SOVEREIGNTY: Not What It Used To Be

Speech Given By

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It is a privilege to be back in front of the Canadian Club today to address the Canadian Club in my relatively new role.

I have been on this podium several times before: I particularly recall my first appearance here in the spring of 1985. I was Minister of State for Finance at the time, and I was billed as speaking on "Financial Institution Reform," an early version of what has since become a constant theme in Canadian public policy. Instead, on that far away weekend long ago, the Canadian Commercial Bank in Edmonton collapsed, and I was forced to address the issue of Canada's first bank failure in 70 years.

Happily, today I can speak on a subject much less immediately fraught, although it does have profound implications for the kind of society we will have in the future. But first I want to tell you a little bit about the Canadian Institute for International Affairs.

The CIIA, as many of you will know, has a unique and proud 70-year history of promoting informed debate in Canada on foreign policy issues. It is like the Canadian Club, in that it has a well established reputation for providing non-partisan debate. Like the Canadian Club, it faces the challenge of delivering its still relevant message in a world which more and more is run by technology, where more and more people, who are busier and busier, rely for more and more information on electronic sources, web-sites being the most obvious but not the only example.

These are exciting times for us: the CIIA is, I cannot stress enough, unique: it is the only coast-to-coast public forum in the foreign policy field which does not see the world through specialized eyes. Part of our mission is to help the next generation to understand, and to live and work successfully in, a changing world. To achieve our objectives, we are reaching out through our own electronic means, through the media, through partnering with organizations like the Canadian Club and the Board of Trade.

Our major mission is to mobilize expertise from government, business, academia, the media and from civil society to inform Canadians and to forward Canada's interests in this complex environment.

As the century draws to a close, and as I earlier alluded to, the issues we deal with going into the future may not be as starkly defined as those of the cold war. But that does not mean they are irrelevant. In fact the subject I want to speak about today may well have a profound impact on how the world defines itself -- and how nation-states define themselves -- over the next few decades.

"Sovereignty: Not What It Used To Be" -- certainly not now what it was at the end of the last century.

In 1931, the Statute of Westminster bestowed on Canada for the first time "sovereignty" in the field of foreign policy. In those days, views on sovereignty had not changed for four hundred years: sovereignty was about borders, and the primacy of the state within those borders. Sovereignty was secured by military power, which, if strong enough, could extend the sovereignty of one country to incorporate other countries in far-flung corners of the world: think British Empire.

Today that definition is no longer adequate. Many countries are struggling to redefine some of the traditional foreign policy concepts around sovereignty. Canada is certainly one of them.

It seems trite to point out that in the field of foreign policy, as elsewhere, the speed of change, and its unpredictability, are constants. When I was appointed Secretary of State for External Affairs in 1991, I was given several of those giant briefing books that bureaucrats are uniquely capable of producing, and take a perverse pleasure in dumping

on the desk of every new minister. One volume alone would take most of the minister's first month to digest, assuming she had nothing else to do, like constituency work, or question period, or speaking to the Canadian Club

Looking at the table of contents of my first briefing books at External (as it then was), in today's world, would tell an interesting story of how international relationships have been turned upside down in a mere eight years.

Through most of 1991 we were still thinking in very traditional terms about sovereignty and state or national security. Our concerns were bipolar in nature, focused on a Soviet Union that while five years down Gorbachev's *perestroika* path, was still viewed as the main threat to western security.

That Christmas the Soviet Union collapsed. In fact, you will recall, President Gorbachev resigned precisely on Christmas Day. I think it was his final revenge on the outside world, ensuring that diplomats and ministers – even heads of government – would be called away from their Christmas turkey to design an appropriate response. That collapse spawned fifteen republics, and the cold war was, to all intents and purposes, over. Realism tried to tell us that the process of converting Russia to a democratic society with a stable market economy would not be a short one. But nevertheless we were swept up in a wave of optimism at the triumph of democracy and the rise of free and open markets. We were confident that the threat of nuclear attack, and jousting in the four corners of the world, inspired by the cold war, would come to an end.

