We are all aware of the tangible assets of Canada – our high standard of living, our social programs, our natural resource wealth, our ingenuity in a world of technology and discovery.

We pay less attention to our intangible assets, including our international reputation, as a model of successful diversity in an increasingly intolerant world, and as an actor, a trusted country, an effective country.

The BBC recently released an international survey, by Globescan, which listed twelve countries and asked a broadly-based global sample of 28,000 respondents if each of those twelve named countries had a “mostly positive or mostly negative impact in the world.”

The best ratings in the poll went to Canada – 14% negative, 54% positive. The figures for the USA, by contrast, were 18% positive, and 51% negative. That isn’t a contest result. It is a description of an asset. The question is: what will we do with that asset?

There are certain core functions which a nation’s foreign policy must address – our security; our ordinary relations with our neighbours; our multilateral obligations – to the United Nations, NATO, the world trade organization; our service to our citizens abroad. That is maintenance-level foreign policy – it keeps a country in the game.

But what has distinguished Canadian policy is when we move from the necessary to the innovative. That is where our reputation has been won.

For sixty years, under liberal and progressive conservative governments, Canada played above our weight in international affairs. We were active at the creation of the international trading system, the United Nations, NATO, the idea of international development – that rich countries should help poor. From the invention of peace-keeping, through the fight against apartheid, to the land-mines treaty, we have a long, proud, bipartisan history of international initiative.

Sometimes that brought a high profile, but more often - in peace-keeping, in sensitive negotiations from Indo-China to the Middle East, in the critical committees of the United Nations -- we were the conciliators out of the spotlight, the country trusted to bring balance to difficult disputes.

So, where are we now? How is Canada applying that sixty-year tradition of effective internationalism?
Our citizens are as active as ever – church groups, non-governmental organizations, businesses serious about their social responsibility, Canadian diaspora communities helping their countries of origin.

But in terms of official policy, we are essentially prominent in three places – in Washington, in Haiti, and in Afghanistan. The prime minister has announced a priority for the Americas, and we will simply have to see what that means.

But we are quiet in the multilateral fora which we once animated. We are increasingly absent from Africa, the continent where we can make the most difference. Our development assistance is diverted increasingly to conflict zones, away from the work which might prevent conflict. We have become invisible on an international stage where Canada had been a consistent and constructive presence for more than half a century.

And in terms of our three instruments of influence overseas – our soldiers, our diplomats, our development workers – we are relying far too narrowly on our excellent military.

Canada today has an emphatic presence in Afghanistan. Naturally, there is debate – as there should be in a democracy – about the nature and future of that involvement. There is, however, a more general public agreement with the Harper government’s early decision that we can’t increase the missions of the military without increasing the money needed to perform those missions.

The principle is that Canada can’t have an effective military without investing in it.

The question is: why does that same logic not apply to the other essential instruments of Canada’s role in the world – our diplomacy and our development assistance?

There are three departments of the government of Canada which have explicit international vocations. Ranked by current spending, according to the government’s published forecasts for 2006-07, those departments are:

- national defence, which accounts for 8.7% of total federal program spending;
- the Canadian international development agency, CIDA, which accounts for 1.64%;
- and, finally, foreign affairs and international trade, which currently accounts for 1.62% of federal program spending.

What are the trends looking ahead?

In 2007-2008, according to the government’s published planned expenditures:

- defence spending will increase over the preceding year by 12.16%;
- CIDA’s spending will drop by 0.10% from the previous year’s level;
foreign affairs will drop by fully 8.73%.

I was privileged to serve as Canadian foreign minister for nearly seven years, during a period of extraordinary change in the world, a time when Canada regularly played a leading role. One lesson, about what we can do, stands out.

When Canada has been most effective internationally, it has been because we pursued two priorities at the same time. We worked hard at our friendship with the United States. And we worked hard on an independent and innovative role in the wider world. Those are not opposite positions. They are the two sides of the Canadian coin, and both must be given attention, or we will debase our currency.

Our access to Washington can add real clout to the standing which we earn by our actions in other countries, because we are thought to be able to influence the super-power. By the same token, our reputation in the developing world, and in the multilateral community, is often an asset to our neighbour. In parts of the world where the USA might generate envy or fear, Canada has built partnerships and trust, and earned respect.

