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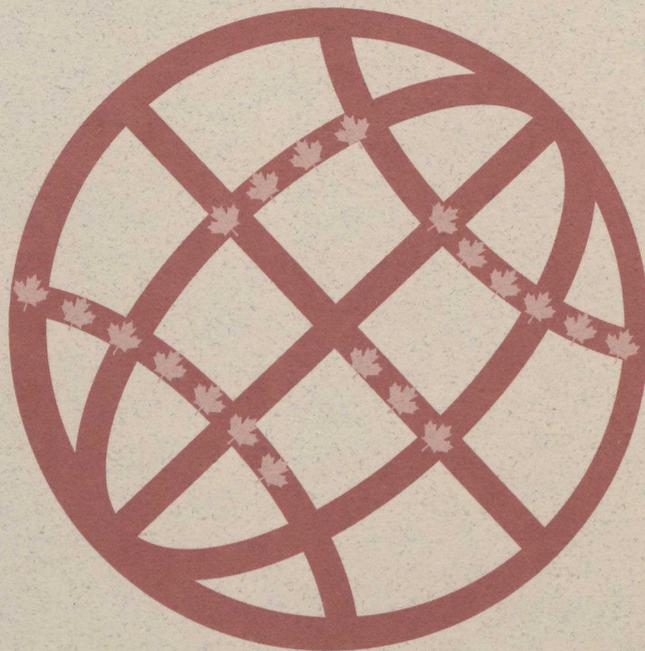


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# Policy Options

PACIFIC: QUESTIONS AND CHOICES

for the





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## ASIA-PACIFIC: QUESTIONS AND CHOICES

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for the

## 1997 NATIONAL FORUM

## ON CANADA'S INTERNATIONAL RELATIONS

The purpose in this discussion is to explore some of the dangers as well as the promise in the Asia-Pacific future—and to identify a few hard choices that Canadians will have to make in our own foreign policy. Specifically:

1. To what extent, and by what measures, should Canadians promote and protect human rights in the Asia-Pacific region?
2. How can Canadians help the region's indigenous peoples find their place in the countries of Asia-Pacific?
3. How should Canadians help Asia-Pacific economies transform destructive growth into sustainable development?

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## Introduction

The timing was a matter of chance, but the decision was powerfully telling: Just weeks after the election of his government in 1993, Prime Minister Jean Chrétien chose as his first foreign-policy mission the Seattle summit of Asia-Pacific Economic Cooperation—APEC. Ever since, Canada's relations with Asia and the Pacific Rim have commanded more attention from the Canadian public and policy-makers than at any time in our history.

And small wonder. In its sheer size and diversity, in the turbulent speed of its economic growth, in the turmoil of social and political changes throughout the region, Asia-Pacific demands new efforts of understanding by Canadians and their government. In the years to come, events in Asia-Pacific will go a long way to determining our prosperity as a country, our security in the world, and the prospects for sharing democratic values in an emergent Pacific community.

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1. To what extent, and by what measures, should Canadians promote and protect human rights in the Asia-Pacific region?
2. How can Canadians help the region's indigenous peoples find their voice and their place in the countries of Asia-Pacific?
3. How should Canadians help Asia-Pacific societies transform environmentally destructive growth into sustainable development?

These are three distinct questions, each complicated in its own way. But they are all grounded in a problem as critical to Asia-Pacific societies as to our own—the problem of democracy, of fostering open civil societies whose citizens have the space to make peaceful lives for themselves, along with the freedoms and real opportunity to govern themselves.

Which leads to another theme in this citizens' discussion: the democratization of Canadian foreign policy, and the need for Canadians to make choices between three competing objectives. Those objectives, set out in the Canadian government's 1995 foreign policy statement, are *prosperity*, *security*, and the *projection of Canadian values*—including values of democratic government. But as we will see, in Asia-Pacific it is not always easy to pursue the three objectives simultaneously, in ways that will satisfy every Canadian or every Canadian interest. Throughout the discussion we will ask: What compromises have to be made among Canadian objectives? Can we reconcile colliding interests and values?

