

MUNK CENTRE MONITOR

VIEWS, NEWS, PEOPLE AND EVENTS FROM THE MUNK CENTRE

UNIVERSITY OF TORONTO
MUNK CENTRE
FOR INTERNATIONAL STUDIES
AT TRINITY COLLEGE



VIEW FROM THE DIRECTOR

JANICE GROSS STEIN

The turbulence that is roiling global markets is rougher than many of us can remember. And it is unclear when the landing will occur and whether it will be simply with a bump or a crash. We are living through what some have called “a once-in-a-century event” in the global financial system.

Neither conventional wisdom nor analogies are helpful in organizing coherent policy responses to the shock waves. This is certainly not the Great Depression, but only because we have learned from close analysis of that depression what needs to be done to prevent it from happening again. The extraordinary efforts by governments around the world to inject massive amounts of liquidity into their banking systems, to bail out their banks, to insure depositors, and to stimulate their economies are the direct and visible results of “lessons learned.”

If experts know what this is not, they are far less confident of what it is. This is the first time a seizure of credit markets has been truly global. At first, the crisis appeared to move from the housing markets only to investment banks in the United States, but it quickly became apparent that the interconnectedness of global financial markets has broken through the firewalls that some thought could protect them from insolvency and recession. In Budapest, in Kyiv, in Reykjavik, in Seoul, in Moscow, in Rio – less so in Beijing, Delhi, and Ottawa – as well as in Washington, London, Paris, and Berlin, governments are moving with unprecedented coordination and speed to shore up faltering financial institutions. They have not begun yet to deal with the consequences for the real economy of housing bubbles that are bursting, stock markets that are falling, and consumer spending that is slowing in the face of rising uncertainty.

The agenda of global politics is changing dramatically as a result of the extraordinary pressures on the world economy. The push for reform of global financial institutions is now on, with a sense of urgency and focus. President Sarkozy and Prime Minister Brown started the conversation, calling for a meeting of the world’s financial leaders to discuss reform. The first item on the agenda

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A Letter to the President From Illusions to Opportunity

COVER STORY BY HON. JOHN MANLEY

Mr. President, welcome to the overwhelming responsibility and the awesome opportunity of leading the world’s most powerful nation at a time of global change and trial. I am offering you advice today from a Canadian perspective, something that I fear you will have received from few of your advisors.

In my lifetime, two dates stand out in my memory above all others: November 22, 1963, and September 11, 2001. I will never forget where I was and what I was doing the moment I learned of the assassination of President Kennedy and of the planes hitting the twin towers in New York. After both of these momentous days, the sympathy of the world for the United States was overwhelming. But in both cases the good will and moral authority that flowed and the global political capital that was acquired were dissipated in a few short years, as the United



President-elect Barack Obama.

States made grave errors in pursuing a military approach in Vietnam and Iraq, seemingly careless of global opinion.

Your first task, Mr. President, is to restore that moral authority and regain the respect that your nation, at its best, rightly deserves. The world needs the clear voice of the United States, standing in support of individual liberty, democracy, the rule of law, and respect for human rights, without the hubris and unilateralism of recent years. And the world should not be allowed to dismiss the fact that America’s commitment to its values – not to mention the expenditure of vast amounts of its treasure – led to the collapse of the Soviet Union and the end of the Cold War. The Berlin Wall coming down is in some ways an image as powerful as the twin towers collapsing.

However, it seems to me, having closely followed the primary and general election campaigns in your country, that the principal issues of national security and the economy have been debated as though they were matters that could be resolved by the U.S. administration acting on its own. If that is the advice that your advisors are offering, and if consultation and cooperation with the international community are secondary, or matters of process only, then they have it dead wrong. The unilateral approach risks sending you down the same path as your predecessor, who so depleted the reserve of U.S. influence and moral authority in the world.

1. Mr. President: start close to home. Your country’s national security depends heavily on



Hon. John Manley.

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EVENTS TO WATCH FOR

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Indigenous Peoples in the Southern Core

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CENTRE EVENT U.S. ELECTION NIGHT

VIEW FROM THE DIRECTOR

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was to broaden participation. The long-standing club – Washington, Paris, London, Ottawa, Rome, Tokyo, Berlin, and Moscow – no longer represents the world's leading economies. The meeting brought together the leaders of the world's 20 largest economies, including, of course, India and China, whose economies dwarf those of most of the G8. The L20 is a Canadian idea, pioneered by Canada when times were less urgent. It is clearly an idea whose time has now come.

The old club may continue to meet, looking back with nostalgia, but responsibility for the global economy has now broadened to include new members. And these members are governments. "Those of us who have looked to the self-interest of lending institutions to protect shareholder's equity, myself included," acknowledged Alan Greenspan, the former Chairman of the U.S. Federal Reserve, "are in a state of shocked disbelief." That he was shocked is – shocking. Governments have been important in the regulation of markets for centuries. What is new is the challenge of global regulation without global government. That issue is now squarely on the table.

It is no small irony that the meeting took place in Washington. Although there are no longer any investment banks in New York – those that remained standing through the storm became commercial banks – the United States still remains the indispensable participant in any discussion of the long overdue reform of global financial institutions and financial regulation.

A new president is coming to office in the United States at a time of significant local and global stress. The United States is heavily indebted, but with enormous obligations to provide security around the world. More than at any time in recent history, there is a significant mismatch between America's assets and its responsibilities. It is for this reason that we asked the Honourable John Manley, a former Deputy Prime Minister, Finance Minister, and Foreign Minister, for the advice he would give to the incoming president in these challenging times. Louis Pauly, Director of our Centre for International Studies; Jeffrey Kopstein, Director of our Centre for European, Russian, and Eurasian Studies; and Edward Schatz, Director of the Central Asia Program, Centre for European, Russian, and Eurasian Studies; all at the Munk Centre, joined the discussion. How the next president handles these challenges will define his presidency.

