Canadian Telecommunications Policy: Closing the Window on Foreign Investment

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Abstract

This paper demonstrates that the aftermath of the 700 MHz (megahertz) wireless spectrum auction in 2014 closed the policy window which opened previously in 2012 to allow modest reform of the Canadian telecommunications sector. A literature review on telecommunications policy emphasizes that Canada retains significant barriers to foreign direct investment, despite changes to the 2012 federal budget. The paper introduces Kurt Lewin’s force field analysis, a theoretical model originating in psychology and change management theory, to develop a tool for measuring the opening and closing of policy windows. Finally, applying this tool to telecommunications policy demonstrates that the federal government’s recent effort to promote foreign competition has stalled and will not likely resume until a new policy window forms.

Keywords: Canadian telecommunications policy, policy window, force field analysis, foreign investment

Introduction

Telecommunications are the backbone of modern Canada. Technological advances have birthed a knowledge economy where ideas and information matter more than physical resources (Powell and Snellman 2004, 199). Participating in the information age enabled Canada and other members of the Organisation for Economic Co-operation and Development (OECD) to surge ahead of developing nations, reaching 86 percent of global GDP (gross domestic product) with 91 percent of Internet users (Wang 2003, 269). Telecommunications has also driven globalization to new heights, even threatening to impose cultural homogeneity and weaken the significance of nation-state boundaries (Pal 2013, 60). Clearly, the telecommunications industry connects Canadians to each other and the world. However, the industry itself remains ironically isolated.
Canada has one of the most protected telecommunications industries in the world (Hirshhorn 2008, 24). Significant legal and economic barriers prevent foreign direct investment (Globerman 1995, 21-26). In particular, the *Telecommunications Act*\(^1\) precludes foreign takeovers by requiring that carriers have at least 80 percent Canadian ownership and control. However, this long-standing isolationist policy has shifted recently. Amid growing controversy over consumer prices, the Government of Canada (2012) introduced new rules in 2012 to allow foreign ownership of small companies representing less than 10 percent market share (120). It also designed the recent 700 MHz (megahertz) wireless spectrum auction to increase competition by reserving spectrum for a fourth carrier in every region (Canada 2014a). Given the rapid evolution of these developments, one might wonder if they foreshadow greater liberalization to come.

This paper aims to demonstrate that further reform of the telecommunications sector is unlikely because the necessary policy window has closed. This analysis begins with an overview of telecommunications policy to situate the debate surrounding foreign investment. Next, the paper introduces Kurt Lewin’s force field analysis, a theoretical model originating from the field of psychology, and compares it to public policy theory to develop an inter-disciplinary tool for measuring the opening and closing of policy windows. Finally, the paper applies force field analysis to the field of telecommunications policy which reveals that a policy window to allow greater foreign ownership opened in 2012, but then abruptly closed in 2014.

**Background**

The federal government controls telecommunications in Canada. Although the *Constitution Act, 1867*\(^2\) predated telecommunications, it effectively assigned jurisdiction to Parliament through sec. 91(29) along with any other matters not granted to provincial legislatures. Furthermore, sec. 92(10) expressly prohibited provincial control over telegraphs, a precursor of telecommunications (Townsend 2012, 24). The *Radiocommunication Act*\(^3\) and *Telecommunications Act* form the basis of modern telecommunications policy. The former pertains to lawful use of radio waves for any purpose, while the latter covers the provision of communications services in Canada. These policies intersect with any form of radio-based communications such as wireless (cellular) phones. Both acts assign regulatory powers to Minister of Industry and administrative authority to the Canadian Radio-television and Telecommunications Commission (CRTC).

The *Radiocommunication Act* serves to distribute radio spectrum in an orderly fashion. Just as motorists drive in different lanes to pass each other without collision, radio operators

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transmit on different frequencies to avoid electronic interference. The Act enables Industry Canada to issue frequency licenses that separate users in a geographic area so that each conducts their business uninterrupted. The Radiocommunication Act does not have any particular restrictions on who can operate in Canada, but it provides the federal government with a powerful tool to control radio-based telecommunications through the issue of licenses.

