

## **Identity, Economy and Integration: Evaluating the Sources of Public Opinion on Canada-US Integration**

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Canada and the United States share the longest undefended border in the world and are each other's largest trading partners. While the relationship between these two countries has ebbed and flowed over time, it remains of political, economic and strategic importance. Despite most scholarly work focusing on the relationship between political and economic elites, public support for the bilateral relationship in both Canada and the United States is a key component. Yet, and perhaps surprisingly given the importance of the relationship, little is known about the nature and depth of public support for the Canada-U.S. relationship and virtually nothing is known regarding the correlates of opinion for strengthening political and economic integration. Using data collected in July 2010 from nationally representative surveys of 1009 Canadians and 1106 Americans, this paper draws upon existing work in the EU context to explore the economic rationality and political identity-based roots of opinion about integration and the future of the relationship. We believe that this paper makes a strong contribution to our understanding of the public support which undergirds the Canada-US relationship.

Paper prepared for delivery at the Canadian Political Science Association Conference, May 16-18, 2011, Waterloo, Ontario.

There are many ways to describe the relationship between Canada and the United States. The countries are geographic neighbours, they share an undefended border, they are economic and political allies and they have worked together on many political, economic and strategic initiatives for decades. While it might be observed that deepening the relational ties between the two would be welcomed as a simple extension of the status quo, past political events might suggest otherwise.

In 1985, when Prime Minister Mulroney first announced that he was pursuing a free trade agreement with the United States (formally called the Canada United States Free Trade Agreement, or CUFTA), opposition arose swiftly and pointedly. Many groups, from political parties to labour organizations to citizen groups, pointed out the risks involved with opening Canada up to the much-larger American market. The agreement, signed in 1987, was not ratified by Parliament until the 1988 election was held and the public voted Mulroney's Progressive Conservatives back into office. This opposition occurred despite the fact that trade levels between the two countries had been increasing over the previous decades (Library of Parliament, 2003).

Now, more than two decades later, the calls for dismantling the free trade agreements in place with the US (including the expanded agreement with Mexico entitled the North American Free Trade Agreement, or NAFTA, which came into effect in 1994) have died to a quiet whisper. The openness of the Canada-US border has become something that both Canadians and Americans alike seem to take for granted. There remain, however, some key provisions that separate the two economies. NAFTA deepened the integration between the two countries and expanded the partnership to include Mexico, but issues of harmonization and standardization still present barriers to the free movement of goods and services. Accordingly, there have been calls for a common currency and deeper coordination to remove such barriers and create a single North American market.

What do Canadians and Americans think about calls for further integration? The events and opinions surrounding the debate and passage of CUFTA and NAFTA, both in Canada and the United States, are well documented. But what about current attitudes? What is public opinion in each country more than 20 years after CUFTA was signed? Very little research exists that considers how the public in either country views the issue of Canada-US integration. By contrast, a significant body of research explores public opinion with respect to the deepening ties of integration within the European Union. In particular, researchers have found that economic perceptions, personal utility considerations and nationalist sentiments all contribute toward attitudes about European integration.

In this paper, we apply the insights of the European literature to the Canada-US context to better understand what drives public opinion about integration. This entails investigating two major sets of effects – economic (or utilitarian) rationality and political identity. Given the voracity with which the potential benefits and negative consequences of free trade in North America have been debated, one might expect that economic concerns will continue to drive opinions about integration. On the other hand, a real area of concern for Canadians is the loss

of culture and unique identity due to the intrusion of American products and media. As such, the analyses within the paper explore the extent to which each of these concerns (posited in theory) motivates attitudes and opinion about the Canada-US relationship and its future and whether there are differences between citizens in the two countries. While the analyses of this paper are interesting in their own right they also provide an important test of the generality of the theories that have found support in the context of the European Union. Integration between Canada and the US, while similar in official terms, is a far different enterprise due to the lengthy pre-existing relationship between the two countries.

The paper proceeds by introducing the central theoretical premises underlying the influence of economics and identity on opinion about integration. We then justify and develop the theoretical application of these insights to the case of integration in North America. Finally, we test the empirical veracity of these theories of public opinion on Canada-US integration using individual-level data collected from nationally representative surveys conducted in Canada and the United States in the summer of 2010.

### **Economics, Identity and Integration**

A large body of literature considers public opinion about European integration (for example, Eichenberg and Dalton 1993; Gabel 1998a, 1998b; Gabel and Whitten 1997; Gabel and Palmer 1995; Hobolt 2009; Hooghe and Marks 2004; Kaltenthaler and Anderson 2001; Leconte 2010; McLaren 2006; Shepherd 1975). No doubt the role that citizen referendums have played in the development of the EU contributed to the degree of public opinion analysis. However, public opinion regarding Canada-US integration is no less important to consider. Even without official referenda over further integration that might serve to crystallize opinion, public opinion can matter for its effects on policy makers and the bilateral agenda, as research has shown that governments do respond to variation in public opinion on policy issues (see, for example, Erikson, MacKuen and Stimson 2002; Soroka and Wlezien 2004, 2009; Stimson 2004; Wlezien 1995). Fortunately, research on the European case can be used to provide guidance for similar investigations into the opinions of Canadians and Americans regarding the relationship between their countries.