Before we begin, we will have to agree on the map to use. The geography of Asia-Pacific is defined as much by history and interest as by latitude and longitude. (For example, APEC's 18 members include Canada, the United States, Mexico and Chile, but exclude Russia despite its Pacific coastline.) If only to focus the discussion, we take Asia-Pacific to mean all the Asian countries on the Pacific from Russia south, all the islands and island states of the Western Pacific, and New Zealand and Australia; we refer as well to Southeast Asia west to Burma, because increasingly these countries locate themselves as Asia-Pacific neighbours.

## The Questions in Context: Economics and Security

Canadian trade ministers (as they are paid to do) zealously beat the drum for business. "The Asia-Pacific region is a giant that has stirred," is how one minister put it recently. "Listen to the statistics: by the year 2000, the region will account for 60 per cent of the world's population, 50 per cent of the world's GDP and 40 per cent of global consumption. By 2020, seven of the top 10 economies in the world will be in Asia-Pacific. . . . No company and certainly no nation can afford to absent themselves from this great new economic powerhouse." Since 1983, in fact, Canada has done more two-way trade across the Pacific every year than across the Atlantic. After the United States, five of Canada's next 10 biggest trade partners are Asian (Japan, China, South Korea, Hong Kong and Taiwan).

That is not to say, however, that Canadians own any inevitable share of the booming Asia-Pacific market for trade and investment. In truth, although two-way Canadian trade with the region has been growing, Canada's trade with Asia-Pacific was actually lower in 1996 than in 1989 as a percentage of Canada's total trade with the world. Moreover, Canada's share of the Asia-Pacific market has also declined. These two facts—expanding market, declining Canadian share—help explain the intensity of the "Team Canada" trade-promotion campaigns led by the prime minister; they also give some hint of the dilemmas when the pursuit of "prosperity" conflicts with other Canadian objectives. Promoting trade may not always coincide effortlessly with the promotion of human rights, or with encouraging an orderly regional peace.

Nor is peace in the Pacific all that secure. As the government's 1995 white paper pointed out, "there are serious security challenges in the region including unresolved border disputes, human rights abuses, an increase in weapons acquisitions, ecological degradation, population growth, and narcotics trafficking." By way of examples, think of Hong Kong's uncertain future; the unstable division of the two Koreas; jurisdictional disputes in the South China Sea; the contested future of Taiwan; and environmental conflicts over cross-border pollution and fisheries. Among the big powers there is an impression of "a hardening of attitudes," as one study expressed it, in Japan, China and the United States. The U.S. strategic presence in the Western Pacific remains oddly ambiguous, and at the other edge of Asia-Pacific is India. Economic growth, the great success of the region, itself creates inequalities, migrations, and other elements of domestic and inter-state discontent.

Unlike Europe and the Atlantic community, Asia-Pacific has scarcely begun to organize institutions for preventing or resolving regional conflicts. As yet, (and despite some Canadian efforts) Asian governments have shown at most a slow enthusiasm for institutionalizing co-operative security in the area.

So this is the context: Economic growth that brings both wealth and social stresses to Asia-Pacific countries; multiple risks of internal and cross-boundary conflicts; little institutional experience of multilateral co-operation in the region; and a set of Canadian foreign-policy objectives (prosperity, security, the projection of Canadian values) that may sometimes work at cross-purposes. These are some of the factors that Canadians will need to remember in proposing policy for Canada's Asia-Pacific relations. Now to the choices, and the compromises. . . .

## The Policy Questions

1. To what extent, and by what measures, should Canadians promote and protect human rights in the region?

Canadians are justifiably offended, often disturbed, by the human-rights abuses committed (or merely tolerated) by some Asia-Pacific governments. The military hijacking of an attempted democracy in Burma, the Indonesian government's brutality in East Timor, the comprehensive and continuing denial of legal and political rights in China, the exploitation of children and women—these and other evils arouse in Canadians a natural impulse to do something helpful. But what, exactly?

Some people argue strenuously for action by the Canadian government in these cases: for withholding aid, cancelling export credits and other financing, even for stopping all trade if possible. They hold such measures to be a true reflection of Canadian values, or a universal moral obligation, or a duty under international law, and usually some mix of these different imperatives. Actions like these are often decided by governments in the end—but not always; increasingly, companies and others in the private sector are debating and developing codes of conduct intended to punish corruption and other abuses, or simply to avoid complicity in them. Advocates for measures of this kind believe they can sometimes improve foreign-government behaviour, or even alter the nature of political systems. They also point to the security dimension: Human-rights abuses, especially against ethnic and economic minorities, violate the “human security” of the victims and jeopardize international peace and

security. Finally, even if Canadian action proves ineffective, it allows Canadians at least to keep their self-respect, reassured and united by a sense they they have tried to do the right thing.

