

CANADA AND ECONOMIC SECURITY: THE WAY AHEAD

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Abstract

In August-September 2024, Global Affairs Canada held public consultations on “Potential New Measures to Advance and Defend Canada’s Economic Security Interests.” The inputs provided will help the Government of Canada update or develop approaches and measures that would advance Canada’s economic security interests. The following analysis and recommendations (revised for this publication) were submitted by the author in response to the call for expert views on the subject. The author argues that, in addition to public consultations, Canada still needs a strategic framework to think about national security, prosperity and economic security in a comprehensive, whole-of-government fashion and makes five specific recommendations. Canada should: 1. Develop, promulgate and implement a whole-of-government *National Economic Security Strategy*; 2. Undertake an in-depth intelligence-based all-source threat assessment of foreign economic threats to Canada, including an unclassified version for Canadians, prior to deciding on the measures to be taken in the *National Economic Security Strategy* to secure Canada’s economic security and prosperity; 3. Undertake a full cost analysis of the gains and losses to the Canadian economy and individual economic security from the applications of all the measures delineated in the *National Economic Security Strategy*; 4. Undertake an in-depth analysis of how allies and other states would respond to the implementation of a new *National Economic Security Strategy* (taking into account the best, worst and most likely outcomes) and develop options, to be included in the *Strategy*, to mitigate the risk of harmful outcomes; and 5. Consider developing a *National Industrial Strategy* and an *International Trade Strategy* alongside or as key components of the *National Economic Security Strategy*.

Introduction

Amidst shifts in geopolitical competition and an alarming reversal of global economic interdependence, matters of international trade, foreign direct investments, science and technology research, industrial geo-location and supply chain resilience are now subject to national security claims.¹ As economic problems become national security problems,² states must achieve a delicate policy balance³ between protecting their economies from threat and malicious actors and promoting, rather than impeding, national economic prosperity and individual economic security.⁴ Total national economic autonomy, in this context, is not a viable strategy as access to resources, finance and markets—“necessary to sustain acceptable levels of welfare and state power” (Buzan, 1991, pp. 19–20)—requires a degree of regional and global interdependence and integration. The territorially-limited aspect of any national economic security measure therefore implies that states will work with others to further their own as well as their common economic interests (Sorensen, 2005, p. 89).

In its *Budget 2024*, the Government of Canada was fully cognizant of the importance of economic security for the prosperity of its citizens and concerned that the rules-based international order it had economically benefited from was eroding. It announced measures to defend Canada’s economic interests such as derisking, or *friendshoring*, some of Canada’s supply chains (Canada, 2024, pp.

¹ “The conjunction of economics and security, or ‘economic security’, has more recently become an increasingly important dimension of both international political economy and security studies, driven not only by academics in the field but also by institutional shifts in global power.” (Neocleous, 2007, p. 390)

² These problems are numerous and include the theft of intellectual property, industrial espionage, sabotage, unfair competitive practices, unethical hiring practices, the high concentration of some industries, the dual-use of technologies for military purposes, etc. (Sexty, 2017, p. 245)

³ As Dalby notes, “[t]he dilemmas here are also fairly clear, albeit not exactly new. One set of security priorities points to autarky, the other clearly to international interdependence.” (Dalby, 1997, p. 14).

⁴ It is a major responsibility of democratic governments to ensure “the socioeconomic security of their population [...]” (Underhill & Zhang, 2003, p. 78). Personal or individual economic security in popular terms means “being able to sleep at night without worrying about your livelihood [...]” (Stanford, 2008, p. 29) Fundamentally, it is about people “having a stable standard of living.” (Stock, 2013, p. 138).

316–319). But while Canada assured Canadians that its actions would help preserve the rules-based international order, it did not offer a suite of principles that would guide these actions, nor a strategy that would clearly delineate the subjects and objects of economic security, the range of threats Canada is facing, or the means of economic statecraft best suited to achieve the policy balance between protecting their economies from threat and malicious actors and promoting national economic prosperity and individual economic security. Instead, the Government of Canada later engaged in a broad consultation of stakeholders, seeking the types of input that could ultimately form part of a whole-of-government national economic security strategy. As the notions “economic security” and “threats to economic security” lack conceptual clarity, and as the use of particular means of economic statecraft speaks broadly to the kind of world Canada wants, this paper seeks not only to clarify these matters but also to highlight their benefits and pitfalls and offer five specific recommendations on Canada’s way ahead in the economic security domain.

