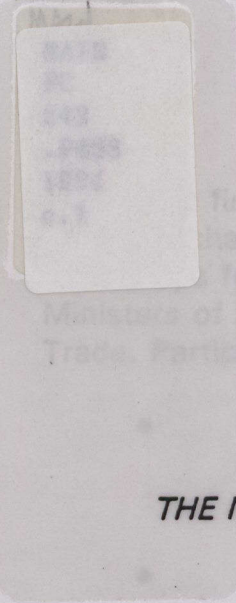


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Report of

THE NATIONAL FORUM ON CANADA'S INTERNATIONAL RELATIONS

by

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I. The first National Forum on Canada's International Relations met at a time of dramatic change in the global environment. Forum members met in intensive workshops for two days and in plenary session with the Prime Minister and the Ministers of Foreign Affairs and National Defence, and the Minister for International Trade. Participants were asked

- *to identify the most important economic, technological, scientific, social, cultural, political, and military forces that are directly relevant to Canada and Canadian policy;*
- *to consider the principles and priorities of Canadian foreign and defence policies;*
- *to address the kinds of multilateral, regional, bilateral, and transnational partnerships that Canadians should build; and*
- *to examine how Canadians can best build policies that can meet the challenges of an increasingly global and multilayered international society and command public support and engagement.*

Forum participants identified several important challenges as they grappled with the principles and priorities of Canada's international relations. Drawing from the diversity of views expressed at the Forum, this report expresses the sense of the discussion among its participants.

II. While the general principles that underpin Canadian foreign policy enjoyed wide support, members of the Forum emphasized *the necessity to make choices* among priorities. Forum participants emphasized that dramatic changes in the global system, the close connection between foreign and domestic policy, fiscal constraints at home, and the need to democratize Canada's international relations -- all demand that Canadians and their government make the difficult, but careful and forward-looking choices that maximize Canada's capacity to be effective.

Forum members spoke of the new realities of sovereignty in the global environment, the importance of active engagement, and the need to make the most effective use of Canadian resources as guiding principles of Canadian foreign and defence policies.

1. *The New Sovereignty: Opportunities, Constraints, and Institutional Lags.* Forum participants identified a striking irony. Now that the Cold War is over, the Government of Canada, like other governments, has greater freedom to make independent choices, but is simultaneously more constrained by international institutions and transnational flows of capital, investment, finance, and trade. Governments with less autonomy must at the same time address a broadening international agenda that includes trade, finance, investment, migration, sustainable development, human rights, and defence.

The Canadian government also faces constraints at home. A serious problem of indebtedness increasingly limits the Government's ability to engage abroad as well as at home while Canadian society faces a growing problem of structural unemployment and underemployment. Members of the Forum felt strongly that the Government must make more efficient use of its resources and get its economic house in order as it pursues its objectives in the global community.

Participants in the Forum also emphasized that foreign policy is no longer the domain only of governments but of broad sectors of society that engage actively in international activity. Greater participation has been made possible by new information technology and a sense of shared affinities across borders.

Business and professional associations, aboriginal peoples, and non-governmental organizations, among others, are all active participants in our international relations. The complex network of transnational relationships between Canadians and people in other societies creates a much broader arena for Canada's international relations.

Members of the Forum identified a second paradox. Even though international relations have broadened, the institutional capacity of the Government to manage new relationships has not kept pace. Government is limited by fiscal constraints and a lagging institutional response at home. Government is consequently often seen as unresponsive and ineffective.

Forum participants emphasized that these constraints must be recognized but not exaggerated. Canadians have a wealth of resources that they can use to engage in international and transnational activity. Canadians are looking for new kinds of foreign policies. Forum members urged the Government to mobilize domestic and non-governmental institutions and to co-ordinate human, intellectual, scientific, and social capital as well as financial, political, and military resources to make Canada's international relations more effective and efficient.

2. *Active Engagement in the New International Environment.* Participants in the Forum insisted that the benefits to Canada of active participation in the global system are potentially enormous. The traditional distinction between foreign and domestic policy is no longer meaningful as the international system increasingly shapes our daily lives. Canada's economic prosperity, cultural distinctiveness, environmental sustainability, and military security depend, to a greater extent than ever before, on Canada's capacity to engage successfully in the global system.