The collected evidence from the European case suggests that opinion towards integration is shaped by two major considerations. The first relates to economic rationality. Often referred to as the “utilitarian” argument, “this perspective assumes that citizens consider the collective benefits from having a more integrated European economy in the future and thus behave with sociotropic and prospective considerations in mind.”(Kaltenthaler and Anderson 2001: 145) This consideration draws upon the most traditional way of understanding economic integration, in terms of trade between two or more countries. The economics literature provides theories of trade that consider movement of goods and services across open borders and predict “winners” and “losers” depending upon control of types of factors. In turn, these divisions in society are expected to influence opinions about integration of economies: positive or negative opinions will depend upon whether one stands to win or lose from trade. This ‘utilitarian’

understanding of opinion development is supported with evidence regarding European integration (for but one example, see Gabel 1998a).

The second major approach to explain opinion regarding integration emphasizes the role of political identity. Carey (2002), for example, finds that the intensity of national attachments, attachments to communities beyond one's own country, and perceptions of threat to one's culture from integration all influence attitudes. The potential loss of sovereignty that comes with integration can be disconcerting for those with strong attachments to their own nation. Hooghe and Marks (2004) demonstrate that identity is a more powerful influence on attitudes toward integration than economic concerns. They also take the concept of identity further by focusing on the nature of one's national identity – whether it is inclusive or exclusive. Those who identify with their nation only and not Europe are less likely to support integration. However, they also suggest that these effects will only exist when nationalist feelings are activated by elites, such as when parties conflict over issues of European integration. McLaren (2006) follows up on the idea of exclusive national identity by arguing for the importance of out-group rejection based upon resource-based threat and symbolic threat in accounting for attitudes toward European integration. She argues that while personal utilitarian (economic) considerations matter, so too do sociotropic and symbolic concerns derived from nationalist sentiment. She also makes the point that the cost-benefit analysis inherent in economic explanations may be too demanding for some citizens, in which case they may turn to more basic (nationalist) attitudes to shape their opinions.

We consider economic rationality and political identity in turn with respect to the case of Canada-US relations. A small body of literature considers the opinions that Americans and Canadians hold about each other and relations between the two countries (see, for example, Sigler and Goresky 1974; Eagles et al. 2009; Anderson and Stephenson 2010). Although Sigler and Goresky touch upon the effect of nationalism, to date this literature has not fully evaluated the extent to which economic rationality and political identity influence opinions about integration. Building on work done with respect to European integration, this paper represents an initial foray into this topic in the Canada-US case.

Importantly, the paper presents a test of generalizability for the theories of integration support in the EU context, as the details of Canada-US integration are significantly different from European integration. First, the trade relationship between Canada and the US is unique in its longevity and intensity. Even prior to the CUFTA and NAFTA, trade between the two countries had been increasing, and MacDonald (1998/9: 55) notes that its intensity is amazing: "The province of Ontario alone imports more from the United States than does Japan. And there is more trade between Ontario and the neighbouring state of Michigan than between the United States and China." Such strong trade relationships are not usually the baseline for theories of attitudes toward integration. Nonetheless, if public opinion surrounding the CUFTA and NAFTA are any indication, increases or changes in the relationship still spark considerable interest and attention. Second, the two countries share very similar cultures and (for the most part) the same language. Third, the economies of the two countries, while quite different in size, are both strong and advanced. Finally, and perhaps most importantly, Canada-US integration does

not involve a transfer of authority to a supranational governing body. While issues of sovereignty are definitely raised by the prospect of further integrating the two countries, neither country would cede its ability to negotiate and determine its own priorities for the relationship. There are no calls for a “North American” parliament that would operate above the Canadian and American governments. In many ways, these differences create a unique situation, in that we are investigating attitudes about deepening an existing bilateral relationship without the added concern of creating or belonging to a supranational body.

