of appointment for the Supreme court, it could be argued, somewhat follows a regional pattern, but here too, justices are not expected to play a role in defending or reflecting regional interests and identities at the expense of provincial ones.

As argued by Pross, bureaucratic structures are organized on functional, not strictly territorial lines (Pross 1993). Even the Department of Regional Economic Expansion (DREE) operated for the most part on a bi-lateral basis in the early 1970s, and the decentralization of DREE involved a large scale transfer of decision-making authority to provincial offices, which had full responsibility for all stages of programs from research analysis to program formulation and implementation, and thence to evaluation and revision (Savoie 1992: 57). There are various examples of shared regional systems of governance and accountability within federal organizations where specialized services, such as Corporate Management or Human Resources are housed in different Atlantic provinces. These decentralized planning structures are designed to improve service delivery, not infringe upon provincial authority. With the possible exception of the Atlantic Canada Opportunities Agencies (ACOA), there is little evidence of a clear federal strategy of promoting a regional conceptualization of the national state. Nor is there evidence of a federal plan to contest and replace provincial boundaries and regimes.
In fact, a major constraint that has likely worked against regional integration involves the internal competitive institutional divisions within the national government itself and the coalitions that are built around these. These functional coalitions or policy communities include provincial government decision-makers (Pross 1993). The national government is not a monolithic entity and has been structured in a way that makes it difficult to promote and coordinate common approaches to regional economic development. These structural problems have made it difficult, politically speaking, to go very far in addressing regional inequities. Our competitive federal system and centre-peripheral structured economy has helped reinforce different perceptions on the causes of underdevelopment and what should be done to address these. On both an ideological and territorial basis, the country is deeply divided on development issues and this helps to explain why regional development has not been a big priority in Ottawa.

Federal regional agencies or departments in Canada have simply never had the kind of power, incentive, structure, or resources that would be required to impose a regional approach to development. Rather, these entities have been forced to compete with other departments with other agendas and priorities. In the end, this has likely undermined the effort to challenge existing province-centred ideas, processes and structures. As discussed above, various government programs (General Development Agreements) have, in practice reinforced, and at times, even encouraged competition among provinces. These kinds of regional development initiatives, may have in practice hindered economic integration and innovation across provincial boundaries. They have also likely made it difficult to challenge the power of other coalitions and policies that either have or continue to add to the problem of underdevelopment in the country.

Despite this, as evidenced in the Liberals Red Book, and a long history of federal financial assistance to encourage and reinforce regional approaches, structures, policies, and even new forms of knowledge-creation, Ottawa has repeatedly gone out of its way to force the regional issue. At times, these pressures have been rather aggressive and come across as blaming the victim. As we have seen, however, the federal government and other supporters of the movement have never been in a position to directly challenge the autonomy, political resources, or territorial ambitions of the premiers. Nor has the public been well informed and involved in this debate over the pros and cons of regional integration. They have, for the most part, been spectators and there has been little opportunity to mobilize public opinion in a way that would change the political game or the nature of the discourse. Since the federal government has always lacked the capacity to impose a regional agenda, so long as the provinces continue to have sufficient political resources and little incentive to integrate, the status quo remains the most likely option. Since there have always been benefits to meeting and experimenting through regional institutions, there would be no reason to end the regional linkages. If at some point these conditions change, however, there will likely be more incentive to embrace the regional cooperative model and build a coalition around it. Indeed, cuts in federal transfers have, at times, been legitimized as a way to force the kind of tough medicine that would make the poor Atlantic provinces more self-reliant.
Summary: Where Should We Go From Here?

There is no unambiguous right choice when it comes to the integration question. Rather, priorities will be determined, in part, as they always have, by broad societal decisions, ideological and institutional foundations that are relied upon to make choices. On the other hand, these domestic choices will also be greatly influenced by external influences and shifting political resources, or lack thereof. In the end, power will play a central role in determining outcomes as it always does. As we have discussed, political science provides different ways of thinking about state power and external influences. The fact remains that rapidly changing domestic and international conditions may bring about Atlantic integration by stealth and it might not be the result of some grand planning exercise. Unfortunately, this possibility is often trumpeted by external competitors who come across as poor winners has likely done more harm than good.