Meanwhile, the Telecommunications Act serves primarily to isolate Canadian industry. From the onset it states “that telecommunications performs an essential role in the maintenance of Canada’s identity and sovereignty,” (sec. 7). The Act has historically required carriers to remain firmly under Canadian control, but a 2012 amendment removed ownership restrictions for small companies with less than 10 percent market share. However, this amendment has very little effect in practice because three larger incumbents – Bell Canada Enterprises Inc., Rogers Communications, and Telus – control the vast majority of market share. The Act also emphasises protecting the social fabric of Canada as one of its objectives. In conjunction with the Broadcasting Act, this forms a guiding principle to the CRTC for the safeguarding of Canadian culture.

These ownership rules satisfy a variety of interests. Arguments for the status quo date back to the 1979 Consultative Committee on the Implications of Telecommunications for Canadian Sovereignty that recommended pursing “a sophisticated telecommunications sector developed and owned in Canada to meet specific Canadian requirements” (2). Proponents also point to national defence and industrial regional development as important beneficiaries of domestic ownership (Globerman 1995, 22). Conversely, the Telecommunications Act has its detractors. Opponents argue that government could better protect Canadian interests by regulating outcomes rather than restricting ownership (28). Opening the sector to foreign direct investment could facilitate technology transfer and innovation because multinational companies would leverage their global talent to compete for profitability in Canada (Hejazi 2010, 7; Kemeny 2010, 1550). Finally, some argue that restrictions on foreign investment results in higher prices for consumers (Hirshhorn 2008, 2).

This controversy endures today. Industry Canada prominently advertises how consumers have benefited from the partial lifting of ownership restrictions two years ago (Industry Canada 2014), while the opposition New Democrats proposed limiting foreign ownership in their most recent policy book (NDP 2013, 28). On the surface, it appears that the debate remains alive in the public sphere. However, there are more forces at work than merely public debate. The next section outlines a technique to study these different influences shaping telecommunications policy.

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Theoretical Framework

Alternative Techniques

Forecasting policy requires adopting a theoretical framework to analyze and predict its movements. There are several society- and state-centred framework alternatives, but these do not adequately describe a complete picture of telecommunications policy. For example, Marxism offers the society-centred perspective of class struggle to explain the current Telecommunications Act as a blend of accumulation and legitimation policy (Milgan 2012, 27). A Marxist critique would assert that the Act shields the interests of existing companies and transfers wealth to the owners of capital by limiting competition. This critique could explain the partial lifting of ownership restrictions as a legitimation policy that provided limited consumer appeasement without jeopardising the primary objectives of capital. However, such a critique would struggle to explain why Industry Canada prominently pursued greater competition and lower consumer prices in recent spectrum auctions. As will be described later in the paper, the federal government recently mandated several consumer-oriented changes to telecommunications policy aside from ownership restrictions. A Marxist critique would find itself hard pressed to describe the cumulative effect of these policy shifts as favourable to established business interests. Consequently, such a society-centred theory has limited application.

Institutionalism offers a state-centred perspective that could explain the longevity of ownership restrictions. A sociological perspective could point to the use of charged language in the Telecommunications Act (Lecours 2005, 13). Terms like “Canadian identity” and “sovereignty” could have profound impact on how actors in the policy community perceive their role. Meanwhile, a historical perspective could argue that the established institutions like the Act and the CRTC cause policies to become entrenched through path dependency (14). However, these theories do not explain why the Government of Canada appeared to embark in a new direction in recent years. No major exogenous shock occurred to upset the existing path. Consequently, these state-centred theories also have limited application.

Force Field Analysis

In lieu of these society- and state-centred alternatives, the remainder of this section develops force field analysis as a theory to examine the telecommunications policy. Force field analysis does not originate from the study of public policy, but it offers a practical lens to study change. If force field analysis had a justifiable link to public policy, one could then employ this lens as a theoretical framework. The latter part of this section builds such a link. However, it is necessary to first outline the nature of a force field analysis.

Force field analysis provides a mechanism to analyze change from a baseline state toward a goal. An analyst documents forces acting on the baseline state that restrain or support a transition to the goal. Portraying the forces in this manner establishes a metaphor to understand
how the change can occur. Transitioning from the baseline to the goal requires the drivers to overcome opposing restraints. Figure 1 depicts this metaphor graphically.

![Diagram of force field analysis](image)

**Figure 1.** A graphical representation of force field analysis.

This technique has become a popular change management tool for practitioners seeking to implement new policies. For example, medical practitioners have applied force field analysis to restructure hospital services (Baulcomb 2003, 278) and implement patient management information systems (Bozak 2003, 80). By categorising organizational influences in a hospital, these practitioners built a model to demonstrate how the organization could achieve a predefined goal. Similarly, force field analysis can contribute to policy design. Policymakers must select the most appropriate instrument to achieve a predefined policy problem (Pal 2013, 130). Depicting the problem as a baseline and its removal as a goal, one can examine different restraints to change and select an instrument that tackles these challenges.

