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REPORT FROM THE 3RD ANNUAL ACADEMIC ROUNDTABLE CANADIAN FOREIGN POLICY: INTERESTS AND VALUES

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May 4, 2001 Ottawa (Ontario)

On May 4, 2001, the Canadian Centre for Foreign Policy Development brought together scholars from across Canada to address some key policy challenges and to help build links with Department officials. The scholars included, among others, Cranford Pratt (University of Toronto), David Dewitt (York University), Claire Turenne Sjolander (Université d'Ottawa) Stephen McDowell (Florida State University), Louis Bélanger (Université Laval) and Donald Barry (University of Calgary). Irvin Cotler M.P. and Marcus Gee (Globe and Mail) also participated. The Roundtable coincided with the last day of the Third Annual Graduate Student Seminar. The 16 graduate students who came to Ottawa from across Canada and the U.S. for the week-long Seminar also participated in the roundtable discussion with John Higginbotham (Assistance Deputy Minister, Communications, Culture and Policy Planning), Claude Baillargeon (Coordinator for International Cultural Policy) and other Department officials.

The Roundtable Report is divided into 7 sections:

- 1. Opening Remarks
- 2. Canadian Foreign Policy
- 3. Canadian Development Assistance
- 4. Defence and Security
- 5. Culture
- 6. Economic and Trade Issues
- 7. Conclusion

1. OPENING REMARKS

Steven Lee (The Canadian Centre for Foreign Policy Development) welcomed all to the roundtable and set the goals for the day:

- To help connect the academic community with policy makers (through the participation of officials of the Department of Foreign Affairs and International Trade at the Roundtable and through scheduled parallel meetings).
- To connect the new generation of scholars, by facilitating the participation of Graduate students at the Academic Roundtable.
- To help build a network of Canadian academics.
- To share insights and perspectives on Canadian Foreign Policy.

Lee said that while the goals of the Roundtable remain the same as in previous years, the context at the Department of Foreign Affairs and International Trade has changed this year with

the appointment of John Manley as Canada's Foreign Affairs Minister and Gaëtan Lavertu as the new Deputy Minister of Foreign Affairs. Moreover, the foreign policy mandate was renewed following the re-election of the Government. He stressed the importance of capacity building and strengthening the foreign policy community, especially by engaging youth. The Canadian Centre for Foreign Policy Development (CCFPD) is committed to these objectives through all its activities, including the Annual Graduate Student Seminar and youth participation in roundtables on a regular basis.

2. CANADIAN FOREIGN POLICY

2.1. The World Today: A Journalist Perspective, Marcus Gee (Globe and Mail)

Marcus Gee spoke about the difficulty of branding Canada. Canadians do not have a distinctive accent or cuisine and Canada does not make many products that are readily distinguishable around the world. Canadian identity may appear fuzzy and indistinct and may not be easy to pinpoint. Nonetheless, one of Canada's most respected traditions is internationalism. The Canadian government should recognise this asset and devote more resources to maintaining Canada's internationalist role, he said. Instead, resources to development assistance and peacekeeping have been plummeting. There is no long term national commitment to internationalism. One option would be to fix a percentage of the Gross Domestic Product (GDP) for Overseas Development Assistance (ODA), peacekeeping and other activities.

The lack of an internationalist vision is reflected in the private sector and the media as well. Private companies usually invest or produce in safe places, with a few exceptions, including Talisman. They should be encouraged to think more internationally. The lack of an international dimension in the media is demonstrated by the fact that there is no Canadian staff journalist or news organisation in Japan, for instance. Similarly, The Globe and Mail has no staff correspondent in Latin America. There is a lack of foreign affairs expertise in the media in general. Gee concluded that despite the shaky commitment of the Canadian government to internationalism and the lack of vision in the private sector and the media, Canadians are outward-looking, partly because of Canada's immigration tradition.

The discussion revolved around three issues: 1) the outward-looking nature of Canadians, 2) the need for leadership on foreign affairs issues and 3) the lack of resources. Some participants questioned the degree to which Canadians care about world affairs. Maureen Molot (Norman Paterson School of International Affairs) asked about the role of the media in shaping the public interest. Is it the media who influence the public or the other way around? Gee said the landmines campaign demonstrates that Canadians are interested in foreign policy issues if they are encouraged. Leadership is key in mobilising public support for international initiatives. A point was made that lack of resources will likely cripple the Canadian capacity to carry on the internationalist tradition. Gee responded that "while internationalism may not pay, Canadians want to stand for something."

