

Decade In Review

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Canada has some serious, crosscutting challenges to grapple with over the next decade, which promises to be as unpredictable as the last.

Jeff Davis

Predicting the future is at best an inexact science, but with so many daunting challenges lying in the next decade, the international system is sure to have changed radically by the time 2020 rolls around. Interrelated global challenges like climate change, pandemic disease and terrorism threaten to end the international order as we know it. On the other hand, the Copenhagen process and the rise of the G20 could lead to innovative new global institutions to flexible and inclusive enough to grapple with such changes.

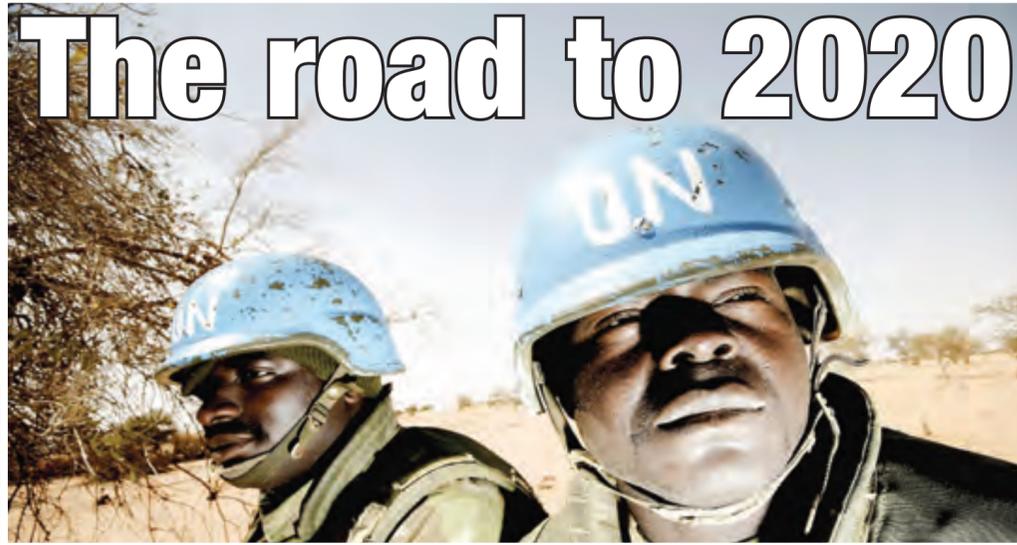
But serious doubt exists among experts about whether Canada's staid and conservative foreign ministry is flexible enough to cope with cascading challenges in a heteropolar world, raising the likelihood DFAIT will slide further into irrelevance as empowered citizens strike off to make a Canadian foreign policy of their own. Embassy has consulted some of Canada's most forward-looking thinkers to hear their thoughts on what major trends will shape the world into which Canadian foreign policy fits, and it looks like we're in for a bumpy ride.

Danger of compounding shocks

In the coming decade, threats will be global and will increasingly ignore national borders. Issues like climate change, oil and water scarcity, food insecurity, pandemic disease and losses of bio-diversity threaten all members of



Into a Daunting Decade: In the coming years, oil will be front and centre as reserves dwindle, nations turn to unconventional energy, and a global greenhouse gas emissions framework enters into force. Food shortages, water scarcity and ethno-nationalism, meanwhile, threaten to cause civil disorder in Africa and elsewhere. At the same time, empowered global citizens will use social media like Facebook, Twitter and Youtube to build public support for issues of their choosing.



The road to 2020



the human family, maybe even the Earth itself. These monumental and interrelated challenges threaten to cause a traumatic breakdown of national and global order, according to Thomas Homer-Dixon, who holds the Centre for International Governance Innovation Chair of Global Systems at the Balsillie School of International Affairs in Waterloo, Ontario.

Over the next decade, but perhaps more likely over the new two or three decades, he says, these combined challenges could prove too heavy a burden for the international system to withstand.

"There are a number of potential stress points in the global system that either independently or together could produce really significant system shock," he says. "They might not manifest themselves in the next decade but they could."