As a result, unlike Europe where regional integration debates tend to be more positive and progressive, the regional debate in Canada has been structured in a way that makes progress and cooperation across boundaries very unlikely. On the other hand, the context in Europe is quite different and these differences need to be taken into account when comparing regional integration experiences.

Despite this, we have relied almost exclusively upon government structures and systems of dissemination that could very well be hindering the kind of collective efforts or adjustments that may eventually benefit everyone in the region. The problem is that we have never had an informed public debate on the benefits and costs associated with an approach that is less territorial and more cooperative, coordinated, and functional by nature. As we have seen, the institutional and political context may have contributed to this situation. When compared to Europe, academics and party leaders in Atlantic Canada have paid less attention to conceptualizing and discussing the potential role of regional communities within a global economy.

Despite much renewed interest in regional governance around the world, and a long history of Canadian attempts to strengthen the role of regions throughout the country, unfortunately, we have continued to rely upon approaches that make it very difficult to produce the kind of evidence required to properly assess the pros and cons of regional integration. Politically speaking, the game has been organized in a way that reinforces political competition and different orbits. As one would expect, there are still divided opinions on the advantages and disadvantages of different forms of integration and interaction, who the winners and losers will be, and what, if anything could be done to address these imbalances. Perhaps the biggest problem with the debate so far is the way it has been structured.

From the beginning, this debate has been organized in a way that diverts attention away from more evidence-based approaches. The regional game has always been designed to defend and promote the status quo. And because the sustainability and value of existing provincial jurisdictional and territorial boundaries have consistently been challenged by aggressive regional reformers with their own agendas, the response has tended to come in the form of defensive conservativism. That is, there has been a clear strategy of seizing control of the
regional discourse and making sure that there are limited opportunities for constructing and then institutionalizing new ideas, coalitions and forms of innovation which posed a threat to the old regime. Even the few studies that have attempted to deal with new challenges and opportunities have tended to be crafted or framed to reflect pre-existing provincial biases rather than on the basis of knowledge constructed to reflect both scientific and community concerns and based on evidence. It is time this trend was reversed and there were increased opportunities for a more critical and open public debate. This will require an approach that no longer relies upon unproductive political divisions that inhibit the formation of new kinds of knowledge and partnerships that could prove useful for addressing new challenges and opportunities. As argued by Pal, with the rise of new policy instruments and increased pressure for more accountable and transparent systems of public decision-making, greater emphasis has been placed on constructing new, more evidenced-based forms of knowledge and challenging old monopolies and sources of power (Pal 2001).

The history of struggle over Atlantic integration illustrates the problems and divisions that have made it difficult to properly assess regional approaches and strategies. In the old resource-based economy this may have been a logical response, however, in a more service-based, global economy, especially if federal redistribution continues to decline based on the increased power of global neo-liberalism, the political-policy outcomes may, in time, come to be much more negative. Resource endowment and increased provincial control over these kinds of resources, while still a popular option in the province, may, in fact, prove to be less and less important over time, as evidenced in shifting demographics. To be sure, there is evidence that Clyde Wells’ concerns about the lack of high-tech knowledge creation and innovation associated with old regional development policy practices were valid then and even more valid today (McGuire 1999; Atlantic Progress 1999).

Even though there are signs that Atlantic Canada is adjusting to new challenges and forces driving economic development, the region still has a long ways to go if it wants to catch up. It is open to question whether the current competitive province-centred systems of labour training, human resource management and post-secondary education are the best choices for success in a very different political game. For example, in the area of research and development, the Atlantic region is clearly falling behind the rest of the country (AAU 1999). Ottawa’s new commitment to rewarding the best Canadian researchers and universities evidenced in programs like the Canada Foundation for Innovation, and Canada Research Chairs, rather than dealing with equity issues, has added further to the disparity problem (CAUT 2000). The question arises whether we could be doing better cooperating rather than competing and working at cross-purposes. In fact, there is much evidence that the federal government is aware of the problems that have been created and would support a more regional approach to research and development.