Conversely, this managerial variant of force field analysis lacks the depth necessary for rigorous study. Categorising forces into drivers and restraints simplifies model building, but the approach lacks a clear methodology to identify possible forces for inclusion in the model. Without such methodology, one cannot ascertain that all appropriate forces have been included. Finally, the transition from a baseline to the goal seems arbitrary rather than founded in a strong, empirically tested hypothesis. The remainder of this section pieces resolves these limitations by drawing on the development of force field analysis to piece together the necessary methodological framework.

Force field analysis originated with Kurt Lewin was a psychologist who proposed a series of theories that culminated in force field analysis. First, Lewin developed “field theory” on the belief that individual behaviour reflected the sum of all the perceptions that an individual had at the time (Lewin 1943, 1997). This field theory disagreed with most contemporary psychology
theories of his time in two key ways. First, Lewin asserted that behaviour reflected all the forces acting on a person rather than a few key determinants. This implied that changing single aspects of a person’s environment would not imply a shift in behaviour unless one considered how the entire environment interacts (Burnes and Cooke 2013, 410). Second, field theory defined behaviour as a function of current perceptions rather than past history. For example, he proposed that a grown adult would not react to a troubled childhood without perceiving that childhood as troubling in the present moment (411).

These concepts from Lewin’s field theory shed a different light on how to interpret and apply force field analysis. Lewin did in fact propose a methodology for choosing which forces to consider. He believed in considering as many influences as possible and considering the interactions between them. Analysts have to look deeper to understand all of the forces at work rather than simply scratching the surface (Swanson and Creed 2014, 32). Furthermore, the theory provides a basis to explain how behaviour remains static until the right arrangement of forces causes it to change. Behaviour rests in a dynamic equilibrium amid the counterbalancing forces at any given moment, and a change to several of these forces causes a shift to a new equilibrium.

Lewin’s next theory bridged psychology to organizational management. Group dynamics asserts that behavioural change across an entire group endures because the group pressures its members to conform to the change. Conversely, behavioural change in a single member reverts if the rest of the group does not immediately follow (Lewin 1947b; Burnes 2004, 982). Although Lewin focussed on the formation and evolution of groups, group dynamics connects the underlying principles of field theory to the broader social sciences. In particular, group dynamics connects field theory to public policy.

Public policy represents an extreme example of group dynamics. Regulations define norms throughout society (Lemaire 1998, 59). Governments affirm these norms with varying degrees of coercion, just as groups assert varying levels of pressure on individual behaviour. Group dynamics relates to common behaviour inside any organization or group, such as the government or the Canadian public. In these examples, however, public policy replaces the concept of common behaviour. Group dynamics thus provides a theoretical basis for applying field theory and force field analysis to the study of public policy.

Finally, Lewin produced a model to explain the change process. This model builds on field theory by explaining how change occurs in three stages (Burnes 2004, 985). First, he asserted the requirement for a thawing phase (Lewin 1947a, 35). Since behaviours (individual or group) exist in a dynamic equilibrium amid counterbalancing forces, change cannot occur until the equilibrium destabilises. Thawing the behaviour implied rendering it vulnerable to change by creating a perception of need (drivers) and reducing the impact of restraints (Burnes 2004, 985). This may appear to mirror the popular management tool introduced earlier, but there is a subtle
difference. The simple metaphor of arrows pointing forward and back asserts that organizations leap from baseline to goal by simply removing a few obstacles, but Lewin believed that weakening the forces represented only the first stage of change.

Second, Lewin (1947a) proposed a move stage (35; Burnes 2004, 985-986). During this stage, behaviours could shift along any desired axis because of weakness in the dynamic equilibrium. Depending on the context, this is when behaviours change, organizations adapt, or policies form. Lewin recommended that organizations try different options during the move stage, to determine which is the most effective (Burnes 2004, 993). Trial and error may not suit policymaking, but different options exist during this phase. Lewin’s theory predicts that policies are malleable during the move stage to any significant force applied against them.

