

Liberalism and Illiberalism in the Rules-based International Order: Navigating Their Co-Existence in Canadian Policy and Practice

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Scholars, journalists, activists and political leaders have long questioned the extent to which “liberal” approaches, policies and practices, domestic and international, are embraced or critiqued. In the current moment we are witnessing pointed critiques and ominous predictions that moving away from liberal conventions, or what is more often referred to as “illiberalism,” threatens to destroy the rules-based international order (RBIO). After the global financial crisis of 2008 (and, we would argue, in response to it), the question of whose interests are represented by the RBIO has surfaced, even within states that have been at the centre of that order. For example, in the United States and the United Kingdom, winning political campaigns have centred on economic nationalism and moved away from the liberal trade agendas of the 1990s. What do these shifts mean for Canada? Are they a threat to the RBIO, or can states implement seemingly illiberal policies while also participating in a more liberal order? Have global crises, such as the COVID-19 pandemic, changed our perspective, and will we need to shift our approach?

Our team has been tasked with exploring the resilience of an RBIO in an increasingly illiberal world. Over the past eight months, we engaged in this project by reviewing academic and popular literature, presenting initial insights to representatives from Global Affairs Canada (GAC) and integrating feedback from GAC representatives, Balsillie School of International Affairs project supervisors and other faculty members. By way of collecting and

sharing our findings, this short paper will discuss the associations of the terms “liberalism” and “illiberalism,” the relationships between them, and their applications to and implications for Canadian international affairs.

To be clear, this paper does not define liberalism or illiberalism because there are no standard definitions. Further, as we will demonstrate, applying these terms uncritically is analytically and practically unhelpful. Instead, what is necessary is a clearer appreciation of the ways in which these labels are used to promote certain political agendas. That said, we find it useful to ground our analysis in the associations made when the labels “liberal” or “illiberal” are invoked. Our goal is to make connections to the theoretical understandings of these terms (or like terms). Along the way, we attempt to avoid falling into reproducing false binaries between liberal and illiberal policies and practices.

The end of World War II and the founding of the United Nations marked the beginning of a US-centrism dedicated to advancing a type of liberalism at the level of international institutions, systems and structures.¹ This type of liberalism sought to embed multilateral cooperation, coupled with domestic interventionism, into

¹ Nicholas Kitchen and Michael Cox (2019) claim that the post-war era was an opportune “system-making moment” through which the United States embedded its power into the structure of the RBIO.

the international order. Doing so helped to secure the interests of the United States and its allies as they emerged from a period of great instability (Ruggie 1982). As an American ally and a beneficiary of “embedded liberalism,” Canada followed suit.² Since the middle of the twentieth century, Canada has supported and maintained liberal values rooted in multilateral cooperation, international law, collective security, free trade and global governance. In this sense, Canadian foreign policy can be characterized as liberal to the extent that we value our participation in multilateral organizations such as the United Nations, our commitments to bilateral and regional free trade agreements (FTAs) such as the Canada-United States-Mexico Agreement (CUSMA), and our feminist approach³ to the provision of international development assistance, defence and security. These policies and practices are believed to deliver benefits for Canada by fostering multilateral cooperation, cultivating economic prosperity and protecting and promoting human rights. Indeed, pursuing these policies and practices, and securing their associated benefits, has been identified as a priority for GAC, as stated in their objectives of advocating for inclusive trade in FTAs, eradicating poverty and crafting and implementing feminist policies (GAC 2019a). Here, Canada, a middle power, uses liberal policies and practices to bolster its position and status in international affairs by aligning itself with other liberal Western states and liberalizing non-Western states.⁴

However, the benefits of Canadian liberal policies and practices generate inconsistencies and contradictions that are not always easily reconciled. Oftentimes, these benefits produce tensions and conflicts that prioritize some values associated with liberalism over others. As a result, not all values can be upheld at once, and further, some values become compromised in favour of others (Gray 1996). A well-studied conflict lies in the present reality that prioritizing trade liberalization often leads to compromising human rights. For example, although Canada’s Feminist International Assistance Policy is explicit in its goals of fostering “rights-based, open and inclusive societies, where all people, regardless of their gender, can fully benefit from equal participation in economic, political, social and cultural life,” these goals are compromised in FTAs such as the CUSMA (GAC 2019b). Specifically, while Canada has promised action on gender inclusion in “diplomacy, trade, security, development and consular services,” there is no chapter dedicated to it in the CUSMA (GAC 2019b). While there are certain provisions linked to gender issues, the absence of a gender chapter raises the following question: is Canada compromising its commitment to liberal values such as gender equality, in pursuit of economic benefit? Here, Canada risks perpetuating the undervaluing of women’s paid and unpaid labour and the violation of women’s rights both domestically and by trade partners. It is predictable that partners may not prioritize gender equality when concluding FTAs, but without a gender chapter — and with the emergence of “non-binding but compulsory” FTAs — Canadian trade policies and practices could easily be labeled as “in the national interest” and associated with illiberalism.