The intent of this discussion was to shed light on a complicated territorial-jurisdictional struggle, how it has changed over time, the processes and mechanisms that sustained the issue but also worked against effective integration. Regional integration is a complex issue and there are competing views on the likely outcomes that would be generated. In the end, the prospects for regionalization and the objectives to be served will be determined not only by the environmental context, but also by factors such as leadership, systems of knowledge creation, institutions and the kind of coalitions built to effect political change. Since there appear to be
benefits associated with the provinces working together on an intergovernmental basis, this trend should continue.

However, effective policy development also requires better understanding of what we have built, the influence of existing structures, processes, public expectations on integration debates and inter-provincial forms of cooperation. Understandably, changing these reform processes will prove difficult unless or until there is a major political-policy crisis and the old regime collapses and is then replaced by new ideas, processes, and structures.

A better approach might be to find a more innovative way to partner and work together in developing new common regional strategies. This could be done in a way that might help build public support for new reforms and ensure the communities themselves are better informed and directly involved in the policy process.

We have created a situation where the defenders of the old regime are boxed in by adjacent structures, processes, and public expectations, and these may be constraining new forms of innovation and knowledge-creation. As uninformed spectators, the public has little incentive or opportunity to question old approaches or pressure for structural changes. At the same time, external ideological-territorial competitors have been pressuring for changes. These internal and external influences have worked at cross-purposes and this has likely made it even more difficult to introduce new reforms.

Perhaps the best way to break this cycle is to find new ways to conceptualize and evaluate regional strategies - but in a way that would be more evidenced-based. Throughout the country, there are various examples of experiments (Howlett 2000; Pal 2001) that seek to break down old lines and find more creative ways for bringing citizens into the policy process. In our province, the idea of establishing community accounts, new public access points, and data sets is innovative and a sign of the times. These kinds of initiatives make a great deal of sense and offer a solution for the regional integration challenge.

It would appear that there is a need for a more independent needs-based approach to the regional integration question. Given the dominance of and power of the old province-centred regimes, meeting new challenges and ensuring citizens are well informed will require new effective mechanisms capable of pushing new reform ideas onto the public agenda, analysing existing reform initiatives, identifying who the winners and losers are, and what can be done to improve overall performance.

From my perspective, what is required is a permanent independent regional commission designed to engage citizens in the province in a debate that is less divisive, less elitist, and more productive. There is a growing need to assess outcomes associated with both sub-provincial and cross-provincial experiments in regionalization. Unless or until we adopt such an approach, it will be difficult to mobilize the kind of support, knowledge and leadership that would be required to respond effectively to the challenges of regionalization and restructuring and make the right choices. It is also clear that there will never be a clear public understanding of what is happening, the objectives being sought through regionalization, who is pushing the idea onto the agenda and why. Nor will there be much opportunity to examine some of the positive outcomes associated with this choice of policy instrument. Besides, even if a consensus emerged that the regionalization model was inappropriate for the province, we would still need
to construct the counter-arguments required to challenge the ideas that are likely to be imposed by external homogenizers in the future.

As we have seen, while regionalization was first viewed by many as a political construction of modernization theory and more recently neo-liberalism, such views have ignored more progressive models of regionalization and the potential for creating new forms of integration and interaction that could perhaps help develop better strategies for future community prosperity and health. Since it would be hard to deny that regionalization is a salient issue and hence matters, it is clear that it merits serious public consideration. It is time for Newfoundland and Labrador to challenge the monopoly of various academics and political elites over the regional discourse. This could be accomplished by the creation of a structure that would allow us to take ownership of the regional issue, or at least make it possible to challenge external forms of stereotyping that may, in practice, work against the rise of more positive forms of integration and interaction. What is required is an approach that takes power away from cultural imperialists but without at the same time destroying the possibility of regional cooperation.

To be effective, any new institution would need to have the kind of capacity and resources required to challenge old monopolies and mobilize the kind of coalitions that would make it possible to deal with new challenges and responsibilities over time. If a new commission linked decision-makers, researchers and communities in ways that would make it possible to focus more on common values, best practices and outcomes - and less on stereotypes - we would all be better served.
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