Forum members emphasized that Canada faces a dramatically different kind of security environment. The threat of direct attack on our territory and on our allies is no longer immediate. The principal threats to Canada's security come from forces that threaten global security: demographic pressures; environmental degradation; poverty; proliferation of weapons of mass destruction; ethnic and regional wars; and instability in the territories of the former Soviet Union. The adage that an ounce of prevention is worth a pound of cure is directly relevant to Canada's international relations. The new global challenges require new policies, new instruments, and a different distribution of resources.

3. *Comparative Advantage and the Necessity of Choice.* Participants in the Forum recognized that in this broader conception of international relations, the Government cannot be everywhere and do everything. Nor should it try. The Government cannot legitimately be expected to do more and more with less and less. The Government must improve its capacity to mobilize and co-ordinate society's resources in the pursuit of national objectives. It must also identify areas of comparative advantage where interests, skills, and expertise co-mingle and establish clear priorities.

III. Priorities

Participants in the Forum identified several broad priorities of Canada's foreign and defence policies. There was less agreement in identifying existing and specific priorities that could be de-emphasized.

1. *Human Security.* "Canadian foreign policy," one participant in the Forum cogently argued, "is the progressive adjustment of national goals and interests to the requirements of international human security. It is the management of our common future." Human security includes human rights, economic prosperity, environmentally sustainable development, and good governance. Participants in the Forum emphasized that Canadian foreign policy must promote human security and support the system of institutions and programs that serve to safeguard the individual's capacity to participate freely and constructively in society.

2. *Trade and Economic Relations.* International economic relations are fundamental to Canada's capacity to create jobs and prosperity and must remain an important priority of our foreign policy. The well-being of our citizens continues to be highly dependent on foreign trade and easy access to foreign investment and technology. International trade has become much more competitive and now involves reciprocal investment and partnerships, licensing, joint technology

development, and access to channels of distribution. Knowledge-based goods and services are becoming an increasingly important component of international trade and competition. Competition for foreign investment has increased significantly in post-Cold War Europe and in the dynamic Asia-Pacific.

Our capacity to function effectively in this more competitive and complex world economy will be influenced significantly by domestic economic development, regulatory and taxation policies, and by trade policies that seek to maintain our position in established markets and to secure reasonable access to significant new markets. Participants in the Forum emphasized that the Government will have to ensure that Canada derives full benefit from the market access gained through NAFTA and that market access is not eroded through unfair and unilateral trade practices by our partners. Members of the Forum also cautioned that the Government must be sensitive to the social costs of liberalized international trade and assist the adjustment and retraining of those who are disadvantaged.

3. *Human Rights.* The linkage between the two fundamental priorities of trade and human rights was the subject of intensive discussion. Participants in the Forum recognized that trade facilitates contact, empowers important segments of communities against oppressive governments, and provides opportunities for Canada to express its strong commitment to the observance of basic human rights. Pursuit of commercial interests and human rights is not incompatible, but Canada must assert its fundamental commitment to human rights as part of the broader web of relations.

4. *Assistance.* Members of the Forum agreed that assistance to the poorest is a fundamental priority of Canadian policy. The most important form of assistance to the poor is the opening of Canadian markets to their exports and the development of enhanced, reciprocal trading relationships. Participants in the Forum emphasized that trade promotion should be separated from Canada's assistance programs. Canada's aid policy should then focus on environmental sustainability, humanitarian assistance, and the development of social capital and human resources, particularly women. Here, too, Forum members urged intensive co-operation with non-governmental organizations and the business community.

5. *Peacekeeping.* Even as peacekeeping is being redefined internationally, it remains a fundamental priority and an area of comparative advantage for Canada. Canada's approach to peacekeeping must include more than a military component, and be broadly based in Canadian society through close co-ordination with the non-governmental organizations that are a fundamental part of peace-building. Members of the Forum urged that Canada lead in the effort to build better

international machinery for peacekeeping and export its comparative advantage in logistics, signalling, training, and experience. Canada must also identify general guidelines and priorities for its participation that make the best use of its skills, and reinforce its interests and other policy commitments.