Janice Gross Stein, Director of the Munk Centre for International Studies, is an acknowledged expert on conflict resolution and international relations, with an emphasis on the Middle East. A Fellow of the Trudeau Foundation, Professor Stein has served on many international advisory panels, including the Working Group on Middle East Negotiations at the United States Institute of Peace. Professor Stein is the coauthor of We All Lost the Cold War (1994), The Cult of Efficiency (2001), and The Unexpected War: Canada in Kandahar (2007).

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As it happened: A sell-out audience packed the Munk Centre's Campbell Conference Facility on November 4 – the day of the U.S. presidential election. They were treated to in-depth insights into unfolding events in America from a roster of UofT political thinkers as part of the Munk Centre's Debating the Headlines series. Chaired by Louis Pauly, Director, Centre for International Studies, the speakers offered analyses of political philosophy, race and culture, elections, parties, political strategy and voting in the United States. The speakers included political science professors Lawrence LeDuc and Clifford Orwin, Associate Professor Richard Iton, and Assistant Professor Renan Levine. Later that evening, the Centre for the Study of the United States threw an election-night reception, where political junkies gathered to watch the election returns stream in.

KUDOS AND AWARDS FOR MUNK CENTRE SCHOLARS

Michael Marrus: Our congratulations to Professor Michael Marrus, Senior Research Fellow at the Centre for International Studies at the Munk Centre. This summer, Professor Marrus was named a Member of the Order of Canada for his contributions as a scholar and historian, notably on the history, causes and consequences of the Holocaust. Professor Marrus has also been awarded the Holocaust Educational Foundation's Distinguished Achievement Award in Holocaust Studies and Research. The award was given to Professor Marrus at the Lessons & Legacies Conference at Northwestern University on October 30 in the presence of hundreds of faculty from across the globe.

Ron Deibert: The Munk Centre's Citizen Lab, run by Ron Deibert, has been approved as a host organization for the 2009 Google Policy Fellowship program. A research fellow will be sent to the Citizen Lab to work full time for the summer on a research project defined by the Citizen Lab and supported financially by Google. The Citizen Lab is one of only two host organizations outside of the United States to be involved in this program. This is the second honour received this year by the Citizen Lab. In February, Ron Deibert traveled to Paris to accept the inaugural Netxplorateur of the Year Grand Prix for psiphon, an Internet censorship-evading software project developed at the Lab.

James Orbinski: *An Imperfect Offering: Humanitarian Action for the 21st Century*, by Munk Centre Senior Fellow James Orbinski, was nominated for a Governor General's Literary Award (non-fiction). The Canada Council had strong praise for the book: "This book offers a poignant first-hand perspective on modern humanitarian action. Based on Orbinski's work with *Médecins Sans Frontières*, the book addresses the troubling questions that haunt those who dwell on the uneasy frontline where human misery intersects with global politics." At press time for the Monitor, the winners of the Governor General's Literary Awards were due to be announced on November 18.

NEED A SOURCE?

Munk Centre scholars can be contacted for further comment on issues raised in this edition at munk.centre@utoronto.ca.

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TRANSATLANTIC RELATIONS: BUY FUTURES IN SMOKED SALMON



Jeffrey Kopstein
Director, Centre for European,
Russian, and Eurasian Studies at
the Munk Centre

I propose a new metric of transatlantic relations. Let's call it the "smoked salmon scale." The more smoked salmon consumed at receptions and conferences of policy-makers and academics designed to heal the rift (or even agree on a common agenda) between the United States and Europe, the worse we know relations are. Less dead salmon means fewer conferences, which implies better relations, and perhaps even a shared vision. I fear for the fish.

Transatlantic relations are a mess. Rarely before has sustained, concerted action by the West on a broad range of issues been more necessary – but equally, rarely before has competent leadership or even a common sense of purpose been so elusive. Confronting the global financial crisis requires an unprecedented degree of cooperation between North America and Europe. Yet disagreement within the United States over the state's role in correcting market imperfections, and disunity within Europe about, well, Europe, have left a leadership vacuum that has yet to be filled. Even more troubled, if currently flying below the radar, is the transatlantic security relationship. Over the past five years, the Americans and Europeans have

The global financial crisis originated in the United States, but European financial institutions were just as implicated in the asset-backed securities fiasco as the Americans. The circus surrounding Congress, the \$700 billion rescue package, and the lame duck status of the outgoing American president are now well known. Less examined has been Europe's own anemic response and its meaning for the future of the European Union.

Extricating themselves from the muck, or at least engineering some sort of landing short of a crash, brought European leaders together. But it did not take long before it was every member-state for itself, with the Irish leading the way in increasing the maximum amount of insurable deposits in Irish banks – a move that could have led to capital moving from British and other European banks to Ireland. This was more than a bit disappointing to EU fans because these sorts of beggar-thy-neighbour policies, reminiscent of the interwar years, were exactly what the EU was designed to prevent. Within the Eurozone, the crisis quickly exceeded the capacity and authority of the European Central Bank to respond. The big political decisions could only be taken by member-state governments – witness Britain's leadership on a subsequent strategy of having governments purchase equity stakes in banks. The silver lining in all of this for friends of European integration may be that the crisis may lead Europeans to realize that true economic integration will also require deeper political integration. But it is just as likely to lead many in Europe to believe that when the chips are down, the EU is powerless.