At the same time, we disagreed sharply on contentions issues, ranging from Cuba, to the way to fight apartheid, to the strategic defence initiative, the so-called “star wars”, in which president Reagan believed avidly, and to which prime minister Mulroney said: “no, thank you. The government of Canada will not take part”.

Our reason for being active in the wider world was the objective importance of what Canada was doing – in Africa, in Central America, in multilateral agencies, in official development assistance. But a consequence was that we had cards to play in Washington.

That wasn’t a progressive conservative innovation. That’s how the Trudeau government persuaded the economic summit to let Canada become a member of what was then the G-7. That’s how Lester Pearson and General E. L. M. Burns persuaded the United Nations to invent peace-keeping. We used both sides of the Canadian coin.

That’s a lesson from the past, but it applies emphatically today. Now, let’s look to the future.

We live in an era that is both turbulent, and inter-connected. From climate change, to pandemics, to the risk that local wars will expand, to the frightening combination of religious conflicts with nuclear capacity, this emerging world may not be as dangerous as the cold war era – but it will certainly be difficult.

The end of the cold war had changed the fundamental dynamics of foreign policy in western countries. Economics replaced politics. Our interests became much more mercantile.

Suddenly, the dominant agenda was no longer defence against an armed and dangerous enemy. And the agenda did not become poverty, or development, or human rights.
Instead, the priority became trade and economic growth. Governments chose to believe that trade would cure poverty, that market models would work everywhere.

Now, with the thrust of terrorist attacks into the psyche of the United States, with violence continuing in Iraq, Afghanistan and too much of Africa, with nuclear capacity in Pakistan and Iran, we recognize again that the world is not so simple, or so safe.

In this turbulent world, of deepening religious and cultural divides, a trusted reputation and multilateral skills will be critical – the ability to draw differences together, to form alliances and common ground, to manage diversity, to generate trust. In other words, the traditional signature qualities of Canada will be more pertinent than ever – if we maintain them.

Diplomacy has become highly relevant again, which is good news for Canada.

For all our growth and innovation, Canada has relatively less influence in trade and economics than we had in politics and diplomacy.

Economic power reflects size; diplomacy depends more on imagination, and agility, and reputation. Canada’s political strengths have more currency again, if we choose to use them.

Coupled with turbulence, we are witnessing a gradual, global shift in power.

In December last year, Professor Victor Bulmer-Thomas, then of Chatham House, predicted there would be five potential mega-powers in 2020: the USA, the European Union, the Russian Federation, India, and China. He judges that “the United States will still deserve to be described as a mega-power in 2020”, in part because “the global institutions and rules that prevail will still carry a large US imprint.”

China will be well on the way to achieving a status at least equal to the USA – in economic, political and military power including in space, and as what Bulmer-Thomas calls a “…considerable cultural attraction … strongest in the Asia-Pacific region, where language, family and ethnic ties give China a huge advantage.”

Those global shifts have immediate implications. What we call globalization began with powerful western economics reaching outward, and changing the way business is done, and life is seen, in the rest of the world. The process is largely one-way, our way. Now, the shaping influences are more diverse.

You see that in stalled trade negotiations. You see it in the more skeptical view of privatization in many developing countries, and a growing interest in finding new ways for the state to advance community interests.

And you see it in markets, in ingenuity, in innovation
Professor P. K. Prahalad wrote a book entitled: “the fortune at the bottom of the pyramid”,
drawing upon the experience of the desperately poor in rural India. Prahalad’s hypotheses are
two.

First hypothesis: there is extraordinary ingenuity among the poorest of our world – when they are
given the opportunity to improve their condition. They respond to initiative at least as quickly
as someone with a BMW and an MBA.

Second hypothesis: the more than four billion people who now earn less than $2 a year constitute
an immense potential market, if we can marry their ingenuity with our own.

Dr. Prahalad argues that, in the developed world, the capacity to consume is reaching its limits.
The real opportunity is to create new consumers among the recently poor and destitute – that is
where the market opportunities lie.

Canada enjoys natural advantages in that developing world which far outweigh our GDP and our
current role. We combine a membership in the g-8 with a reputation that is free of imperial or
colonial taint.