Others argue, just as vigorously, for strategies of “constructive engagement;” they say Canadians can best affect the nature of other societies, and the conduct of other governments, by building relationships in those countries, and encouraging their economic and political development. They say that personal relationships are especially important in Asian societies, where ties of kinship, friendship, business and official connection are often preconditions of influence. Moreover, the argument runs, the very structures and habits necessary for active trade and investment—the rule of law, transparent and reliable regulation, relatively free markets, education and much else—tend sooner or later to engender conditions favoring respect for human rights. Finally, it is often said that economic growth from trade and investment leads to an expanding middle class with the political and economic heft to assert individual rights and freedoms. (South Korea and Taiwan being the currently preferred examples.)

What is the best policy approach? Is the single-minded determination to speak and act against foreign human-rights abuses just so much sanctimony? Is “constructive engagement” nothing more than profitable self-justification? Or rather, can these two seemingly opposed positions be accommodated in an effective foreign policy that Canadians could support? To explore the potential for useful compromise, consider two other issues:

Issue One: The rights that Canadians generally value most (the ones listed in the Canadian Charter of Rights and Freedoms, for instance) might not include all the rights

that others value. A community's right to stable order, perhaps. Or a country's right to non-intervention by others. Or a poor society's "right to development," as it has been called. None of this is to diminish the significance, or the universality, of rights recognized in Canada's Charter (or in the Universal Declaration of Human Rights). The issue, nevertheless, is whether the human rights understood by Canadians can be—or should be—balanced with other sorts of rights understood in some Asia-Pacific countries. The norm of non-intervention carries special authority among many Asian governments; in part it explains why some of the otherwise alarming security threats have so far been managed by discreet bilateral diplomacy in preference to public or multilateral confrontation. To repeat: Rights are more complex, less absolute, than we sometimes think.

- As a case in point, should Canadians pressure foreign governments to respect freedom of the press and other media? Canadians easily recognize that freedom of the media, derived from the larger freedom of expression that belongs to everyone, is an essential of democracy. We readily interpret police intimidation of journalists, arbitrary censorship, and state-administered media monopolies as threats to a free society and democratic government. But Canadians are also familiar with cultural sensitivities—with a shared desire to create and manage our own communications media safe from interference by powerful outsiders. Should we tell Singaporeans or Malaysians how much independence they must allow their newspapers and television stations? Are we entitled to withhold aid or trade from a state that fails to satisfy Canadian

standards of free media? For what it's worth, CIDA has adopted a different approach: In at least three Asia-Pacific countries (Malaysia, Indonesia, Cambodia), small amounts of Canadian aid have supported modest seminars and training, for journalists and government officials, on the expected relationships between governments and free media—and on the professional obligations of responsible journalists. The aim is to elicit a respect for media freedom, not to impose it.

Issue Two: Human-rights policies need not operate by an on-off switch. Just as there may be degrees of bad performance by human-rights abusers, there are degrees of possible Canadian responses. In some cases a Canadian government might do nothing. (In diplomacy, inaction sometimes counts as action.) Then there is a roughly escalating range of options: confidential criticism and praise; diplomatic support or the lack of it in negotiations valued by the other government; technical aid (as in China and Indonesia) to local human-rights institutions; open condemnation, as in the United Nations; visa restrictions, particularly against members of the regime and its beneficiaries; opposition to financing from international institutions; cuts to development aid; outright trade embargoes; and any number of variations in between. Nor are the options exhausted with government measures; corporate codes of conduct, industry-wide or country-specific, might also suit the circumstances.

- Corporate codes of conduct are appealing in several ways: Free from the laborious procedures of political/diplomatic negotiation, they can be drafted

and adapted to the peculiarities of specific cases. They can be directed precisely at the wrong that needs righting—at racism in one country, at child labour in another, at unconscionable forestry or toxic mining operations in still another. They can predictably seize the attention of élites by threatening the loss of what is valued most, the gains of trade and investment. And from time to time they seem to have worked; the so-called Sullivan rules that ultimately guided many international companies in South Africa may have had some effect in ending apartheid.