### ***Economics and Canada-US Integration***

The utilitarian or economic rationality model suggests that opinion on integration is driven by the public’s analysis of perceived economic benefit from deepening integration. Traditional trade theories provide broad guidelines for such expectations. The Heckscher-Ohlin theory of trade indicates that owners of factors of production that are relatively plentiful in the country will benefit from freer trade, while those who own relatively scarce factors will be disadvantaged. In such a model, the “winners” and “losers” of trade are expected to follow class lines. However, the model also assumes perfect mobility of factors, such that trade is beneficial because factors can be moved and redeployed to increase productivity. The Ricardo-Viner model relaxes this assumption, taking into account the immobility or “stickiness” of some factors of production. This model leads to the expectation that trade-related benefits accrue on a sector-by-sector basis.<sup>1</sup>

In their work considering the economic incentives to support or oppose European integration, Hooghe and Marks (2004) note that unskilled workers in capital-rich states are expected to oppose further integration while unskilled workers in less developed/poorer countries are likely to *favour* further integration. It is difficult to transport these expectations to the Canada-US case because both countries are developed and much trade between the two countries is “intra-industry”. Alt et al. (1996) note that in such cases, product differentiation and increasing returns to scale may determine “winners” and “losers”, and that “the distributional consequences always are murkier than they are in the endowments-based models and may not follow well-defined industry or sector lines...” (p.694)

In the European case, however, there is evidence that shows individual-level indicators can be used across national contexts, thus avoiding the need to classify individuals according to their particular economic context (Gabel 1998a; Gabel and Whitten 1997; Gabel and Palmer 1995). Several different indicators of one’s economic considerations are possible, such as financial capital (income), human capital (education), and sociotropic and egocentric economic evaluations. If citizens have high incomes, are highly educated, and feel positively about the economy, they are more likely to be in favour of deepening integration.<sup>2</sup> On the other hand,

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<sup>1</sup> See Alt et al. (1996) for a succinct discussion of these trade theories.

<sup>2</sup> Hainmueller and Hiscox (2006) argue that the relationship between education and support for trade is more related to the exposure education provides to information about economic ideas and efficiency gains from trade than calculations of economic benefits.

those who are unemployed, have lower incomes and who do not see the economy as performing well (nationally or personally) are more likely to be hesitant about further integration.

Following the work of Gabel and colleagues, we expect that these indicators will also apply in the case of Canada-US public opinion. Closer integration between Canada and the United States will represent a disadvantage for those who perceive their own and the national economic situation to be poor, on either side of the border. Thus, we rely on subjective economic assessments and socioeconomic characteristics to evaluate the influence of economic rationality or utilitarian factors on opinions about Canada-US integration.

### ***Identity and Canada-US Integration***

Next we turn to consider the influence of political identity. The importance of accounting for identity in opinion toward integration is well-explained in Carey (2002), Hooghe and Marks (2004) and McLaren (2006). To sum up the expectation in Carey's words (2002: 391), "The stronger the bond that an individual feels toward the nation, the less likely that individual will approve of measures that decrease national influence over economics and politics." Furthermore, in the European case "[T]hose people who are fearful of the process of European integration leading to their language being used less, or their national identity and culture becoming less distinct, are expected to hold a more negative view of the European Union." (Carey 2002: 393) Although this line of study is relatively new, it is based upon established theories of identity, group-based attitudes and nationalism. For example, McLaren (2006) builds her understanding of opinion over European integration by drawing upon theories of group conflict and symbolic politics.

Extending arguments about the importance of political identity and nationalism in Europe to public opinion about North American free trade brings some additional dimensions into play. In the European case, as noted above, there is considerably more difference between the cultures of the EU countries than between Canada and the United States. For instance, Carey's operationalization of national attachment takes into account fear over losing one's language, whereas Hooghe and Marks consider the exclusiveness of nationalist attitudes. Additionally, McLaren considers measures of perceived cultural threats from minority groups as one operationalization of symbolic concerns over integration. In North America, the differences between the two countries are less stark, although many would argue that they are no less important. Concern about maintaining cultural differentiation is evidenced by the exemptions for cultural industries in the CUFTA and NAFTA. Thus, we expect that identity is likely to be an important factor in attitudes about integration, similar to the European case, but for different reasons.

On the Canadian side, concerns about losing cultural distinctiveness and a unique national identity have long been associated with the issue of North American integration. As Lipset (1990: 53) explains it, "Canadians have tended to define themselves not in terms of their own national history and traditions but by reference to what they are *not*: Americans. Canadians

are the world's oldest and most continuing un-Americans." For Americans, however, Lipset (1990: 5) notes that such concerns were non-existent at the time CUFTA was signed:

... Americans, outside segments of the business community, are unaware that anything important may be happening to the relationship. As is all too characteristic of the ties between the giant Republic and its neighbor, the people of the United States simply take Canadians for granted, like close relatives down the road. No Americans have voiced sociocultural anxieties about the treaty. No one has indicated concern that closer involvement with Canada will have any particular effect on American society. There has, of course, been some debate about the impact of the free trade agreement on the American economy. But since few in the United States have seriously considered the possibility that the treaty could eventually lead to a common North American polity, there has been no analysis of the possible effects of Canadian participation in a single political system with the United States.

