

Bubble, Bubble, Toil and Trouble:

Thoughts on the Changing Nature of Canada's World

"...the vested interests of acquired knowledge and conventional wisdom have always been bypassed and engulfed by new media..."

Marshall McLuhan

The setting....

In the wake of wars in Afghanistan and Iraq, in the early years of the 21st century we seem to have reached a defining moment, a moment characterized by extraordinary flux and uncertainty. The post Cold War era is over, with the peace dividend unpaid, and something quite different is emerging. Tectonic plates are shifting, altering the geoeconomic landscape and strategic climate. All players at the level below that of the sole remaining superpower, and particularly those countries determined to remain at the high end of the new international division of labour across an increasingly polarized international spectrum, are scrambling for position. Even for the most favoured countries, the costs associated with blowback, poor performance or failed governance have grown exponentially - ask any Russian, Thai, Argentine... or Iraqi.

Though the outline is vague, and the precise contours remain unformed, first indications of the emerging paradigm are unsettling. The conflict in Iraq has divided the free trading North American community, stalling progress on resolving trade irritants, border and immigration issues. The same dynamic has riven Europe, which though prosperous, integrated economically and enlarged institutionally, is fractured politically. So, too with the North Atlantic alliance. Latin America is regressing, while Africa - NEPAD notwithstanding - is again slipping from view. With half the world's population and strong growth prospects, Asia is set to emerge as the dynamic centre of the global economy... some day. While China will likely overtake the USA in terms of total economic activity by mid-century, the wake of the 1997-98 economic meltdown unsettles still. Japan's continuing economic stagnation, India and Pakistan's re-invention of regional nuclear deterrence, unchecked drift in ASEAN, roiling instability in Central Asia, missile testing and WMD development in North Korea, the SARS scare... even the most ardent boosters have for now withdrawn their bets.

... Is Complex

In fact, the erstwhile global village looks these days more like a patchwork of gated communities surrounded by a vast and menacing hinterland of shantytowns. From the prosperous precincts of North Toronto to the rutted Six Nations reserve, from the comfortable suburbs of San Diego and the sprawling maquiladoras, we see sharper edges, deepening divides, and widening chasms. Dreams of trickle-down notwithstanding, allocative efficiency has translated into anything but distributional equity or social justice. Large swathes of the planet are grappling with fragmentation, immiseration, and disintegration. The clans are rising as failing states splinter into razor-like shards.

In many instances the alienated and marginalized seek shelter, or succor, or meaning in

extremism, religious fundamentalism and a variety of virulent forms of ethno-nationalism. Deprived of the crude disciplines imposed previously by competition for client states and East-West bipolarity, the falling away of bloc affiliation and ideological fetters has unleashed the malevolent genies of identity politics, religious strife, ethnic war and opportunistic plunder. The blood of ethnic politics is boiling, while a narrow, vengeful and exclusionary politics is ascendant at many of the world's key crossroads.

The good news?

Like the sword of Damocles, globalization has cut all ways. Civilization and progress continue, democracy and human rights have made real gains, the apocalypse is not in the offing. The industrial age is giving way to the information age, and this bodes well for the health of the ecosphere. Moreover, the intensification of interdependence, a reduced gap between domestic and foreign policy, the increased speed and greatly diminished cost of processing and transmitting information, and the growing reach of global news media have become near universal characteristics, hallmarks of the contemporary international policy environment. So, too, is wider public participation in international affairs. The internet has democratized access to information; special interest groups, of both corporate and NGO provenance, lobby skilfully, while citizens exercise their right to be heard. The monopoly of governments has been broken, hierarchies everywhere have been subverted, and authoritarian control is diminishing accordingly.

So, why now?

It seems fair to say that public policy in contemporary Canada is being conditioned, and to some extent determined by the powerful historical current of globalization, in tandem with two closely related aspects - unipolarity/unilateralism and the transformed international security environment. Each of these requires a closer look. Whether the issue is the sideswiping of the national economy or a run on the dollar due to a financial crisis elsewhere, the effect on trade of the closure of the frontier with the USA, climate change altering patterns of land use and settlement across the north or the impact of SARS on incoming tourism and investment decisions, there is no doubt that Canada is exquisitely vulnerable and exposed to events elsewhere. All of this carries profound implications for Canadian sovereignty and governance, about which more in a moment.

Globalization is an irresistible historical process working at the supranational level to produce the appearance of a single world society - much to the distress of its discontents, who are many. This phenomenon has been expedited by greater economic interdependence and technological capacity; increased mobility of most factors of production; higher levels of market integration and liberalization; deregulation, privatization, and a reduced role for government, all of which in combination have reshaped the world political economy. Interconnections between networks have compressed time and space and increased both volatility and vulnerability, while obscuring the lines between national and international, domestic and foreign. The rules, players, and games have changed, and that process continues full bore.

