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June 2023

CONFERENCE REPORT

12TH ANNUAL INTERNATIONAL AFFAIRS CONFERENCE: A WINDOW ON THE WORLD

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June 2023



Prepared for the Canadian Global Affairs Institute 1800, 150 – 9th Avenue S.W., Calgary, AB T2P 3H9 www.cgai.ca

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Fireside Chat

Hon. Mary Ng – Minister of International Trade, Export Promotion, Small Business and Economic Development

Colin Robertson – Moderator & CGAI Senior Advisor

In her opening remarks, The Honourable Mary Ng, Minister of International Trade, Export Promotion, Small Business and Economic Development, discussed the difficulties in navigating the challenges posed by the pandemic and driving Canada's engagement in various regions. During the initial stages of the pandemic, Canada focused on supporting small businesses and promoting trade. The aim was to establish clear pathways for growth and expand into new markets. Notably, efforts were made to foster robust relations with Europe and the Indo-Pacific region, while consolidating pre-existing trade agreements with all G7 countries. As pandemic restrictions eased, the resumption of in-person meetings and travel facilitated collaboration and furthered Canada's contributions, building on the country's immense respect worldwide. Demonstrating Canada's commitment to the Indo-Pacific, the minister highlighted her 13 visits to the region in recent years. This significant engagement underscores the importance of the Indo-Pacific and the opportunities for trade and cooperation that exist there.

Regarding Canada's crucial relationship with the United States, Mary Ng emphasized the need to update labour and environmental standards. The "Three Amigas" initiative, which focuses on maintaining strong collaborations between Canada, the United States, and Mexico, is a key aspect of this relationship. Regular meetings and a focus on seizing opportunities are essential in this regard. Additionally, the minister mentioned that Canada actively invites business groups to participate in negotiations, fostering connections and promoting a strong bond between businesses and governments.

Recognizing the profound significance of indigenous peoples and critical minerals in the global economy, the minister highlighted the substantial efforts being made to create economic opportunities that directly benefit indigenous communities. Notably, agreements focusing on critical minerals have been established, with a strong emphasis on involving indigenous peoples in these crucial agreements. Recent disruptions caused by events like the Russian invasion and the ongoing pandemic have highlighted the fragility of global supply chains. This underscores the urgent need to expand into new areas where negotiations and agreements can be facilitated under clear and transparent frameworks. As a prominent advocate for multilateralism, the minister emphasized the importance of fostering practical relationships with countries like India to advance these goals. By forging robust partnerships with nations like India, the objective is to promote sustainable economic growth, ensure the reliable supply of critical minerals, and foster mutual benefits for both indigenous communities and the global economy.

The minister also noted that the United States has made a firm commitment to include Canada in trade agreements. Canada's participation in the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) has resulted in significant market growth, with a notable 19.5 per cent increase. Positive negotiations are also underway with ASEAN and Indonesia, which hold



promise for enhancing resilience in supply chains. The accession request procedure is being pursued to bring the UK into the agreement, following a consensus-based approach and striving for a high-standard agreement. Emphasis is placed on ensuring compliance and enforcement of inclusivity and environmental standards throughout these agreements.

She further mentioned that multilateral agreements, such as MC12 on fisheries, hold significant importance for trade and dispute management. The minister emphasized that the Ottawa Group, which has inspired other agreements including MC12, showcases Canada's thought leadership and commitment to promoting a rules-based international order. Referring to the challenges of coordinating 140 countries in the WTO, Ng stressed the significance of multilateralism and rules-based interactions in bringing nations together and fostering future economic growth, encompassing digital and green initiatives.

Can Democracy Survive?

H.E. David Cohen - U.S. Ambassador to Canada

David MacNaughton – Palantir and CGAI Advisory Council Member

Bruce Stokes – German Marshall Fund of the United States

Maureen Boyd – Moderator & CGAI Fellow

In the face of rising trends of populism and democratic backsliding around the world, democracy has become more vulnerable than ever before. The survival of democracy in our increasingly polarized world has become a contentious topic of concern and debate.