What is Economic Security?

The concept of economic security has had a long history⁵ and has been both controversial and politicized, too often pitting mercantilists against liberals—that is, the state as the embodiment of economic security versus the free market operating without interference by the state (Buzan et al., 1998, p. 95). Today, the notion of national economic sovereignty is reawakening across the Western world, giving once again the state a primary role in securing its national economy,

⁵ “[...] the concept itself had a longer history as the underlying idea behind social security in the 1930s [...]. Economic security, in this sense, provides the important link between social and national security, becoming liberalism’s strategic weapon of choice and the main policy instrument from 1945.” (Neocleous, 2008, p. 94) Of note, Medieval thinkers (e.g., Albertus Magnus, Thomas Aquinas, Brunetto Latini, Giles of Rome and Henry of Ghent) also thought of and promoted the notion of economic security “in order to create the conditions within which citizens could enjoy lives of peace, order, material sufficiency and moral virtue—that is, to live the Aristotelian good life.” Latham, 2012, p. 69) In the 17th century, Hobbes as well conceived of economic security as a fundamental responsibility of the state, and linked it to individual economic security. “Hobbes’s conception, the public security that the state is supposed to procure comprises not just security from physical violence [...] but also economic security related to a minimum standard of well-being [reference omitted]. Hobbes implies that the state has to provide welfare services to its citizens to prevent grave poverty and starvation.” Lechner, 2019, p. 181)

and relegating the influence of the market to a secondary role.⁶ As unrestricted global transnational financial and economic activities, including the production and movement of goods, capital, services and intellectual property, are being reined in, economic interdependence is seen as fraught with risks and dangers when it involves states that do not share Western democratic values or flaunt the rules of the international economic order set by the West in the aftermath of World War II.

While the importance of economic security during wartime leaves no one in doubt, being tightly bound up with survival (as the current conflict between Russia and Ukraine attests), what counts as an economic security matter in peacetime is highly debatable. Economic security, broadly speaking, is about ensuring the survival of the economic system (taking the state as referent) and its performance (taking citizens as referent).⁷ This means that not all foreign economic activities that are harmful to a state or its citizens are legitimate security issues. If these activities are not of a scale sufficient to affect the survival of the state or of the economic system itself, they remain economic or political issues.⁸ The fundamental question, if this premise is accepted as valid, therefore becomes: “When does the scale of a threat become sufficient to count as a legitimate security issue?” (Buzan et al., 1998, p. 106) While the answer to that question is in the eye of the beholder and largely value based, “existential threats [nevertheless] constitute a fairly narrow range of conditions.” (Buzan et al., 1998,

⁶ Economic nationalism, in Gilpin's words (2001, p. 14), “recognizes the anarchic nature of international affairs, the primacy of the state and its interests in international affairs, and the importance of power in interstate relations.”

⁷ “[E]conomic security has here a double meaning: (1) securing the economic system—and thereby the social status quo (state)—and (2) securing the performance of the economic system, that is welfare in society.” (Waeber, 1989, p. 47).

⁸ These economic activities “may be enormously important to individuals and indeed to societies, but in economic terms they are not about Survival. Lacking an existential quality, they remain economic or political (or possibly societal or environmental) issues and not security ones. (Buzan et al., 1998, p. 104). Peoples and Vaughan-Williams also argue that there needs “to be an existential threat” for an economic issue “to meet the criteria of securitisation. In extreme cases, a financial crisis can compromise or remove access to basic necessities such as food, water, clothing and shelter and hence could be presented as an existential threat to individuals. At a broader level, threats to the existence of large firms and companies might also be presented as issues of security.” (Peoples & Vaughan-Williams, 2021, p. 121).

p. 109) I would suggest that when the outcome of a foreign economic activity or event:

