Embedded liberalism in the global era

Would citizens support a new grand compromise?

The “COMPROMISE OF EMBEDDED LIBERALISM”¹ is one of the most powerful metaphors in international relations, offering a compelling story about the political foundations of international organization in the second half of the twentieth century. We understand embedded liberalism as a story about the basis for a multilateral international order, rather than the overlapping comparative politics story about domestic institutions aimed at facilitating adjustment to economic change.² The compromise between free trade abroad and the welfare state at home was one made by states in their own interests, but it was also made by citizens in industrial democracies prepared to accept the constraints of multilateralism in return for a more prosperous and peaceful world. Many scholars are concerned that the existing compromise as a constitutive rule for global governance is unsustainable in this era of globalization. John Ruggie worries, in contrast, that it may not be possible to “take embedded liberalism global” in order to integrate a


² On the latter, see Blyth, Mark, Great Transformations: Economic Ideas and Institutional Change in the Twentieth Century (New York: Cambridge University Press, 2002).
wider range of countries, institutions, and social actors. In this article, we draw on public opinion analysis to make inferences about whether the compromises embedded liberalism requires are still legitimate, and therefore if a new grand compromise for global governance is possible.

The compromise of embedded liberalism was not a grand decision sealed by a treaty, but an ongoing process first evident in the actions of state officials during the 1940s. This postwar international order may have been negotiated at the outset, but its continuing reproduction depends on the social interaction shaped by the compromise itself, which influences the attitudes of citizens towards global governance that are a necessary if not sufficient condition for the maintenance of strong international institutions. Embedded liberalism is not a fixed bargain about levels of social spending or tariff bindings but a dynamic commitment to allowing countries to be different within a multilateral framework. It is a compromise between the needs for universality on which a strong order must rest, and the needs for particularity that are inevitable in a plural world order. If it continues, it should shape how citizens understand their relations with the world, and that understanding should be observable in the responses citizens give in answer to survey questions about free trade, globalization, and the work of international institutions. As described more fully below, we conducted an opinion survey designed to probe how Canadians understand the political compromise between the efficiency of open markets and the security of the welfare state.

The usual narratives about the public’s response to globalization are problematic because they focus on individuals’ self-interest. But then why do privileged people in rich countries seem to protest the process that has made them wealthy? The dozens of articles that have speculated on the origins and political significance of the anti-globalization protests of the past few years mostly ignore formal research on public opinion. Many observers of the wave of street demonstrations take public protest as an indicator that citizens are hostile to trade, to trade agreements, to multilateral institutions and to globalization generally.


without much evidence. Our results show that taking protest as an indicator of public opposition may be misleading because, in many countries, citizens are not hostile to trade or trade agreements or international institutions, although they may be more uncertain about globalization.

The scholarly conceptualization of embedded liberalism depends on the notion of separable communities able to make their own decisions on the distribution of the costs and benefits of openness. Does globalization inherently undermine embedded liberalism? Although most citizens do not think in theoretical abstractions, they may well worry about the concrete manifestations of the process that Ruggie has described as the “unbundling of sovereignty.” If nothing else, sovereignty implies a community’s ability to decide who is in or out, but global interdependence means at minimum that citizens of the advanced economies are not living in isolation. Actions taken elsewhere have implications at home. Emerging debates around globalization are about more than liberalization, both procedurally and substantively, as trade policy shifts its focus from measures at the border (e.g. tariffs and quotas that affect prices directly) to domestic governance issues like social regulations (e.g. food safety or environmental standards). These debates engage individuals as citizens, and not only as workers, producers and consumers.