None of this is very good for the United States, especially when it was looking for a partner in the current financial crisis. Instead of one partner, it ended up with a dozen. Not so important, one might say. As long as credit markets get started again, who cares whether the Europeans negotiate as one or many? Probably best, so the argument might run, to let the big boys do the real negotiating. While this may prove to be true in international finance (we shall see), the evidence is in with regard to international security. The European inability to formulate and implement a coherent global security policy will make it exceedingly difficult for the really important issues to be addressed in a satisfactory manner. The United States does not and will not have the resources to go it alone on the global stage.

Bush believed in America's global mission but was afraid to ask the American people for any sacrifice and unwilling to discuss terms of cooperation with the larger European powers. You, Mr. President, will have to do both. Even with renewed presidential engagement with Europe, however, the Europeans remain hopelessly divided on fundamental security matters. Would, for example, an Afghanistan once again run by the Taliban pose a fundamental threat to the West? In Europe, only the Dutch and the British are contributing in any significant way to the military effort in Afghanistan. With NATO staking its reputation on stabilizing the country, a Canadian, Dutch, and British pullout anytime soon would mean a clear failure, and might spell the end of the alliance.

It is unclear whether the Germans and French actually care one way or the other. Political leaders still mouth soothing phrases about the transatlantic partnership, but it is not so obvious that they even perceive the same threats. One would expect the West Europeans to take a reassertive Russia seriously. This is, after all, what brought the "West" together after 1945. But the response of the West Europeans to the Russian invasion of Georgia in August 2008 strongly suggested that the Germans, for example, remain unconcerned with Prime Minister Putin's attempt to reassemble some version of the Russian empire in the region. They remain more focused on Russia as a source of energy than as a threat not only to Georgian and Ukrainian independence, but also to the security of the post-communist NATO members.

And here we come to the heart of the matter. With strongly divergent, perhaps irreconcilable, views on the threats from a Taliban-led Afghanistan and Russia's neoimperial ambitions, the question arises as to the meaning of NATO itself and the core commitment of this organization embodied in Article 5 of its treaty – the obligation to intervene militarily on behalf of a member-state that has been attacked.

West Europe's unwillingness to take in Georgia and Ukraine, and its instrumental attitude toward Russia have brought the value of Article 5 into question, even among member-states (ask any Pole or Lithuanian). In short, it has brought into question the very cornerstone of the transatlantic security architecture of the past 60 years. The most important job of the new president in renewing transatlantic relations will be to reconstruct the shared vision of the West in which the security of each country is the condition of the security for all.

Smoked salmon anyone?



Smoked salmon may be delectable but less dead salmon means fewer conferences.

repeatedly disagreed about the ends and the means of both diplomacy and military action. Big security issues loom: preventing terrorism, the future of Afghanistan, Iran and nuclear proliferation, restoring full sovereignty to Iraq, and containing Russia's neoimperial ambitions, to name but a few. Addressing them will require an unprecedented level of cooperation, if for no other reason than no one country possesses the resources to address them all simultaneously.

INSIGHTS

ADVICE TO THE PRESIDENT

INTERNATIONAL ORGANIZATION: THE LANGUAGE AND ARCHITECTURE OF SHARED LEADERSHIP



Louis Pauly
Director, Centre for International
Studies at the Munk Centre

The financial crisis coinciding with your election points to a fundamental reality. Today, only intense collaboration across political borders can successfully address global problems. As one of your most distinguished predecessors reminded Americans in another difficult time, fear can be debilitating. But it can also motivate hard decisions. You are now in a position to begin transforming the experiment in international collaboration that Franklin Roosevelt eventually initiated in the 1940s – not simply to manage emergencies, but to prevent dangerous situations from becoming disasters.

The abstract idea of “global governance” fails as a rallying point, both at home and abroad. But the ideals of solidarity and sacrifice for the common good are as old and as respected as the Republic you now lead. The legal boundaries of that Republic are not in question, but its moral limits most definitely are. Rhetorically and pragmatically, you should begin the process of transcending them.

In the wake of depression and world war, the United States and its allies agreed that prosperity provided the necessary but not sufficient condition to avoiding future disorder. The inter-governmental institutions they established and the interdependent markets those institutions helped sustain hardly ushered in an era of tranquility and



The new president must deal with increasing misery in places left out of the post-1945 system, as represented by the United Nations (above).

global justice. But the post-war period could have been much uglier. A reversion to catastrophic war was avoided as economic openness brought rising incomes, not everywhere but eventually even to ideological foes.

Today, you face the hard task of articulating the next steps and rationalizing the policies needed to deal with such unintended consequences as increasing misery in places left out of the post-1945 system, and to address problems unanticipated by most people in 1945, like climate change, nuclear terrorism, and pandemics too easy to imagine.

There is no denying the fact that the power to overcome systemic dilemmas of collective action is now more widely dispersed than it was in 1945. The notion that the United States is dispensable, however, is a delusion. Still, it is the incipient power of others to undermine the liberal order inherited from the post-war generation that must be redirected. That means combining persuasion, generosity, wisdom, and force to confront issues that today inevitably spill over national boundaries. European leaders talk about reviving old intergovernmental institutions or even of inventing new ones. They should be encouraged. But taxes will not be paid to supranational organizations any time soon, and few parents will readily be convinced to send their children off to war under a United Nations flag.

