

Canadian Centre
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Development



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**Canada - Europe Relations:
Note from the Retreat with
the Honourable Bill Graham, M.P.,
Minister of Foreign Affairs**

**September 5, 2002
Ottawa**







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Canada - Europe Relations
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On Thursday September 5, 2002, at the request of the Minister of Foreign Affairs, the Canadian Centre for Foreign Policy Development brought together a group of thinkers to examine Canada-Europe relations. The discussions were held at the Johnson House club. Participants included Bob Keyes (Senior Vice-President, International, for the Canadian Chamber of Commerce), Jane Jensen (Director of the Institute for European Studies, University of Toronto), Amy Verdun (Director of the European Policy Centre, University of Toronto), Peter Leacock (Dean, Faculty of Law at McGill University), David Johnston (President, Association for Canadian Studies in Central Europe), Klaus Becher (Helmut Schmidt Centre for International Studies, International Institute for Strategic Studies), Ian Angus (Executive Director, Simon Fraser University), and Gwynne Dyer (Columnist and Editor, The Guardian), and Peter Wolfe (Professor, School of Policy Studies and Senior Fellow of the Centre for International Relations at Queen's University), and Paul Heinbecker (Ambassador, Permanent Mission of Canada to the United Nations). The Minister was accompanied by Dan Costello (Executive Assistant), Robert Fry (Senior Policy Advisor), and Pierre Guimond (Senior Departmental Assistant). In line with the Minister's wish to have this be a meeting with a small group of 'outside' thinkers, departmental participation was limited to Gaston Lavertu (Deputy Minister of Foreign Affairs), Lorenz Friedlaender (Head of Policy Planning Secretariat), and Steve Lee (Chair) and some staff of the Canadian Centre for Foreign Policy Development.

The objective of the discussion was to stimulate the Minister's thinking, expose him to outside views, and create an opportunity for intellectual exchange. Although the Americas have dominated the foreign policy agenda recently (due in part to the Quebec Summit), relations with Europe are enormously important, and can be considered pivotal to Canada's foreign policy and to a likely foreign policy update. Also, while the scope and importance of relations with the U.S. have tended to dominate, it is worth noting that Canada is in many ways closely aligned with Europe, for example in terms of shared values and respect for multilateralism. Despite this closeness, the partnership is fading.

This discussion with experts and other similar discussions take place in the context of changes that have occurred in the domestic and international environment since the last foreign policy review, completed in 1995. While foreign policy developed through that process is still sound, a number of changes, notably the events of September 11, 2001, greater awareness of the Muslim

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Canada - Europe Relations Note from the Retreat with the Honourable Bill Graham, M.P., Minister of Foreign Affairs

On Thursday September 5, 2002, at the request of the Minister of Foreign Affairs, the Canadian Centre for Foreign Policy Development brought together a group of thinkers to examine Canada-Europe relations. The discussions were held under Chatham House rules. Participants included: Bob Keyes (Senior Vice-President, International, for the Canadian Chamber of Commerce), Jane Jenson (Director of the Institute of European Studies, Université de Montreal), Amy Verdun (Director of the European Studies Program, University of Victoria), Peter Leuprecht (Dean, Faculty of Law at McGill University), Elke Nowak (President of the Association for Canadian Studies in German-speaking Countries, and Professor at the Berlin Technical University), Klaus Becher (Helmut Schmidt Senior Fellow for European Security at the International Institute for Strategic Studies), Ian Angus (Department of Humanities, Simon Fraser University), and Gwynne Dyer (Columnist and Military Historian), Robert Wolfe (Professor, School of Policy Studies and Senior Fellow of the Centre for International Relations at Queen's University), and Paul Heinbecker (Ambassador, Permanent Mission of Canada to the United Nations). The Minister was accompanied by Dan Costello (Executive Assistant), Robert Fry (Senior Policy Advisor), and Pierre Guimond (Senior Departmental Assistant). In line with the Minister's wish to have this be a meeting with a small group of 'outside' thinkers, departmental participation was limited to Gaëtan Lavertu (Deputy Minister of Foreign Affairs), Lorenz Friedlaender (Head of Policy Planning Secretariat), and Steve Lee (Chair) and some staff of the Canadian Centre for Foreign Policy Development.