- seriously undermine the confidence of Canadians in their economy and as a result unleash public disorder, violence and economic chaos;
 - seriously weaken Canada's key economic indicators such as growth rates, levels of employment, living affordability, and the trade balance and as a result undermine the confidence of Canadians in their economy with the extent consequences;
 - impair the functioning of Canada's economy and as a result seriously weaken Canada's key economic indicators with the extent consequences;
- or
- deny access to outside supplies necessary to the survival of Canada's economy or its population,

then that foreign economic activity or event should be considered a serious economic security threat to Canada's national economic interests. These effects, of course, would be compounded if they occurred quickly and with a highly harmful impact on individual economic security.⁹ Economic crises posing existential threats to national economies, of course, have occurred throughout history.¹⁰ The threshold at which point an economic crisis generates the kind of effects envisioned in each of the four categories is highly context-dependent, which is why I do not offer specific metrics.¹¹ Some countries, for instance, may endure extreme economic hardship better than others.¹²

Existential economic security threats, unfortunately, are not alone potentially threatening Canada's economic survival and prosperity. The severe economic

⁹ "The threat here is directed against economic prosperity in a fundamental sense, against economic viability." (Maull, 1987, p. 184).

¹⁰ The "List of economic crises" maintained in Wikipedia (2024) is indicative of the types of events I have in mind.

¹¹ As well, in Canada's *Emergencies Act*, "there is no prescribed number of Canadians whose lives, health, or safety the threat must endanger, nor any standard for how 'serious' the threat must be" to help the authorities determine whether an emergency should be declared. (Block & Goldenberg, 2021, p. 27)

¹² Russia is a case in point. As Brzezinski notes (2014, p. 1), "Russia is a country that takes great pride in its history of enduring extreme economic hardship and military pain."

impact of a major environmental crisis, for example, may also be of a magnitude and so impactful as to pose an existential threat to Canada's economic survival. Economic activities at home and abroad (e.g., deforestation, forced labour, etc.) may also have dire economic consequences for specific populations, short of threatening national economic survival or the efficiency of Canada's economic system. Should these so-called "ethical agendas" be part of Canada's national economic security preoccupations?¹³

This question raises the issues of scope and level of analysis (global, national, local). Should Canada's economic security preoccupations be limited to economic security threats of an existential nature? Or should they extend to:

- non-economic security threats that would impact Canada's economic survival, such as environmental crises?
- the analysis of comparative economic power between Canada, its allies and potential adversaries?
- the dark side of capitalism (the cross-border networks of non-state actors fuelling the global crime in trade, counterfeiting, trafficking, sanctions busting, etc.) and its impact on the integrity of, and confidence in, Canada's economic system?
- the shifts and threats affecting the current liberal international economic order (its system-level structures such as the market, the trading system, the financial system, and the institutions associated with them) and the manner in which Canada could influence and contribute to shaping the form and substance of that new order?
- the protection of economic interests (such as sea lines of communications, supply chains, etc.) beyond Canada's border?
- the competitiveness of Canadian firms in the global market, necessary to further individual economic security?

¹³ As Nesadurai notes, "the links between economic security on the one side and environmental and human security on the other are intertwined in a complex nexus involving prevailing extractive production practices common in many parts of the [Asia]." (Nesadurai, 2023, p. 61).

In the absence of a national economic security strategy, Canada's notions of "economic security" and "threats to economic security" and their respective scope lack conceptual clarity. The scope of the current public consultations shows that Canada's approach is largely devoid of strategic thinking and mainly focused on tactical considerations, low-level threats (such as foreign economic coercion directed at a specific industry) and matters of law enforcement. That said, these threats, taken together, have the potential to undermine the integrity of the Canadian market (market institutional security) —that is, the ability of individuals and firms to take advantage of economic opportunities legally and without fear (Nesadurai, 2006) —or Canada's national security through interference, acts of violence or espionage that, in the aggregate, would overwhelm the capacity of our national security and law enforcement agencies. Of particular concern are foreign actors' activities that seek the appropriation of critical technologies, products, intellectual property rights or firms that are important for Canada's national defence and its allies, and its long-term economic prosperity. While foreign interference activities may affect Canada's national economic and security interests in various ways, they also affect Canada's political dynamics. The political debates surrounding individual politicians too often distract our collective efforts to remain focused on what really matters. From that standpoint, the public consultations are welcome.