The original compromise of embedded liberalism rested on what Ruggie called, after Weber, “legitimate social purpose.” In the next section, we explain why we think that the continuing legitimacy of the compromise can be assessed using opinion surveys. In subsequent sections we show how Canadians reproduce the underlying values of embedded liberalism when asked questions about trade and globalization, and then we show the strength of their commitment to multilateralism. Canadians have been quite supportive of trade liberalization, and continue to be comfortable with an active role for international institutions, as long as the welfare objectives of the administrative state are maintained, and as long as globalization is not perceived to threaten valued objectives. In the penultimate section, we discuss the importance to citizens of what scholars call “input legitimacy.” We conclude that citizens would support efforts to craft a new grand compromise.
globalization are one set of such interactions. We assume that such interaction is the basis of global governance and that, therefore, the legitimacy of global governance will ultimately rest on the decisions of individuals. We make no statements about how individual attitudes translate into policy, but we do claim that individual attitudes are relevant for international relations. We would not dispute an argument that most Canadians would have few well-developed opinions about issues of globalization and international institutions. The issues are complex; they tend to be the purview of experts; they are not the subject of frequent discussion or news stories (except stories about protests); and elections and parties have not mobilized voters around these issues. Responses to survey questions may be random, with contradictory responses given to somewhat similar questions. Many respondents to our survey would not have a great deal of detailed knowledge about international issues, and were likely constructing responses to our questions, rather than recalling and revealing true, pre-existing preferences. Nevertheless, people have stable and internally coherent ways of thinking about collective life. Their beliefs about foreign policy do not float freely, without connection to their wider beliefs. Mass opinion is formed by latent opinion—that is, by widely shared preferences and values—not by the transient response to ephemeral events in the media. The public has policy goals, not preferred instruments. We think that understanding the way citizens use their values and ideologies to construct their response to the greater linkages with the world implied by globalization will be essential to understanding the political basis of global governance. Understanding mass opinion through surveys, therefore, matters for analysts interested in the boundaries of democratic legitimacy and for policy makers who want to understand what we have elsewhere called the “permissive consensus” that Canadian governments enjoy on trade policy.

Bear in mind that the compromise of embedded liberalism is an analytic construct. We cannot ask citizens if they still support something

5 We work within the assumptions of John Zaller in The Nature and Origins of Mass Opinion (New York: Cambridge University Press, 1992) and Paul Sniderman and Thomas Piazza in The Scar of Race (Cambridge, Mass: Harvard University Press, 1993) regarding the interpretation of survey results on issues on which respondents have not thought a great deal.

of which they have never heard, so we have to ask questions about the components of the compromise that will allow us to draw inferences about its legitimacy. The explicit compromise of embedded liberalism is between liberal trade and the welfare state. The implicit compromise is multilateralism, which requires an acceptance that decisions will not be made exclusively in the local community. We want to know if these two compromises remain legitimate. Our strategy was to ask three sets of questions. First, we contrasted questions about trade and globalization and then analyzed the reasons for the differing responses to see if Canadians would reproduce the values associated with embedded liberalism in their answers. Since they do, the next element in our strategy was to probe whether the implicit compromises between policy harmonization abroad and the administrative state at home are legitimate. We show that they are. Finally, we want to probe whether the processes of global governance have sufficient input legitimacy to be sustainable.

We executed our strategy in a survey of public opinion in Canada. Our survey instrument was administered by telephone to a random, probabilistic sample of 1298 Canadians between 21 February and 13 March 2001. The survey was conducted by le Centre de recherche en opinion publique (CROP), a major commercial polling firm. The Centre for Research and Information on Canada (CRIC), a research think tank, commissioned the survey; we collaborated on the questionnaire design. Up to 12 call-backs were conducted and the response rate was 62%. Data were then weighted by region, gender and age. We subsequently wrote a second wave of the survey using a panel design. The successful re-interview rate was 57%, for a sample of 744 for questions in the second wave. It was conducted between 20 June and 10 July 2001.7

Deciding which questions to ask is not easy.8 The issue is, do Canadians still support international openness? The problem is that

7 The Law Commission of Canada, through the Social Sciences and Humanities Research Council of Canada, provided funds for the second wave. For an initial report on the first wave, including provincial breakdowns, see Andrew Parkin, “Trade, Globalization and Canadian Values,” Centre for Research and Information on Canada: CRIC Papers 1 (April 2001). Frequencies for all questions from both waves are available at http://politics.queensu.ca/~mattmen, and data for replication purposes are available through the Canadian Opinion Research Archive http://queensu.ca/cora.