In some ways the "peace dividend" did come quickly - maybe too quickly. Fed by the need to reduce government expenditure in the West and by a virtual collapse of government and economies in what we used to call the East, armed forces were shrunk, intelligence operations were downsized, and the very notion of security as it applied to states began to be discounted.

Alas, we popped the champagne cork a bit too soon. A whole host of new problems, or at least old problems in a new guise, have arisen in this decade. They have left us with an equally complex, and arguably an even more volatile and unpredictable world. Multilateral and plurilateral institutions have been sorely tested and sometimes found sorely wanting. And our traditional approach to state sovereignty is having to be rethought.

For one thing, traditional violence-related security problems have not gone away. The 1990s have witnessed a whole string of regional conflicts in Africa, Asia, Latin America and even in Europe in which the world has seen fit to intervene. Just in this year we have witnessed crises in Kosovo and East Timor that have riveted the world and led to intervention. *Plus ça change, plus c'est la même chose*, some security specialists and historians have been tempted to say. But of course it is not exactly *la même chose*, for today we are living in a world where borders mean much less than they did.

One thing that has certainly become clear is that, by and large, conflict in this post cold war age is usually intra-state conflict rather than inter-state conflict. Even the exceptions like India/Pakistan and Ethiopia/Eritrea are usually the outgrowth of an earlier history of unhappy association and/or traumatic parting. And another big change is that the traditional notion that sovereignty precludes outside intervention in the internal affairs of a state has, at least for the moment, largely gone by the board. At the UN level, cautious and narrowly defined peacekeeping has become robust and multidisciplinary peace support, or even muscular peace- making. At the national level, governments are more outspoken about what is happening inside other states and, at least for now, more prepared than before to intervene overtly.

Ironically enough, it has been in Europe, the continent that appeared to have won the prize for "most improved security environment since World War II," where the biggest challenges to security have come in this decade, and where intervention and hence sovereignty have been redefined. In Bosnia and Kosovo the old solution would have been to do nothing, to rely on the old shibboleth: their problems are an internal matter and there is nothing we can do. Instead, NATO nations determined that the old ways did not hold, and that they could not stand by while gross violations of human rights led to widespread death and destruction, refugee movements and threats to destabilize the region. NATO's purpose was, at least in part, a humanitarian and moral one. Is that new? Some would call the crusades a "moral" war. But at least in our time, the largely humanitarian-inspired intervention in Kosovo was something new.

Asia, too, is starting to offer examples of the new approach to security, though the notion of sovereignty remains much more jealously guarded there, as in the developing world generally. At the end of the 1980's the international community more or less decided that the Cambodian people had suffered so much that a solution needed to be imposed. The resulting huge UN operation was on the whole a success, and today, after two elections and the integration of Cambodia into ASEAN, Cambodians can look forward to a much more promising future. East Timor, of course, is the latest example in Asia of sovereignty being overridden by international concern, though most of the world never recognized *de jure* the Indonesian annexation of that territory.

A necessary corollary of blurred borders is, of course, that the international community must have the will and capacity to intervene effectively and in a timely way. Experience in recent years suggests that we have a long way to go before we have either in adequate quantities. The disintegration of the Balkans has shown that the Europeans are far from unanimous about how tough to be in these situations. Moreover, the Europeans are still unable to institutionalize their security arrangements. Asians, are moving along the track of readiness to get involved in each others' internal affairs. The Americans can be ready to intervene decisively on occasion, but their extreme aversion to casualties as a result of the Vietnam war brings its own problems.

As to the UN, East Timor shows only too clearly how hard it is for that organization to flex enough muscle quickly enough in order to enforce the noble goals which it seeks to serve. The international force now in East Timor is a belated recognition of what was

clear much earlier-those placing their fate in the hands of the international community deserve-and often require-protection. The U.N., by the way is "us", the member countries - not only the Security General and some anonymous bureaucrats. The institutional failure is our failure.