Mulcahy (2010: 252) also notes differing views regarding modern cultural relations, arguing that "...Americans feel the issue is about a legitimate right to profits while Canadians feel an equally legitimate right to maintain national identity."

However, the political salience of integration has become more linked to nationalism in the United States since the financial crisis that began in the late 2000s. There have been greater calls for protectionist policies to safeguard the American economy, and these have often taken on a patriotic tone. The "Buy American" provisions included in the US federal government's stimulus spending, for example, were created to protect American jobs and deeply concerned many involved in cross-border production. Nationalist concerns focusing on domestic economic security, rather than pursuing increased trade with the rationalization of inefficient industries that it brings, have become more prominent. Indeed, in the 2008 US primary season commitments to renegotiate NAFTA were made by both Barack Obama and Hilary Clinton, suggesting that integration was being seen in a less benign light than previously. Thus, the link between nationalism and North American integration has become more salient for Americans in the wake of the 'Great Recession'. While Americans do not fear losing their culture or language from integration with Canada, there has been a rising sense of nationalism related to maintaining national borders.

There is also another aspect of identity, that of a supranational attachment. Hooghe and Marks (2004) highlight the effects of an exclusive identity, but we can also consider the effects of an *inclusive* identity. . Carey (2002) contemplates this in terms of a terminal community hypothesis, noting: "people who believe in a shared European identity see the EU as the terminal community and are more likely to recognize the authority of the EU to make public policy. Based on this, they are more likely to view EU membership positively."(p.392) If individuals feel that they are citizens of a community that extends beyond their own country's borders they are more likely to feel favourably toward integration. In the European context, this means having a "European" identity rather than simply a national one. In the Canadian or American case, this type of identity would translate into feeling attached to North America.

## Hypotheses

Given the above discussion, we hypothesize that both economic rationality and political identity variables will factor into public opinion regarding the integration of Canada and the United States. Despite the already-strong relationship between the two countries, we anticipate that opinion regarding North American integration will nonetheless be shaped by factors similar to those that operate in the European context.

Economic Rationality:

H1: Individuals who are more likely to be 'winners' (based on their socioeconomic position) under conditions of deepening integration and/or who view recent personal and national economic conditions favourably should be more likely to support deepening integration.

Identity:

H2a: Individuals who hold a more nationalistic political identity should be less likely to support deepening North American integration.

H2b: Individuals who express greater affinity with North America should be more likely to support deepening Canada-US integration.

In addition to these two core hypotheses, we also consider the relative importance of these two sets of factors and evaluate results in light of evident differences on either side of the border.

## Data and Methodology

We draw upon data collected in the summer of 2010 which probes opinion on pivotal aspects of the Canada-US relationship. The data we examine in this paper come from an online survey of 1106 Americans and 1009 Canadians conducted by Harris Interactive. The study was restricted to those over 18 years of age and a citizen of their country and was in the field between June 23 and July 8. We designed two comparable surveys of 130 questions which were administered in each country. For our purposes, the resulting dataset holds unparalleled value. The data has a comparative advantage over most opinion data in that the questions were worded exactly the same way in each survey. The surveys were also conducted contemporaneously, thus avoiding differential influences of external events that may occur when surveys are conducted at different times. Given the complexity and scope of the Canada-US relationship, such events are not uncommon, and so our ability to compare responses to questions across the two countries is unusually strong. Using this data, we can uncover whether and the extent to which political identities and economic rationality influence opinions on the nature of the cross-border relationship between Canada and the United States.

The core dependent variables under analysis in this paper comprise views about Canada-US integration. The first is a broad evaluation of Canada-US integration. In particular, the question posed was: "Generally speaking, do you think that Canadian (American) integration with the



United States (Canada) is a bad thing, neither good nor bad, or a good thing?" This question provides an indication of a respondent's overall view of integration between the two countries. Beyond this broad evaluation of integration, we also consider respondents' positions on the short-term future of integration between the two countries. To assess this we posed the question: "In the next 5 years, would you like to see political and economic ties between Canada and the United States become more integrated, stay about the same or become less integrated?" While this question might have the effect of conflating the political and economic aspects of integration, we believe that it provides a good indication of respondents' positions on the direction that they would like to see the relationship take in the near future.