Finally, Lewin introduced the concept of refreezing (1947a, 35). Once an organization had achieved the desired change, he asserted that it must rebuild the field of counterbalancing forces around the new position. Without refreezing, the changes would remain tenuous amid an unstable dynamic equilibrium (Burnes 2004, 986). The simplified force field analysis described earlier omits this stage completely (Swanson and Creed 2014, 33). In a policy context, the simplified tool describes only part of how to implement a policy. The refreezing stage completes the implementation by asserting the need for mechanisms to ensure continuity. It also provides an important corollary: if refreezing occurs before reaching the desired end state, then the process must restart from the beginning. Similarly, if the factors influencing policy become entrenched partway through a change, then the change will remain incomplete.

Lewin’s three-step change model shares similarities with conventional policy models. Breaking changes into stages compares to models that break policymaking into a sequence of steps. One such theory, agenda-setting, asserts that policies change during narrow policy windows (Kingdon 2011, 165). These windows present opportunities for policy entrepreneurs to pursue a desired policy option. However, the opening of a window does not guarantee the change will occur. If the window shuts before its proponents secure a foothold, then the opportunity fades with no substantial policy change. This concept of a temporary policy window mimics the middle stage in Lewin’s change model. Policy windows form when the associated dynamic equilibrium thaws, and later shut when it refreezes. Consequently, Lewin’s model applies to the study the opening and closing of policy windows.

Incorporating Lewin’s original research into the force field analysis model produces a theoretical framework to study telecommunications policy. Field theory is particularly relevant to telecommunications policy because of how telecommunications connects all Canadians together. One must understand all of the different forces acting on Canadians to appreciate how telecommunications policy unfolds. Meanwhile, group dynamics provides an important theoretical bridge between psychology and public policy, allowing force field analysis to take the
place of a theoretical framework. Finally, his three-step process describes how policy windows open and close. This provides a deeper understanding of when telecommunication policies are most likely to change or remain. The next section applies this method to demonstrate that the policy window for reform of Canada’s telecommunications ownership rules has ended.

Policy Window: Canadian Telecommunications Ownership

Thawing Stage

Aside from the Telecommunications Act, several informal barriers crowd out foreign investment in telecommunications. Building networks invokes high capital costs (Church and Wilkins 2013, 4). Incumbents have the advantage of owning existing infrastructure such as the public switch telephone network. Consequently, new entrants cannot provide competitive services without massive infrastructure spending. This reduces the likelihood of both domestic and foreign competitors entering the market. However, advances in wireless technology have weakened this relationship. Wireless infrastructure costs less to establish because a few towers cover a community without the need to bury wires on every property. Incumbents and new entrants both face similar challenges in rolling out new technology to meet evolving consumer demands.

Meanwhile, controversy over consumer protection has arisen to the forefront of telecommunications policy. Canadians allegedly suffer from a lack of competition in the wireless industry. Popular arguments for more competition and lower prices abound everywhere (Church and Wilkins 2013, 1). The federal government even incorporated these arguments into online and television advertising, “More choice. Lower prices. Better service,” (Industry Canada 2014). However, this interest in consumer protection did not originate with wireless communications.

The CRTC’s mandate has shifted in recent years toward consumer interests. The Commission regulates wholesale prices that carriers charge when leasing services to each other. Although wholesale prices differ from retail ones, controversy arose in 2011 when the CRTC approved a wholesale pricing model based on consumer behaviour (Geist 2011, 222). Instead of charging a flat fee based on the number and quality of leased internet connections, the CRTC (2011) authorised wholesale providers to charge their lessors a premium for each consumer who exceeded a monthly data usage threshold (4). Critics argued that industry incumbents would have the ability to interfere with the relationship between competing internet service providers and their customers (5). The controversy reached a climax when 450 thousand Canadians petitioned for an end to data caps on internet service (Geist 2011, 222). This led the Industry Minister to overrule the CRTC (CBC News 2011), and created the necessary friction within government to set in motion future policy changes to bolster consumer protection in the telecommunications industry.
These events alone do not describe the CRTC’s influence. Recalling Lewin’s field theory, one must consider all of the forces at work rather than a few key ones. For the CRTC, this means considering some of its key roles that lie outside telecommunications. For example, it serves to protect Canadian culture by administering the Broadcasting Act. Many of the objectives in this Act mirror the Telecommunications Act, including the “enhancement of national identity and cultural sovereignty” (sec. 3b). Consequently, the two policy areas are bound to interact.