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This discussion with experts and other similar discussions take place in the context of changes that have occurred in the domestic and international environment since the last foreign policy review, completed in 1995. While foreign policy developed through that process is still sound, a number of changes, notably the events of September 11, 2001, greater awareness of the Muslim

world, the U.S. as “hyperpower” and integration in communications suggest we need to assess changes that have taken place since the last foreign policy review, and consider which aspects of Canada’s foreign policy may require updating.

At the suggestion of the Chair, participants addressed three broad themes in Canada-Europe relations: trade, culture and values, and security. Six participants agreed to lead off discussions on those themes.

Summary Conclusions

1. Relations with Europe can be an important component of our global foreign policy objectives:
 - to help us see ourselves beyond North America
 - to help others to see us as more than “U.S.A. North”
 - to promote the concept of Human Security
 - because Europeans are “natural”/important partners in promoting human rights, shared values, democracy, social welfare, and in protecting diverse cultures (models and ‘space’), social welfare, the rule of law and other areas of public policy
 - to achieve environmental goals
 - to maintain, improve, and rebuild multilateral relations, systems and institutions
 - to promote conflict prevention, address the North-South divide and development issues.
2. Relations with Europe can be, and are, of value in their own right in Canadian Foreign Policy for the following reasons:
 - trade is still important to both Europe and Canada
 - ‘cross learning’/cultural re-enforcement can emphasize our ‘non-U.S.’ culture
 - Canada could share models and experiences of diversity, multiculturalism, and immigration
 - Canada, as a North American NATO partner, could build partnerships with Europeans as military non-U.S. allies (for example in European peacekeeping).
3. A key problem identified is that Canada needs to recognize and address our lack of visibility and awareness in Europe. Steps could include:
 - increased use of, and funding for public diplomacy, drawing on exchanges and partnerships between scholars, scientists, business contacts, students, and others to increase visibility and awareness
 - increased Canadian commitment (funding, military forces) to the Stability Pact and other peacebuilding initiatives in Europe.

Participants also suggested raising Canada’s profile with European governments:

- through better use of Observer Status at the Council of Europe, and;
- through a permanent presence and active participation in other European institutions.
- encouraging trade by assisting Canadian business to deal with standards, regulations and

other roadblocks to trade.

- by promoting Canadian success stories (eg. in science/culture etc.)
- by increasing funding for joint research projects in technology, Canadian Studies etc.
- by increasing Canada's visibility/independence in foreign policy and international relations (e.g.: the Prime Minister's statement on Kyoto, Canada's role in the creation of NATO).

As well, it was recommended that more Canadian global engagement will be of interest/value to Europeans (eg. at the UN, Arctic Council, OAS, Commonwealth/Francophonie etc.).

Trade

Canada-Europe relations are weakening because of the self absorption in Brussels (regarding integration and enlargement). From a trade and business perspective, Canadian visibility in Europe is low, and Canada is even viewed by some as a satellite of the U.S. Others see Canada's value as primarily an access point to the American market.

Likewise, for Canada, certain traditional links with Europe have weakened. Trade with our major trading partner, the U.S., is far more important, constituting 82% of our export market, than trade with all other countries combined. While Canada's transatlantic trade with Europe has increased in absolute terms, in proportionate terms it has decline relative to trade with the U.S.

Nevertheless, while our economic future is with the U.S., we don't want to be in the position of adopting policies made in Washington. Consequently, we need to strengthen links with Europe, including improving trade relations.

The adoption of a single currency in the European Union removes a large barrier to trade and EU enlargement (through its expansion Eastward) creates and impressively large and coherent market. Such a market may constitute an advantage to some Canadian business by offering niche opportunities for particular industries, but may also create an impetus for some Canadian businesses to leave Canada to set up operations in Europe.

Certainly, the EU's regulatory approaches and competition policies create barriers for Canadian business. There are divergent views on how best to reduce such barriers and promote trade: whether by pursuing a Trans Atlantic Free Trade Agreement with the EU or by focussing on the WTO negotiations, or both. Policies need not mean only formal government policies: industry associations and civil society can also engage with Europeans. It was also noted that trade, and the negotiation of trade agreements, can serve political purposes as well as (and sometimes more than) economic purposes. Finally, while governments can put policies in place, perhaps through the negotiation of free trade agreements, it is ultimately business decisions that create trade patterns.