6. *United Nations.* Participants in the Forum agreed that the United Nations is a major asset to Canada that we must enhance and protect. They recognized, however, that the United Nations and its agencies function unevenly. While some work superbly, others are creaking and in need of significant repair. Members of the Forum urged strongly that, in the context of the 50th anniversary of the creation of the United Nations, in 1995, Canada lead internationally in the attempt to reform the United Nations, its system of governance, and its specialized agencies, and contribute principally to those agencies that are efficient and accountable.

7. *Defence.* Defence policy did not receive as much detailed consideration at the Forum as some other elements of Canada's international relations. Many of those who discussed defence argued that Canada now has a unique opportunity to restructure its forces to meet the challenges of the new global environment where Canada and its traditional allies are no longer threatened directly. They argued that Canadian defence policy must provide for the territorial security of Canada, protection of our airspace and coastal waters, and aid to the civil power, and then concentrate on more specialized forces and roles that can enhance our contribution to global security and complement our foreign policy. This emphasis is consistent with the focus on limited resources to develop comparative advantage and enhance effectiveness.

8. *NATO.* Participants in the Forum were divided in their evaluation of the continuing usefulness of NATO now that the Cold War has ended. Many considered that NATO was less relevant to Canada in an era when a wealthy Europe can mobilize the resources to assure its security. Others considered NATO useful to Canada to demonstrate a continued commitment to a Europe free of military conflict. There was a general consensus that it is useful to continue our membership in NATO, but that Canada must use its membership to encourage NATO to redefine its military vocation. Some participants urged that Canada re-examine its financial obligations, concentrate on the specialized expertise that Canada has, and offer NATO what Canada can best deliver.

IV. Multilateralism and Strategic Partnerships

Participants in the Forum saw no contradiction between Canada's multilateral commitments and several strategic partnerships that are of great

importance to Canada. They broadened the concept of strategic partnership to include not only partners abroad but also those at home that can work with the Government to make Canada's international relations more effective.

1. *The United States.* Members of the Forum emphasized that Canada needs to pay particular attention to our special relationship with the United States, our most important trading partner and the world's only superpower. There was concern among some about Canada's strong and growing economic and trade dependence on the United States. Many at the Forum expect increased friction as the United States is tempted to act unilaterally to protect its interests in the international trading system where its dominance is no longer unquestioned.

2. *Strategic Partnerships.* Participants in the Forum urged greater concentration on regions of dynamic economic growth. China, other Pacific Rim countries, Europe, Mexico and future NAFTA partners in the Americas may all prove to be important and effective partners that can also balance our relationship with the United States.

3. *Multilateral Institutions.* Participants in the Forum agreed overwhelmingly that strengthening rule-based regimes and multilateral institutions are central objectives in Canadian international trade and security policy. Rule-based regimes are fundamental to advancing and serving Canadian interests, even as they promote global security. Multilateral, rule-based regimes give Canada influence and access beyond what its size and economy would suggest. A priority for Canada should be the creation or reform of multilateral institutions, particularly the World Trade Organization and the United Nations, that are most important to our interests. Forum members insisted, however, that commitment to membership in multilateral institutions is an insufficient basis for policy. In every institution, whether a trade or a security organization, Canada needs specialized policies that maximize its comparative advantage.

4. *Choices.* The private sector and non-governmental organizations are making choices about where to concentrate their efforts so that they can be most effective. Participants in the Forum urged the Government to be strategic and focussed in its participation in multilateral organizations to avoid spreading its limited resources thinner and thinner until they lose their effectiveness. Many at the Forum argued that Canada is not leveraging its memberships as effectively as it could, that its attention is not focussed on institutions that are central to its interests, and, consequently, that Canada's ability to dedicate the resources necessary to support a diffuse level of activity is impaired.