Reinventing the International Monetary Fund, the World Bank, and other useful instruments for collaboration is both easy and inadequate. Given the security, environmental, economic, and epidemiological challenges the world faces, this generation, the next, or at best the one after that will very likely have to move beyond intergovernmentalism. What must be done first is to prepare the social foundations for such a step. The basic idea is not utopian. It is simply that the political institutions needed decisively to confront planetary dilemmas must ultimately rest on a co-extensive political society, where certain rights, obligations, and responsibilities are profoundly shared. The language you choose to deploy, Mr. President, and the signal decisions you make in the years ahead could open the door to a needed recognition.

Unrealistic expectations, to be sure, are already being laid at your door. Your own citizens and your friends abroad often forget how difficult it is to lead in a constitutional system designed to constrain power. Perceptions of crises and the independent actions of your counterparts abroad often proved useful to your predecessors. Like the wisest of them, you might use them too, and you might also avoid giving the impression of being too far ahead of those who must follow. You might start by replacing the analytical language of multilateralism with the political language of shared leadership.

After 1945, deep American misgivings about open-ended external commitments were pragmatically overcome both by invoking fresh memories of war and by pretending that organizations like the UN and the IMF, and unlike the earlier League of Nations, were technical in nature. In later decades, memories would fade but the pretense persisted as those organizations became less and less relevant to the core political and economic interests of powerful states. Subsequent experiments in the construction of informal institutions like

the G8 could provide no legitimate and effective substitute. As we recently witnessed in financial markets, ad hoc collaborative decision making across diverse societies and autonomous polities could sometimes work – when we were lucky and when we faced problems of confidence amenable to relatively simple and simultaneous injections of cash.

Such practices cannot induce the deeper behavioural changes likely to be required, for example, to arrest climate change, foster sustainable economic development, and reverse the proliferation of apocalyptic weaponry. Such practices cannot reliably manage serious emergencies, engineer significant political trade-offs, or efficiently regulate – a word you might try to avoid – an increasingly complex political economy. They cannot convince the powerful to bear the true burdens of global order. Frankly, at this critical moment in history a commitment to reviving established formal or informal institutions built on conventional intergovernmental understandings can at best kick-start the serious search for more promising problem-solving instruments.

The language of shared leadership today is needed to prepare the ground for a much more profoundly shared perception in your society and eventually in others of a now undeniably global common good. That perception need not encompass all arenas of power, only those with the inherent potential to completely disrupt human life on this planet. It need not and should not dissolve into a hazy fog of idealistic sentiment.

Mr. President, you must be clear in your own mind about the ultimate objective – creating and sustaining the minimum conditions necessary for the security and prosperity of your children and your children’s children. Those conditions, quite evidently, can no longer be met within the legal jurisdiction you are sworn to defend. In the words you use and the actions they justify, you should subtly and constantly foster the idea of a political society that today must span territorial borders. Not recognizing the essential singularity of such a society at some meaningful level, at least when it comes to facing unavoidably shared problems, means allowing the risk of systemic catastrophe to grow, perhaps at an accelerating rate. It will not be easy to persuade people inside or outside the United States that a certain degree of burden sharing must now rest upon the ancient notion of politically unbounded solidarity. You should press the point creatively and vigorously. If fear itself remains as debilitating as it was when Franklin Roosevelt began his first term, might a truly realistic sense of hope be empowering? Some of your constituents are ready to believe it. They are not alone.

U.S. PRIORITIES IN CENTRAL ASIA: FROM AFTERTHOUGHT TO FORESIGHT



Edward Schatz
 Director, Central Asia Program,
 Centre for European, Russian, and
 Eurasian Studies at the Munk Centre

The United States must face the realities of Central Asia squarely and proactively. Central Asia should be not an afterthought – as it has been for more than 15 years – but the lynchpin of U.S. policy toward the whole Eurasian landmass.

As you assume office, several facts will confront you. Take the Iraq debacle. As U.S. engagement stumbles to some sort of conclusion, domestic and international pressure will mount to “get Afghanistan right.” Unlike the Iraq invasion, the Afghanistan campaign enjoyed support both within the Central Asian region and from the broader international community. Economically, the United States cannot afford to win in both places. Morally and politically, it cannot afford to lose in both places. It is time to redouble the effort in the place where it stands a chance of succeeding: Afghanistan.

Success in Afghanistan is predicated on further internationalizing the mission and on developing broader strategies for the entire Central Asian region. Great powers like Russia and China need to be convinced that their crucial interests hinge on Afghanistan’s stability, peace, and prosperity. But internationalizing the mission means more than great power politics and diplomacy. It also means tackling the mundane, unglamorous, low-profile tasks of reconstruction and



Uzbekistani leader Islam Karimov is part of an authoritarian resurgence across the Eurasian landmass.

state building – tasks that need not fall to the United States. For example, oil-rich Kazakhstan could invest in nascent transportation, telecommunications, and food processing industries across Afghanistan, Tajikistan, and Kyrgyzstan – the region’s least stable states. Further, encouraging Kazakhstan, Russia, China, or Turkey to develop mobile teams to respond to natural disasters, as well as to train and equip their counterparts in the weaker states, would be a boon for human and physical security. All of this at no cost to U.S. taxpayers.

Pakistan deserves special attention. President Zardari appears more dedicated to securing the vast borderland with Afghanistan than his predecessor was, but the United States has to provide incentives. Military-to-military cooperation with Pakistan remains necessary, but if Pakistan cannot afford to engage this borderland in positive ways – by effectively financing infrastructure development – then the United States should foot the bill. If the prospect of U.S. involvement in infrastructure development is unpalatable in the border region, then the United States should finance the development efforts of Kazakhstan or Turkey.