Our theoretical discussion of the drivers of opinion within Canada and the United States on these questions focuses on two sets of variables: political identity and economic rationality. We consider the operationalization of economic rationality first. At base, measures of economic rationality need to capture either the perceptions or reality of respondents' economic positions within the North American economy. We include five measures to capture aspects of economic rationality which may drive positions on integration. The first is an objective measure of whether the respondent is unemployed or not. This measure is coded as '1' if the respondent indicates that they are 'unemployed or looking for work' and '0' for all other responses (self-employed, working for pay, retired, student, caring for family, other). The second and third economic measures are subjective perceptions of economic conditions, both national and personal. The first of these codes respondents as '1' if they think that their national economy has improved over the past year, '0' if they believe that it has stayed the same and '-1' if they think that it has worsened. The second of these economic perception measures codes respondents as '1' if they think that their household economic situation has improved over the past year, '0' if they believe that it has stayed about the same and '-1' if they think that it has worsened. These measures are consistent with other work looking at economic rationality as a driver of opinion on integration in the European case (e.g., Gabel and Whitten 1997). We also include measures of education and income, following the work of Gabel and colleagues, to indicate the ability of a citizen to benefit from increased trade.<sup>3</sup>

To operationalize political identity, we draw upon three questions which probe the extent of attachment to different levels of political aggregation within North America. Because both Canada and the United States are federal systems, we were able to pose questions asking respondents to rate their level of attachment to their province/state, their national government and to North America. Response categories (and coding) for each of these variables are as follows: 'not at all attached' (=0), 'not very attached' (=1), 'fairly attached' (=2), 'very attached' (=3). In our estimation, these measures of political identity express the importance of different levels of political identity that may well influence views on integration.

In addition to these variables that operationalize the core theoretical concepts that we expect drive opinion on Canada-US integration, our models include a number of relevant control

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<sup>3</sup> Education is coded as completed a Bachelor degree or greater (=1) and all other education levels (=0). Income is coded on a 10 point scale of increasing annual household income (by \$10,000 increments).

variables. We include socio-demographic variables for age, region (in Canada) and racial minority (in the United States). Beyond these we develop and include additional controls for other variables that might also influence views on integration. We developed a personal integration index which is a measure of each respondent's level of connection to the other country. This index includes questions on the incidence of family or friends in the other country, the amount of time spent in the other country and the subjective sense that one's household income is dependent upon trading relations with the other country. This index was transformed into a dummy variable, where 'high' equals 1 and 'not high' equals 0.<sup>4</sup>

The models also include controls for the level of state/provincial trade with Canada/US. Arguably, views of Canada-US integration may be influenced by the degree of trade dependence of a respondent's state or province of residence. As a state or province's economy is more dependent on trade relations with the other country, respondents from those subnational units may be more likely to incorporate those aggregate conditions into their views of Canada-US integration. For respondents in both countries we have created a dummy variable in which a respondent is coded 'high subnational trade' (=1) when they live in a state (province) in which the proportion of their state's (province's) external (or international) trade with Canada (the United States) is above the average of all states (provinces), and '0' otherwise. The average percentage of all US states' external trade with Canada is about 33 percent. By contrast, the average proportion of trade with the United States among Canadian provinces is 71 percent.

Finally, all models control for partisanship. In the Canadian models, we include dummy variables indicating partisans of the Liberal Party, the Conservative Party, the New Democratic Party, the Bloc Quebecois and the Green Party. In this case, independents and others serve as the reference category. In the United States, we include dummy variables for indicating a partisan attachment to the Democratic Party and the Republican Party with the reference being Independents and all others.

All models are estimated using ordered logistic regression. This method is utilized because both of the dependent variables convey sentiment which is ordered (i.e. less or more integration) but without assuming or conveying definitive quantities that differentiate the response categories.

### **Results: Evaluation of Canada-US Integration**

Our analysis of results commences with consideration of the general evaluation of Canada-US integration. We start with outlining the actual distribution of opinion on this question amongst respondents in both countries. On the -1 ('bad thing') to +1 ('good thing') scale, our American respondents were more positive about integration than our Canadian respondents.<sup>5</sup> The mean opinion amongst Americans was +0.26 (std. dev. 0.61) as compared to a mean of -0.26 (std.

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<sup>4</sup> On the 9 point index scale, high personal integration is coded as 4 and above.

<sup>5</sup> All analyses were conducted with weighted data to improve the representativeness of the sample.

dev. 0.71) for Canadians. Stated differently, only 9.1% of our American respondents thought that integration was a bad thing while fully 42% of Canadian respondents did. This initial discussion suggests the presence of significant differences of opinion between the two countries on integration.

Turning to the correlates of opinion, Table 1 contains results from an ordered logistic regression that examines attitudes about integration, which will be discussed in order of presentation. Taking the Canadian results first, some sociodemographic and partisanship effects are observed. In particular, age has a negative effect and the odds ratio suggests that for each unit increase in age category the odds of respondents viewing Canada-US integration as a 'good thing' compared to either the neutral or negative categories are 0.91 times lower. Compared to the rest of Canada, the odds of respondents living in Quebec were about 2.6 times higher to think integration was a 'good thing'. This result may indicate a coalescence of views on Quebec sovereignty with a sentiment about the viability of sovereignty in an integrated North America. Finally, the only remaining control variable exhibiting statistical significance in the Canadian case was partisanship with the Conservative Party. Compared to those with no partisan identity, the odds of Conservative partisans viewing integration as a 'good thing' are 1.84 times higher. These results suggest that views are somewhat structured by age, region and partisanship.