Recommendation 1

Canada should develop, promulgate and implement a whole-of-government *National Economic Security Strategy*. For a national economic strategy to be comprehensive (covering the ends, ways and means) and have a chance to succeed (because of its suitability, acceptability and feasibility), it must exploit the key elements of national power (diplomacy, information, military, economics) and be centrally led, coordinated and tracked. That task should be assigned to the Privy Council Office's National Security Council Secretariat, with strong support from Public Safety Canada and Innovation, Science and Economic Development Canada.

Recommendation 2

Canada should undertake an in-depth intelligence-based all-source threat assessment of foreign economic threats to Canada, including an unclassified version for Canadians, prior to deciding on the measures to be taken in the

National Economic Security Strategy to secure Canada's economic security and prosperity. This assessment should consider the types of threats that are commensurate with Canada's concept of economic security. That task should be assigned to the intelligence staff at the Privy Council Office's National Security Council Secretariat, with strong support from all the components of the national security and intelligence community. Canada's national security and intelligence community should take measures, should that not be the case, to have at its disposal the talent base (with the education, experience and language abilities commensurate with that task) and the resources necessary to conduct this assessment now and in the future. The community must strengthen its capacity to undertake economic and technological assessments, including of end-use export requests and of foreign actors posing an economic security threat to Canada.

What should Canada's national economic security take into account?

At its most basic, the strategy should be clear about economic "security for whom, for which values, from what threats and by what means." (Baldwin, 1997, pp. 12–18) While the state is the key referent for economic security, the ultimate purpose is its performance as a social good whereby citizens are the referent.

Recommendation 3

Canada should undertake a full cost analysis of the gains and losses to the Canadian economy and individual economic security from the applications of all the measures delineated in the *National Economic Security Strategy*. A Gender-Based Analysis+ (GBA+) should be completed as part of this analysis.¹⁴ The implementation of a national economic security strategy would not be without positive and negative consequences for Canada's allies and other states. The U.S. de-risking and de-coupling measures with respect to China and advanced technologies, to highlight one prominent example, "have brought huge costs and increased risks for the rest of the world." (Armstrong, 2023, p. 53) The implementation costs should be clear, understandable and accepted by all.

Recommendation 4

¹⁴ For instance, "[f]eminist research on economic security highlights women's particular economic vulnerabilities. While there are obviously enormous global differences in women's socio-economic status, depending on race, class, and geographic location, women are disproportionately located at the bottom of the socio-economic scale in all societies." (Tickner & Sjoberg, 2013, p. 214).

Canada should undertake an in-depth analysis of how allies and other states (adversaries and competitors) would respond to the implementation of a new *National Economic Security Strategy* (taking into account the best, worst and most likely outcomes) and develop options, to be included in the *Strategy*, to mitigate the risk of harmful outcomes. This analysis should include an assessment of how our adversaries would then attempt to exploit our economic vulnerabilities (the vulnerabilities identified could then be mitigated through revisions to the draft strategy). This analysis should also take into account how the implementation of the *Strategy* would affect the response of other states with respect to the suite of international treaties and agreements they and Canada are part of.

While I do not purport to know the values Canada would be pursuing or abiding by as part of its national economic security strategy (that depends, in part, on what type of international economic order Canada would want to be part of), I would suggest that a set of ethical principles should guide its economic security decisions. Albeit a small sample, the following principles are indicative of what I have in mind:

- Canada will never use the cover of national economic security to engage, by itself or as part of a coalition of the willing, in wars to secure lands, resources or markets, or subjugate populations;¹⁵
- Canada will refrain from using economic security arguments to legitimize violations of its international legal commitments, unless it were facing an existential threat;
- Canada will keep to what is absolutely necessary the adoption and implementation of zero-sum practices (such as protectionism and mercantilism) that would have harmful effect on the international economic system; and

¹⁵ As Kingsbury and Iron note, “Despite the sometimes lofty (or shallow rhetorical) claims made for them, many wars continue to be embarked upon with the intended goal of furthering national interests or enhancing or securing economic security. Historically, when people were a critical economic asset, wars were conducted to increase subservient populations. With industrialization, that emphasis changed to access to land and resources.” (Kingsbury & Iron, 2023, p. 2).