2.2. Canadian Foreign Policy Today, Kim Richard Nossal (McMaster University)

Kim Richard Nossal suggested that the dichotomy between interests and ethical values in foreign policy discourse is false. In reality, values cannot be seen as separate from interests. He said that promoting interests and values which do not reflect public sentiment creates a gap that may prove politically unsustainable. This gap brings into focus the question of whose interests and values matter. Often, policy is made by a small group of officials. Among the reasons for this is the difficulty of interpreting what are the interests and values of the governed. Despite these considerations, periodic elections ensure that foreign policy is made with the public interests and values in mind.

Contrary to Gee, Nossal argued that the majority of Canadians would hardly promote the security of others or support building and maintaining a peacekeeping force if it had a negative impact on their revenues. Canadians seem to be apathetic about the American plans to develop National Missile Defence – one of the most controversial policy decisions the Government of Canada is faced with today. According to Nossal, most Canadians think that if the U.S. wishes to build such a defence system they should go ahead. The concerns of Canadians over diminishing ODA levels have also been lukewarm. These attitudes suggest that Canadians are not so outward-looking after all. Indeed, Canadians are as self-interested as others B efforts at building foreign policy on unrealistic assumptions about the Canadian character will flounder.

2.3. Blurring Boundaries: Rethinking Canadian Foreign Policy Analysis, Laura Macdonald (Carleton University)

Laura Macdonald addressed two kinds of borders: the first between states and the second between the state and civil society. She said that both have been blurring, although not disappearing. As an example she addressed the border between the U.S. and Canada. She said that while the border is disappearing when it comes to certain issues, it is reinforced at the same time when it comes to others. She referred to "seamless sovereignty" – a term used by George Haynal (former Assistant Deputy Minister, Americas, DFAIT) to describe the way Canadians see their sovereignty and security. Attempts to reassert the traditional relationship with the U.S. should be replaced by more constructive approaches, moving away from dichotomies such as the nationalist *versus* internationalist, or nationalism *versus* continentalism.

Macdonald suggested that the boundary between the state and civil society has also been transforming and blurring. The wall separating the delegates and the public in Quebec City (at the Summit of the Americas) was a turn toward traditional conceptions of the state – civil society relationship. Nonetheless, she argued that the state – civil society dichotomy is no longer valid due to increasing interactions between the two "sectors," including government-led consultations (i.e., the peace-building consultations conducted by the Department of Foreign Affairs and International Trade). This trend has transformed the way both state and civil society approach certain issues and undermined the traditional cultural and institutional divide that has existed between them in the past. She also pointed to some areas where state – civil society boundaries persist, including trade. Addressing issues such as gender and trade would be beneficial. Like borders between states, some boundaries between the state and civil society are being undermined while others are being reinforced.

2.4. Comment and Discussion

Molot pointed to a lack of historical perspective in contemporary foreign policy. The understanding of the world has shifted significantly in the last decade, creating a generational gap. The older generation was faced with an entirely different reality than the new, their views were primarily shaped by the legacy of the Second World War and the Cold War. In some aspects the old world order was simpler, "we knew who were our friends and who were our enemies." While we are searching for new directions, the question of how values are shaped is more pertinent today than ever. She suggested that there are not many adequate sources to raise awareness about Canadian history on which values could be based. (The creation of the Canadian History Institute demonstrates the need to educate students and the public about our history.) Elections have rarely generated comprehensive debates on foreign policy issues. It may also be the case that the Canadian public is not really interested in foreign policy. She asked whether Canadian foreign policy was a reflection of domestic policy and whose interests does domestic policy represent? She said that the nature of Canadian polity has changed dramatically (up to 20% of Canadians were not born in Canada). There has been a significant decline in the legitimacy of the state, demonstrated, for instance, by lower voter turn-outs. In a sense, there has been a "loss of community" in Canada.

Five points were addressed during the discussion: 1) the importance of linking the international and the local issues/interests, 2) the need for leadership on foreign policy issues, 3) the role of peacekeeping in Canadian foreign policy, 4) culture as a tool of Canadian foreign policy and 5) seamlessness of borders.