A second fact is the existence of the Shanghai Cooperation Organization (SCO), which has spooked Cold War veterans inside the Beltway only slightly less than did Russia’s August 2008 invasion of Georgia. The SCO, founded in 2001 by China, Russia, Kazakhstan, Kyrgyzstan, Tajikistan, and Uzbekistan, does not inherently threaten U.S. interests. In fact, the SCO has the potential to coordinate the provision of key public goods that are too often absent in the region. Counterterrorism, free trade, inter-banking relationships, infrastructure development, and disaster relief are among its possible functions. Rather than fulminating against the organization, the United States should make it a priority to encourage the SCO to develop in directions that would shore up the capacity of the region’s otherwise dangerously weak states.

A third fact is an authoritarian resurgence across the Eurasian landmass, which complicates the tasks ahead. Supporting, for example, Uzbekistani leader Islam Karimov’s stranglehold on power (arguing, perhaps that “He’s our S.O.B.,” as FDR is said to have remarked about Nicaragua’s dictator) damages America’s reputation and complicates its diplomatic initiatives. In today’s interconnected world, whether the United States is viewed as a model democracy that truly champions human rights or as being fundamentally hypocritical on these matters is of enormous consequence.

The United States can restore its reputation, increasing what Harvard scholar Joseph Nye calls its “soft power” (the power to attract others to its positions). Closing the Guantánamo prison would clearly signal to publics in Muslim-majority contexts that the new administration is breaking with the practices of the old. Moreover, it would offer a reminder that, whatever problems beset U.S. policies at any given moment, the American political system is resilient and responsive.

Can the United States simultaneously promote stability and democracy? Not in the usual way. In the 1990s, it became normal for the United States to support

civil society actors in Eurasia who were expected to pressure their governments for liberalizing reforms. After the so-called Color Revolutions in Georgia, Ukraine, and Kyrgyzstan, Eurasia’s authoritarian leaders clamped down – in some cases severely – on dissent in general and civil society actors in particular, making this an unlikely route to democratic change in the near term.

Under such circumstances, the best way to spur democratic change in Central Asia is, ironically, not to promote democracy per se. Imagine instead a massive and high-profile U.S.-led investment in the region’s communications and physical infrastructure. Imagine that such investments were on the scale of a Marshall Plan, dwarfing similar initiatives currently being undertaken by Russia and China as a part of their own exercise of “soft power.” If the United States becomes associated in the Central Asian public’s mind with projects that improve the quality of life locally, its various attributes – elections and the protection of human rights among them – will likewise become attractive.

With the United States facing monumental budget deficits and macro-economic turmoil, a Marshall Plan-scale initiative may be a tough sell in Kalamazoo. Fair enough. A second-best and complementary strategy is to entangle Central Asian states in a thicket of multilateral agreements with Western actors that would shape their behavior. That, for example, Kazakhstan is set to chair the Organization for Security and Cooperation in Europe (OSCE) in 2010 does not mean that it meets OSCE standards regarding human rights protections or elections; it does, however, mean that it lives up to at least some of them, thus making it a more liberal polity than it otherwise would be. As political scientists Steven Levitsky and Lucan Way have shown, the denser the linkages between a non-democracy and democracies, the more likely that the non-democracy will liberalize over time.

In the near term, such efforts would produce Central Asian hybrids – not model democracies and not the most noxious forms of dictatorship. So be it. The United States needs to exude confidence that Central Asian states will eventually find democracy attractive.

Central Asia must no longer be an afterthought. It has become a crucible for key U.S. foreign policy imperatives – security, democracy promotion, and access to oil resources. If U.S. policy towards Eurasia in general and Central Asia in particular is to be effective, it must begin by treating the region’s challenges with coherence and foresight.

CENTRE EVENTS

FROM ILLUSIONS TO OPPORTUNITY

Continued from page 1

cooperation with your Canadian and Mexican neighbours. Your biggest trading volume is with your NAFTA partners, and Canada is your largest source of energy imports. The notion that you can rebuild your economy and protect your security by building walls along your borders would be laughable if it weren't so dangerous.

The history books are full of rhetoric about the ties that bind Canada and the United States, often mentioning the "world's longest undefended border." In fact, it is more than 70 years since President Franklin Roosevelt said, "On both sides of the line, we are so accustomed to an undefended boundary three thousand miles long that we are inclined perhaps to minimize its vast importance, not only to our own continuing relations but also to the example which it sets to the other nations of the world." Now some in Congress are intent upon defending the Canadian border, maybe even building a fence along it. I don't think that was the example Roosevelt had in mind.

It is the duty of our political leaders to remind our citizens of our shared history and explain why open borders for people, goods, and services are in our mutual interest. We were partners in liberating Europe in the Second World War. Canada entered that war in 1939. Facing political obstacles at home to the involvement of the United States, that same President Roosevelt found creative means to assist his northern neighbour and the allied cause prior to the attack on Pearl Harbor.

Together, we confronted Communism during the Cold War, assuring our mutual defence as partners with Europe in NATO and with one another in NORAD. We built prosperous economies with the joint construction of the Saint Lawrence Seaway in the 1950s, the 1965 Auto Pact, followed in 1989 by the Canada-U.S. Free Trade Agreement. Today, our young men and women are fighting and dying together in Afghanistan.

"We who have a shared perspective need to be close collaborators"

Sir, you must be unhesitating in informing your citizens of the value and importance of this relationship. Especially as the world becomes more and more interdependent, we who have a shared perspective need to be close collaborators in dealing with issues like the environment, international financial regulation, and the reform of international institutions.