- Canada will remain open to welcoming foreign direct investments that do not threaten its national or economic security.

These principles are focused on the survival and reproduction of a rules-based international economic order within which Canada is a reliable and benevolent actor. A different international economic order or a different referent than the state would, of course, call for a different set of ethical principles.

As threats to economic security were discussed in the preceding section, the means of a national economic security strategy are now my focus. These means (or the toolkit of measures that could be taken) can be categorized by the strategic effects they would be expected to have (whatever the combination of measures are, they should act as force multipliers and not negate the effect of any of the components). These strategic effects are essentially of two kinds: they would amount to a change in Canada's economic system that would enhance its economic security (but not necessarily its prosperity as security may trump efficiency), or would affect the opportunities and abilities of adversaries to cause harm to Canada's economic system. **The first kind of strategic effects** has to do with changing Canada's proportion of economic self-sufficiency, diversification, interdependence and integration (Møller, 2000, p. 9). Some of the key determinants of this problematic are:

- Canada's economic security depends not only on the exploitation of its vast natural resources but also on its **achievements in basic and applied sciences**, without which its competitors would have the innovative upper hand, including, and most importantly, in the military field;¹⁶
- Canada's national economic strategy must take into account the impact it would have on Canada's **ability to implement other national strategies**, particularly in the area of defence, where the projection of hard power is

¹⁶ Vannevar Bush, who headed the U.S. Office of Scientific Research and Development during the Second World War, made this point abundantly clear: Bush "noted that national security now depended on basic science: you couldn't produce atomic bombs without understanding the laws of physics. He then added that economic security depended on basic science too: basic science provides the scientific capital that can be turned into prosperity-producing products. 'New products and new processes do not appear full-grown. They are founded on new principles and new conceptions, which in turn are painstakingly developed by research in the purest realms of science'." Quoted Isaacson, 2014, p. 220.

highly dependent on the ability to timely secure the right amount of financial and natural resources; (Augier & McNab, 2011, pp. 112, 120)

- Canada's national economic strategy must take into account non-economic and non-adversarial factors that may affect Canada's economic security, such as new and sizeably large **migration patterns or environmental crises**;¹⁷
- Canada must take into account its high degree of **economic dependency** on the United States and the impact a change in its degree of economic self-sufficiency and diversification would have on this relationship;¹⁸
- Canada must conduct a strategic review of its **supply chain resilience**, like the United States did under President Biden, in order to identify where Canada is least self-sufficient and subsequently develop strategies to strengthen each of the vulnerabilities identified; (Crebo-Rediker & Rediker, 2022, p. 109) this ultimately mean deciding on the amount of industrial infrastructure and manufacturing capacity needed to limit dependencies of concern;
- Canada must ensure that the **critical infrastructure sectors** essential to its national economic security are identified and adequately protected from major disruptive effects;
- Competing at scale is a challenge for Canada, even in areas where it has strength, such as silicon photonics and compound semiconductors. Canada should have the strategic intent and ambition (through something like a national strategy for semiconductors or a wider strategy) to move niche areas like these to world-leading positions. (Canadian Science Policy Centre, 2023); and
- Crossing many of these determinants is the need for Canada to more robustly ensure (including through tax law) that public and private **research and development financing** lead, where applicable, to commercialization and impactful uses of the results.

¹⁷ "Migration can thus be securitized as a threat, not only to the societal sector, but to economic security as well." (Sjöstedt, 2020, p. 38).