- Some participants, including Irvin Cotler M.P., stressed the importance of linking international issues and interests with domestic platforms. Cotler added that in order to build a wide-spread public interest in foreign affairs, leadership, especially by elected officials, is required on the local (constituency) level.
- Many participants agreed that leadership is necessary to maintain the Canadian internationalist tradition, including the Canadian commitment to peacekeeping.
- While some expressed alarm about the diminishing resources allocated to peacekeeping by the Canadian government and the danger of losing Canada's peacekeeping tradition, others suggested that there are new issues, including environmental protection, that concern the younger generation of Canadians today.
- Allan Bowker (International Academic Relations Division, DFAIT) suggested that culture, as a tool of Canadian foreign policy has been missing from our discussion. A point was made that Canada has a potential to contribute to world peace and security through promoting its culture and values including multiculturalism, democratic governance, and respect for human rights.

• Theodore Cohn (Simon Fraser University) pointed out that sovereignty may appear seamless for an observer from the rich "North" since it is here where decisions about what is seamless and what is not are made (whether the decisions concern trade, flow of capital or the flow of people).

3. CANADIAN DEVELOPMENT ASSISTANCE

3.1. The Impact of Ethical Values on Canadian Development Assistance, Cranford Pratt (University of Toronto)

Cranford Pratt assessed the impact of ethical values on Canadian foreign aid policy. He pointed out that very few scholarly commentators have identified humanitarian considerations as a major determinant of Canadian aid policies. "A surprisingly wide range of other influences have received emphatic mention," he said.

Pratt traced the rationale of Canada's aid policy to the 1950s. Canadian development assistance was then a product of Cold War alliance politics rather than ethics. The primary purpose of aid was to counter any expansion of Soviet influence. Several other factors contributed to a "very rapid expansion of the Canadian aid program and a sustained effort to ensure that it reached and helped the poorest people and countries." The most fundamental of them was the upsurge in public support for strong social welfare programs in Canada. Other factors included a surge of citizen concern over global poverty and a great increase in the number and strength of Canadian NGOs working on Third World issues. Recognising this, the government presented the aid program as a humanitarian rather than a Cold War enterprise. This rhetoric was, in turn, used by supporters of a generous foreign aid programme to detach aid from the pursuit of commercial and geo-political objectives. Moreover, CIDA recruited from the NGO community, creating a core group of officials within the government bureaucracy who lobbied for a more ethically responsive aid policy. These efforts were aided by a prosperous economy and rising government revenues. The Liberal government's attempts to articulate a foreign policy different from that of the United States in the late 1960's also played a role in the expansion of the Canadian aid programme. As a result of these circumstances, Canadian aid responded significantly to ethical values for about ten years (from 1966 to 1976).

The greater centrality of ethical values in the shaping of Canada's aid program did not last. The OPEC crisis and long-term structural problems in the Canadian economy crowded out any concern for global equity. The Canadian government became increasingly preoccupied with Canada's economic relations with the United States and its membership in the Economic Summit. Canadian development assistance was from then on increasingly subverted to serve Canadian trade and foreign policy interests. Humanitarian and development considerations were not obliterated but very often yielded to self-interested Canadian objectives. CIDA had become, in the words of Margaret Cately-Carleson (former President of CIDA), "a policy-taker not a policy-maker." It is apparent from policy statements and declarations that by 1994, the official rhetoric of Canadian foreign aid adjusted to this changing reality.

While ethical values are declining in significance, they still have some capacity to influence policy. This is illustrated by the approach of the former Foreign Affairs Minister Lloyd Axworthy and the Minister for CIDA Maria Minna. Despite his efforts, Axworthy failed to include effective action to lessen global poverty as an essential component of any serious effort to promote global Human Security. According to Pratt, "Axworthy's Human Security was liberal internationalism especially tailored for a Liberal government that was overwhelmingly preoccupied with fiscal restraint, trade promotion and Canada's international economic competitiveness." Minister Minna brought to CIDA a concern for the welfare of the poor which had long been central to her approach to domestic issues. Nonetheless, the Minister has not yet been able to win Cabinet support to a re-commitment by CIDA to a primary emphasis on poverty reduction.¹ Nonetheless, in order to secure acquiescence from the more powerful departments (i.e., Department of Foreign Affairs and International Trade, the Department of Finance, Department of Environment) which have demonstrated their desire to draw CIDA further away from its emphasis on poverty reduction, CIDA's leadership (i.e., President of CIDA Len Good and the senior team at Policy Branch) is proposing a rationale for CIDA which will give greater emphasis to Canadian long term interests and bring CIDA's policies in line with these other departments.