Still, codes of conduct raise problems both for company managers and for society. Executives sometimes admit to a quandary: On one hand, they resist government-imposed codes that tie their hands in international business (especially if it means a competitive disadvantage); on the other hand, they hesitate to invent all-purpose codes of their own that might fail in specific cases or conflict with government policies. Corruption represents a particular problem for code-drafters; the stronger the code, experience suggests, the more ingeniously disguised will be a new arrangement for bribes. And there is always the “when-in-Rome” argument: A transaction that would be prosecuted as bribery in Canada might be regarded, with approval or not, as a customary commission in another country. Should companies operating abroad obey rules made in Ottawa (or Washington?), or in the place where the deal is done? As one answer, OECD governments for years have been negotiating an international code restraining corruption and bribery; the results so far are incomplete.

Another model, sometimes recommended for APEC and Asia-Pacific: NAFTA-like sidebars to agreements on trade and investment, which would lay down agreed rules for compliance with labor, environmental or other standards.

A further word (but not the last, no doubt) on corporate codes of conduct. It may be that company managers are well placed to see the need for a rule—to correct labor abuses, say, or to remedy some environmental harm—and strategically positioned to take efficient action. Even so, it is fair to ask if it is always enough to leave these decisions to people who might be well-meaning but who are also unelected. What responsibilities remain with the Canadian people, and with the government they elect to act for them?

As Canadians sort out these questions, one proposition at least might find agreement: It is better to have a good effect on the exercise of human rights abroad than to please our own consciences, or to strike smug poses. Firm moral purpose can co-exist with tactics shaped to particular cases. In that regard, it must be acknowledged that Canada is a smallish state in Asia-Pacific affairs. Whereas China or Indonesia might have to take into account threats and inducements from the United States in deciding their human-rights practices, the opinion of the Canadian government weighs less heavily in their calculations. Good effect, therefore, often requires Canadians to act in concert with others in order to influence governments very much bigger.

Acting with others comes almost instinctively to Canadians; multilateralism has been a trait of Canadian diplomacy for decades. But it does not always find adherents in Asia-Pacific, where governments have generally practised a rigorously quiet and non-meddling form of bilateralism. Only in recent years, and with Canada's earnest

encouragement, have governments in Southeast Asia (in ASEAN) and East Asia diffidently tested multilateral arrangements—or as it is more fashionable to say, plurilateralism. Should the Canadian government try to maximize its influence by multilateralizing the international politics of human rights? Or instead, despite the disadvantages of size, should Canada engage Asian governments as best it can bilaterally?

2. How can Canada help the region's indigenous peoples find their voice and their place in the countries of Asia-Pacific?

It is almost as if they didn't exist—or as if they lived hidden and silent in the deepest forest, or on the remotest islands. But there are tens of millions of indigenous and tribal people across Asia-Pacific (there is no agreement on their numbers), by and large marginalized both literally and metaphorically: frequently relegated to hinterlands, impoverished, politically weak, solemnly ignored by politicians and diplomats. In some Asian countries their very existence is denied; governments define them as ethnic minorities, or as nothing at all. Even where indigenous peoples are recognized as forming sovereign, independent states—the micro-states of the Pacific islands—they are ignored for the most part in the international politics of trans-Pacific and Asian relations.

Advocates for indigenous peoples argue that they are not just another category of minorities. (In some areas they are majorities, albeit usually disadvantaged.) For one thing, indigenous peoples have been afflicted with a perniciously characteristic combination of injustices and hardships: forced population transfers into or out of homelands; seizures and destruction of lands and resources; subjection to alien education

and justice systems; coercive cultural assimilation; and particularly intense exposure to the evils of child labor and the economic and sexual exploitation of women.

Worse, the developing discourse on civil society in Asia-Pacific rarely embraces issues crucial to indigenous peoples—issues of political and economic autonomy, self-determination, self-government. Civil-society debates typically concern restricting government authority. But to many indigenous peoples, acquiring the authority of government, or at least access to government, is what matters most.

