

Book Review

G. Bruce Doern and Christopher Stoney, eds.

Research and Innovation Policy: Changing Government-University Relations.

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Alas, the fathers of confederation were not wholly prescient. Among the comparatively trivial powers they allowed to the provinces were control over municipalities, health and education. Ottawa, by contrast, took hold of the hefty areas of weights and measures, money and banking, criminal law and fisheries.

I wish to begin with two simple, but I hope not overly simplistic, generalizations about the political economy of Canada.

The first is that the American Revolution created two countries: the United States between the *Declaration of Independence* in 1776 and the first ratifications of the *Constitution of the United States* in 1789, and Canada almost a century later. Canada, of course, took a painstakingly long time to finish the job, having been “dominionized” in 1867, but only having sorted out a more-or-less permanent and fully patriated constitution in 1982.

From the outset, the USA was “liberal” in its distrust of government and its embrace of change. Ideologically, it was and remains largely the ideological offspring of English philosopher John Locke. Its overarching political principle has been fear of government, which it recognized as necessary, but sought to limit to decentralize and to enfeeble, except for reasons of law enforcement and national security. As a result, American federalism allocated all authority not explicitly given to the central government to the “sovereign” states. Likewise, through the separation of powers among the executive, legislative and judicial branches, its central government was consciously designed to be everlastingly at war with itself.

As the preindustrial community of plantations, family farms, small merchants and artisans grew into a mighty technological empire – the largest to date – the original ideas of the republic changed. Powerful financial, commercial and manufacturing corporations have made “free enterprise” and “the American Dream” of unfettered upward mobility something of a cruel joke. In the process, Washington became the focal point of domestic policy during the administrations of Franklin D. Roosevelt and the executive came to dominate foreign policy as well. So, critics such as Gore Vidal hold that President Truman’s 1947 signing of the *National Security Act* put an end to government of, by and for the people, and initiated the “national security state” and the state of “perpetual war.” This view, already taking shape in the 1960s, led in 1973 to the title of historian Arthur Schlesinger Jr.’s book, *The Imperial Presidency* (rehearsed in Andrew Rudalevige’s 2005 volume, *The New Imperial Presidency* and given credibility when Vice-President Dick Cheney publicly articulated his “unitary executive theory” of government which sought to justify the concentration of unlimited and unaccountable power in the presidency.

Canada, when its evolution into independence was given partial form by Confederation in 1867, took its lessons from the widely despised and deeply feared democratic republic to the south. Canada began and remains a constitutional monarchy. It chose to have a strong central government with an executive-dominated parliamentary system and a weak judiciary. The

federal government took what it thought were the most important powers unto itself, and kept all residual powers as well. Canada, it was believed, would not make the same mistakes as the US had done. Ideologically it resisted American liberalism and embraced a more conservative perspective. So, it preferred the social harmony to individual liberty, obedience to freedom and a benevolent sovereign to what it saw as mob rule. Above all, in view of its duality of founding French and British colonial communities and the potential for conflict between them, it did not want to collapse into a disastrous civil war.

Alas, the fathers of confederation were not wholly prescient. Among the comparatively trivial powers it allowed to the provinces were control over municipalities, health and education. Ottawa, by contrast, took hold of the hefty areas of weights and measures, money and banking, criminal law and fisheries. As it happened, however, by the turn of the 21st century, urban development, medical care and education take up most of the combined public budget, whereas the fisheries are in rather desperate trouble and the crime rate is dropping. The problem? The federal government has the greater share of the power of taxation, while the provinces have the responsibility for providing the most expensive services. So, a predominant theme in Canadian history has been the shapeshifting of governance, the improvisation of federal-provincial relations and the science of muddling through. The implications of this constitutional confusion comprise the legal and political circumstances in which the Doern and Stoney's anthology are played out.