(Table 1 about here)

We next consider the role of economic variables measuring both perceptions of the economy as well as respondents' positions within the economic structure of Canada. Among the five variables we include to operationalize economic rationality none of the variables reach conventional levels of statistical significance in shaping opinion on Canada-US integration. While one variable, unemployment, has a close p-value (0.108) and the effect is in the expected negative direction, the results for the economic rationality hypothesis are weak in the Canadian data.

Finally, controlling for everything else in the model, our identity variables perform admirably. To re-iterate our expectations, we anticipate that rising attachment to Canada and one's province should decrease support for integration while rising attachment to North America should increase it. Take first attachment to Canada. Results suggests that for each one-unit increase on the four point scale of attachment to Canada (i.e., strengthening national attachment) the odds that respondents think that integration is a 'good thing' are 0.59 times lower compared to selecting either the neutral or 'bad thing' categories. This finding suggests that an attachment to Canada has a decidedly protectionist implication for public opinion on North American integration. This is an important finding because it suggests skepticism about the Canada-US relationship is rooted in a Canadian identity. By contrast, rising attachment to North America produces a strong positive effect on views about integration. For each one-unit increase in attachment to North America, the odds of respondents thinking that integration is a 'good thing' are 1.65 times greater than either the neutral or 'bad thing' response categories. Taken together, these findings on the role of identity suggest a kind of 'scissor effect' in which

national and supranational attachments have decidedly contrasting consequences for views on evaluations of integration.

We now consider the results for American respondents (shown in the second model of Table 1). Among the sociodemographic and partisan controls, two variables emerge as significant predictors of evaluations of integration. Compared to those who report a low level of personal integration with Canada, the odds of responding that integration with Canada is a 'good thing' are 2.41 times greater in relation to other response categories. This suggests that, although relatively few Americans are highly personally integrated with Canada, being so has an important positive influence on views of their country's integration with Canada. This finding may also be important for policymakers, particularly in Canada, in the sense that Americans' contact with Canada has an influence on opinion about the relationship with Canada. There also appears to be a partisan dimension to views on integration, at least among Republican identifiers. Compared to Independents, the odds of responding that integration with Canada is a 'good thing' are 0.72 times lower among Republican partisans. This result may reflect some protectionist tendencies within the Republican Party in the United States.

Similar to the Canadian case, only one of the economic variables exerted a significant effect on views of integration. That said, evaluations of how the American economy performed in the past year have a strong effect on opinion. In particular, a one unit increase (i.e., from 'stayed the same' to 'improved') in retrospective perceptions of the American economy increases by 1.36 times the odds of viewing integration as a 'good thing'. This finding supports the theoretical proposition observed in the European contexts (Gabel and Whitten 1997) that perceptions of a strong national economy are related to support for integration.

Finally, we consider the role of political identity in shaping opinion about integration with Canada. The pattern of results conforms to theoretical expectations as well as that observed among Canadian respondents. For each one unit increase of expressed attachment to the United States, the odds of responding that integration with Canada is a 'good thing' are 0.75 times lower compared to the other response categories. By contrast, for a similar unit of change in attachment to North America, the odds of thinking that integration is a 'good thing' are 1.41 times higher. In short, a scissor effect of identity is again observed in which national attachment weakens support while North American attachment strengthens it.

(Table 2 about here)

We next consider prospective views about Canada-US integration based on the question 'should political and economic integration between Canada and the United States decrease, stay about the same or increase over the next five years?' Like evaluations of integration in general, US respondents were somewhat more positive to increasing integration over the next five years. Among these respondents, the mean response was 0.28 (std. dev. 0.55) on the -1 (decrease) to +1 (increase) scale. By contrast, the mean score of Canadian respondents was -0.02 (std. dev. 0.67). While 21.3% of Canadian respondents indicated support for increasing

integration with the United States, on the whole they were somewhat less favourable to increasing integration than Americans.

The first column presented in Table 2 considers the drivers of support for prospective integration among Canadian respondents. Of the sociodemographic and partisan control variables, three have a statistically significant effect. As in the earlier model, respondents from Quebec were much more likely than respondents from outside Quebec to think that integration with the United States should increase over the next five years (odds ratio of 3.84). Compared to non-partisans, the odds of thinking that integration with the United States should increase are 1.54 times greater among Conservative party identifiers and 0.36 times lower for Green party identifiers.

Among our economic variables, income (as an indicator of economic position within the economy) had a statistically significant influence on opinions about prospective integration with the United States. A one-unit increase on our 10-point income scale increases by 1.08 times the odds of thinking that integration with the US should increase as opposed to stay the same or decrease.