Bruce Stokes, senior fellow at the German Marshall Fund of the United States, shed light on the growing dissatisfaction with democratic institutions, focusing on current trends in the United States. He explained that rising rates of partisanship, characterized by unfavorable views of opposing parties, have resulted in a deeply divided electorate with little faith in their public institutions. In fact, 7/10 Americans reported feeling dissatisfied with their democratic system prior to the 2020 election. These feelings, however, are not exclusive to the United States; populations in Canada, Italy and Spain have also reported feeling varying levels of discontent.

David MacNaughton addressed concerns about the impact that American politics and feelings of contention may have in Canada. He explained that American global leadership faltered under the Trump administration, and by association similar trends were observed in Canadian politics. Nevertheless, he maintained that although Canadians observe American politics, the best path forward is to continue focusing on our own issues at home as spillage concerns are not as extreme as many believe to be, and therefore not our chief priority.

H.E David Cohen agreed with MacNaughton's view that spillage is not a chief concern as he maintained that trust between the United States and Canada has steadily improved under the

Biden administration. He believes that the current era of public mistrust in government and widespread disinformation doesn't necessarily mean that our democratic system is failing, but it does mean that we shouldn't take democracy for granted. He concluded by offering some key pieces of advice, namely that bipartisanship efforts conducted in good faith are a necessary step to restoring public trust in our institutions and re-establishing strong relationship with our likeminded global allies.

Ukraine: How does this end?

Dr. Julian Lindley-French – CGAI Fellow

H.E. Yuliya Kovaliv – Ukrainian Ambassador to Canada

H.E. Sabine Sparwasser – German Ambassador to Canada

LGen (ret'd) D. Michael Day - Moderator & CGAI Fellow

The war in Ukraine has exemplified that while material support is needed to continue defending their territories' sovereignty, the resilience of the population plays a major role in its protection. Ukrainians' pride and unification in this war are remarkably high with up to 93 per cent of Ukrainians who believe in victory, even after 15 months since Putin's regime launched the offensive.

Her Excellency Yuliya Kovaliv, Ukrainian Ambassador to Canada, expressed that victory will be attained when Ukraine recovers all their territories, including Crimea, and justice will be granted to support long-lasting peace. She argued that for the defence of Ukraine's sovereignty, as well as for the defence of the value of democracy, Canada needs to continue assisting their government through logistical and military support. She expressed that her government views Canada as part of its top five allies in this war. And finally, she explained that the pathway to long-lasting peace and security will require about \$411B to rebuild the infrastructure with support from the private sector after the war, and where the strongest element to support post-war sustainable peace is the obtention of NATO membership.

Her Excellency Sabine Sparwasser, German Ambassador to Canada, indicated that Ukraine will prevail as a sovereign and democratic country and that they will be supporting the integration of Ukraine within NATO following the end of the war. She argued that it is up to the government of Ukraine to decide how and when the war ends, and where Germany will continue supporting them as long as it takes through humanitarian aid and the delivery of military supplies. She also argued that Russia will not achieve its goals and will have rather lost a lot of soft power in the region, and where NATO will have strengthened itself to a point that would have been unthinkable before the war.

Dr. Julian Lindley-French, Chairman of The Alphen Group and Fellow of the Canadian Global Affairs Institute, argued that the determination of Western countries to support Ukraine in their

fight vis-à-vis Russia is legitimate and just. He suggested that the current NATO membership plans need to be updated and that a dynamic membership process should be created for Ukraine to join NATO by 2026-2027. He also argued that strong leadership from the U.S. government is needed to maintain international support, but where Canada and the European Union member states must also pull their weight. He finally mentioned that this current war is not solely about Ukraine, rather, it substantially impacts global security and that investments in long-term security and defence in the region are needed to ensure post-war stability.

A common thread was the need for sustained support from NATO member states to defend Ukraine from Russia's invasion, which is an attack by an authoritarian regime on democratic institutions and threatens the safety of all European countries. Allies should adopt a stronger defence posture in the region to ensure sustainable peace.