If there is anything that unites the disparate communities of indigenous and tribal Asia-Pacific peoples, it is powerlessness. This is what permits governments to ignore and deny their existence. It is what can perpetuate their exploitation, by foreigners and by their fellow citizens. It is why advocates for indigenous peoples, often with human-rights organizations, are starting to press their concerns onto government and international agendas. Concerns of poverty, of environmental degradation, of legal reform, of tourism, of exploitation by mining, forest and pharmaceutical industries.

It would not be easy for Canadians to advance these interests, much less to propose self-government. Asian governments, bristling at outsiders interfering, often answer questions about indigenous peoples with arguments for assimilation and social cohesion. Indigenous communities themselves are often isolated geographically or politically, and hard to mobilize effectively. Furthermore, Canadian aboriginal leaders see a certain hypocrisy in the image of Canadian authorities moralizing abroad while First Nations at home still endure old injustices and persisting grievances. Canadian government officials in the bureaucracy, it must be said, have tended not to address aboriginal issues when formulating or explaining policy in Asia-Pacific relations.

The question still stands, awkward or not: If the projection of Canadian values is a declared objective of Canadian foreign policy, how do we go to the aid of Asia-Pacific indigenous peoples? Can we teach by example (and warning) from Canada's own history and experience? Should the Canadian government urge APEC to open its business-first agenda to indigenous voices? Or would the Asian reaction only be hostility and harmful denial? Should Canadian companies be led to draft codes of conduct for doing business on aboriginal and tribal lands? Can aboriginal associations in Canada make common cause with Asia-Pacific counterparts, to explore modern applications of native justice systems, for example, or native healing, or native economic development and trade? Such questions deserve examination by Canadians, notwithstanding Canada's own unresolved issues of aboriginal rights.

3. How should Canadians help Asia-Pacific societies transform environmentally destructive growth into sustainable development?

Start with a hard example: China, with a population more than 40 times Canada's, ranks as one of the world's worst polluters. Its astonishing growth rates have been fuelled in great measure by its own plentiful coal. But burning coal generates greenhouse gases, a climate-change threat to the whole world. Does that make Canada's Candu reactor sale to China—meaning more electricity generated with less coal—a sound exercise in sustainable development? Is China's enormous Three Gorges hydro project justified if it reduces fossil-fuel emissions and diminishes the dangers of global warming? If we answer No, how do we respond to the Chinese claim that the rich West, having despoiled

the planet in two centuries of industrialization, is in no position now to place limits on Asian growth?

That is just China, one example. And in questions of sustainable development the defining feature of Asia-Pacific is its diversity. The region contains very poor countries and rich ones too. Some are resource-rich and fuel-abundant, others resource-importers and energy-short. Several are densely populated; a few are only sparsely settled. All of these variables imply different interests, different values—different preferences in choosing trade-offs between economic growth, poverty relief, energy consumption, resource depletion, environmental degradation.

Then there are the intricate interconnections between sustainable-development issues and other regional policy issues. Achieving economic growth rates sufficient to sustain rising populations. The security threat of environmental scarcities leading to violence within or between states. The freedom of citizens in civil society to articulate their own interests in clean water, a stable fishery, or soil conservation—and to influence government policy. Or the presence of indigenous communities robust enough to share the benefits of economic growth while preserving the promise of sustainable forests and biodiversity.

Even so, one generalization is allowed: In virtually every Asia-Pacific country (as in Canada) there are habits and policies of growth that are simply unsustainable. For instance, in only 30 years fully half of Thailand's forest cover has been lost—and with it, an inestimable biodiversity, the precious capacity to store carbon dioxide, and protection against ruinous soil erosion. To cite another case, the Yellow Sea between China and South Korea is now listed among the "dying seas" of the world. Coastal industrialization,

domestic sewage and offshore oil spills are to blame. But inadequate compliance even with existing environmental policies in both countries prevails against improvement.

Two implications begin to emerge from such examples. First, correcting past mistakes and instituting truly sustainable development often means fixing the dislocation between costs and benefits. If Canadians expect Thais and Chinese and Koreans to adopt sustainable environmental and economic strategies—and Canadians share the global benefits—are Canadians willing to share the costs? Is the present generation of Canadians, or Asians, prepared to invest in benefits to be enjoyed only by future generations? Finding ways of reallocating these costs and benefits, so that everyone has some stake in success, is one of the riddles of solving sustainable-development problems.