Finally, attachment to North America has an influence on views of future integration – the only effect among the identity variables. Specifically, a one-unit increase in the attachment to North America scale increases the odds of respondents thinking that Canada-US integration should increase (odds ratio of 1.60). This finding is consistent with previous identity results in that attachment to North America alters the balance of positions in favour of integration.

The American results for opinion on prospective integration are contained in the second column of Table 2. Of the control variables in the model, being more personally integrated with Canada has a large and positive effect (odds ratio of 1.80) on favouring more integration in the future. The only other significant effects which emerge are the partisan identity variables. Consistent with earlier findings presented, Democrats are more open to deepening Canada-US integration as compared to the reference group (Independents) and Republicans. Compared to Independents, the odds of Democrats indicating that Canada and the United States should become more integrated are 1.33 times greater. By contrast, Republicans evince a slight protectionist hue with an odds ratio value of 0.73 – suggesting, compared to Independents, the odds are 0.73 lower that Republicans think that Canada and the United States should have more integration.

Of the five economic position and perception variables included in the model, sociotropic retrospective evaluation is the only measure to have a statistically significant effect. For each one unit increase in past evaluations of the national economy, the odds of respondents thinking that Canada-US integration should be deepened are about 1.40 higher. This finding is consistent with the view that those who are more optimistic about the state of the economy (and their position within it) are more likely to be open and willing to consider expanding trade relations with other countries.

The final set of factors we consider measure identity. Similar to the results for earlier results of the United States, both national attachment and North American attachment emerge as statistically significant. Controlling for everything else in the model, a one unit increase in expressed attachment to the United States reduces by 0.79 times the odds of thinking that integration between the countries should be increased. By contrast, a one unit increase in attachment to North America strengthens by 1.33 times the odds of thinking that integration should deepen between Canada and the US, compared to the response categories of stay the same or decrease integration.

## Comparing Results

There are two relevant comparisons that can be made with the above results- how the results compare across the two countries and the relative strengths of economic and identity effects on opinions. We first, consider how the results compare across the two countries. Table 3 provides a summary of the relevant significant effects in both the Canadian and American models. It is clear that, with one exception (economic effects on integration evaluations in Canada), both economic rationality and political identity considerations factor into opinion about integration in each of the countries. On the economic/utilitarian front, the relevant variables differ by country. Income is the relevant economic factor in Canada with respect to opinions of prospective integration, which is a clear egocentric utilitarian concern and may reflect the economic position of respondents as potential “winners” of trade openness. In the United States, the relevant economic rationality variable for both types of integration opinion is a sociotropic retrospective evaluation of the economy. While the variables differ on either side of the border, nonetheless economic considerations do factor into the formation of opinions among respondents from both countries.

(Table 3 about here)

Turning to political identity, we find broadly parallel results in both countries. For the evaluation of integration question, attachments to both the nation and North America are significant. In both countries a national attachment has a negative effect on evaluations while attachment to North America has a positive effect. However, for the question of prospective integration, while North American attachment is positive and significant in both countries, national attachment only negatively influences American respondents’ views about prospective integration.

The second comparison to be made is of the relative strengths of economic and identity-based factors on opinions regarding the Canada-US relationship. To make this comparison, we calculated the change in the predicted probability of falling into the most positive category of each of our dependent variables, evaluation of integration and prospective integration, when the values on the relevant independent variables change. Thus, in Figure 1 we show, for example, the effect of moving from being in the lowest income category to the highest on being most favourable about integration. In this case, there is a 13 point increase in the predicted probability of favouring integration across the range of income categories. Having a strong attachment to Canada, too, makes you less likely to favour integration.

(Figure 1 about here)

With this analysis we can compare the size of the economic rationalization effects to those of the political identity variables. In each case, the absolute value of the identity effects are larger than the economic effects. This is similar to the findings of Hooghe and Marks (2004), as they found that almost 21% of the variance in support for European integration could be explained by identity variables, compared to 15% for economic interests. However, it is also interesting to note that in the US case, when considering the net effect of identity (both US and North American), the identity effects almost cancel each other out. In Canada, for evaluations of integration, attachment to Canada overwhelms the effect of a North American attachment.

From this analysis we conclude that political identity is an important factor in attitudes toward Canada-US integration. This is in keeping with the existing data regarding public opinion about the European Union. On the other hand, we also find that there is variation in the economic factors that influence attitudes in Canada and the US, to the point of no economic factors influencing evaluations of integration in Canada. We find this to be an intriguing outcome, and speculate that it might reflect the differing attitudes toward the other country. More research into this possibility is required.

## **Conclusion**

In this paper we have used the insights of literature on public opinion over European integration to analyze attitudes in Canada and the United States over further integration between the two countries. As an exercise, it had two purposes. First, we sought to better understand what drives opinion in each country. We found, in keeping with the European literature, that economic rationality and political identity both play important roles.