Changes to the broadcasting industry have helped to thaw telecommunications policy. Two of the telecommunications incumbents, Bell Canada Enterprises Inc. and Rogers Communications, have embarked on a strategy of vertical integration by acquiring and integrating media companies into their own services. For example, Bell Canada Enterprises Inc. (2011, 1) acquired CTV for $3.2 billion and both companies purchased a stake in Maple Leaf Sports and Entertainment for a combined value exceeding $1 billion (Rogers Communications 2011). Most recently, Rogers Communications (2013) signed a 12-year contract with the National Hockey League worth $5.2 billion. These major acquisitions have stoked fears about competition. Without regulatory oversight, critics argue that these major firms could deny competitor access to lucrative broadcasts. The concern has shifted the CRTC’s focus from its usual emphasis on Canadian content quotas in broadcasts. Technology has also played a role in shifting broadcast policy, including the introduction of satellite-based radio (O’Neill 2008, 30). The CRTC approved a reduction in quotas from 35 percent to 10 percent to avoid a black market, as it cannot coerce foreign satellite providers as easily as terrestrial broadcasters inside Canada.

Changes in technology, consumer attitudes, and broadcasting policies weakened the restraints on telecommunications policy, but it was not until 2008 that a major driving force arrived. Globalive won a substantial amount of wireless spectrum in the 2 GHz (gigahertz) auction at a cost of $440 million (Industry Canada 2008). Although Globalive was a Canadian company, it financed the deal by giving a significant equity stake to foreign investors. This led to a rare decision by the CRTC to reject a carrier from operating on the basis that it failed to meet Canadian ownership rules (Robertson 2009). This presented a problem for the government, as it had already sold the spectrum and in doing so bore a degree of culpability for the sudden reversal. The Honourable Tony Clement, Minister of Industry, later overruled the CRTC by declaring that Globalive was in fact Canadian controlled and met the ownership rules of the Act (Canada 2009). Even if one accepts the Minister’s decision and the relevant Order in Council at face value, Globalive’s entry into the wireless market upset the already fragile balance that held telecommunications policy in place.

Movement Stage

This paper has already alluded to the small movements that took place while the policy window remained open. Amid continuing controversy over the Globalive decision, including an appeal to the Supreme Court of Canada by competitor Public Mobile, the Government of Canada
(2012) announced new Canadian ownership rules in its 2012 Economic Action Plan. The budget introduced an exemption for companies with less than 10 percent market share, and allowed this exception to continue if they grew beyond this threshold as long as they did so without mergers and acquisitions.

This policy change eliminated the uncertainty around Globalive, but its impact was muted than it could have been. Telecommunications services remained broadly concentrated with three incumbents that fell outside the scope of the new policy. Consequently, the new rules only applied to a tiny portion of the market. Loosening investment restrictions on the industry incumbents would have represented a more dramatic policy change. Furthermore, the exemption for small carriers had limited attractiveness to potential investors because it contained a legislative “poison pill.” If any foreign-owned company grew beyond 10 percent market share, it would become ineligible for mergers and acquisitions by law. This has the effect of chilling investment by eliminating one of the drivers for share price (Malatesta 1988). Consequently, the government has not yet achieved a substantial policy move toward welcoming foreign investment in the telecommunications sector.

Refreezing Stage

The refreezing stage began in 2014 with the 700 MHz wireless spectrum auction. The government designed the auction to favour smaller carriers by establishing four blocks of spectrum in each geographic region and prohibiting firms from winning multiple blocks. Consequently, the incumbents could only compete for three blocks (Canada 2014a). This left a fourth block open to new entrants at a substantially lower price. In an industry consultation to prepare for the auction, firms disagreed over the merits of this policy (Industry Canada 2010).

As the auction neared, the three incumbent companies lobbied the government to change course. The lobbying intensified and made national headlines after rumours surfaced that Verizon Communications Inc. was interested in entering the Canadian market (Chase, Erman, and Trichur 2013). These rumours gave the incumbents ammunition to accuse the government of prejudicing large foreign companies at the expense of Canadian industry. The debate was no longer simply between large incumbents and smaller carriers; Verizon was far larger with US$120 billion annual revenue (Verizon Communication Inc. 2014, 9) compared to C$20 billion for an incumbent such as Bell Canada Enterprises Inc. (2014, 5). The government responded with an intense public relations campaign. Unlike previous spectrum auctions, the 700 MHz auction accompanied significant volume of online and television advertising (for example, see Industry Canada 2014). However, this advertising did not respond directly to the incumbents’ concerns about foreign investment. Instead, it painted the issue as one of competition.