In starting close to home, a good beginning would be to invite each of the Canadian prime minister and the Mexican president to the White House

early in your administration and before other international visitors, engaging them on questions related to security and the economy from Day One. By starting with your neighbours, you would be respecting many decades of presidential precedent. However, invite them separately. The issues affecting one relationship are not the same as those affecting the other and treating them as though they were the same is counterproductive.

But these meetings may not be without difficulty. Do not be surprised if the Canadian PM reminds you of a joint report of the U.S. and Canadian Chambers of Commerce about the "thickening" of the Canadian border.

The concept of the "Smart Border Accord" that I signed with Governor Tom Ridge following 9/11, and which applied principles of risk management to the border – enhancing security by the strategic allocation of resources while encouraging the free flow of goods – has been largely abandoned in favour of what some would call a "stupid border." As it is, our limited resources to detect crime and terrorism are being applied in such a way that they are less effective in detecting crime while perversely delaying just-in-time shipments of goods to manufacturing facilities across the border.

Did you know that on average, a vehicle being assembled in North America crosses one or both U.S. borders six times?

At a time when the North American automobile manufacturing sector is seriously challenged by Asian competitors, it is mystifying that a government would choose to make its domestic industry even less competitive by increasing delays, presumably seeking those elusive terrorists lurking in a shipment of brake linings! This creates a North American manufacturing disadvantage when imported vehicles only cross the border once upon arrival.

While Europe and Asia build economic blocs ever broader, more efficient, and multinational, North American borders have become stickier, constituting barriers to trade and obstacles to efficiency for those companies whose businesses are integrated across the border.

2. Distance yourself from those who claim that Canada is a security threat to the United States. Contrary to oft-repeated urban legend, the 9/11 terrorists did not enter the United States from Canada. But even if they had done so, the fight against terror requires international cooperation, especially with your neighbours.

Remember, Canada is also on Osama's target list, and our young men and women are laying down their lives in Afghanistan. The objective must be North American security!

A dirty bomb in Vancouver would affect Seattle, just as one in Detroit would affect Windsor. And furthermore, how long do you think Canadian taxpayers will be content to satisfy the often-changing demands of your Homeland Security bureaucracy if border functions continue to deteriorate and not improve? The key will be common objectives and cooperative enforcement.

"A dirty bomb in Vancouver would affect Seattle, just as one in Detroit would affect Windsor."

3. Show yourself courageous enough to speak truthfully and forcefully to your people about the importance of open borders in North America, as Presidents Ronald Reagan, George H. W. Bush, and Bill Clinton were willing to do.

Of course, it is not uncommon for politics to overtake good public policy, especially during a campaign. During the primaries, we were treated to the spectacle of the Democratic candidates arguing over NAFTA in Ohio, comforting workers whose jobs have fled to Asia by promising to whack Canada and Mexico. As former U.S. Ambassador to Canada Gordon Giffin has written: "NAFTA is no more responsible for the loss of industrial jobs in the American Midwest than is the Treaty of Versailles – but the problem is many people think it is."

Ironically, the primary campaign rhetoric about NAFTA is reminiscent of the speeches given by some Canadian opponents of the Canada-U.S. Free Trade Agreement: namely that Canada was prejudiced by the agreement because of lower labour and environmental standards in the United States. The truth of course is that, for the most part, these standards are very comparable between the two northern partners in NAFTA, and both countries (and Mexico as well) are seeing jobs lost to other regions of the world.

4. While we are on the subject of political courage, remember where your most reliable source of energy lies: not in Saudi Arabia or Venezuela, but in Canada.

Those who wish to renegotiate NAFTA should take a moment to read the energy chapter, which commits Canadian production to the U.S. market in times of shortage. Many in Canada would support a "made-in-Canada" energy policy, free of this obligation. This is especially true since, as in the United States, NAFTA in Canada is now broadly viewed as a failure, largely because the United States, champion of the rule of law, has disregarded rulings of NAFTA arbitration panels when it is expedient

to do so. As well, promises made through an alphabet soup of acronyms are never realized. I'm thinking of NAEC (North American Economic Community); P4P (Partnership for Prosperity); FAST (Free and Secure Trade); PIP (Partners in Protection); C-TPAT (Customs-Trade Partnership against Terrorism); WHTI (Western Hemisphere Travel Initiative); and on it goes. This failure could put at risk your most reliable source of energy at a time when other traditional sources seem less reliable than ever.

5. Seek a North American approach to the challenge of climate change. As with acid rain, we need to move to parallel or compatible courses of action that do not damage our ability to meet our shared need for energy supply. This is a problem crying out for multilateral approaches. Ideally, we would put in place a North American approach to emissions trading, and we would negotiate international targets that recognize the composition and integration of our economies.

6. Be bold! Let's move beyond NAFTA to a common external tariff. (Did your advisors mention to you that bureaucracies have made the task of complying with the rules of origin under NAFTA so onerous that many shippers are not bothering to obtain the NAFTA tariff rate, simply deciding to pay the standard tariff?)

The differences between our respective external tariff rates are not significant. Let's harmonize those rates and do away with the rules of origin. Let's end the tyranny of small regulatory differences that hamper our commercial success. Let's open the Canada-U.S. border to the free movement of people, making it easy for them to go to jobs across the border. We need our best and brightest to be unimpeded in building our countries' prosperity.

Sir, you have four, possibly eight, years to shape your nation and influence the direction of our continent and the world. That time will go by remarkably quickly. But this is your chance. In the words of that distinguished American philosopher Pogo, you "is surrounded by insurmountable opportunity"!