8 We explain our survey design in more detail in Mendelsohn and Wolfe, “Values and Interests in Attitudes toward Trade and Globalization: The Continuing Compromise of Embedded Liberalism,” School of Policy Studies, Queen’s University, unpublished ms., (August 2003).
“trade” is a constructed category, as is “globalization.” Its ontological status is ambiguous and its epistemological status is opaque. Traded services, for example, are famously things that you can buy and sell but cannot drop on your foot, which means they exist only as expert abstractions and can be seen only in measurements of transaction flows. To ask about the rules currently governing international trade would be even more ambiguous. We chose, therefore, to ask a question about support for “new trade agreements” generally. Because Canadians have had a highly publicized free trade agreement with the USA since 1989, this question should measure general attitudes toward the expansion of trade and trade liberalization. The concept of “globalization” is more difficult still, because the word can mean different things to activists, business people and governments (of both north and south). Rosamond\(^9\) observes that so much has been written in so many disciplines that, paradoxically, no single definition of “globalization” is possible. Globalization has become an empty signifier, yet the discourse of globalization is ubiquitous. The term often means either process or condition. It can mean both structure and agency, and it is used both to denote an exclusively economic condition as well as a social or cultural transformation. We evoke these diverse definitions in our survey question, but by avoiding undue detail and technical definitions, we are then able, through regression analysis, to identify how citizens understand and make sense of emerging debates on “globalization.” Table 1 reports the results for our core questions (Q1-Q2).

Table 1: Contrasting support for trade agreements and globalization

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<thead>
<tr>
<th></th>
<th>Support</th>
<th>Uncertain</th>
<th>Opposed</th>
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<tbody>
<tr>
<td>New trade agreements</td>
<td>65%</td>
<td>23%</td>
<td>11%</td>
</tr>
<tr>
<td>Globalization</td>
<td>45%</td>
<td>38%</td>
<td>17%</td>
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Q1. This next section of the survey is about international trade agreements. By international trade agreements I mean things like the Canada-US free trade agreement, the North American free trade agreement (or NAFTA), and the other international trade agreements that cover Canada and the over 140

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other members of the World Trade Organization—the WTO. Do you strongly support, support, oppose, or strongly oppose Canada negotiating new trade agreements with other countries, or do you have no opinion on this question?

Q2. Many people say we are presently experiencing a process of globalization, which means that the economies of all of the countries of the world are becoming more and more linked. Do you strongly support, somewhat support, somewhat oppose, or strongly oppose Canada encouraging more rapid globalization, or do you have no opinion on this?

Canadian mass opinion became broadly supportive of free trade agreements during the 1990s, and it is therefore not surprising that about two-thirds of respondents said they supported the negotiation of new trade agreements, while only about one in ten said they were opposed. Yet fewer than half supported “globalization,” and over a third were uncertain. For Canadians, support for negotiating new trade agreements is widespread, however the question is asked, while support for globalization remains more muted. While this gap is interesting, and suggests that citizens do not see “globalization” as merely the same as trade liberalization, more interesting still is understanding what factors explain why some respondents answer the trade and the globalization questions differently.

When responding to questions about trade or globalization, citizens may be evaluating liberalized trade in general, the actual content of particular agreements, the emerging institutions of global governance, or such attributes of globalization as the internet, the spread of disease and increased travel. Some analysts take answers to questions on trade, tariffs or integration as transparent indicators of citizens’ real preferences. We do not use this implicit referendum approach. Rather, consistent with the methodological conventions of research on mass opinion, we assume that questions can mean different things to different respondents, and something other than the researcher intended. Comparisons between questions, and a careful examination of the differences in wording and the attendant results, is more important than


examining the frequencies with an eye towards identifying “how many Canadians believe x or y.” Our primary goal was not to use language that policy experts would agree is “right,” but to use language that respondents would understand, that mirrored more complex issues, and from which we could infer values.

Barring follow-up qualitative interviewing with respondents, the only way for a researcher to understand what the question meant to a respondent is to see how they answered other questions, and to see which ones are correlated with answers to the initial question. Accordingly, we conducted a regression analysis on the first wave using a set of theoretically motivated independent variables. The results are reported in detail elsewhere, but we do want to highlight five conclusions from that analysis. First, values play an important role in influencing opinion on both globalization and trade, particularly values related to attitudes toward the USA, internationalism, the welfare state, and feelings about multinational corporations. Second, when skills variables are included in our models, the significance of values remains robust, demonstrating that values are not merely surrogates for interests, and that they have an independent impact on opinion on globalization across individuals with different skill levels and interests. Third, education and income play an important role with regard to opinion on trade agreements, but do not on globalization, highlighting that attitudes toward globalization are influenced by factors other than one’s ability to compete in a more open market, whereas opinion on trade liberalization is more tightly tied to individuals’ interests. Fourth, retrospective evaluations of the impact of previous trade agreements are more important influences on individuals’ opinion on trade than on globalization, again highlighting that globalization is understood by citizens to be about far more than trade liberalization. Finally, we found that people’s assessments of whether human rights or trade was more important had an impact on opinion regarding trade, but respondents who highly value human rights are divided on the question of globalization, in part because they disagree about whether globalization helps or harms human rights. As well, those who support increased immigration and foreign aid are more likely to support globalization. Both findings might be surprising to those who observe public

12 Mendelsohn and Wolfe, “Values and Interests in Attitudes toward Trade and Globalization.”
protests, during which global social justice is often invoked as an important argument against globalization.