Pratt concluded by saying that, at the present time, it is unlikely that any Canadian government will markedly increase foreign aid nor make it more poverty-focussed. Canadian values are in retreat from the public philosophy that underpinned the development of the welfare state and facilitated the development of a more humanitarian aid program in the decade between 1966 and 1976. "Today... the linkage between domestic social values and a generous aid program responsive to the needs of the poor operates in the opposite direction."

3.2. Comment and Discussion

Madonna Owusah Larbi (Match International Centre) supported Pratt's argument and pointed to the tension between the values of the NGO community and the interests of CIDA. She also suggested that Maria Minna's emphasis on welfare is troubling from the human rights perspective. CIDA often negotiates with foreign governments rather than NGOs or civil society groups. This raises accountability issues when the governments of countries with which CIDA negotiates are undemocratic and do not represent the societies CIDA aims to assist. Funds should not only be allocated to poverty reduction but to the empowerment of civil societies so that undemocratic leadership can be challenged from within. In this context, foreign NGOs may be a much better conduit for negotiating and delivering CIDA-funded programmes than governments.

¹Moreover, a major effort is underway to win Cabinet endorsement for a transformation in the management of CIDA's bilateral programme. (Mostly to enhance efficiency and to overcome scepticism on the part of the Department of Foreign Affairs and International Trade, the Department of Finance and the Privy Council Office that CIDA has become ineffective.)

Viviana Patroni (York University) pointed to a contradiction in Canadian foreign and aid policies. While they aim to reduce poverty on one hand, on the other hand they support an economic (and trade) approach that accentuates inequality – revealing a conflict between values and interests.

Discussion developed around the concept of Human Security. Some participants suggested that while Axworthy's Human Security policy was progressive, it was too narrow – focussing on security-related issues such as small arms, child soldiers or transnational crime. Meanwhile, the focus on development and poverty reduction was limited. Others pointed out that officials articulating foreign policy based on Human Security faced some definitional challenges. Leaving poverty out of the equation allowed policy makers to focus and profile a particular set of issues that were perceived as key to the Department of Foreign Affairs and International Trade, including disarmament, for instance. Nonetheless, putting people at the centre of foreign policy – the key goal of Human Security – was a commendable endeavour. Some participants criticised the method of selecting Human Security issues and suggested that resource implications may have played a bigger role than ethical preoccupations in the selection process.

Participants addressed the long term policy incoherence between the Department of Foreign Affairs and International Trade and CIDA. Finding common ground between the two Departments is difficult since their values and interests are not necessarily compatible. Some suggested that a mechanism should be created for the two Departments to articulate their values and interests simultaneously. Others, including Pratt, warned that such a development could further diminish the development and poverty reduction focus of foreign and aid policies.

Pratt suggested that the general acceptance of neoliberalism and democracy around the world necessitated a shift in policy toward governance or in other words: efforts to facilitate the participation of newly democratic governments within the global economy. Nonetheless, he maintained that the shift in Canadian aid policy and the support of the Canadian government for structural adjustment programmes were reactions to domestic rather than global pressures. Larbi asked whether CIDA actually intended to diminish citizen engagement in newly democratic (or semi-democratic) countries by withdrawing its support for successful grass-roots projects that may have challenged the governing structures.

4. DEFENCE AND SECURITY

4.1. Canadian Strategic Interests – Defence and Security, David Dewitt (Centre for International and Security Studies, York University)

David Dewitt identified the top eight issues in the areas of security and defence:

1. Nuclear, biological and chemical horizontal and vertical proliferation, including delivery systems and how these impact on the Non-Proliferation Treaty, NATO Review, Missile Technology Control Regime, and ongoing concerns over global and regional arms control and disarmament as well as regional proliferation more generally.