The second generalization concerns what economist Kari Levitt has called the "silent surrender" of the Canadian economy. Beginning with a dominantly mercantile economy dependent mainly on natural resource extraction, agriculture, trade and finance, Canadians had hoped that, after a period of growth protected by high import duties, domestic manufacturing industries would become increasingly efficient and would expansively contribute to a well-balanced, robust and prosperous Canadian economy. Growth and prosperity came, of course, but the much touted "national policy" with its tariffs in aid of local industry was rapidly outmaneuvered when the US deployed massive direct investment, bought up existing Canadian firms and established wholly owned subsidiaries of parent American companies. By some estimates, Canada's foundation as a "branch-plant economy" had been put firmly in place as early as 1914.

The result was that both the plan to have a strong central government with authoritative national policies, and the hope for an autonomous industrial sector gradually dissipated. Accordingly, at the turn of the millennium Canada did not excessively want for material well-being, but its cultural, social, political and economic life was mainly melded with those of the USA. It is true that in the early 1970s, a brief show of "nationalism" gripped a portion of the New Democratic Party, but it was firmly purged by the party establishment. It is also true that the last vestiges of conservative nationalism were not extinguished until the departure of Prime Minister John G. Diefenbaker in the mid-1960s, and that intimations of autonomy even rose to the lips of an occasional Liberal especially in the late 1960s under Liberal Finance Minister Walter Gordon and in the late 1980s shortly before the signing of the original Canada-US Free Trade Agreement.

Such voices, however, have become distant, hollow and somewhat embarrassing memories. In their place, continental integration has been vigorously championed by Canadian business interests as advanced by the Canadian Council of Chief Executives and their ideological supporters, notably the Fraser Institute. Except in small and remote regions of the Canadian political culture, it has been accepted as inevitable. Harmonized policies related to security, the

economy, the environment and even social programs have become assumptions rather than fears. The Prosperity and Security Partnership, an ongoing and almost entirely unreported set of discussions among Canada, Mexico and the United States carries on apace. Painfully ironic is the fact that the Conservative Party, which dominated federal politics in the nineteenth century with a sometimes open and sometime hidden contempt for the United States of America is now proclaiming that it can do nothing about key policy areas until it sees what the USA intends, and that once American policy is made clear, Canada has no choice but to imitate it.

An awareness of North American economic and cultural integration is also vital to a consideration of Doern and Stoney's book. Their subject is the financing and administration of research and innovation in Canadian universities. This relationship is intimately connected to the evolution of Canadian postsecondary educational institutions and the role they play in research and development, for the subservient status of Canadian business frames the debate about research and innovation and the federal government's role in it.

I first met Bruce Doern in 1972, when he was kind enough to spend some "quality time" with a group of college students I had brought to Ottawa on a field trip to conduct research on Canadian public administration. Since then, he has amassed an extraordinary record of teaching, research and publishing at Carleton University. In the past eight years alone he has written, co-authored or edited nineteen books on policy areas from international trade to nuclear energy. His current position as the Director of Carleton's Research Unit on Innovation, Science and Environment largely circumscribes his research work at present, but he has enjoyed a long and varied career engaged in the study of policy and process.

Christopher Stoney is no slouch either. An Associate Professor in the School of Public Policy and Administration at Carleton, he comes from the Tanaka Business School at Imperial College in London. He, too, is widely published in issues as diverse as the neo-liberal restructuring of the state, strategic management and corporate governance, employee relations and ageism, and he is currently involved in the investigation of public-private partnerships, mega-projects and infrastructure. Dr. Stoney is an award-winning educational innovator, recently rewarded for his "conversion of a hardware-intensive classroom multimedia setup to a user-friendly online content management system, using an open-source CMS."

Both editors know a great deal about the historical, political and economic background to the issue of research and innovation policy; they know a great deal about governance in Canada; and they know a great deal about the conduct and financing of research and innovation. Their book is a gem, both for what its contributors include and, paradoxically, for what they sometimes omit. *Research and Innovation Policy* explores the specific relationship between the federal government of Canada and Canadian universities since the early 1990s. The date is significant.

While most of the contributors' explicit attention is directed toward government as it influences university-level research and innovation through the deployment of various policy initiatives and the awarding of financial aid, the largely unspoken background of the economy is seldom far from their analyses. Doern and Stoney are keenly sensitive to this fact and fully aware that the larger capitalist context that chiefly defines the rules within which both political and academic players must conduct their very serious game, and their writers follow suit.