Some readers might worry that three-year-old data have gone stale, especially since both waves of our survey were conducted before the attacks of 11 September 2001. We are confident, however, that new data would not show a significantly different pattern. First, we probed not ephemeral opinion on daily events but the structure of underlying attitudes and their relations to each other. Such structures do not change quickly. Second, in an annual tracking question in a poll commissioned by the federal government, Canadian support for “negotiating new free trade agreements” was higher in May 2003 than it had been in May 2001.13 Third, while it is hard to find questions comparable to our globalization question, a recent European study is suggestive. The European Commission asked this question in October 2003: “Globalisation is the general opening-up of all economies, which leads to the creation of a truly world-wide market. Are you personally totally in favour, rather in favour, rather opposed or totally opposed to the development of globalization?” The Commission reports that 63% of respondents were in favour, and 29% opposed, with 8% not having a view.14 It is striking that the support is so much higher than on our question, and the uncertainty so much lower. We have no tracking data, so we have no way of knowing if European opinion has shifted since 11 September 2001, but we think it unlikely.15

In sum, Canadians are more worried about globalization than trade because they perceive globalization to be more of a threat to a variety of values commonly associated with embedded liberalism, not because of concerns about individuals’ inability to compete in a more open market. But even if embedded liberalism is reflected in citizens’ values, are the necessary compromises still legitimate?

13 EKOS, “Canadian Attitudes.”
15 One can speculate on the effect of the difference in question wording: the Commission asked about support for “the development of globalization” while we asked about “Canada encouraging more rapid globalization.” But of greater significance is that, as the Commission probed other answers, it found that Europeans became more critical of the consequences of globalization. For example, more than half of respondents believe that “more regulation is necessary to monitor the development of globalisation.” European Commission, “Globalisation,” 34.
IS GLOBAL GOVERNANCE LEGITIMATE?
Many scholars have argued that there is an “internationalist” tradition in Canadian foreign policy, defined as a willingness to engage, in cooperation with other nations, in acts of “good international citizenship” with the aim of “creating, maintaining, and managing a community at a global level.” We think such attitudes are consistent with the compromises required by embedded liberalism. The data we collected during the first wave of our survey support these arguments and show that few Canadians believe that Canada should be less active in the world. In the second wave of the survey, we devoted questions to the issue of embedded liberalism and international institution more directly. Using experimental variations in the wording of the questions, we are better able to understand Canadian attitudes towards domestic autonomy and international collaboration, that is, full policy coordination, even harmonization, abroad but the autonomous administrative state at home.

Many discussions of reform of global governance assume that something about the international “architecture” needs fixing. We probed Canadian views by asking whether international institutions should be more empowered, and whether they should act in a more coordinated fashion. We did this in the form whereby respondents were forced to choose between one of two presumably mutually exclusive and rhetorically meaningful options. We found little resistance to more coordination between international institutions, and only about one Canadian in three was worried about the democratic consequences of this kind of coordination. Canadians were somewhat more resistant to coordination when the treatment contained the expression “international institutions like the World Bank and the International Monetary Fund” than when the question referred to “the United Nations and the World Trade Organization.” This diffidence to some extent reflects the finding from the first wave of our survey, when we found Canadians were more likely to cede sovereignty to a UN institution than the WTO, but in neither question were the differences very large. Nonetheless, they do indicate that Canadians have more positive

feelings toward the UN than other international institutions, and are more comfortable with the universalist values with which it is associated. The third treatment presents interesting results. Seventy percent of Canadians say that there are some issues that should never be turned over to an international institution, which is quite high. Nonetheless, 27% of Canadians are prepared to agree that if an international institution can do something more effectively, then it should be allowed to do it.