The second purpose of this study was to test the generalizability of theories that explain European integration opinions. The relationship between Canada and the United States is unique, but the results reported here suggest that it is not so unique that existing theories do not apply. Further, all of the results reported here accord with European findings in terms of the directions of effects.

Finally, we close with a comment on the policy implications of our findings. Not surprisingly, further integration between Canada and the United States is not a completely benign issue. There are competing opinions, and these opinions are based in predictable theories of preferences. For policy-makers intent on further uniting the two economies, our findings should stand as a warning. Although the relationship between the two countries is, for the most part, peaceful and taken for granted, there are elements of political identity at play in both countries. Should politicians play upon these elements, any attempt at greater integration is likely to face stiff competition. Only if the political elites provide a united level of support for integration will the road to a closer Canada-US relationship be smooth.

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**Table 1 Evaluation of Canada-US Integration**

		<b>Canada</b>	<b>United States</b>
<b>Controls</b>	Age	0.91 (0.04)**	1.01 (0.04)
	Quebec/Racial Minority	2.55 (0.73)***	0.85 (0.14)
	Personal Integration	1.09 (0.19)	2.41 (0.73)***
	Provincial/State Trade	0.77 (0.17)	1.09 (0.20)
	Liberal ID	0.86 (0.19)	-
	Conservative ID	1.84 (0.43)***	-
	NDP ID	0.79 (0.24)	-
	Bloc ID	0.66 (0.25)	-
	Green ID	0.58 (0.22)	-
	Democrat ID	-	1.10 (0.16)
	Republican ID	-	0.72 (0.14)*
<b>Economic</b>	Education	0.92 (0.21)	1.08 (0.19)
	Income	0.97 (0.03)	0.99 (0.03)
	Unemployed	0.63 (0.18)	0.87 (0.18)
	Sociotropic Evaluations	0.93 (0.12)	1.36 (0.14)***
	Egocentric Evaluations	0.97 (0.13)	1.06 (0.12)
<b>Identity</b>	Provincial/State Attach	1.03 (0.13)	0.99 (0.08)
	Canada/USA Attach	0.59 (0.10)***	0.75 (0.09)**
	North America Attach	1.65 (0.19)***	1.41 (0.12)***
	Pseudo R2	0.08	0.03
	N	955	1026

Note: Tables contain odds ratios and robust standard errors from ordered logistic regression. p<.1\* p<.05\*\* p<.01\*\*\*

**Table 2 Evaluation of Prospective Canada-US Integration**

		<b>Canada</b>	<b>United States</b>
<b>Controls</b>	Age	1.01 (0.04)	0.99 (0.04)
	Quebec/Racial Minority	3.84 (1.22)***	0.84 (0.16)
	Personal Integration	1.22 (0.21)	1.80 (0.49)**
	Provincial/State Trade	1.14 (0.26)	1.22 (0.20)
	Liberal ID	0.93 (0.21)	-
	Conservative ID	1.54 (0.35)*	-
	NDP ID	0.65 (0.21)	-
	Bloc ID	0.63 (0.23)	-
	Green ID	0.36 (0.15)**	-
	Democrat ID	-	1.33 (0.22)*
	Republican ID	-	0.73 (0.14)*
<b>Economic</b>	Education	0.78 (0.17)	1.11 (0.20)
	Income	1.08 (0.04)**	0.99 (0.03)
	Unemployed	0.75 (0.25)	1.13 (0.27)
	Sociotropic Evaluations	1.09 (0.13)	1.40 (0.15)***
	Egocentric Evaluations	0.97 (0.13)	1.20 (0.15)
<b>Identity</b>	Provincial/State Attach	0.98 (0.11)	1.01 (0.08)
	Canada/USA Attach	0.83 (0.13)	0.79 (0.10)*
	North America Attach	1.60 (0.17)***	1.33 (0.13)***
	Pseudo R2	0.07	0.04
	N	955	1026

Note: Tables contain odds ratios and robust standard errors from ordered logistic regression. p<.1\* p<.05\*\* p<.01\*\*\*

**Table 3 Comparison of significant findings from Tables 1 and 2**

		Integration Evaluation	Prospective Integration
Canada	Economic		Income (+)
	Identity	Attachment to Canada (-) Attachment to North America (+)	Attachment to North America (+)
United States	Economic	Sociotropic retrospective economic assessment (+)	Sociotropic retrospective economic assessment (+)
	Identity	Attachment to US (-) Attachment to North America (+)	Attachment to US (-) Attachment to North America (+)

**Figure 1 Change in Predicted Probability of Being Most in Favour of Integration  
Effect of Moving from Highest to Lowest Value on IV**