Although in large part a product of the activities of multinational corporations, globalization relies as well on a complex of political institutions and conditions such as regional integration, international trade negotiations, and the continuing conviviality of multilateral organizations. Globalization has created new and sharper divides between haves and have-nots, winners and losers, within and between states. Free trade, cultural homogenization, structural adjustment, market liberalization, and service and welfare reductions, combined with the imposition of policy

conditionality and deep cuts in development assistance spending, have engendered a significant backlash. While conferring substantial gains upon the beneficiaries, the underside of globalization produces insecurity and encourages transnational turbulence. This is a challenge for all states, who seem increasingly too small to do the big things - even as more and more of the world's problems require global solutions - yet too big to do the small things.

The nature of international security - and our thinking about it - is at the same time evolving radically. The formerly distinct domains of foreign and defence policy have in large part been subsumed into a new security discourse. With the eclipse of Communism, the old system of collective security - formal alliances - has withered. Whatever the future of NATO, Afghanistan and Iraq suggest a new trend inclined more towards temporary coalitions of opportunity structured around sets of defined - if constantly shifting - issues. Instability has become chronic and the notion of common security, which underpins the UN and proceeds from the assumption that all states share a common enemy - war - faces challenges at least as acute. Population pressure, resource scarcity and environmental decline have given rise to an explosion of intrastate conflict.

Criminals, terrorists, secessionists and zealots of every stripe, sometimes in partnership with governments or intelligence agencies, threaten one day to brandish chemical, biological or nuclear weapons of mass destruction. As the violent episodes in former Yugoslavia so starkly illustrate, it is failing, more often than rogue or conquering states, which have become most profoundly threatening. Populations, as opposed to governments, have been targeted by a dizzying array of violent non-state actors, of which Al Qaeda is but one. Yet for Canada, none of this has lessened pressures to participate in BMD, which is designed to address a more conventional proliferation threat.

Unipolarity, as suggested above, especially in combination with the vigorous exercise of American unilateralism, has placed Canada on the front line: globalization and the transformed international security environment intersect along the 49th parallel. Well before the events of September 11 or the continuing imbroglio in the Middle East, the world's only superpower was demonstrating a marked tendency to act alone. The USA had refused to sign on to major international initiatives like the ICC, the Kyoto Protocol, the Convention on the Rights of the Child, the Landmines Ban Treaty, and opted out of previous obligations like the ABM treaty. The September 2002 National Security Strategy, derived in large part from documents published in the late 1990s under the auspices of an ideologically-driven NGO called the Project for a New American Century, sets out the doctrine of pre-emptive defence and is predicated on the indefinite maintenance of global American supremacy.

The controversial intervention in Iraq and pre-occupation with national security at home are direct results, while the weakening of multilateral, rules-based systems and organizations - the Security Council, the UN generally, international law, various dispute settlement mechanisms - is a direct cost. So, too, is the rising tide of anti-Americanism, both in the Arab and Islamic world and beyond. For Canada - a committed multilateralist, a would-be bridge from NAFTA to Europe and Asia, and all the while the USA's closest friend and neighbour - the consequences are immense.

Implications for Canada

While non-state actors - corporations, NGOs, cults, gangs and groups of all description - have become major players globally, countries and states count, and in Canada's case the bedrock of values and interests which national structures represent remains largely intact. Core Canadian interests - peace, security, prosperity - endure, and are in turn indivisible from core values: democracy, justice and the rule of law, human rights, diversity and tolerance. None of this is likely to change anytime soon.

For a variety of natural and quite understandable reasons, however, Canada today occupies a significantly smaller place in the world than was the case 50 years ago. As chronicled with some conviction by journalist Andrew Cohen in his recent book *While Canada Slept*, this country's power, prestige and influence have waned. More a function of default than design, this trend has also had an element of inevitability, as Europe and Japan rebuilt and China, India, Mexico and Brazil emerged. Nonetheless, the gradual erosion of Canada's place in the world influence has been exacerbated in recent years by resource reductions in all areas of international policy: the aid budget cut in the order of 50%, defence by 40%, foreign affairs by 35%. After years of resting on past laurels and talking the walk, there is now a real need to rethink our strategy, our approach and our position. This seems a minimum requirement if we are to avoid irrelevance and ensure that our proposals and prescriptions continue to be accorded serious international consideration.