The second implication in the examples is that international action is nearly always necessary. Canadian loons in the Maritimes are ingesting mercury airborne from Eurasia (and from the United States, it should be added). South Koreans and Japanese suffer appalling air pollution from Northern China. The squalor of Manila or Jakarta cannot be eradicated by Filipinos or Indonesians alone. It has been estimated that APEC's Asian members would have to invest an additional \$42 billion (U.S.) every year to achieve sustainable growth by 2000; most of that could be financed by their own growth, but not all. Keeping in mind the benefits that Canadians stand to gain, what should Canadians contribute to Asia-Pacific's sustainable development?

Some people argue (considering the humble amounts in Canadian development aid budgets) that Canada's best contribution is to promote more trade and investment; rising prosperity, they say, provides developing countries with both the capacity and the incentive to introduce and enforce sustainable-development policies. Selling

environment-friendly goods and technology represents a more specific kind of contribution.

There is a thick literature on the links between trade and the environment. Some environmentalists have argued that freer trade (as promoted in APEC) militates against environmental protection. Free-market believers incline to the argument that trade policy is one thing, environment policy another. But even in APEC, environmental questions are receiving more ministerial time these days. A program of "sustainable cities," intended to remedy some of the ills of Asian urbanization, is on the agenda of APEC's November summit in Vancouver. Is this another case for corporate codes of conduct? What other environmental threats should the Canadian government address in Asia-Pacific? What are the costs it ought to accept?

### **More to be said, more to be done. . .**

No paper of this kind could lay claim to all the answers, or even all the questions. But the point here is to open discussion, not to close it down. The intention is to foster a debate in which Canadians can form reasoned judgments, and give direction to their government.

Canada is a small country by Asia-Pacific standards, with limited power to act on its own or influence others. But there is no disputing that what happens in Asia-Pacific can have acute and lasting consequences for Canadians. So it comes to this: How best can Canadians, through their government and otherwise, collaborate with Asia-Pacific people

to advance Canadian objectives—prosperity, security, and the projection of Canadian values?

One course might be through institution-building. Canadians participate in the OSCE, the Organization for Security and Co-operation in Europe. Is there a need for a similar institution in Asia-Pacific? Or are the Asian traditions of discreet bilateralism enough to secure peace and resolve conflicts? Does ASEAN (the Association of Southeast Asian Nations), with its ancillary meetings and groupings, represent a sort of security arrangement in the making? Or do Canada's institution-building interests reflect an old Eurocentrism out of place in Asia?

Another course of Canadian involvement might consist in some redefinition of what concerns us. If the terminology of "human rights" inspires suspicion in Asian government circles, maybe Canadians would get closer to the same ends by speaking and acting in terms of "human security." It's a far-reaching phrase that has already turned up in Canadian ministerial speeches, and directs attention where many think it belongs: not to the security of states and governments, but to the safety and livelihoods of people and communities—their environment, their economic security and freedom from exploitation and persecution, their participation in their own government.

Significantly, it is a concept of comprehensive and holistic security long familiar in Asia. It recognizes non-military threats to security (natural disasters, economic calamity, civil violence). In some Asian countries creating security of this kind is often called building national resilience, an economic, social and political enterprise in which international co-operation is more and more accepted.

Both these courses suggest opportunities for participation by Canadians, their government, non-governmental organizations, and business. Either might give useful direction to Canadian foreign policy.

Every Canadian has an interest in these questions, in shaping the public policies and private activities that constitute Canada's relationships with Asia-Pacific. The discussion has just begun. The answers are still to be decided. Through the 1997 National Forum on Canada's International Relations, Canadians are invited to have a say in making the country's foreign policy.

In the coming months, participants in the National Forum will be gathering in sessions across Canada, bringing their own viewpoints and distinctive regional perspectives to questions of Asia-Pacific relations. By supporting the Forum and in other activities, the Canadian Centre for Foreign Policy Development is pursuing its mandate to inform the public, to enhance policy-development capacity among Canadians, and to engage Canadians more effectively in the making of foreign policy.

You can contribute your thoughts directly. Write to the Centre at 125 Sussex Drive, Ottawa, Ontario K1A 0G2. Send a fax to (613) 944-0687. Or visit the Centre's website at <http://www.cfp-pec.gc.ca>

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