Another security problem which still haunts us despite all that post cold-war optimism is the continued, indeed accelerated, proliferation of weapons. The problem was graphically illustrated by the Indian and Pakistani nuclear tests last year. Trying to justify those tests by the argument that the existence of an entrenched "nuclear club" is unfair to certain non-nuclear states can hardly over-ride the consideration that if we want to make the world a safer place for people, we need to roll back the possession of nuclear weapons, not proliferate their ownership.

But it is not just nukes we have to worry about. Long range missiles, sophisticated command and control systems, advanced aircraft and naval vessels, are increasingly to be found in the hands of even the poorest countries. This is in part supply driven; for Russia, especially, selling arms abroad is a key foreign exchange earner. I must also add to the worry list the proliferation of sophisticated small arms, which, as our TV screens nightly show us, are available to even the most obscure guerrilla organization and are wielded by kids and adults alike. Truly, Planet Earth remains one dangerous place.

In response to this clear and present danger, the Canadian and other like-minded governments have in recent years begun to challenge traditional notions of sovereignty

and to develop a "human security" agenda. This agenda seeks to put people rather than states at the centre of our security preoccupations, and to create alliances between government and civil society to realize it.

This agenda, while new in many ways, does have earlier manifestations. In the 19th century the anti-slavery movement was very much a human security initiative. In recent decades a lot of emphasis has been placed by Western governments on human rights. When I was in Ottawa we struggled with the issue of how Canada should defend human rights abroad, and I recall that, following a bloody attack on East Timorese in a cemetery in Dili, we attempted - unsuccessfully as it turned out - to build international support for a severe response. Now that sovereignty is being so rapidly redefined there may be more scope for greater emphasis on human security. The success in achieving a Convention on anti-personnel landmines and on creating an International Criminal Court is very encouraging. No longer does a dictator's nationality shield him if he has been abusing his citizens. Today, increasingly, the enforcement of human rights transcends borders. Augusto Pinochet found that out in the United Kingdom.

Human security is an important Canadian objective, but it has yet to be proved that human security by itself can substitute for state security. Most threats to security arise because of group, and often national, behaviour. To deal with these we need to mediate those concerns with the group. This in turn requires state diplomacy, and when that fails, state controlled force. I see human security and state security as essentially two sides of

the same coin. Surely both - at base - have to do with avoiding conflict and saving lives. We need - and must pursue both means to that end.

So far I have talked about security. But of course one of the phenomena that has made the world more volatile and complex since I was given those famous briefing books is what we have started to call globalization. Indeed, to some extent globalization has become the whipping boy for all things gone wrong in the world. We have been forcefully reminded through the Asian economic crisis of the threat to prosperity and even security that follows when technology opens our economies to sudden vast and unmanageable currency flows. Technology can aid crime and tax avoidance. It threatens our privacy, and some would say, our culture. It allows money laundering on a scale never before contemplated; the British Government recently disclosed that the largest foreign property investor in the UK is the Russian Mafia.

We must not lose sight of the fact that globalization has also led to very positive outcomes. The best surgeon in the world can now lecture at a medical school halfway around the world, given even modest technological resources. Economic integration and trade liberalization have brought increased prosperity to many countries and may be able to transform others still lagging behind if they can be helped to get their governance right and to escape poverty. But one thing is clear; national governments have less control over their economies than they did. Perhaps scary, but definitely true. And there is no way back.

Without a doubt these are turbulent economic times, when crises ricochet from one country to another and from one continent to another in an increasingly borderless world. Who would have thought, for example, in the heady years of the early 1990s that the Asian tiger economies, with their year-over-year double digit growth rates, would come unstuck in such a devastating fashion? Touted as the engine of growth in the world economy, their huge set back - from which most are now recovering - at the time shook the faith of their citizens in the open market, pushed many back below the poverty line, and in some cases destabilized political structures. To say nothing of wreaking havoc as far away as Latin America and Russia, and affecting North American stock markets and currencies.