The editors begin with an admirable essay that presents a helpful "framework for analysis." It takes the form of an outline of key issues in which explicitly political considerations take on an importance not always recognized in treatises on government administration. Doern and Stoney

point out that there has been a monumental shift in research and development since the 1960s, when government was by far the largest funder of research, and industry contented itself with importing whatever technological innovations were financed, developed and approved by foreign corporate owners for distribution to Canadian firms. Since then, and especially in the past two decades, publicly supported research strategies have been in turmoil. Whether because of the Chrétien government's preoccupation with balancing federal budgets or because the appropriation of dollars for the bail-out of industries under Prime Minister Harper, government-led research in science and technology (S&T) has been under consistent financial pressure that has led to inconsistent and somewhat unpredictable fiscal policies regarding postsecondary education and research. At the same time, there has been a strong push for business-led research and the creation of research and innovation strategies to give "entrepreneurial advantage" to the Canadian private sector. To accomplish this task, emphasis has been placed on the establishment of Centres of Excellence in Commercialization and Research Programs. Universities and to a lesser extent, colleges, as well as research hospitals and government laboratories have been set up to become ancillary or substitute facilities in the interest of private sector expansion and profits.

Recalling earlier remarks about Canadian federalism, the editors show that "federal policy has staked out research, S&T, and innovation policy as its main constitutional entry points into university affairs, essentially through the use of federal spending power but also through a more generalized view that the federal government has the main responsibility for overall economic policy and prosperity in a highly competitive and knowledge-based global economy." This basic premise leads directly to a consideration of:

- High-level policy and conceptual discourse;
- Core policy values and ideas;
- Policy instruments and instrument mixes; and
- Institutional and government change.

The results are edifying, for they probe deeper into the cultural and corporate climate than most assessments of trends and conditions in public policy and public service.

The title of Allan Tupper's contribution, for example, is "Pushing Federalism to the Limits." It tackles not only what it calls the "uncoordinated entanglement" of federal and provincial institutions, but also draws attention to the unanswered questions of the purpose of education itself. Tupper observes that there is much talk about linking postsecondary education to labour markets and seeking out appropriate relations among governments, business and colleges and universities. This talk, however inspiring at working lunches and celebratory dinners, lacks connection to pertinent administrators, researchers and teachers – much less the general public. Anything akin to a consensus on national priorities and goals is generally cobbled together with little thought for a future beyond the next federal budget or the next election, whichever comes first. Add to the policy quandaries and perennial fiscal problems the competing and sometimes conflicting perspectives of the provincial authorities, and successful "muddling through" appears as a triumph.

Clara Morgan goes on to assess the relationship between funding and policy trade-offs by examining the roles of significant postsecondary stakeholders: the Association of Universities

and Colleges of Canada, the Canadian Association of University Teachers and the Canadian Student Federation. Hers is a somewhat hopeful tale. Given Ottawa's commitment to an innovation strategy announced in 2002 (see my 2003 review essay, "The Politics of Partnership in this journal, Vol. 8, No. 1), she rightly shows that the expertise which university-based advocates of university-level research bring to the table has promoted a relatively steady stream of money to "ideas, talent, infrastructure, and institutional support" which are "the four pillars of university research" according to the AUCC. At the same time, she calls attention to the historically problematic constitutional issue and points out that recent federal policies continue to "blur the lines of responsibility between the federal and provincial levels of governance." Of potentially more importance than keeping the cash spigot open, however, is the fact that federal funding arrangements have already set up circumstances in which chronically underfunded institutions that are reliant on government policies that are perceived to be erratic if not capricious has encouraged "increased involvement of the private sector in university research, increased competition among universities and academics, and the gradual distancing of the university from its core mission of serving the public interest" (whatever that might be and however it might be defined by whoever is in a position to provide the practical definition).

The bulk of the book (eight of its twelve chapters) apply the framework and, while ensuring that they are cast in *bas relief*, nonetheless make the ideology and political economy of sustaining innovation and research visible to the attentive reader.