We then wanted to probe whether this support for international institutions has limits. We asked respondents whether the Canadian government or international actors should be making decisions in seven key areas. The seven issue areas remained consistent and were put to all respondents, but the premise of the question was altered experimentally. One-third of our sample respondents were asked: “Do you think that we need more international cooperation on each of the following issues?”; one-third were asked: “For each of the following areas of policy, please tell me whether it should be decided by the Canadian government or whether it should be decided jointly by governments working together at international meetings?”; and one-third were presented with: “For each of the following areas of policy, please tell me whether it should be decided by the Canadian government or whether it should be decided by international institutions?” We could describe these formulations as moving from internationalist to multilateralist to globalist. We expected little opposition to “more cooperation” on most issues, but a great deal of opposition to “international institutions making decisions.” The results are reported in Table 2.

The overwhelming majority of Canadians are willing to say there should be more international cooperation on every issue, so we do not spend much time on these data, other than to note the continued strong internationalism of Canadians.18 On the question of governments deciding things together at international meetings, we find relatively high levels of support for these kinds of activities. As long as the democratically elected Canadian government is participating in decisions, Canadians tend not to be too worried about national sovereignty, but there are important differences in Canadians’ attitudes toward the various issue areas. We distinguish what could be understood as

Table 2: Domestic autonomy and international collaboration

<table>
<thead>
<tr>
<th>Issue</th>
<th>More international cooperation</th>
<th>Governments at international meetings</th>
<th>International institutions</th>
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<tbody>
<tr>
<td>Preventing climate change</td>
<td>82%</td>
<td>79%</td>
<td>68%</td>
</tr>
<tr>
<td>Curtailing the spread of disease</td>
<td>96%</td>
<td>86%</td>
<td>59%</td>
</tr>
<tr>
<td>Protecting democracy and human rights</td>
<td>92%</td>
<td>74%</td>
<td>56%</td>
</tr>
<tr>
<td>Regulating the flow of capital, that is, the movement of money across borders</td>
<td>68%</td>
<td>56%</td>
<td>35%</td>
</tr>
<tr>
<td>Establishing labour and workplace standards</td>
<td>81%</td>
<td>50%</td>
<td>27%</td>
</tr>
<tr>
<td>Ensuring that we have clean water to drink</td>
<td>86%</td>
<td>53%</td>
<td>22%</td>
</tr>
<tr>
<td>Establishing standards for social programs</td>
<td>72%</td>
<td>42%</td>
<td>17%</td>
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Questions: “Do you think that we need more international cooperation on each of the following issues?” “For each of the following areas of policy, please tell me whether it should be decided by the Canadian government or whether it should be decided jointly by governments working together at international meetings?” “For each of the following areas of policy, please tell me whether it should be decided by the Canadian government or whether it should be decided by international institutions?”

“International managerial issues” (preventing climate change and curtailing the spread of disease), where Canadians support delegation of these decisions to international meetings, from “domestic political issues” (establishing standards for social programs and standards for the workplace), where there is more support for the retention of national sovereignty. We also highlight the very strong support for collaborative
international activity on the issue of promoting human rights, which we interpret to mean that Canadians believe their democratic values should be universally shared. (We do not spend much time on the issue of “regulating the flow of capital” because we suspect that it is the one issue on which there has been the largest movement since 11 September 2001. It was likely the issue that was the most arcane and unfamiliar to citizens prior to 11 September, but the media attention since has probably encouraged Canadians to focus on the issue and reconsider their views).19

The results for the third treatment—that is, whether international institutions should actually be making decisions—are especially interesting. On the “international managerial issues,” 68% and 59% of Canadians say that these matters should be decided by international institutions. Similarly, on the “universalist” issue of human rights, 56% of Canadians say that the issue should be decided by international institutions. These responses indicate high levels of acceptance for an active role for international institutions, albeit on certain kinds of issues—those that are perceived to be more managerial or “universalist” and less “political”: Most Canadians believe that democratic principles should be international.

But here we see the paradox of “don’t touch my welfare state internationalism.” Canadians are extremely reluctant to cede sovereignty to international institutions on three issues: standards for social programs, standards for the workplace, and standards for clean drinking water. The latter is viewed as clearly “local,” and the rationale for an international institution being accountable for water safety in Canada is something that Canadians would find far-fetched. The first two, however, can be understood as the two key components of the compromise of embedded liberalism, whereby social security in the form of the welfare state and decent working conditions have been judged to be the key responsibilities of national governments, and so long as these two pillars were protected, states were free to pursue trade liberalization internationally. On issues of this type, Canadians have little interest in ceding authority to international institutions, and we cannot imagine circumstances under which that would change in the short or medium term.