- 2. Ballistic Missile Defence, National Missile Defence, and Theatre Missile Defence B the spill-over costs of U.S. unilateral action, especially any impact on arms control and disarmament norms, institutions and agreements.
- 3. The broader significance of the Brahimi Report (i.e., the wide range of concerns for which effective multilateral commitments are essential; the residual impact of failed expectations about the ability of international institutions to prevent, mitigate, and resolve conflict; requirements for improving the performance of these institutions, etc.)
- 4. The emerging complexities between global and regional institutions on peace and security issues.
- 5. The broad range of transnational (often called non-state, though at times state-sponsored or supported) security threats, from terrorism to illicit drugs and illegal population movements, to money laundering, economic espionage, and intelligence gathering and sale. Related to this category would be the pervasive impact of systemic corruption and the challenges posed by failed as well as quasi-states. Hence the importance of security sector reforms as part of the larger security and defence interests.
- 6. Domestic and subregional conflicts, often assumed to be based on identity (ethnicity and religion), which have enormous protracted and residual impacts on local populations, ecology, the future of development and post-conflict reconstruction options, international institutions and on disease, including HIV/AIDS.
- 7. The entire panoply of conflict prevention scenarios and instruments (i.e., who does it, under what mandate, with what terms of reference, and who pays).
- 8. The uncertain impact of technologies, especially Revolution in Military Affairs and Information Technology, on tactics and strategy, both for war prevention and conflict engagement.

Dewitt addressed the challenge of bringing commitments in line with capabilities. He said that "even recognising that while all of these issues in some way are security challenges, not all of them draw on the military as the first line of action; nor are other aspects of the Canadian state well equipped to handle some of these concerns." He suggested that for the Canadian Armed Forces, the challenge will likely continue to be how best to adapt to the asymmetrical equation of excessive demands with inadequate supplies. At the same time Canada, along with other countries facing a similar situation, believes that its privileged position comes with an obligation to act responsibly in support of efforts for global peace and security. While this may be so, Canada may be in the unique position of not requiring a substantial military force to ensure its own national survival, making the issue of scarce resources allocation to a complex and demanding set of global security challenges that much more significant and a more political issue. Dewitt suggested that these considerations should be a focus of some serious and sustained domestic debate. The debate should be reflective of values and interests that may change in response to external factors and to the realities of a changing Canadian society. Dewitt said that the issues outlined above challenge the values embedded in our political and social identities and should be responded to through a material commitment given our privileged position. Yet, we continue to struggle with the realities of transforming those valueladen beliefs and preferential interests into effective and sustainable international commitments and action. In this context, he offered three points:

- 1. Defence policy, as one of a number of instruments of security policy, must be based on a clear statement of Canada's national interests and global obligations.
- 2. If we presume that Canada has a global vision, does that mean we also have a global mission, and if yes, how does that square with our lack of a global reach?
- 3. If we agree that Canada is committed to be a responsible actor in areas of national, regional, international and global peace and security, and we acknowledge that we continue to face significant resource limitations, then on what basis do we make judgements about those areas of active Canadian engagement ?

Recommendations:

- A statement by the Minister of Foreign Affairs is necessary to 1) articulate a Canadian view of both national and international peace and security, 2) identify Canadian priorities, and 3) indicate a preparedness to allocate resources to ensure responsible action in those areas.
- DND needs to be more transparently willing to consider the hard choices emanating from such an international security statement.
- Canada may make a difference when bringing leadership and expertise to multilateral peace and security operations. This does not mean that Canada has to bring a full complement of equipment and personnel.

Dewitt concluded by stressing the need to move away from *ad hocery* to renew and enhance the Canadian military on a realistic assessment of what kind of roles we can offer for our own national defence as well as the international security community that will make a difference.

4.2. Comment and Discussion

Claire Turenne Sjolander (Université d'Ottawa) asked whose values and interests are considered when addressing security issues. She also drew attention to the effects of "securitising" issues which have been categorised as low politics in the past. The appropriate actor to address high politics issues, including security, continues to be the state. Therefore, "new security issues" are addressed through traditional state-based responses and disarticulated from their broader context (i.e., economics, development, etc.). The state centred responses to security threats reinforce the spacial inside and outside. Turenne Sjolander also considered the space within which foreign policy is made and asked who the legitimate actors were within that space. For instance, while globalisation may be perceived as a security threat by some (i.e., to livelihood, gender and other rights), others are deployed to secure the interstate system. This points to at least one apparent gap in the interests and values between state-based policy makers and citizen-based protesters over globalisation.