Mr. Homer-Dixon says a geopolitical crisis—the blocking of the Straits of Hormuz, for example—could drive up energy prices around the world. Dramatic climate events like drought and flooding, meanwhile, could cause major shocks to the global food system, resulting in civil instability in the global south. Another threat is the continuing instability in the global financial system, particularly the ominously rising levels of sovereign debt. American indebtedness to China is a major risk to the world economy, and Mr. Homer-Dixon predicts that rising national debt could cause a second wave of the current financial crisis. More countries defaulting—which happened in Iceland and more recently Dubai—he says, could in turn cause the national treasuries of highly indebted countries like Ukraine, Japan and others to default, causing cascading waves of economic problems.

Most sinister perhaps is the threat of a major terrorist attack that could unpredictably set the world on a tense new track, as happened with the attacks of Sept. 11, 2001. "As soon as some terrorist group detonates a nuclear device in a major city, that would be an inflection point for human civilization," Mr. Homer-Dixon says. "It would ratchet up security provisions in every society around the world and would be a real threat to democratic liberties." While the global system may be able to withstand one of these major shocks, he says, multiple shocks at the same time could produce grave effects. These issues, he says, have a "multiplicative effect" where one plus one equals much more than two. These compounding stresses could cause what he calls "synchronous failure."

"I don't think our global institutions are even remotely capable of coping with this kind of ramifying stress, spread throughout the system," he says. "It's quite conceivable that more than one them could go critical simultaneously, and that's the kind of thing that would start to produce wider systemic breakdown where you have regimes falling, institutions basically seizing up globally and nationally, and then a retreat into more extremist, nationalist policies, a sort of retreat back home."

Such scary scenarios, characterized by rising economic nationalism and defensive barriers, are not inevitable, Mr. Homer-Dixon says. However, Canadian and global decision makers will have to recognize these issues as interconnected and treat them as such.

"As long as our policy makers and decision elites don't see these interconnected problems, it becomes more likely we will have this kind of convergent breakdown," he said. "They don't realize there are these simultaneous problems, and if they don't perceive this multiplicative effect, it's more likely they will get hammered by it."

Mr. Homer-Dixon says that he can see germinating in the Copenhagen process and G20 discussions about the financial crisis the sprout of what could evolve into a new, integrated set of global institutions to deal with challenges like disease, climate and energy.

"I could imagine a world in 10 years where we have a rudimentary architecture for a whole set of collaborative, multilateral global institutions," he said. "On the other hand, I can imagine a retreat into hardened states."

Localization over globalization

While the pre-eminent challenges of the coming decade will be of a global nature, Canadians had better get used to staying close to home as oil prices climb into the triple digits, says former CIBC chief economist Jeff Rubin.

Author of *Why Your World is About to Get a Whole Lot Smaller: Oil and the End of Globalization*, Mr. Rubin says the energy costs associated with the movement of people and goods means globalization will recede in the coming years. He predicts the world will undergo a "fundamental rerouting of global trade, with a big decline in transatlantic and transpacific trade and big increases in intra-hemispheric trade."

"What I see replacing [globalization] is a more local/regional reorientation and focus," he says. "That's certainly going to be true of our economy and I suspect our whole world view, and will spill into our foreign policy as well."

Mr. Rubin predicts that Asia will become less important to Canada, which will instead look to the United States, Mexico, the Caribbean and Latin America for its trade.

Also, as oil stocks dwindle in the far-off Middle East, he says, the United States will look to Canada's oil sands and other unconventional oil sources. Before long, Mr. Rubin predicts, Canada will move from supplying a quarter to a third of America's oil.

He also predicts a local focus on the econ-

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omy, meaning Canadians will likely see fewer Chilean tangerines in local supermarkets, especially as local food production increases.

Despite slowness by the Harper government to implement carbon pricing, Mr. Rubin says such pricing is inevitable and will change the face of global trade over the coming decade. Carbon emissions will soon have a cost in Canada, he says, so expect Canada and other likeminded countries to impose tariffs on imports from countries where carbon emissions are not priced.

Such a regime is needed to level the playing field, he says, and protect Canadian industries—which will pay carbon prices—from cheap imports from jurisdictions where no carbon fees are paid.

Other experts warn that unless Canada cleans up its climate change act, it could soon find itself facing steep export tariffs from coalitions of countries that refuse to tolerate inaction on the climate front.

The age of heteropolarity

After the Cold War came to an abrupt end 20 years ago, the global bipolar power balance gave way to American unipolar hegemony. But during the last decade, rising powers like Russia, China and India have asserted their agendas with increasing potency, while non-state actors have taken a larger place within the international order. Be they development or human rights NGOs, transnational companies or activist groups, criminal gangs or terrorist networks, these entities are sure to rise in influence in the coming years.