Nor does this new global vulnerability manifest itself only in terms of crises. Sometimes longer term developments abroad, which don't necessarily make the media headlines, cover pages and soundbites, pose just as big challenges to our economic well-being. The lingering economic weakness in Japan, which accounts for 75% of the combined Asia Pacific economy, is very troubling. Japan's economic strength, and its security relationship with the USA, ensured stability throughout Asia for decades. If something is happening here, and Japan is to play henceforth a more modest role, who or what will take its place? Are we to believe that China can really assume Japan's mantle, given its own economic and governance problems, and how would other countries, especially in the region, react to Chinese pre-eminence?

International financial institutions have taken on an even greater importance in the age of globalization. It is the International Monetary Fund, the World Bank, the Paris Club and regional development banks that increasingly must lay the tracks that carry us forward through the unfamiliar and dangerous landscape of rapid globalization. The Asian crisis has shown us that these organizations are considerably less than perfect. Some of their thinking should be enlightened by imagination and new methodology needs to be developed to ensure that the economies of sometimes fragile states can survive. It has long been apparent that economic prescriptions have major political consequences, and that sovereignty is no shield against these consequences. On the whole, I believe the IFI's and the discipline they seek to impose are absolutely necessary. But sometimes patience and flexibility are required if we want to get to our destination without too much collateral damage.

There is another economic player of great importance which must be mentioned in any discussion of sovereignty, and that is business. The power of financially strong companies is, like globalization and human security, not new. The Company of Gentlemen Adventurers Trading into the Hudson's Bay is a local case in point. But today things have advanced to the point where some companies have more assets than even middle-sized countries. Coca Cola even has its own department of diplomatic affairs to stick-handle its far flung interests. What does that tell us about state sovereignty?

And where does this leave us at the end of what the famous conductor, Sir Thomas Beecham, once called "this silly, savage and senseless century?"

One place it leaves us is in a position of having to make some difficult choices about how to get the balance between values and interests right. This debate is, of course, ongoing, but it is fair to say the balance is shifting as never before. And it is important to ensure the debate is an inclusive one, involving government, business, civil society and academia. At the end of the day it is government, through our elected representatives, which must choose the path. But getting there requires open public discussion and dialogue.

Freestanding institutions like the CIIA, whose role is promoting dialogue and education and which has an established network of contacts in all sectors of society, can help enormously. We intend to continue to do so.

Another place where I think we are left is to see what we as a country can do to promote improved multilateral cooperation. Multilateral economic institutions need all the help they can get in this age of fuzzy sovereignty and unbridled globalization. They must not be allowed to be overwhelmed by demand, or split by North-South antipathies. Sylvia Ostry pointed out recently that a transparent, rules-based economic system will always be to Canada's advantage. The same goes for the political and security side of our relationships. Canadians with their sense of voluntarism have always supported the UN, to which we have made and still make a great contribution. We cannot let it fall into discredit or impotence because it lacks the support of members or the resources to do the job.

And finally I think we are left with the need to do some soul-searching about our own national capacities in this challenging period. I applaud our activism on the human security agenda, our willingness to get involved in the Kosovos and East Timors, and our trade initiatives, especially the fact that the latter are increasingly a joint venture between government and business. But have we downsized our budgets and human resources to the point where we are on the verge of running on empty? I would argue that if Canada is truly serious about contributing to global security it needs to find ways of strengthening its hard-pressed Armed Forces, now seemingly stretched to the limit. If we are sincere about our diplomatic role, we must ensure that we are staffed and funded to defend and promote our interests and values, including our overseas missions. If we are truly to champion the far-from-won fight against global poverty, we need to give CIDA the resources to continue as a major international donor.

I was very pleased to learn that this week, the Prime Minister announced the CIDA budget would start to grow again. He must be listening to my speeches. The trick will be to do this in a way that ensures the money will improve the lives of the poorest, and encourage better governance in the developing world.

I leave you with this final thought. In this age of "shifting sovereignty," Canadians must as never before stay tuned to the world and to what we as a country, as an economy and as a society need to do to play our part. Our economic security, our safety, our environment and health, and indeed our very identity are at stake. I pledge that the CIIA,

in partnership with government, business, academia, the media and civil society will play a full role in bringing the world to Canadians. I firmly believe this is an exciting task. As we do more of what we do best, I hope you'll join in our efforts.

Thank you.