As it happens, foreign investment did not flood into the auction. Verizon clarified that it had some interest in Canada, but would not participate in the auction. Its decision to keep out
may have been influenced by its subsequent deal with UK-based Vodafone to end a joint venture in the US wireless market. At US$130 billion, this was the third largest corporate deal in the telecommunications industry (Holton and Carew 2013). Consequently, Verizon may have avoided Canada so that it could focus capital on this larger purchase. Meanwhile, Globalive announced through its subsidiary Wind Mobile that it did not have the financial capacity to participate in the auction (Trichur 2014). These two announcements dealt a blow to momentum for foreign investment in wireless communications. Meanwhile, the government remained deeply invested in its public relations campaign for a fourth carrier in every region.

The auction ended 13 February 2014 and the winners became publicly known six days later. The government raised $5.2 billion selling 97 licenses to Canadian-owned carriers, of which 83 went to the three industry incumbents (Canada 2014b). Regional carriers Sasktel and MTS also acquired one license each, reflecting their local incumbencies. Had there been no further winners, the government’s fourth-carrier strategy would have been a dismal failure. However, Quebecor-owned Vidéotron stunned the industry by purchasing seven licenses, including five in Ontario, Alberta and BC. Consequently, Vidéotron now represents a serious contender for national market share.

These auction results dim the mood for foreign investment. Now that a fourth Canadian carrier is undertaking a strategy of national expansion, market saturation will increase and render Canada less attractive to foreign investment. Foreign investors must now contemplate competing with Vidéotron as well as the three main incumbents. This reduces the likelihood that smaller companies such as Globalive will receive further international funding. Furthermore, market saturation weakens justification for the government to pursue further policies to promote competition, such as relaxing ownership rules. Meanwhile, Vidéotron has the financial means to win spectrum in future auctions through its parent corporation. Finally, Quebecor Inc. itself is almost certainly immune to foreign takeover. As a combined media and telecommunications corporation, both the Broadcasting Act and Telecommunications Act apply. More importantly, Quebecor Inc. is majority owned, controlled, and operated in a province that resists hostile takeovers by outside corporations (see Quebec 2014, B.79-80).

Consequently, drivers for foreign investment have weakened while restraints strengthen. As Vidéotron begins to compete in several Canadian markets, the incumbents continue expanding their infrastructure to keep up with technological advances. The cost of entering the Canadian market will rise as the benefits decline. Meanwhile, the federal government has expended its political capital through public advertising amid the controversy over Verizon Communications. The next opportunity for foreign investment will occur in 2015 during the 2.5 GHz spectrum auction (Canada 2014b), but the government will likely shy away from promoting foreign investment with further policy action amid a looming election. Consequently, a new dynamic equilibrium has formed with the conclusion of the 700 MHz auction. The existing
policy changes will remain in place, but further liberalization of telecommunications policy appears unlikely.

Conclusion

Force field analysis proves to be a useful analytical tool for studying public policy if one applies it in the context of Lewin’s original research on field theory (1943), group dynamics (1947b), and the three-step model (1947a). Although the technique does not predict exactly what will occur when a policy window opens, it does provide clues into how policies could shift in a variety of directions within the same window. Furthermore, it establishes that these shifts lack permanence until the window closes. Most importantly, however, force field analysis provides a firm means to predict policy entrenchment. When the dynamic equilibrium surrounding a policy field refreezes, force field analysis predicts that they will not change further. This predictive character establishes the relevance of force field analysis as a theoretical framework.

Applying force field analysis to Canadian telecommunications policy reveals that a policy window formed amid changing technology, consumer expectations, industry amalgamation, and controversial outcomes of the 2008 spectrum auction. However, movements inside this window deviated from the policy objective of increasing foreign investment. Instead, the recent 700 MHz auction served to increase competition amongst domestic carriers. While this represents a significant shift from the previous status quo of three dominant incumbents, it also implies that policy moved in an opposite direction from foreign investment. Despite the changes to the Telecommunications Act in 2012, the efforts of the Government of Canada to promote foreign investment in the telecommunications sector has stalled. Consequently, further reform of the telecommunications sector is now unlikely until a new window forms in the future.
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