



Sovereignty by Design

The SHIELD Score

Sovereignty is a “hot” word right now.

But for all its allure, it’s also a dangerously vague concept that is often invoked without context. What does it mean to say that something is, or is not, “sovereign”?

At the Canadian SHIELD Institute for Public Policy, we’re motivated by a clear goal: **economic sovereignty** - restoring Canadian control and ownership over the systems and platforms that structure daily life. We believe Canada should own, shape, and govern the critical systems that underpin our economy, across both physical infrastructure and digital platforms, and that more of the value created by those systems should be delivered to our economy. That means reducing dependence on foreign-controlled assets, ending unpriced digital extraction, and building public-interest alternatives when appropriate to secure long-term resilience and value at home.

Which is to say: a key element in this contemporary fight for sovereignty is **domestic ownership** and **national control**.

However, definitions just add colour to the concept. While sovereignty is a strength and generally a binary - something you either can exert or do not - it’s also more often an assessment than an ambition. To better understand where Canada lacks sovereignty, our think tank often studies cases where this ability has been lost or ceded sectors or services. Doing so makes the issue more tangible while highlighting opportunities for better governance. But at this key juncture in our nation’s history, we also are trying to invest in our *future* sovereignty, not just restore it.

What we have quickly found in our ongoing analysis is that we wanted a repeatable **framework** to think about policy decisions and what their implications are for Canada’s future sovereign capacity; something more analytical than judging whether something is “good” or “bad” for the country. We started by turning to the best practices outlined in by the OECD¹ for something called “competition assessments.” These are frameworks that seek to understand and minimize potential harm to competition from new and existing regulations, laws, and other government policies. We also took inspiration from a resource from the Competition Bureau of Canada, called the *Competition Assessment Toolkit*². These tools were designed to support policymakers in their evaluation of the merits of a policy decision.

Both mechanisms informed our “sovereignty score.” This assessment breaks down elements of policy implications into two categories: *sovereignty* and *economic transformation* – as a way to evaluate whether a decision is delivering the value created from our regulatory and economic activity back to Canadians while securing our ability to ensure that value is delivered in the future.

This scoring framework allows us to quickly analyze policy decisions based on a set of criteria that we believe has the potential to deliver a value-added economy for Canada when applied consistently. We’re simplifying a core and complex set of policy goals to help decision-makers and citizens situate government announcements inside a framework for analysing how it sets us up for the future.

Done well, this system stress-tests policy against a few practical questions, so that we don’t “solve” one problem by creating other ones. By making certain trade-offs explicit (like who pays, who benefits, what

alternatives are possible), it's a hygiene practice for pro-productivity, pro-innovation, and pro-Canada policy.

Because the SHIELD Score is repeatable, it works both *ex ante* (to shape better policy) and *ex post* (to hold decisions to account). While we will typically be applying this lens to policy decisions that have already been announced, our intention is that we build and institutionalise the habit of considering these dimensions *before* a policy framework is finalized. In that way, the SHIELD Score can be a sober, pre-decision check that asks: will this law, subsidy, standard, or procurement choice unintentionally limit Canada's ability to make decisions over our own policy and economic regimes?

When it comes to policy, our governments have the potential to shift power and deliver more value-add to Canada with every single decision they make. When we fail to do that, we often end up with large foreign companies deciding the rules of their technology: how social media operates, how disinformation spreads, how Canadian's data gets used to benefit other jurisdictions instead of delivering benefits to Canadians.

Too often, we have let foreign companies decide what products are available in the market for Canadians to purchase instead of enhancing the ability of Canadian companies to meet the actual needs and wants of Canadians. Canadian companies aren't universally perfect, either, but sovereign ownership and strong regulation together can deliver the results we need to secure Canada's future.

Ultimately, the assessment turns policy promises into testable choices; showing whether and how a policy decision shifts control, competition, and value towards Canada.

If we want to rebuild economic sovereignty, we need to understand and concretize how to create it. It's not straightforward, it's hard; it's messy and it's worth it. We believe that this framework will help ensure that we're making smart policy for the future.

We'd love to hear from you when you note a policy decision that can be contextualized through this score. Reach out anytime to: hello@canadianshieldinstitute.ca.

Appendix A: The SHIELD Sovereignty Score

Policy decisions shift power. Our sovereignty scorecard contextualizes what policy decisions mean for economic sovereignty and transformation.

1. Sovereignty: *This section measures if and how the policy choice increases Canada's sovereignty and strategic autonomy?*

- ☐ Does it use or incentivize the development of Canadian innovation?
- ☐ Does it enhance national economic security and defence and/or promote interoperability or open standards
- ☐ Does it reduce dependency on foreign firms or supply chains?
- ☐ Does it avoid entrenching monopolies and/or systems that concentrate power in private hands?
- ☐ Does it increase the ability for Canada to govern technology; for example, through IP ownership and data control by Canadian companies or the government itself?

2. Economic Transformation: *This section measures if and how the policy delivers value-add to people in Canada, short-term and long term?*

- ☐ Is the intellectual property, data and profit generated by this decision retained by Canadian firms?
- ☐ Does it create, sustain or improve jobs in Canada?
- ☐ Does it increase skill utilization or broaden the skill base of Canadian workers?
- ☐ Does it promote systems that share economic benefits broadly?
- ☐ Does it enhance affordability, quality, and innovation for consumers; not just returns for incumbents?