The specific "policy issues, impacts, and relations" involving research and development in the past decade are singly fascinating and collectively absorbing for they highlight both the complications and the contradictions implicit federal government involvement and initiatives. Doern himself extends Morgan's work to discuss "core values" in the business of granting councils. Ensuring that federally funded research remains true to scientific principles of objectivity, social needs for utility and "small-p" political requirements for consistency with government policy objectives is a tricky business. This is especially so in Canada, where a defining core value is the "the dissemination of publicly funded research to serve Canadian society and business and commercial needs and goals. Débora Lopreite and Joan Murphy demonstrate then just how delicate a process this can be in their following analysis of the Canada Foundation for Innovation. The equating of society with business and commercial needs is just one of the problematic assumptions underlying government policy. When those business and commercial needs, including "achieving ... global competitiveness [are] linked closely to innovation as a policy paradigm" and administered through "New Public Management," the both procedural norms (how decisions are made) and substantive norms (in whose interests decisions are made) become seldom stated but nonetheless crucial concerns.

From this political-pragmatic-policy nexus a number of other concerns naturally flow. As government increasingly sees itself as the financial facilitator of private sector industrial and commercial research, Paul J. Madgett and Christopher Stoney show how the spirit of entrepreneurship leads to significant government support for those universities that are successful at commercialization." Seeing itself as a contributor to the "knowledge-based economy," federal agencies subtly and consciously influence the academic culture of universities which, in turn, become instruments of the private sector economy. That this transformation is accomplished effectively and equitably within the established parameters of democratic governance including the assurance of fair, accountable and transparent decision making is nonetheless leaves open some troubling questions. The appearance of the subordination of

intellectual activity to specific material interests – no matter how much they may be construed as socially responsible and economically important for the country – should give us pause.

The book continues to elucidate additional related themes. Malcolm G. Bird provides an insightful look into the question of the dissemination of knowledge and the protection of intellectual property in the context of a system progressively more engaged in technology transfer from the once-disinterested domain of “pure science” into the service of the vested interests of private corporations. Jeffrey S. Kinder adds a quietly provocative treatment of the “co-location of public science: government laboratories on university campuses,” in which he provides a balanced assessment of the pragmatics of research funding while remaining cautious about the implications for what Noam Chomsky, in a different context, called “the responsibility of intellectuals” to enhance the advantage of narrow political and particular economic interests. The fact that a consensus appears to be in place that conjoins academic, public policy, commercial trade and private industry ambitions and advantages is, itself, cause for concern.

This concern is addressed by Karine Levasseur in terms of the specific question of research ethics and the manner in which decision making has come to be conducted in the context of criteria for research and innovation investment that takes into account issues of local and regional economic development. Research collaboration and “co-op” programs involving education and industry are widely celebrated as being “win-win-win” ventures for students, researchers and private firms interested in what is now commonly known as “cluster development” – a process in which “universities perform vital functions both as generators of new knowledge through their leading-edge research activities and as trainers of highly qualified labour.” David A. Wolfe explains how “the two functions are integrally linked” and also “serve as magnets for investments by leading and anchor firms, drawing them into the cluster to gain more effective access to the knowledge base and local buzz.”

By the end of *Research and Innovation Policy*, we are persuaded that something profound is happening. Doern successfully sums it up in a concluding chapter. He addresses the undeniably symbiotic relationship between knowledge-generation and corporate profit. Given the costs of higher education, the universities are desperate for both private and public investment. At the same time, Doern insists that there are inherent tensions and conflicts between academic institutions, corporations and government. Educators and researchers, so to speak, must serve God, Mammon and Caesar all at the same time. Doern and Stoney have provided a solid basis upon which to think seriously about whether the results are approaching a trilateral Faustian bargain.

The questions are understated and subdued, but they are plainly in evidence for those with the wit and the will to take them up. The broad themes of political economy related to power arrangements arising out of ideological, constitutional and continental business development lurk like haunting specters in the background of each chapter. This is not a book that would aptly be entitled “the political economy of research and innovation policy in Canada.” That, however, would be a logical sequel.

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