Members of the Forum urged the Government to evaluate the effectiveness and efficiency of multilateral institutions. They suggested that Canada commit its resources largely to those institutions that are both efficient and centrally relevant

to the new international environment. Canada should also consider redeploying some resources to new kinds of organizations like the Inuit Circumpolar Conference and the proposed Arctic Council that can respond to the new political, environmental, and security challenges facing Canada.

5. *Non-Governmental Organizations.* Forum participants suggested that business and professional associations, non-governmental organizations, churches, and universities should be key agents for Canada to exercise its influence internationally. They should be the Government's strategic partners. The Government should co-ordinate its policies more closely with organizations in the private sector, facilitate their entry into international activity, and deploy resources together to achieve maximum effectiveness.

V. Policy Making

Forum participants agreed that the first National Forum was a valuable experiment and an impressive beginning in opening up the policy process. The bringing together of people from different sectors who focussed on the co-ordination of policy objectives and the development of policy linkages was especially useful. Forum participants considered that sectoral discussions could not provide the same kind of opportunity to consider co-ordination, linkages, and the hard choices. Forum members emphasized, however, that much more needs to be done if Canada's foreign and defence policies are to be democratized, linked to the domestic agenda, and rooted in Canadian values and society. Four priorities were identified: co-ordination, accountability, public education, and the capacity for informed analysis of policy.

1. *Co-ordination.* Members of the Forum urged that foreign and defence policy be better integrated so that maximum efficiency and effectiveness can be achieved in Canada's international relations. Trade, defence, assistance, migration, environmental policies, the promotion of human rights, and participation in multilateral institutions must be co-ordinated.

Forum participants suggested that the Government put in place procedures to increase the flow of people and ideas between government departments and other groups in society so that policy is enriched, better co-ordinated, and better understood.

Forum members suggested that the Government actively promote co-operation among government, business, university, and non-governmental organizations. Such co-operation is important to the development of the knowledge-based products and services that are essential for Canada's active engagement in the global environment.

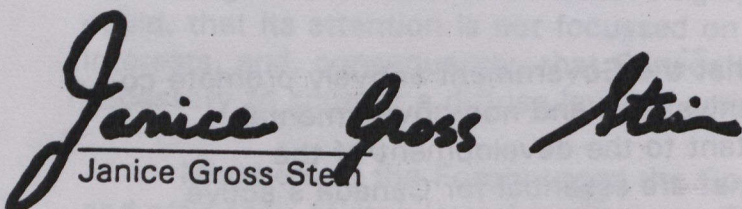
2. *Accountability and Education.* Participants in the Forum welcomed the Government's intention to give Parliament a more active role in the process of making foreign and defence policy accountable and transparent. Parliament or its committees should be equipped with permanent research staff and policy analysts so that they can review policy more effectively and contribute to informed public debate on Canada's international relations.

3. *Policy Analysis.* Forum participants identified a need to enhance and co-ordinate timely and high-quality analysis of Canada's international relations. Unique among OECD countries, Canada has no national institute that co-ordinates existing foreign and defence policy analysis, identifies priorities for analysis, and contributes to the public debate. Forum participants urged that the Government consider a permanent national Forum or Centre for Foreign Policy Development, jointly funded by the public and private sector, that can help to co-ordinate research and analytic resources to avoid duplication and maximize effectiveness, provide the essential infrastructure for a co-ordinated capacity to address issues, and review and evaluate policy and the linkages among components of Canada's international relations.

Participants in the National Forum on Canada's International Relations welcome enthusiastically the significant beginning that has been made in the opening up of the policy debate and in the consideration of new ideas and approaches at a historic moment in Canada's international relations. Forum members consider it essential that the policy process be democratized and open to new ideas and new participants as the Government of Canada moves increasingly toward strategic partnerships with society in a world that will reward those with the best knowledge, skills, and expertise.

We wish to thank the Ministers of Foreign Affairs and National Defence, and the Minister for International Trade for their sponsorship, support, and participation. On behalf of members of the Forum, we respectfully submit this report.


Pierre S. Pettigrew


Janice Gross Stein

April 15, 1994



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