

INTERNATIONAL POLICY AT A CROSSROADS

THE CHALLENGES WE FACE

Our world is smaller and more crowded than ever before. While sovereign states remain the fundamental building blocks of international society, they now share the landscape with a host of other actors. Globalization has connected people and places in ways that were previously unimaginable, and has blurred the lines around national economies. In the process it has generated unprecedented levels of wealth. Yet many have been left behind and unexpected threats have emerged. Canadians now understand that seemingly remote events can have direct, and sometimes dire, domestic consequences.

New clusters of threats. In this context, all countries face new and diverse challenges. Terrorists have harnessed the modern tools of globalization and exploited our open societies with devastating effect. Modern transportation allows a deadly disease to spread from one part of the globe to the other in a matter of hours. Environmental degradation spawns unexpected natural disasters. Failed and fragile states displace hundreds of thousands of people, with destabilizing regional and global consequences.

These developments erode old parochial conceptions of the national interest. No state, no matter how powerful, can, by acting alone, make itself invulnerable. In an interconnected world, countries find themselves sharing mutual interests more often than ever before. Moreover, the problems we face are interrelated. Security threats can diminish economic prosperity by hindering the free flow of people, goods and services across national borders. Conversely, long-term commercial engagement and development assistance can prevent impoverished states from becoming sources of instability. The implication for Canada is clear: to remain a secure and prosperous nation, we must foster international cooperation as well as defend our sovereignty. Canada's task is to promote collective action at both a regional and a global level.

Global institutions under strain. We have played a successful role in the past, helping to build the multilateral system that remains integral to meeting today's challenges. These traditional political and economic institutions are now under strain, and their purposes have shifted as a result of globalization, the end

of the Cold War, and the emergence of new and more terrifying security threats. The "global village" has become a reality, yet it still lacks consensus on the rules by which the inhabitants of that village—sovereign states, private companies, non-governmental organizations and individuals—should govern their interactions.

As the legitimacy and effectiveness of our existing global institutions are increasingly questioned, the challenge for Canada is to collaborate with others to design and implement successful reforms. The required "new multilateralism" must be more representative, so that nations with different cultures and capabilities can build mutually beneficial partnerships. It must also be more responsive to the dilemmas facing the global community, so that problems are tackled before they become crises. Above all, the new multilateralism must put action ahead of rhetoric, and results ahead of process.

A new global distribution of power. This institutional evolution will take place within a new global distribution of power. The military and strategic gap between the world's greatest power, the United States, and all the others has widened to unprecedented proportions. As their closest neighbours, Canadians appreciate the generosity of the American people and have witnessed their historic role in reconstructing Western Europe after World War II, creating international institutions such as the World Bank, and, after the Cold War, helping to rebuild the new democracies of Eastern Europe. The agenda of the United States has shifted and sharpened since 9/11, a national trauma for all Americans. As a trusted friend with shared liberal-democratic values, who deeply felt the trauma as well, Canada can and will collaborate with the U.S. on the many international issues where we have common objectives.

At the same time, we recognize that emerging giants, such as China, India and Brazil, are already making their presence felt. Their growing influence—particularly in the economic realm—carries significant implications for Canada. Our economy is currently the 12th largest in the world, but remains smaller than those of Brazil, Korea, India and Italy. Our defence spending, relative to gross domestic product (GDP), has fallen below that of such countries as Norway, Sweden, the Netherlands and Australia, and our development assistance now accounts for only 3 percent of the global