¹⁸ "Canada is only able to safeguard its territorial and economic security in close cooperation with the United States [...]." (McDonough, 2013, p. 230)

Recommendation 5

Canada should consider developing a *National Industrial Strategy* and an *International Trade Strategy* alongside or as key components of the *National Economic Security Strategy*. Innovation, Science and Economic Development Canada and Global Affairs should respectively lead this effort. Both strategies, however, could be highly contentious as they are often perceived to be picking winners and losers, or favouring one industry or region over another. By nature, they tend to be politicized or exploited for political gains. The more narrow they are (for instance focusing only on building a national stockpile), the easier to implement they are. Notwithstanding, both will require strong and purposeful leadership to be successfully implemented.

The second kind of strategic effects derive from measures that would seek to change the adversarial economic intentions of adversaries, diminish their capabilities to harm Canada's economy, and deny them opportunities for harmfully exploiting Canada's economic system. Some of the key determinants of this problematic are:

- **Diplomacy**, on the basis of a with an underlying, unifying strategy,¹⁹ must play a key role to change the intentions of adversaries and deny them opportunities for exploitation through negotiations, treaties, verification measures, etc.²⁰ Canada should not only pursue multilateral solutions to advance its interests, but also, like the European Union is doing, “bilateral and ‘plurilateral’ cooperation of varying formats and degrees of institutionalization, from the G-7 to high-level economic talks,

¹⁹ As a former Assistant to the President for National Security Affairs once said: Do not conduct a “Foreign Policy of a Thousand Cuts. By dwelling too obsessively on short-term problems, we tend to undermine the goal of long-term stability [...]. Our foreign policy will become a pinball game of flashing lights and clanging bells, with no underlying, unifying philosophy.” (Berger, p. 1997).

²⁰ The importance of these measures cannot be overstated. For example, “[t]he major efforts toward European integration began with the Treaty of Dunkirk (March 1947) between France and Britain, which was a treaty of alliance and mutual assistance against any possible renewal of German aggression, but which also included a pledge of mutual cooperation in the general interests of the prosperity and economic security of the two countries.” (Deutsch, 1988, p. 252). Of note, in 2023, “the G7 emphasized the importance of the multilateral system, with the World Trade Organization (WTO) at its core, for economic resilience and economic security.” (Armstrong, 2023, p. 53)

investment partnerships, and raw materials clubs” (for example, the Indo-Pacific Economic Framework, the Minerals Security Partnership, the Chip 4 alliance, the Clean Network, etc.); (Matthijs & Meunier, 2023, p. 177)

- Canada’s national economic strategy must take into account the types of **military missions** Canada would undertake to protect the international flow of strategic economic resources;²¹
- Multilateral (preferably) economic **sanctions** should be part of Canada’s toolkit, even though the “evidence on the utility of sanctions is so inconclusive;” (O’Brien & Williams, 2016, p. 292)²² but their use, including “not only the partial or total cessation of normal trade and financial relations with a target country but also the denial of [specific military-enhancing] technology,”²³ should achieve the desired effects.²⁴

²¹ Military deployments increasingly reflect the geographic distribution of global natural resources as well as a range of operational dimensions—for example, the protection of fixed energy installations, control over territory through which pipelines traverse—associated with resource security. In this vein, an explicit policy link in advanced industrialized countries, particularly the United States, between economic security and military strategy, has led to the doctrine that military intervention may increasingly be used to protect the international flow of strategic resources like oil.” (Dunning & Wirpsa, 2005, p. 83)

²² As Perle argues: “The use of sanctions seems to me to be quite the opposite of the use of precision-guided munitions: the target is generally a handful of people at the top of some foreign regime, but these people are hardly inconvenienced while their subjects suffer substantial damage. [...] To the extent that sanctions strangle private economic activity, they actually increase the power of autocratic governments over their citizens. [...] Unfortunately, the typical course is to start with sanctions because one is not prepared to do anything more serious and to wait for the sanctions to work. Almost invariably they do not.” (Perle, 1995, pp. 3–4).

²³ “By sanctions, I mean not only the partial or total cessation of normal trade and financial relations with a target country but also the denial of technology that would augment the military capability of a country (or, at a minimum, delaying such military acquisitions or raising their costs).” (Khalilzad, 1995, p. 3).