In any era, there is a place which sets the pace, triggers the innovations, inspires the styles which
mark the age. For a long time, the USA has been that place – and before that Europe, and they
will continue to fight for their title. But the new creative places are in the developing world, and
we Canadians have unusual access to that energy and synergy.

These changes are very important for Canada. We have a double advantage in the world that is
taking shape. We are a developed and modern economy, and we have been an independent and
respected country, often a bridge between the developing and developing worlds.

I use the analogy of the bridge deliberately. The traffic on the best bridges goes both ways. The
western developed world has to modify the mindset that the only traffic will be from us to others.

That assumption has set the pattern since the Second World War – from the Marshall plan in
Europe, the aggressive promotion of market-based globalization, to the attempt to transplant
western models of democracy in the Middle East. Without judging what worked and what
didn’t, in specific cases, it is clear that assumption won’t prevail in a world of multiple mega-
powers, let alone a world of melting glaciers.

The developed world has to be much more modest about our own models, and much more open
to the traffic coming towards us. That will be harder for developed countries whose reflexes or
reputation are still colonial, or who have been the place where the world assumed the buck
would stop. It could be a more natural role for Canada.

Our domestic success in managing diversity is an enormous Canadian asset.
We have always been an immigrant nation – open, connected to the world, noted for our respect of differences. Those demographic changes are occurring more rapidly in Canada than they are elsewhere.

In 2001-2002, both Canada and the USA asked a national census question – in effect: “were you born in this country?” In the USA, the “foreign-born” comprised 11.1 per cent of the total population. In Canada, the “foreign-born” comprised 18 per cent of the total.

So, in a world where both diplomacy and development are becoming so much more important – a world that is turning our way – why does our investment in diplomacy and development fall?

These are not world-wide trends. On the contrary.

The “development assistance committee” of the OECD compares annual net flows of ODA to Sub-Saharan Africa, in constant dollars, decade to decade. Between 1995 and 2005, the United Kingdom’s contribution to international development increased sixfold, reflecting the deliberate focus on Africa of the Blair government.

Other countries, comparable to Canada, treat their diplomatic assets as being at least as important as their military assets.

Of course, it is the government’s right to change policy. They won a plurality of seats in parliament. And, in any event, public policy should not be followed simply because it is traditional.

But there has been virtually no public debate about what motivates the changes, or what their consequences might be.

Moreover, there is no evidence that those changes are the result of advice from the foreign ministry or other customary sources, including the platform or resolutions of Mr. Harper’s party. Quite the contrary.

Mr. Harper has been remarkably successful, so far, in setting the public agenda. He has been focussed and sure-footed in controlling debate and managing the media. On issues like China, and the Middle East, he persists in pursuing his own course.

So significant departures from Canada’s traditional international priorities should not be considered as rookie mistakes, but as deliberate policy.

Years ago, the respected British economist, Barbara Ward, called Canada “the first international country.” By and large, our performance has justified that description.

But there has never been a particularly large constituency in Canada for foreign policy, with the exception of patriotic support for the military when engaged in deadly combat.
There is an influential minority of Canadians which is well-informed about international issues and often effective in public discussion, and a larger group which responds generously to famine, or tsunamis or other natural disasters, or who are powerfully engaged in issues which have international implications, like climate change.

That “foreign policy constituency” needs to be built and heard from now. There needs to be a real discussion about the breadth of Canada’s involvement internationally.

- Will Canadian policy continue to give a high priority to Africa, the most troubled continent? The existing spending commitments to Africa were all made by previous governments, and there is no idea whether a Harper government would renew or abandon those commitments in the future.

- Will it continue the active multi-lateralism which has been Canada’s non-partisan signature since the Second World War?

- Will it encourage formal international engagements, or follow the American republican pattern and step away from them?

- Will it address the problems, and the opportunities, of the developing world?

- Will it balance the investments in defence with comparable investments in diplomacy and development?

This is a time when the world is turning our way, looking at our models of successful diversity, still trusting our interventions, still regarding us a bridge forward. We cannot afford to waste Canada’s most valuable assets by a foreign policy which focuses narrowly on only one side of the Canadian coin.