Defending the Arctic

VAdm (ret'd) A. Bruce Donaldson – CGAI Advisory Council Member

Dr. Kate Hansen Bundt – Norwegian Atlantic Committee

VAdm Angus Topshee – Commander of the Royal Canadian Navy

Dr. David Perry – Moderator and CGAI President

Climate change heavily impacts the Arctic region, whereas Canada needs to further develop its resilience in the region and its capacity to adapt and ensure the security of all Canadians. Current extreme weather in Nova Scotia has had a direct impact on the capacity of Canada to conduct its Arctic operations, as the forest fires implied that thousands of families in Nova Scotia had to be evacuated, including Canadian Armed Forces (CAF) members. The CAF is under a lot of stress recognizing their limited resources where soldiers must stay in the province to address domestic problems. Thus, there is a need to re-evaluate defence spending to ensure that we can deal with the emerging reality of climate change in a responsible way. As pointed out by Vice-Admiral Angus Topshee, Commander of the Royal Canadian Navy, it must be analyzed how to leverage existing infrastructure in the north, while ensuring that the operations are not becoming a burden for the Inuit communities. He also said that it shall be reminded that there will be some parts of the year when most ships will not be able to navigate into the Arctic, apart from icebreakers.

The Arctic is also a region where new threats are emerging due to the ice melting which attracts more countries and businesses' attention. Indeed, threats from China and Russia in the Arctic must be considered, and as pointed out by retired Vice-Admiral A. Bruce Donaldson, it is then important to get ahead of the digitization of processes and invest in monitoring capability in the North to know what is happening, by which actor and understand the meaning of their actions. Kate Hansen Bundt, Secretary General of the Norwegian Atlantic Committee, has expressed that the security landscape of the Arctic has also changed since the start of the war in Ukraine, where there are now 7 NATO countries that are members of the Arctic Council. Recognizing that the



outcome of the war in Ukraine is unknown, it is calling upon those countries to strengthen their defence partnership, and deterrence capability through the modernization of their fleets. Kate Hansen Bundt, also called upon more allies' presence along the Scandinavian northern coast. She argued that it would permit a learning opportunity and assert a deterrence position towards Russia.

While war fighting is not expected per se in the Arctic, we need to envision the emerging competition which will require a network of assistance and the ability to provide a whole-of-government response to such scenarios. Bruce Donaldson reminded us that there will be infrastructure development challenges in the North, which will require working alongside communities, territorial governments, and industries to support security interests and Inuit nations' interests in the region. Angus Topshee also expressed that the defence budget is scarce where there are limits to the capacity to build infrastructure, which will require carefully prioritizing the key objectives of the Royal Canadian Navy in the Arctic. He finally explained that in terms of submarine acquisitions, the fleet should be replaced in cooperation with our allies, and that they'll be require to be deployed for up to 21 days in the Arctic without being detected. He also mentioned that there is a need to collaborate with our allies to understand the impact on fish resources due to climate change and how it may affect communities living in the northern territories. Canada has a duty to be a leader and show a stronger presence in the Arctic to ensure that our national interests are protected and that we adapt to the environment's constant change.

In a Polarizing World, Can We Build a Canadian Consensus?

Yaroslav Baran – The Pendulum Group

Hon. Peter MacKay – Deloitte & CGAI Advisory Council Member

Hon. John Manley - Bennett Jones & CGAI Advisory Council Chair

Kathleen Monk - Monk + Associates & CGAI Advisory Council Member

Dr. Ian Brodie – Moderator & CGAI Program Director

In an increasingly polarized world, fostering consensus has become vital for Canada's long-term stability, progress and global standing. Yaroslav Baran raised a critical concern regarding declining public confidence in the Canadian government's ability to deliver on its promises. Baran argued that operational performance including the government's capacity to fulfill basic functions, such as passport services, plays a significant role in instilling public faith in its capabilities. To rebuild public trust, he suggested that the government pay increased attention to local concerns and work on improving its performance in delivering essential services. John Manley agreed with Baran, arguing that it would serve the government well to increase opportunities for connection in order to ensure that the public is confident that they are being well-served. By focusing on these foundational aspects regarding the operation of parliament, the government can lay the groundwork for broader consensus-building efforts. Kathleen Monk