Several points were made during the discussion, including:

- Canada's global mission and reach has been related in a large part to partnerships with other "like-minded" countries.
- There is a need to move away from issue-specific foreign policy to a more coherent approach. This shift would have resource implications, since issue-specific foreign policy is less expensive.
- While the state continues to play a critical role in international relations, its monopolistic position among international relations actors must change. The state will come under increasing pressures to consult civil society and reflect public views and demands in policy.

5. CULTURE

5.1. Strategies to Advance the Cultural Diversity Instrument Initiative, Stephen McDowell (Department of Communications, Florida State University)

Stephen McDowell said that culture is a source of expression of Canadian values or the way Canadians live and stressed the importance of a cultural policy. He emphasised the need to support Canadian culture in the context of globalisation, since economic capital – finance, production facilities, or even managerial talent – can increasingly be moved quickly to many parts of the globe. McDowell drew attention to a report of the Cultural Industries Sectoral Advisory Group on International Trade (SAGIT) to the Canadian Department of Foreign Affairs and International Trade emphasising the need for re-crafting Canada's communications and cultural policies at the end of 1990's. The report states:

Canadian books, magazines, songs, films, new media, radio and television programs reflect who we are as a people. Cultural industries shape our society, develop our understanding for one another and give us a sense of pride in who we are as a nation. Canada's cultural industries fulfil an essential and vital role in Canadian society.

The SAGIT report proposed that rather than pursuing the "cultural exemption strategy used in the past, which takes culture off the table in international trade negotiations" a new strategy should be undertaken that would try to negotiate "a new international instrument that

would specifically address cultural diversity, and acknowledge the legitimate role of domestic cultural policies in ensuring cultural diversity." The report further argues that a strategy to promote "cultural and linguistic diversity" is appropriate and would reflect a more assertive strategy. Moreover, it would allow Canada to collaborate with other nations.

McDowell also addressed the report by the Parliamentary Standing Committee on Canadian Heritage, the response by the Canadian Heritage to the Committee's report, and the work of the Canadian Heritage in implementing international cultural initiatives. The overall strategy emphasises partnership or coalition building approaches (particularly evident in the leadership of the Canadian Heritage Department in the International Network on Cultural Policy). McDowell expressed his support for a participatory approach and suggested that if the Canadian diversity instrument is seen as a measure aimed to protect Canadian producers and industries it will be undermined. In conclusion, he posed several questions, including:

- Who would benefit from such a participatory Canadian diversity instrument and who would be involved: large Canadian firms, non-profit organisation or public agencies?
- While diversity may well illustrate the Canadian reality, how does the concept square with the nation-building goals of many other countries?

5.2. Comment and Discussion

Claude Baillargeon (Coordinator for International Cultural Policy, DFAIT) suggested that the concept of cultural diversity has to be clarified. In order to interest potential partners, Canada should develop a common vision of cultural diversity. There have been efforts through the Ministerial Cultural Network to present a perspective on cultural diversity that included human, cultural (i.e., values such as freedom of expression), political (i.e., inclusion, participation in the political process) and commercial dimensions. The eventual cultural diversity instrument cannot contain all these aspects and should not be perceived as a protectionist measure.

Some participants pointed to a contradiction when it comes to defending or promoting one's national culture. Some European countries, for instance, may have an entirely different conception of "defending the national culture in the context of growing social and cultural diversity" than Canada.

Calls were made to use the cultural diversity instrument to protect sub-national cultures. A question arose about how do sub-national cultural agreements (i.e., with the Inuit people, for instance) play out in the context of national agreements, including NAFTA.

McDowell said that regionalisation is a better term to express what is happening to national cultures rather than homogenisation. While Canada is bearing the brunt of unfragmented English language emissions from the U.S., other countries have adopted the various emissions according to their cultural, socio-economic and other particularities. The way in which international agreements address "the local" will be important.