Appendix B: Core Questions

Section 1: Sovereignty. This section measures if and how the policy choice increases Canada's sovereignty and strategic autonomy?

- *Why it matters:* Policies that lower reliance on external decision-makers reduce exposure to foreign shocks and veto points. Strategic autonomy lets Canada act in its own interests.
- *Evidence to look for:* Decision rights kept in Canada; the ability to substitute domestic inputs; contingency/continuity-of-government provisions.

1.1. Does it utilize or incentivize the development of Canadian innovation?

- *Why it matters:* Public spending that pulls domestic R&D through to deployment builds compounding capabilities (firms, talent, IP) instead of just importing solutions.
- *Evidence:* Canadian-led patents, standards participation, Technology Readiness Levels progression in Canada³, procurement set-asides for domestic innovators.

1.2. Does it enhance national economic security and defence and/or promote interoperability or open standards?

- *Why it matters:* Resilient systems depend on secure supply, compatible tech, and avoid single-vendor lock-in, which is critical in crises and for allied cooperation.
- *Evidence:* Standards compliance (e.g. open APIs, data portability), multi-vendor architectures, cyber/chain-of-custody assurances.

1.3. Does it reduce dependency on foreign firms or supply chains?

- *Why it matters:* Concentrated foreign dependencies create leverage over Canada's economy, data, and policy choices.
- *Evidence:* Supply concentration indices, domestic substitution plans, friend-shoring diversification, on-ramps for Canadian suppliers.

1.4. Does it avoid entrenching monopolies and/or systems that concentrate power in private hands?

- *Why it matters:* Market power raises prices, suppresses wages and innovation, and eventually shapes regulation itself.
- *Evidence:* Competitive procurement design, data-access remedies, interoperability mandates, merger/antitrust screening ex-ante.

1.5. Does it increase the ability for Canada to govern technology (e.g., IP ownership, data control by Canadian firms or government)?

- *Why it matters:* If Canada doesn't own or control the levers (code, models, data), it can't set rules, audit risks, or change providers without penalty. *Evidence:* IP terms in contracts, data residency and access rights, model weight escrow, audit/override clauses, sovereign cloud options.

Section 2: Economic Transformation. This section measures if and how the policy delivers value-add to people in Canada, short-term and long-term?

- *Why it matters:* Value-add—not just throughput—drives productivity, wages, and fiscal capacity; short-term wins must compound into durable capability.
- *Evidence:* Domestic value-added projections, productivity impacts, spillover multipliers, export sophistication upgrades.

2.1 Is the IP, data, and profit generated by this decision retained by Canadian firms?

- *Why it matters:* Retaining intangible assets anchors future growth and bargaining power; losing them exports rent streams and control.
- *Evidence:* IP assignment clauses, royalty flows, data governance models, profit-repatriation vs. domestic reinvestment commitments.

2.2 Does it create, sustain, or improve jobs in Canada?

- *Why it matters:* Employment quality and quantity determine inclusive growth and political durability of the policy.
- *Evidence:* Net job creation, job quality (wages, permanence), regional distribution, career ladders tied to the project.

2.3 Does it increase skill utilization or broaden the skill base of Canadian workers?

- *Why it matters:* Capability building (training, apprenticeships, upskilling) is the engine of long-run productivity and reduces import-dependence for talent.
- *Evidence:* Training hours per worker, certified programs, partnerships with colleges/universities, credentials recognized across sectors.

2.4 Does it promote systems that share economic benefits broadly?

- *Why it matters:* Broad distribution reduces backlash and lock-in to low-competition equilibria; it strengthens legitimacy and resilience.
- *Evidence:* SME participation targets, community benefits agreements, worker ownership/co-ops, regional equity metrics.

2.5 Does it enhance affordability, quality, and innovation for consumers, not just returns for incumbents?

- *Why it matters:* Stakeholder outcomes are the check against regulatory capture; efficiencies must show up in price, quality, or choice.
- *Evidence:* Price/quality benchmarks, service-level guarantees, open entry for challengers, rollout timelines and penalties.

Notes

¹ OECD. “Competition Assessment.” *Organisation for Economic Co-operation and Development*, accessed September 29, 2025 <https://www.oecd.org/en/topics/sub-issues/competitive-and-fair-markets/competition-assessment.html>

² Competition Bureau. “Strengthening Canada’s Economy through Pro-Competitive Policies.” *Government of Canada* (2020). <https://competition-bureau.canada.ca/en/strengthening-canadas-economy-through-pro-competitive-policies>

³ Innovation Canada. “Technology Readiness Levels.” *Government of Canada* (2025). <https://ised-isde.canada.ca/site/innovation-canada/en/technology-readiness-levels>

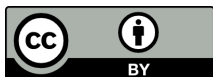
About SHIELD

SHIELD is a next-generation policy studio focused on developing Canada’s sovereignty and driving economic transformation. We work across infrastructures, industry, and innovation to confront systemic risks, retain economic value, and build the domestic capacity Canada needs to thrive. Our goal is a more prosperous, resilient, and independent future for all Canadians.

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