The Honourable John Manley is a former Deputy Prime Minister and Finance Minister of Canada. He is currently Senior Counsel at McCarthy Tétrault LLP and is serving as Chair of the Board of Advisors for the School of International Studies at the Munk Centre.

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History's Uses — and Abuses

When it comes to using historical analogies to understand current events, opinion leaders and policy-makers have a mixed track record, according to Dr. Margaret MacMillan, who recently delivered the inaugural Munk Lecture



Greer Gattves/Palm Beach Daily News

Dr. Margaret MacMillan: history has a way of “bubbling up.”

in International Studies on the subject “the uses and abuses of history.”

Dr. MacMillan, formerly the Provost of Trinity College and currently the Warden of St. Antony’s College at Oxford, cautioned that history does not offer clear lessons – “I don’t believe that history offers a blueprint as to how the world will unfold.” She noted that history is full of examples of people in the past – “very important, clever, and powerful people” – who got it wrong. If you pick the wrong analogy, you also run the risk of getting locked into it, she warned.

However, it is possible to use history as a way of thinking about the present and making intelligent guesses about the future.

As Dr. MacMillan noted, the end of the Cold War has meant that we have been forced to realize that nations are what they remember. During the Cold War, there was a sense that we were living in a new world, characterized by

a “titanic struggle” between two power blocs, and that what had happened before 1945 no longer mattered. But, as the civil war in Bosnia and the disintegration of the former Soviet Union revealed, history has a way of “bubbling up” – the past persists in the memories of nations.

How can we understand China today, if we don’t understand what it

is the Chinese are remembering? she asked. Generations of Chinese have been taught about the “century of humiliation”: the injuries visited by Western imperialists on China, starting with the First Opium War in 1839 and ending in 1949 with the establishment of the People’s Republic. For the Chinese, the memory of the “century of humiliation” is pervasive and shapes attitudes towards the West.

We have so much information that needs sorting that we tend to use analogies, she observed. “The trouble with looking at the past is picking the right analogy.” For example, is the current financial crisis more analogous to 1929, or the 1970s, when oil prices shot up and inflation rates spiked, or the 1990s, when the dot.com bubble burst? The chairman of the U.S. Federal Reserve, a student of the Great Depression, believes in the first analogy. History will show if he’s right.

Development Index,” steps toward creating a viable state are the most significant measure of progress.

This is not to say that everything in Afghanistan is on track. Crucial pieces of the file are advancing more slowly than we or the Afghans would like, or need.

Strategic reviews issued from allied governments, think-tanks, and others have created considerable debate about the state of mission. What they all boil down to, in my view, is this: almost eight years after we displaced the Taliban, their resilience is stronger than we had expected, and the Afghan government is weaker than we expected. And therefore the international presence remains vital to maintaining security for a while longer; and has become more controversial. Some critical voices think we are doing too much, or doing it badly; or, that every adverse statistic is reason to end the mission, alter it fundamentally, or just declare defeat. However, not every development is an existential crisis. Just because it seems to be going badly doesn’t mean we were wrong to try or that we have the luxury of abandoning the effort.

We need to remind ourselves of why we went. The events of 9/11 confirmed that we can no longer continue to enjoy peace and relative prosperity in the West without regard for development and governance in places like Afghanistan. It was a massive failure of governance that created the safe haven for extremists who orchestrated an attack against our continent; that denied Afghans virtually all aspects of dignified human life; and that isolated its people not just from the West but from Islam, during the period of Taliban rule. Our reason for going in is crucial to our strategy for getting out.

It remains in our interest to transform Afghanistan from a failed to a viable state. The insurgency will be defeated when Afghan security forces and governance institutions (which are able, along the way, to reconcile with those who wish to lay down their arms and accept the new direction for the country) are strengthened.



Arif Lalani, former Canadian Ambassador to Afghanistan: six million children go to school.

We also need to address Pakistan. All the research on insurgencies makes clear that they are virtually impossible to defeat as long they have an external sanctuary. Border security is a real issue. So, too, are other problems that ail Pakistan. If better trained security forces, more responsive governance institutions, and political reform are required in Afghanistan, the same holds true for Pakistan.

In June, before the headlines became so consistently alarming, the Canadian government conducted its own review in its first quarterly report to Parliament. Informed by those of us on the ground, it was sober, direct, and public. It stated: “Security in Afghanistan deteriorated through 2007 and early 2008. Levels of both insurgent and criminal violence rose in many regions, and more civilians were killed in 2007 than in any year since the fall of the Taliban in 2001. For the rest of 2008, security conditions are expected to remain stable at best, and might grow worse in coming months in some provinces.” Unfortunately, the assessment has been proven accurate.

The report was also prescriptive. It laid out clear priorities to address the worsening situation. These included: building up Afghan security forces; strengthening Afghan governance institutions; addressing Afghan-Pakistan security issues; and supporting Afghan-led political reconciliation. These Canadian priorities are now being echoed by a number of senior international actors on the Afghan file, with an increasing sense of urgency.

The Canadian priorities didn’t grab headlines then, but national and international support for them now is essential to changing the bad news.

Arif Z. Lalani is Senior Visiting Fellow at the Munk Centre for International Studies, and served as Canada’s Ambassador to Afghanistan from 2007–2008.

Afghanistan: Behind the Headlines

Arif Z. Lalani, the former Canadian Ambassador to Afghanistan, provided a fresh perspective on progress in Afghanistan to a Munk Centre audience in September. The Monitor asked him to distill some of his talk in the article that follows.