Most analysts say the emerging global order is multipolar, but Daryl Copeland, a former Canadian diplomat who wrote *Guerrilla Diplomacy: Rethinking International Relations*, has a different idea.

"I say we're not moving into a multipolar world in the era of globalization, but a heteropolar world," he says. "Why is that? Because each pole is different."

Mr. Copeland says that multipolar model is an anachronism based on a state-centric and now long-dead Westphalian state system. States of yesteryear, he says, had "measurable and comparable" strengths and assets and competed with each other for pre-eminence in a fairly predictable way. These days, however, different states draw their power from many different sources.

China will become the world's manufacturer while India becomes the world's "back office and software incubator," Mr. Copeland

says. The US will become the world's arms dealer, while an integrated Europe will use its culture, history and livable cities to become a "soft power pole." Russia, meanwhile, will parlay its energy and traditional diplomatic savvy, while Brazil could emerge as the leader of Latin America and perhaps a wider set of developing countries.

States aside, Mr. Copeland says it is really the influence of non-state actors that make the new global system heterogeneous. Ethno-nationalist movements operate within and across national borders, while universities create human bridges between nations and superpowered individuals like Bono can influence the global agenda.

Closely watching the rise of people power in global affairs is Shauna Sylvester, a Simon Fraser University fellow, and the director of Canada's World, a national citizens' dialogue on Canadian international policy.

Ms. Sylvester says we are witnessing the rapid "rise of the empowered citizen," evidenced perhaps most clearly by the multiplicity of influential non-state actors at the Copenhagen climate talks.

She says that growing numbers of Canadians—from NGOs to businesses, and social entrepreneurs to activists—are no longer waiting for the Department of Foreign Affairs to take the lead in international policy. This is happening, she says, because many Canadians don't feel they can influence policy because of DFAIT's closed and centralized culture. Instead of aiming to work with government, she says, citizens are increasingly looking for ways to work around it.

This is to Canada's detriment, Ms. Sylvester says, because of the benefits that could be reaped by harnessing the forces of an increasingly ambitious and engaged public.

"It's less and less about 'power equals knowledge,' and rather 'power equals sharing knowledge,'" she says. "Our abilities to work horizontally and collaboratively are going to be key. Our ability to build coherence between state and non-state actors is key."

Sadly, she says, DFAIT is not open to such exchanges, or prepared to increase its openness or connectedness to the public. Ms. Sylvester pointed out, for example, that Canada's diplomats snubbed the widely attended Foreign Policy Camps that occurred across the country last week.

Furthermore, she says, diplomats have been banned from using social media like Facebook and Youtube on their work computers and Blackberries. Not having access to the social media that will help define the foreign policy

conversation in the future is a severely short-sighted, she says.

Ms. Sylvester blames the lack of flexibility, as well as the almost complete absence of Canadian public diplomacy, on the "increased centralization of power" in the Prime Minister's Office and the Privy Council Office.

"The [government's] ability to so tightly control the message, and keep power cen-

tralized within PCO and PMO, is undermining the very capacity of our diplomats and institutions in the international arena to function adequately," she says. "They can't manoeuvre and negotiate and act in an innovative way when they're required to seek permission for everything from attending a meeting to getting sign-off on a letter from the PMO."

Rethinking DFAIT

To cope with these complex and inter-related challenges, Mr. Copeland says, Canada and other nations will require a new type of diplomat who is able to understand and deal with cross-cutting issues.

"[These challenges] put diplomacy front and centre in international relations because the sorts of problems arising between these poles are going to call for complex and supple balancing and knowledge-driven problem solving," he said. "Defence departments can't provide either of those, foreign ministries can: it's a job for diplomats."

However, Mr. Copeland laments, Canada's foreign ministry is "equipped to fight the last war."

"We've still got a place that's hierarchic, risk averse, extremely conservative and resistant to change, and rather authoritarian," he says. "And what you need is supple adaptability and expertise."

Mr. Copeland says that DFAIT, as the only government department which can touch issues as diverse as climate change, pandemic disease and resource scarcity, needs to develop the skills that will once again place it at the centre of policymaking.

"What we should have is a globalization entrepôt," he said. "It's flat, it's supple, it's highly adaptable, there's a lot of in-built expertise, a lot of risk tolerance. It's a very, very different model."

jdavis@embassy.ca



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