The term “illiberalism” has been used to describe a series of political, economic, social and cultural upheavals contemporarily associated with a surge of right- and left-wing populisms, an increasingly nationalistic United States⁵ and United Kingdom, the projection of state power via border securitization, territorial invasions and occupations, and violence against women, religious and

2 In a speech delivered to the Montreal Council on Foreign Relations on August 29, 2019, Prime Minister Justin Trudeau (2019) explains how Canada has come to be situated within, benefits from and is a champion of the RBIO.

3 After being elected in 2015, Prime Minister Justin Trudeau introduced the Feminist International Assistance Policy to ensure gender was at the forefront of foreign aid programs. This was considered to be progressive and a step in the rights direction. However, there is still much to improve on as gender essentialism can leave programs close minded while women and girls are not included in decisions that pertain to their education, position in the workforce, health, as well as the future of these programs if foreign aid assistance were to stop. Also, while describing the approach as being feminist, there are no documents explaining the type of feminism this approach derives from and some consider the term’s use as being a way to maintain a Canada’s relevance in mainstream politics.

4 In the context of the Washington Consensus, a pillar of the RBIO, Sarah Babb (2013) argues that although it is declining, it retains relevance because developing countries subscribe to it.

5 John Ikenberry (2017) contends that the RBIO is being threatened by one of its main architects: the United States. He worries that the country’s lack of commitment will lead to the RBIO’s eventual demise.

ethnic minorities and Indigenous peoples.⁶ However, it is critical to note that illiberalism has existed in the RBIO for decades. The difference between past and present illiberalism is that states now openly adopt and espouse illiberal policies and practices. This openness became apparent after the 2008 financial crisis, when some illiberal states seemed to recover faster than states that championed the RBIO. Given this discrepancy, citizens began to ask political leaders why they were adhering to an international order that benefited states in an uneven manner and often at the expense of their own national economies (Boyle 2016). While Canada was not spared from this questioning, two contemporary upheavals have been particularly consequential for our role in the RBIO.⁷ Specifically, an “America First” approach to American foreign policy has left the relationship between Canada and the United States, a relationship on which Canada is deeply reliant, increasingly fragile, at least in the areas of trade and diplomacy.⁸ Further, Canada’s relationship with

“non-liberal” China remains particularly tense amidst the unfolding extradition case of Meng Wanzhou, the arbitrary detainment of the “two Michaels” and China’s previous bans on Canadian exports of canola products and meats.⁹ Currently, given the onset of the COVID-19 pandemic and the public health advantage of tracking cases to control the spread of the virus, state practices of population surveillance, social control and tighter borders suggest that illiberalism is a readily available and even to some desirable option for states such as Canada.

Canadian foreign policy and practice has held that illiberal trends threaten the benefits that Canada derives from its participation in the RBIO, as these trends foster a world

in which balance of power politics drive international relations. In this world, military and economic might dictate international political processes and outcomes, alongside and in spite of the liberal values of cooperation and collaboration ostensibly upheld in the existing RBIO. The survival of a middle power such as Canada is not guaranteed and Canada has had to accept that it relies on the RBIO for its security and prosperity.¹⁰ However sound this analysis may be, Canada nonetheless benefits from engaging in both liberal and illiberal policies and practices in accordance with its interests. The case of the CUSMA provides compelling evidence.

Canadian citizens benefit from FTAs and corporate practices that provide us with cheap consumer goods, but that also, wilfully or not, ignore the inhumane working conditions of millions of workers around the globe. By protecting and multiplying the wealth of Canadian corporations, Canada also engages in illiberal practices. A clear example lies in the Barrick Gold Corporation and its mining activities. With operations in the United States and Mexico, and headquarters in Canada, Barrick Gold should follow the guidelines laid out in the CUSMA. When drafting the FTA, Canadian and American legislators sought to include new labour provisions that would include higher labour standards for Mexican workers. At first, Mexican legislators were wary of these provisions, but after being promised Canadian assistance in their implementation, they agreed (Webber, Politi and Badkar 2019). However, the Working Group on Mining and Human Rights in Latin America (2014) submitted a report outlining the negative effects of Canadian mining on the miners and Indigenous people of the region, including “forced displacement,” “community division,” “criminalization of social protest,” “violent deaths and serious injuries” and “health consequences.” All of these issues remain unresolved, and in this way, Canadian corporations, including Barrick Gold, continue to benefit from illiberal practices at the expense of workers and populations within developing countries party to seemingly liberal FTAs.¹¹

6 We reviewed numerous sources detailing the economic, political and social manifestations of illiberalism:

- A publication from CIVICUS (2019) discusses the implications of illiberalism for global civil society.
- An expert panel convened by the Council on Foreign Relations (2018) debates the rise of illiberalism in democracies.
- Anthony Messina (2010) explores the perpetuation of anti-immigrant illiberalism in Western Europe.

7 The implications of illiberalism for Canada are elaborated in a conference report by the Canadian Global Affairs Institute (Hadley, Li and McClelland 2019).

8 Jasmin Habib and Michael Howard (2019) discuss how populist nationalism has informed American domestic and foreign policy.

9 Michael Petrou (2020) suggests that Canada is becoming more aware of the threats posed by China to Canada and to the RBIO.