Nevertheless, the Canadian government has a significant role in facilitating and promoting trade with Europe, and this cannot be left only to individual businesses. Much of the debate focussed

on whether or not a bilateral agreement with the EU (perhaps pursued by engaging a European advocate or champion as Spain was for Mexico) was a preferable approach to working through WTO negotiations. The point was made that negotiating a formal bilateral agreement with the EU does not necessarily mean we could not also focus on individual member states. Some argued that the focus ought to be on discussions with individual people (i.e.: business leaders, political leaders) in Europe, as opposed to formal negotiations. Closer political relations will pave the way for closer economic relations. Finally, some believe we should continue to focus most of our attention on the more dynamic U.S. market.

Culture and Values

In the cultural field it is perfectly clear that Canada is distinct from the U.S. Canadian culture, particularly literature and the performing arts, is highly appreciated in Europe, and cultural channels could present a means of heightening the profile of Canada in Europe. In many respects, there are closer relations between Canada and Europe because of shared culture and values (such as shared perspectives on human rights, on the International Criminal Court, and on the environment). The Canadian government should promote cultural exchanges, especially through grassroots initiatives (eg: through lecturers at universities, which can have a multiplying effect). Such initiatives involve minimal cost, but pay dividends in terms of creating markets, advancing culture, and promoting Canada as distinct from the U.S. The difference between Germany and Canada in spending on promoting culture was noted. Finally, since many cultural issues are also of concern to Canadian Heritage, coordination with the Department of Foreign Affairs and International Trade is necessary.

Canada has an opportunity to distinguish itself from the U.S., especially in regard to certain U.S. policies that Europeans find problematic. Common values (such as the rule of law and human rights) shared by the U.S. and Europe are dwindling due to the U.S. stance on issues such as the International Criminal Court. Canada can offer an alternative model (in the sense of sharing ideas and discussing options) of engagement and multilateralism, and could make important contributions to maintaining, improving and rebuilding multilateral relations, systems and institutions. A question of considerable interest to the international community is how Canada manages its pluralist society, suggesting that Canada could also provide an alternative model in terms of immigration and multiculturalism policies.

Security

Participation in NATO has distinguished Canada from the U.S., opened the door for our participation in the G7, allowed Canada to become an observer at the Council of Europe, and given us some measure of influence. However, the lack of a serious security threat in Europe has led to the decline in importance of NATO, which heralds a declining role for Canada on security issues. Canadian investment in building partnerships with Europeans as a non-U.S. military ally would yield large benefits relative to the costs. There are opportunities where Canada might join efforts with the Europeans, for example in Macedonia.

The role of NATO is also evolving beyond just defence, and is moving to take on an increased political role and increased membership. As U.S. interest in NATO fades, Europe is poised to take possession of NATO structures, with one possible evolutionary change being to widen the role of the European Security and Defence Policy (ESDP). NATO provides an opportunity for outreach, and the ESDP creates an opportunity for interaction at a high international level. One participant recommended that Canada strengthen its participation and presence at the Council of Europe, as the Parliamentary wing of the Council of Europe provides an opportunity for outreach and discussion with European counterparts. Canada should use all potential relationships to develop a Canadian presence.

The question arose as to whether Canada should focus its energies on the EU institutions, or on member states. On some issues there is substantial national jurisdiction, on others that is transferred to Brussels. It was noted that many decisions are taken in Brussels, but that most business is conducted with individual member states, work to influence member states is done in the capitals. It was suggested that candidate countries for EU membership deserve special Canadian attention while opportunities still exist for improved Canadian visibility and influence.

In conclusion, it was noted that Europeans make attempts to cooperate with us because they often expect Canada to take a principled position on issues (such as the International Criminal Court and human rights). Canada and Europe also tend to share a common sense of purpose and values in the UN. However, it was agreed that Canada has to address its lack of visibility in Europe. Perhaps the key to raising awareness is to define and present a model and vision of ourselves by defining what Canada's guiding principles of international relations are, and demonstrating our independence through trade, citizenship, and social policy. If Canada truly wishes to have a voice in the world, it must demonstrate its commitment, including through government investment and funding.

A number of participants in the discussion were interviewed on video for webcast, which will soon be available on the Canadian Centre for Foreign Policy Development's (CCFPD) website (www.cfp-pec.gc.ca). Finally, a report from an earlier CCFPD retreat on Canada-Europe relations, *The Future of Canada-Europe Relations, Paper from the Thinkers' Retreat*, March 17-19, 2002, is available from the CCFPD (email to: info.cpc@dfait-maeci.gc.ca), and interviews and proceedings from this retreat are also available on the website.



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Report from the Roundtable: Good Governance and the Philippines. CCFPD. March 16, 2001.

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