6. ECONOMIC AND TRADE ISSUES

6.1. Canada: Regional and Global Economic Issues, Theodore Cohn (Department of Political Science, Simon Fraser University)

Theodore Cohn addressed Canada — U.S. trade relations in the context of interdependence. He pointed out that from the liberal economic perspective, power disparity between trading partners is not problematic since all parties benefit from interdependence. Some observers would argue that even relatively weaker countries benefit from interdependence more than stronger parties. The realists, on the other hand, maintain that larger, relatively more powerful countries would not allow their smaller, relatively weaker counterparts to benefit from interdependence. This may be the case of Canada – U.S. relations under NAFTA, where Canada is expected to provide some "side-payments" to the U.S. As a trading relationship between two unequal partners becomes more asymmetrical, the side-payments are likely to increase as well. This poses a dilemma for Canada : as our interdependence with the U.S. grows we may become more vulnerable.

Cohn identified three strategies to minimise the need for Canada to give side-payments:

- 1. The better trade arrangements and regulations are defined, the more disputes will be resolved by law rather than power. Trade regulations should, therefore, be explicit and detailed.
- 2. By diversifying economic and other ties. Globally, alliances could be forged between developed and developing countries. Canada could take advantage of opportunities to forge alliances outside of the privileged economic groupings to which it already belongs. While traditional ties to Europe continue to dominate Canadian thinking, Canada may do well to develop better relations with Mexico the United States' second largest trading partner. Exploring Canada's relations within the Free Trade Area of the Americas could also be beneficial.
- 3. By increasing the competitiveness of Canadian firms and ensuring Canadians are well educated to engage in the global economy.

Cohn suggested that larger, relatively more powerful states will expect that smaller, relatively weaker states will tend to settle rather than dispute a bilateral agreement (this was likely the case with the Canada – U.S. softwood lumber dispute). Nonetheless, Canada did better on lumber issues than one could expect, the outcome of the dispute was closer to Canadian objectives. However, many Canada – U.S. conflicts recur – a trend that seems to confirm the argument that smaller, relatively weaker states can win in the shorter term but the larger, relatively stronger states are likely to win in the longer term.

The U.S. government does not pay nearly as much attention to Canada as is the case *vice versa*. There seems to be what Cohn called an asymmetry of attention. According to Cohn, this asymmetry does not benefit Canada. For instance, President Bush could act harshly in a dispute with Canada in order to get fast track authority on trade from Congress.

While Canada does benefit from interdependence, there are number of drawbacks, illustrated by the Canada – U.S. economic relations, that Keohane and Nye might have underestimated in their work "Power and Interdependence."

6.2. Comment and Discussion

Viviana Patroni pointed out that neoliberal reforms in Latin America have not produced the expected results. She pointed out that economic growth has been unequal and unsustained across the region. Moreover, poverty, social problems, corruption and crime continue to plague many Latin American countries. Canada should reconsider its role in the Hemisphere in this context. She also addressed the drawbacks to the Free Trade Area of the Americas. She asked whether the agreement is workable in the context of the tremendous diversity of Latin American countries and the significant power asymmetries among them. The lack of transparency in the FTAA process was also noted.

Elizabeth Smythe (Concordia University College of Alberta) asked whether multilateralism has paid off. She drew attention to what the state-to-state dynamic side payments imply and added that such a dynamic often undermines transparency. She also pointed out that the quest for increased competitiveness comes at a price to the public sector. Public funds are slashed as barriers to capital movements are removed.

Some participants pointed out that the FTAA will not be negotiated in the same way as NAFTA since the relative power asymmetries of participating countries are too large. In this context, a point was made that while NAFTA was negotiated in an almost "value neutral discourse," a democracy clause has been already incorporated into the FTAA negotiations. Cohn's suggestion that Canada diversify its economic relations with Latin American countries within the FTAA was echoed by some participants.

7. Conclusion

Discussions continued informally during the evening reception and dinner, when Louis Bélanger (Institut qubecois des hautes etudes internationales, Université Laval) updated guests on the recent developments in creating a Canadian section of the International Studies Association (effort supported by the CCFPD/DFAIT). Steve Lee ended the Roundtable by thanking all the participants for their contributions and commitment to the development of Canada's foreign policy. He encouraged the scholars interested in contributing to urging policy development needs to apply with projects to the CCFPD's project fund

< http://cfp-pec.gc.ca/Project<u>Fund/proj-e.htm</u> >.

List of Participants 3rd Annual Academic Roundtable May 4, 2001 Ottawa

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