10 In a report for the Canadian Global Affairs Institute, Eugene Lang (2019) considers the challenges and opportunities of Canadian middle power status.

11 Brandon Garrett (2014) argues that corporations are not held accountable for their actions because of their importance in the world financial system, and he asks whether contributions to the global economy are more important than national laws and regulations.

Thus, it is evident that there are inherent tensions and conflicts within the associations of the term “liberalism.” Illiberalism, then, should not be imagined as simply its opposite.¹² Accordingly, Canadian foreign policy and practice cannot be described as conforming to either liberal or illiberal values, nor are Canadian policies and practices necessarily an indication of its commitment to a liberal versus illiberal international order.¹³ Moreover, Canada can execute and espouse both liberal and illiberal policies and practices at the same time, and it can do so while maintaining its participation in and reliance on the RBIO.¹⁴ The degree to which Canada adheres to liberal or illiberal policies and practices should be understood not within the context of its rhetorical commitment to the RBIO, but with an eye to its need to exercise economic independence and defend national sovereignty.

The foundational promise of the RBIO is perceived to be one of global benefit- and burden-sharing, economic, political, social and cultural integration and democratic decision making. As we have demonstrated, this promise has achieved uneven benefits between states, but in the context of Canada, this unevenness is also experienced domestically. Because of the ways in which Canada identifies itself as a champion of liberal values internationally, and for other reasons, its domestic illiberal practices may not always be evident. In fact, domestic illiberalism can be masked with international liberalism.¹⁵ For example, in the case of Indigenous peoples in Canada, it is hard to find scholars in the field of international relations who recognize the significance of the Indian Act and the fact that it authorizes the federal government to issue qualifying citizens an Indian status card, allocating limited provisions in the form of, for example, federal tax exemptions (Government of Canada

2020).¹⁶ Unfortunately, while these provisions have long been misapprehended as forms of compensation, Canada is only in the beginning stages of truth and reconciliation for the injustices long endured by Indigenous peoples.¹⁷ “Indian status” still remains deeply rooted in assimilationist objectives that empower the government to police Indigenous identities (Joseph 1991) and, of course, their lands.¹⁸ This policing persists even though Canada has become a signatory to the United Nations Declaration on the Rights of Indigenous Peoples.

It is also important to recognize that the engagement of the Canadian government and other Western states in illiberalism has not gone unnoticed. To the contrary, illiberal practices have been met with liberal responses on the part of the free press, industry- and sector-specific groups and civil society organizations. For example, in Canada, protests by Wet’suwet’en hereditary chiefs and community members, as well as Indigenous and non-Indigenous allies, are rooted in liberal claims to property ownership, resource use and human rights. They are articulated within an illiberal context of police and military violence, environmental exploitation and corporate greed. While these clashes with the Canadian state unfold domestically, they are also mirrored internationally, as we noted in the above example of Barrick Gold.¹⁹ Canada is thus both a liberal and illiberal state. It professes liberal interests in trade, but falls back to claiming national interests when it comes to the rights of Indigenous peoples. If Canada wishes to be a liberal champion of the RBIO, it needs to prepare for liberal uprisings in response to its own illiberal policies and practices.

Bearing these dynamics in mind, we argue that the RBIO can retain its relevance in an increasingly illiberal world,

12 Hans Kundnani (2019) cautions against perceiving liberalism and illiberalism as binaries.

13 Michael Desch (2007) draws out connections between the liberal tradition and illiberal policy making by exploring liberal illiberalism in American foreign policy.

14 In the separate but related cases of Brexit and the Scottish independence movement, X. Hubert Rioux (2020) argues that economic nationalism and trade protectionism can be exercised alongside economic integration and trade liberalization.

15 Clifford Bob (2019) illustrates several examples of illiberal policy and practice and reveals how liberal rhetoric is often used to push illiberal agendas. Although he does not use the Indian Act as a case study, this example was selected for the purpose of this paper.

16 The Truth and Reconciliation Report (2015) in particular highlights the fact that the federal government had and still has the authority to determine the criteria for Indian status. The federal government could further veto band council decisions and remove chiefs and councillors.

17 The Royal Commission on Aboriginal Peoples (1996) suggests that reconciliation cannot be achieved by securing the restoration of land or by offering benefits to Indigenous peoples. Instead, reconciliation must be founded on a relationship of trust, purpose and respect.

18 The Final Report of the National Inquiry into Missing and Murdered Indigenous Women and Girls (2019) further demonstrates the ways in which the Indian Act is not representative of the voices or rights of First Nations women, but resides in a place of patriarchal privilege.

19 Hayden King (2017) reveals how Indigenous rights are not merely a matter of domestic politics but are actually a subject of foreign policy.

although, due to the trajectory of current international trends, the form that this order takes will depart from what has come before.²⁰ Just as the “embedded liberalism” of the post-World War II era has been plagued by a series of inconsistencies and contradictions, the liberalism of today is equally challenged by and bound up with illiberalism.

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²⁰ In the area of human rights, the RBIO is predicted to remain resilient (Thompson 2018; Petrusek 2019).

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