19 Eric Helleiner suggested to us that the data show support for free trade more than free capital flows, which is consistent with embedded liberalism, since the initial compromise depended on Keynesian monetary policy. The domestic side of the adjustment bargain does not work if a country is pegged to the American dollar.
Given the importance attached to their own autonomy, we were interested in the value Canadians would attach to the autonomy of citizens elsewhere. We asked Canadians about how to engage with countries that do not respect the human rights of their citizens, and how to deal with Canadian companies that may operate abroad in ways that violate Canadian values. We found very strong support for what could be termed “constructive engagement”—only one Canadian in 10 believes we should simply keep out of the internal affairs of other countries, but one in four believes we should impose trade embargos. \(^{20}\) Most (61%) believe that we should maintain economic links and encourage improvements in the country’s human rights record. These results confirm our findings from the first wave, when 25% of respondents preferred the position: “The government should make the expansion of trade with other countries (like China) a top priority, even if that means taking a softer line on the issue of human rights,” while 66% opted for: “The government should take a hard line against countries (like China) that violate human rights, even if that means missing out on some opportunities to expand Canadian trade.” As we have argued elsewhere, \(^{21}\) most Canadians support engaging with countries that violate the human rights of their people with an eye toward improving that country’s behaviour.

A final note on the data from the second wave of our survey: It would be appropriate to ask whether we are glossing over significant differences of opinion by writing about “Canadians.” Due to the combination of a small number of respondents and the unconstrained and uncrystallized quality of opinions, detailed sociodemographic or other bivariate or multivariate analysis would ask more of the data from the second wave than they could actually provide. We did examine all of the second wave questions broken down by educational attainment of the respondent, however, to see whether those with a university degree, who are likely to have the most interest in and influence on the debate and are therefore likely to lead opinion, differed in their views from the rest of the population. It should first be noted that we found few differences between those with a university degree and those without: of the 50 discrete items in the survey, only 12 demonstrated statistically significant differences. We did find three general differences between

\(^{20}\) For more detail, see Figure 1 at www.ciiia.org/Wolfe.htm.

\(^{21}\) Mendelsohn and Wolfe, 2001, “Probing the Aftermyth of Seattle.”
respondents with more and less education: those with more education are more concerned about the preservation of national sovereignty to set social, labour and environmental policy; those with more education are more internationalist and interventionist abroad; and, those with more education are less worried about protecting domestic jobs through government action in the face of globalization. From our initial wave, we had also asked our respondents whether they felt attached to Canada, their province, their local community or the global community. There are no statistically significant educational differences on any of the attachment questions, except that the more educated are significantly more attached to “the international community”; they are more likely to consider themselves “citizens of the world.” Yet one still needs to keep in mind that the numbers who say they are citizens of the world remains very low: while over 50% in all educational groups say they are “very attached” to country, province, or local municipality, only 18% say they are very attached to the global community.

THE PROCESS OF GLOBAL GOVERNANCE
We have argued so far that global governance benefits from a permissive consensus. Since most people think that trade deals have worked reasonably well, they are content to leave the details to the government. This positive assessment is retrospective. Citizens may not understand or like trade agreements as such, but the agreements are legitimate because they seem to work. Might this support be shallow? Scharpf offers an abstract view of democratic legitimation based on what he calls inputs and/or outputs. Inputs are legitimation by the process of decision; outputs are legitimation by showing that policy serves a community’s common interests. International co-operation, as it is practiced, limits the possibility for procedural (input) legitimation because domestic processes cannot be determinative of the outcome of multilateral negotiations, making substantive (output) legitimation all the more important. The permissive consensus is clearly a form of output legitimacy. Some opponents of globalization complain, however, about the lack of input legitimation. Part of the public ambivalence about globalization, therefore, may well be due to worries about consequential

decisions taken far away by institutions not subject to the domestic political process. In short, are decision processes legitimate?