²⁴ These effects may be symbolic. “Even if they had no tangible impact, unilateral sanctions are important because they give the United States the moral high ground and demonstrate to their targets and to other observers that a problem is so serious that this country and others are willing to sacrifice other policy interests to resolve it.” (Donnelly, 1995, p. 2).

Sanctions, however, may have unintended consequences, affecting innocent populations, economies, etc. (see recommendations 3 and 4)

- **Denying access** to critical and sensitive technologies must be done but it is hard to do. In some instances, they can be accessed through tens of thousands of authorized dealers (Intel products for example) and some firms are highly dependent on their export for their survival. Restricting exports could have negative consequences for a firm in terms of viability and profitability, reduce the amount of profits available for research and development, etc. (see recommendation 3). Denial may also have the effect to simply encourage other states to do their own development and production. Just as the *Canada Investment Act* is increasingly used for this purpose, we do not know whether the *Act* is effective or not as little is known beyond the final decisions.
- Denial by **onshoring/near-shoring or friend-shoring** is not necessarily efficient nor can it stop or deter a foreign state from economic predatory behavior overall (Cha, 2023, p. 92). Decoupling in this manner may have other consequences: it may simply displace dependencies without enhancing supply chain resilience, (Wolff, 2024, p. 9) and access to foreign technologies and firms may be lost, an intelligence disadvantage (Posen, 2023, p. 36). But such measure may align with values and objectives that are not directly linked to economic security, such as rebuilding a country's particular industry or creating new middle-class jobs; (Crawford, 2023, p. 77)
- **Tariffs** may be useful to protect a particular industry from unfair competition (which is not a economic security threat *stricto sensu*), but the practice may backfire. In 2023, for example, "the spectre of new tariffs on imported solar panels brought American solar projects to a standstill." (Anonymous, 2023, p. 20)
- **Export controls** are essential but should be used narrowly; an economic security rationale should not be used to protect or control widely available, older generation products or technology;
- **Firms**, to the extent possible and where it is warranted, should exercise due diligence and strive to know their **clients**. National security and intelligence and law enforcement agencies should assist through awareness briefings and by appropriately sharing relevant intelligence on

the basis of their legal authorities (to be amended as needed). These agencies, however, should refrain from involuntarily using private firms as tools to pursue Canada's economic security objectives. That would not only damage their reputation and corporate objectives, but also place an unfair societal burden on them in the absence of government compensations for their losses;

- Firms undertaking cutting-edge research with national security implications should place greater emphasis on vetting their employees to prevent foreign exploitation of their access (like Google, OpenAI, and Sequoia Capital recently did) (Danon, 2024).

Conclusion

Aaron Shull, managing director and general counsel at the Centre for International Governance Innovation in Ontario, recently remarked that Canada does not tend to think “in a strategically integrated fashion” about the intersection of national security, prosperity and economic security (Greer, 2024, p. NP3). It is my key conclusion that Canada needs to develop, promulgate and implement a comprehensive economic-security-technological strategy. This strategy should clarify Canada's own understanding of economic security and its scope, and ideally be articulated around an overarching goal. Rather than only trying to tactically whack a mole, as the public consultations document suggests, Canada should strive, along with allies, to maintain technological superiority over countries of concern in selected niche areas. As Nat Brown correctly observes, “the way to stop your geopolitical rival from overtaking you in tomorrow's tech is to invest more in winning the future of tech yourself.” (Brown, 2023, p. 48) This implies greater research and development spending, among other things, to compete in next-generation technologies, as containing access to current sensitive technologies can only work for so long.²⁵ “Innovation is the name of the game,” correctly says Brown. Canada's public consultations on economic security is welcome, but it is lacking an overarching framework to articulate all the pieces in a comprehensive fashion for strategic effect.

²⁵ “If countries are to stay ahead in their capacity to implement applications, they will need to make continuing efforts to ensure that laws, public opinion, investment in R&D, and education and literacy are drivers for, and not barriers to, technology implementation. In addition, they will have to build and maintain whatever infrastructure is needed to implement the applications that will give them a competitive advantage.” (Silbergliitt, Antón, Howell et. al., 2006, 23)

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