challenged the notion that Canadians are growing more polarized; she asserted that Canadians, despite their diverse views, are actually more similar than they are different. By and large, Canadians usually find common ground on key issues such as foreign policy, the Russia-Ukraine war and the economy. Peter Mackay echoed Monk's sentiments and agreed that public disagreements are not as profound in Canada as they are in the United States. He dismissed the influence of American culture wars on Canadian politics, arguing that those who engage in such discussions represent only a fringe minority. Instead of fixating on external factors, he suggested that the Government of Canada prioritize addressing division within its own system. In fact, both Monk and Mackay highlighted the necessity of party collaboration and the participation of parliamentarians in House and Senate committees. Monk emphasized the necessity of a collaborative approach, as she explained that when elected officials engage in productive debate and genuinely listen to one another, they can work together to advance Canada's goals both domestically and abroad. MacKay pointed out the reality; Canada is a small country, and if we want to carve out our spot in the global arena, we must come together and demonstrate crossparty strength and cooperation. By embracing this approach, Canada can cultivate a unified voice that reflects the values and aspirations of its citizens, ultimately propelling the nation forward in an increasingly polarized global landscape.

How does Canada matter in the world economy: Can we become world leaders?

Hon. Anne McLellan – Coalition for a Better Future & Bennett Jones

Mark McQueen - The Wellington Group

Todd Winterhalt – Export Development Canada

Colin Robertson – Moderator & CGAI Senior Advisor

Despite holding a significant position in the global economy, Canada faces challenges in its quest to become a leading global player. While the country possesses considerable economic potential, several issues must be addressed to achieve this objective. These challenges encompass diversifying and expanding successful ventures and attracting greater investments in high-potential sectors such as clean technology. Todd Winterhalt pointed out that Canada's importance in the world economy has diminished in recent years due to the emergence of more competitors. He emphasized the need to diversify Canadian exports, as currently, 90 per cent of exports go to only 14 per cent of markets. To improve prospects, he suggested changing the narrative and focusing on the Indo-Pacific region, where Canada has a competitive advantage.

The Honourable Anne McLellan emphasized the importance of inclusive sustainable economic growth, particularly involving youth. As a representative of the Coalition for a Better Future, a civil society organization representing the non-profit, business, and charitable sectors, she elaborated on the lessons learned from the COVID-19 pandemic that should be utilized to build a better future. She outlined 21 metrics grouped into three categories to assess progress, with a



commitment to achieving net-zero emissions by 2050 as a prerequisite. Canada possesses valuable resources and capabilities that other countries require, presenting significant opportunities. She further stressed that the crucial question is why Canada has been performing below its potential. Canada has many resources that others need and should leverage its capacity.

Mark McQueen expressed concerns about Canada's trajectory, stating that the situation is more dire than people assume. He emphasized the need to commercialize investments in high-potential sectors, particularly in technologies that can shape the future and contribute to environmental sustainability. He called for greater allocation of funds to Canadian cleantech initiatives and criticized investments in unproductive sectors.

Resonating with McQueen, McLellan stressed the urgency to take action and the need for focus. She cautioned that if Canada does not act quickly, it risks falling behind the rest of the world. Winterhalt added that the focus should be on scaling up successful ventures, rather than attributing the lack of capital as the primary obstacle. Many Canadian companies are established but eventually, end up being acquired by foreign entities.

The role of the public and private sectors in driving economic growth was also discussed. McQueen suggested that the public sector should generate ideas and determine where funds should be allocated. Echoing McQueen's sentiment, McLellan affirmed that the government should establish the framework and goals, while the private sector should take action. However, she noted that the Canadian private sector has been complacent and not motivated to achieve paramount positions. The panelists questioned if there is a cultural aspect to this contentment with mediocrity.