In these straightened circumstances, relying on the past as a guide to the future is both difficult and unwise. The postwar consensus on Canada's role and place in the world, rooted in notions of middle-power diplomacy and a vision of Canada as an "honest broker", "helpful fixer" and compassionate donor, rhetoric notwithstanding, is no longer sustainable. Moreover, the jeopardy is double because Canada has for years been coasting on an international reputation - as a Pearsonian internationalist, pre-eminent peacekeeper, environmental activist, generous aid donor - derived mainly from circumstances which no longer obtain. This has raised questions about our commitment to Canadian values, has left our interests exposed and rendered our policies and positions vulnerable to attack. This is a liability which might usefully be addressed.

In a way, though not explicitly, it has been. In terms of practice, for example, Canadian foreign policy has embraced soft power and made a virtue of necessity by easing away from the grand, global order projects - disarmament, non-proliferation, environmental advocacy, North-south relations - and moving instead into special project niches. A raft of long term, complex, shoulder-to-the-wheel types of international enterprise, where progress is measured in small increments and often over decades, have in large part been given up. So has it come to pass that certain familiar overarching themes and motifs - sustainable development, poverty eradication, arms control, follow-up on the environmental commitments made at the Rio Summit - have been quietly edged aside.

New patterns and themes emerged forcefully in the early 1990's with Canada's innovative

campaigns in Europe defending positions on fur and overfishing, and honed later in the decade by Minister Axworthy in the context of his successes with land mines, the International Criminal Court, children in conflict and the sale of “blood diamonds” fueling civil wars, and the doctrine of humanitarian intervention, and several other files. The retro-fit with the Human Security Agenda was near-perfect. The point here is that our approach to international policy has in fact been changing with the issues; this should be formally recognized and the implications thoroughly thought through.

And Next?

The human security approach - like soft power and a special projects orientation - is extremely well-suited to Canadian capacities and to the world described above. It emphasizes the safety and well-being of people and communities, appreciates the consequences of intrastate, more so than interstate, conflict, and is focused on reducing the toll exacted by modern conflict on non-combatants. It stresses the role of civil society and puts a premium on the development and implementation of remedial approaches to a spread of transnational challenges often associated with globalization - ethnic and religious fissures, refugees and mass migrations, environmental collapse, disease, terrorism, crime and narcotics abuse. Canada has emphasized five specific areas in which we possess particular comparative advantage: protection of civilians in armed conflict; peace support operations; conflict prevention; governance and accountability, and public safety. This is a good start. But the real potential for policy gains have yet to be realized.

With so little by way of hard power resources, and without really knowing it, Canada has begun to embrace what amounts to a public diplomacy approach in much of its international policy activity: project-based virtual networks, joint ventures with civil society, mutual interest alliances with the like-minded, strategic use of the media, leveraging private sector activity, promoting culture and education, using attraction rather than coercion to make others share your objectives. Though it needs to be codified, and shaped, and expressed organizationally, many of the basics are already all there. This, too, can be built upon.

Last word

The relentless push for maximum efficiency in the global economy, superimposed over exigencies associated with 9/11, has generated enormous pressures to rationalize and harmonize Canadian policies and regulations, especially with those of the USA. This pressure increased exponentially post-9/11, and has intensified with the Iraq episode. Canadians will therefore have to identify and establish clear priorities regarding those aspects of their independence they most wish to protect... or salvage. This has, and may continue to require a substantial surrender of national decision-making control, as well as a searching exploration of a variety of new configurations such as shared sovereignty. It will also be necessary to reconcile Canada's need to pursue a nuanced and principled international policy against a declared pre-disposition on the part of the USA to view the world in black and white.

There is also an upside to globalization, and it takes Canada well beyond the role of New World Orderly, bandaging wounds and cleaning up in the wake of the application of American military power. Trade, travel, and immigration and demographic figures suggest that Canada is among the most globalized countries on earth. A robust and enlightened immigration program has vested in this country a depth of linguistic capacity and cross-cultural skill which in turn contributes enormously to Canada's comparative advantage and competitive edge. That puts Canadians in an

excellent position to do business anywhere, and to offer countries with less experience in the ways of globalization - rising Asia, fortress Europe? - the benefit of lessons learned here.

More immediately, though, Canada's decision to trump interests with values and stand aside in the war on Iraq is replete with policy inferences, some subtle, some less so. There is little doubt that the political and diplomatic chill which has recently pervaded the world's largest and most comprehensive bilateral relationship carries potential to spill over into trade, and perhaps even investment relations. Over the medium term, and as a result of abiding asymmetries, the effective management of Canada's vulnerability is now critical. A generally higher level of political and diplomatic attention to the relationship with the USA, combined with a real effort to find ways to be helpful, could be part of a determined campaign to restore the quality of our continental engagement while redoubling efforts to diversify our dependence by developing new forms of partnership elsewhere. Europe and Asia offer compelling prospects: not continentalism *or* the world, but hemispheric relations, multilateralism *and* selective global engagement.

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