Debates about how international institutions function are now central to the politics of the WTO, to take one example, in two ways. The first is called external transparency, meaning how well citizens in general and civil society institutions can see into the work of the institution, and the second is called internal transparency, meaning the ability of smaller and developing country members to participate in the institution. The debates are about actor identity and capacity: who is an effective and legitimate participant? Efforts to address one of these two forms of transparency sometimes undermine the other. We used the second wave of our survey to probe Canadian attitudes to both issues.

First, on external transparency, we asked Canadians how large a role the public should have in decision-making in international institutions. When we presented respondents with three different levels of democratization, a strong majority opted for the middle position, very closely mirroring the results from a very similar question asked in the first wave of our survey regarding how much public involvement there should be on trade negotiations. Canadians do not want to leave things to government (or international institutions) alone. About one-third would like the public to be actively involved, but about three in five opt for more transparency and publicity. So long as there is accountability and transparency, Canadians neither believe that one needs to introduce processes for deep forms of public participation, nor that international institutions should function according to rules of managerial and corporate governance, whereby the public is shut out. Canadian expectations, therefore, are reasonable: most do not expect to be actively involved in decision-making at an international level, but they do expect the kind of transparency that allows them to hold their government accountable.

We also asked about the accountability of international institutions. A slim majority of Canadians reject the argument, advanced by many government officials, that international institutions are already sufficiently democratic because democratically elected governments send delegates. The argument reflects an older model of guardianship democracy, and does not recognize the evolution in democratic sensibilities. Yet

23 For more detail, see Figure 2 at www.ciia.org/Wolfe.htm.
24 Figure 3 at www.ciia.org/Wolfe.htm.
only half of Canadians say that “international institutions are not sufficiently democratic and we should find ways to make them more democratic,” while 38% say that “international institutions are sufficiently accountable and democratic because the national governments with representation at these institutions are elected and accountable to their own citizens.” This finding and the previous one put each other in context. Although Canadians do not judge the status quo to be sufficiently democratic, they do not support radical participatory processes at the international level.

We believe one conclusion is unmistakeable. Canadians do not expect international institutions to function with as much public access as national governments, but they do expect them to function more democratically than they do today. This observation naturally raised questions about the perceived legitimacy of WTO and NAFTA dispute settlement, a subject of frequent complaint by civil society organizations. These adjudicative procedures are claimed to be too secretive relative to national procedures. Even the Canadian and US governments would prefer to see them more open. We did not have space in our survey to ask a question about Canadian perceptions, but we did try to see if other surveys in Canada or elsewhere had addressed this issue; we found none.

Respondents on the surveys about trade that we found were more likely to be asked whether they think “Free Trade is good for Canada” than “are you confident in the NAFTA trade tribunal?” We found no questions about the WTO dispute settlement system as a “court,” about the investor-state provisions of trade agreements (NAFTA Chapter 11), the role of quasi-judicial tribunals, or about the status of firms in disputes.\(^25\) This lapse in questions on trade surveys is not surprising; we also found that it is not common on more general surveys to ask questions on attitudes to “access to justice” or on courts more generally. We do know that Canadians are confident in their courts, as are citizens throughout the Atlantic area.\(^26\) This confidence developed over a period of years; it is not something that can be magically transposed to the international arena. Nevertheless, the fact that decisions are taken by

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\(^{25}\) EKOS asked if Canadians have heard of any trade disputes in recent months. In May 2003, 56% had heard of the softwood lumber dispute with the USA, and 8% had heard of some other dispute (EKOS “Canadian Attitudes”).

“unelected officials” seems not be a debilitating problem, although citizens would likely support efforts to make the process more transparent. We have no way of knowing if citizens of countries with a less robust court system would feel the same way about WTO adjudication.

Asking questions about internal transparency is harder still, but we wanted to try. Demands to make the WTO more inclusive of all its members now dominate the Doha Development Agenda negotiations. The issue for Canadians is whether there are ways to give citizens of other countries more voice in international institutions. We told respondents that the governments of industrial countries had a lot of power when it came to making decisions about globalization. We then asked half of our respondents which was a bigger priority: giving governments of the south or the general public in industrialized countries like Canada more power. To the other half, we altered the second choice, replacing “general public” with “civil society organizations” (which had been defined earlier in the survey). The results reveal the hierarchical ordering that Canadians apply to broadening access: the general public in the north is the priority, governments of the south follow, and civil society organizations are least important.27 This ordering presents a dilemma for policy makers because methods for engaging civil society organizations or governments from the south are clear—even if governments choose not to embrace them—while methods for engaging the general public, particularly on an issue like global governance, are not necessarily apparent. Nonetheless, as part of Canadians’ values and mental maps regarding globalization, they expect more public involvement. We can also infer that they are comfortable offering Canadian support to governments of the south to improve their own ability to meet health and safety standards for products that may be imported into Canada. Helping governments of the south “build capacity” to participate in international institutions in an effective manner appears to be consistent with Canadian values.