In response to the question of identifying one focus point of action, McLellan identified the regulatory regime as a challenge. She highlighted the need to streamline regulations and ensure accountability. Winterhalt emphasized the importance of listening to the private sector to identify the direction of the economy and make necessary improvements.

What is the China Strategy?

Vina Nadjibulla – CGAI Fellow

Cleo Paskal - CGAI Fellow

Rob Wright – former CGAI Advisory Council Member

Trevor Kennedy - Moderator & CGAI Fellow

In an increasingly interconnected and multipolar world, the rise of China as a global economic and political powerhouse has significant implications for countries around the globe. As the second-largest economy and a major player in international affairs, China's ambitions, actions, and influence have sparked intense discussions and debates among policymakers and experts

worldwide. Within this context, the importance of Canada's foreign policy and its approach towards China and the broader Asia-Pacific region come to the forefront. In her analysis, Vina Nadjibulla underscored the crucial importance of de-risking and diversifying exports. She highlighted the urgent need for a clear debate and a comprehensive understanding of critical resources being sold to China, taking into account competition, deterrence, and diplomacy. Nadjibulla also pointed out the battle for hearts and minds in non-industrialized countries, where China has already made significant progress.

Discussing Japan's role and commitment to the global south, Rob Wright emphasized the significance of the G7's meeting in Hiroshima as a reaffirmation of their commitment to non-proliferation. He noted that Japan has indicated a desire for a more prominent role in governance, particularly within the Quad alliance. Wright also called for Canada to foster cooperation with China while strengthening relations with other countries in the region, particularly Japan, through diplomatic, educational, economic, and security arrangements.

Cleo Paskal highlighted the alignment of many Chinese investments with the maps of the Second World War. She shed light on China's goals, which include preserving communism and achieving comprehensive national power relative to other countries. Paskal also discussed Chinese influence in countries such as Papua New Guinea and the potential impact of elections in the Marshall Islands and Palau on regional dynamics. Corresponding to Paskal's remarks, Nadjibulla emphasized the need to understand China's objectives through original Chinese texts, while also stressing the importance for Canada to determine its foreign policy objectives.

Regarding India's role in the region, Nadjibulla mentioned India's unique position as a country aligned with multiple partners, and its potential to fill the void left by China in Canada's partnerships. India's distinctive approach as a multi-alliance country, exemplified by its membership in BRICS and close ties with Russia, is currently changing. Unlike many Western countries, India possesses significant reputational power in the global south, which sets it apart. Given the current global landscape, India has a unique opportunity to reinforce its international role. India's membership in the Shanghai Cooperation Organization further exemplifies its regional influence. While India has been targeted by foreign interference, its relationship with Canada is improving, and it is crucial to recognize the significant diaspora connections between the two countries. Wright agreed that Canada should consider India as a key player and partner in the region, considering the complex history between India and China. Paskal elaborated that in many countries, the defence and security apparatus is more concerned about China than the business sector. She emphasized India's security community taking swift action, such as banning apps, and its various currency arrangements as a response to China.

In their concluding remarks and policy recommendations, Nadjibulla stressed the need for other countries to step up and take more responsibility in the face of clear threats, particularly within ASEAN. She emphasized the importance of listening, learning, and approaching Canadian international engagements with the global south with humility. Paskal presented three approaches to foreign policy: aligning with existing major initiatives, participating in the creation of new initiatives (such as AUKUS), and leveraging Canada's unique strengths to offer new value

that others cannot. She highlighted the significance of Canada's presence in the Pacific islands, where both French and English are spoken, providing opportunities for students to study in Québec. Furthermore, Paskal contemplated involving Canada in fisheries and combating illegal fishing, utilizing the Navy for this purpose. Instead of taking the easy route, she emphasized the importance of identifying what makes Canada special and the unique contributions it can bring to international engagement while maintaining a commitment to freedom, openness, and inclusivity. Wright concluded by proposing that the government should engage more with Canadians, and publish and debate the Indo-Pacific strategy.

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Canadian Global Affairs Institute

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