A related question concerns relations between governments and firms. Canadians believe that when working in other countries, Canadian companies have a responsibility to act ethically, and when they do not, the Canadian government and individual Canadians have a role to play in holding them accountable.28 We told our respondents

27 For more detail, see Figure 4 at www.ciaa.org/Wolfe.htm.
28 See Figure 5 at www.ciaa.org/Wolfe.htm.
that “sometimes Canadian companies violate the environmental or labour laws of other countries when working abroad.” Seventy-eight percent believed that the Canadian government should withhold government contracts from Canadian corporations that violate laws in other countries, while only 18% believed that “it is none of the Canadian government’s business what Canadian companies do in other countries.” We also told our respondents, “sometimes Canadian companies violate Canadian values when working abroad.” By a margin of 54-40%, our respondents were more likely to agree that “Canadian citizens who boycott or protest against these companies are doing the right thing,” rather than “we should stay out of the internal affairs of other countries and let local governments decide how to deal with Canadian companies working in their countries.” This significantly slimmer majority is probably due to two factors. First, some Canadians do not know what “a boycott” is and this is alien to their experience. Secondly, many Canadians likely defer to the sovereign government of another country, and the response category highlights that the governments of these countries will be “deciding how to deal with the Canadian company.”

CONCLUSION
We think the compromise of embedded liberalism remains a compelling metaphor, one that helps scholars interpret the paradoxes inherent in how citizens use their values to construct their understanding of the relationships between their communities and the world. We stress that the compromise is not a causal factor in world affairs. As a constitutive principle it can shape how citizens understand the limits of legitimacy without being something that any actor could articulate explicitly. We found that this compromise is reproduced in the values and ideologies of citizens, and it is these beliefs, more than their material interests, that allow them to make sense of what globalization represents. Canadians have been quite supportive of trade liberalization, and continue to be comfortable with an active role for international institutions, as long as the welfare objectives of the administrative state are maintained, and as long as globalization is not perceived to threaten valued objectives.

What we observe in some of the public concerns about globalization is not a new challenge to openness. Karl Polanyi observed that every economy is socially embedded. When the attempt was made under
nineteenth century laissez-faire to allow the market to be self-regulating, or “disembedded,” society protected itself in a “double movement” in which the expansion of the market was countered by society.29 Today we again see the social arm of the double movement responding to the greater market pressures of globalization. Embedded liberalism is a compromise between self and other, or home and away, a precarious balance on which multilateralism and international organization rest. If globalization washes away the capacity of the administrative state that allows countries to be different, then the legitimacy of the international institutions that allow them to work together will also be undermined because governments will no longer be able to act in a way consistent with the compromise. This erosion of legitimacy has not yet happened in Canada, or so we infer from the fact that a large plurality of Canadians currently support both globalization and further trade agreements. This support is a form of output legitimacy, that is, a conclusion that agreements have been good for the individual and national economy, not support based on the detail of the agreements. As we have argued elsewhere, this “permissive consensus” could erode if the government appears to lose the ability to act in accordance with Canadian values, but we see no such risks in current trade negotiations.

Support for the international organization of the postwar era remains strong, especially when multilateralism is framed as a force for enhancing social values. That is, the compromise between domestic autonomy and global collective action described as embedded liberalism remains legitimate. How people understand the world is constructed by embedded liberalism. Letting the market run things, which is what complete liberalization implies, or allowing global governance to displace community governance, as implied by increased linkages, would be inconsistent with what Canadians believe to be the legitimate social purposes of their governing institutions. Embedded liberalism seems likely to continue shaping attitudes to global governance. As Polanyi showed, however, the continuing social response to the sort of market expansion associated with globalization can as easily lead to war as to enhanced international institutions. Whether the international order of embedded liberalism can be sustained is therefore a separate question. We cannot say whether a new grand compromise is possible, but we do suggest that citizens are willing to try.