The news out of Afghanistan this summer was bad. The Taliban launched more attacks, more boldly, and killed more civilians than at any time since 2001. However, those of us on the ground also saw more civilians at work, more children, and particularly girls, going to school and more development taking place than at any time in Afghanistan’s history.

Keeping the news in perspective is important. Setbacks threaten progress, but they don’t automatically negate it. On those awful days when the Taliban attacks, six million children still go to school, over 200,000 women run their own microfinance programs, and Afghan police and army forces show up for work to defend them. It’s basic development, but for a country that sits at 174 out of 178 on “The Human

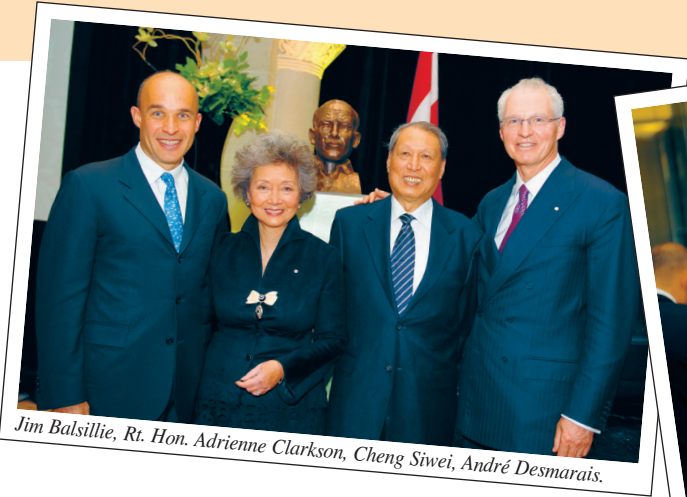
GALA DINNER CELEBRATES “2008 GLOBALIST OF THE YEAR”

China on the Menu: The second annual gala dinner of the Canadian International Council (CIC) in October was successful on every score. The gathering raised funds for the foreign policy think-tank’s research and policy program, and also raised awareness about the need for improved Canada-China relations. The national office of the CIC is housed at the Munk Centre.

Leaders from academia, business, and the public service attended the event, which was hosted by Jim Balsillie, co-chief executive of Research in Motion and chairman of the CIC board, along with André Desmarais, president and co-chief executive of Power Corp. of Canada and honorary chair of the Canada-China Business Council.

A highlight of the dinner, held at the Royal Ontario Museum, was the presentation of the “2008 Globalist of the Year” award to a prominent Chinese public official, Cheng Siwei, in recognition of his contribution to “better international relations and co-operation.” Cheng is the former vice-chairman of the 9th and 10th Standing Committee of the National People’s Congress, China’s legislature. He was leader of the Chinese delegation to Davos, Switzerland, from 2006 to 2008. Currently, he is chairman of the China Democratic National Construction Association.

Balsillie kick-started the creation of the CIC in 2007 with a \$1 million donation. The CIC is a non-partisan, countrywide council established to strengthen Canada’s role in international affairs. It seeks to advance research, discussion, and debate on international issues by supporting a Canadian foreign policy network that crosses academic disciplines, policy areas, and economic sectors.



Jim Balsillie, Rt. Hon. Adrienne Clarkson, Cheng Siwei, André Desmarais.



André Desmarais, Peter Munk, John Ralston Saul.



BEIJING SCENES: AN OLYMPIC EFFORT IN ARCHITECTURE

The Olympics in Beijing left many iconic images in the collective conscience of the world. Apart from record-breaking athletes, they included the stunning architecture of the Olympic venues – the “Water Cube” National Aquatics Center and the adjacent “Bird’s Nest” National Stadium. Building those structures was an Olympic effort of its own, as captured by a prescient group of photographers, including two from the University of Toronto. The results of their work were displayed in the halls of the Munk Centre this fall in an exhibit entitled “The Making of the Water Cube.”

Sponsored by the Munk Centre’s Asian Institute, the exhibit captured the people and machines at work on construction sites, and placed them in the dynamic social and political context of today’s Beijing and China’s growing international role. Kudos to photographers Alanna Krolikowski, Marie-Eve Reny – both political science PhD students and fellows of the Asian Institute – Dominique Bergeron and Annie Billington. Co-sponsors of the event were the Dr. David Chu Community Network in Asia Pacific Studies at the Munk Centre; Centre d’études de l’Asie de l’Est, Université de Montréal; Centre d’études et de recherches internationales, Université de Montréal; Agile Graphics; and Weary Feet Productions.



Marie-Eve Reny and Danielle Reny.



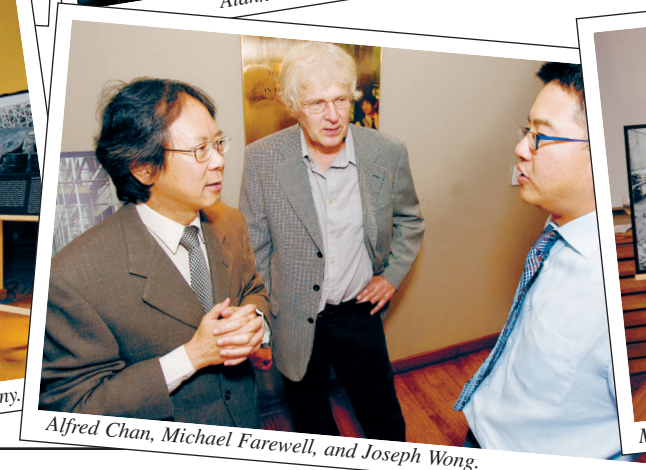
Alanna Krolikowski and Janice Stein.



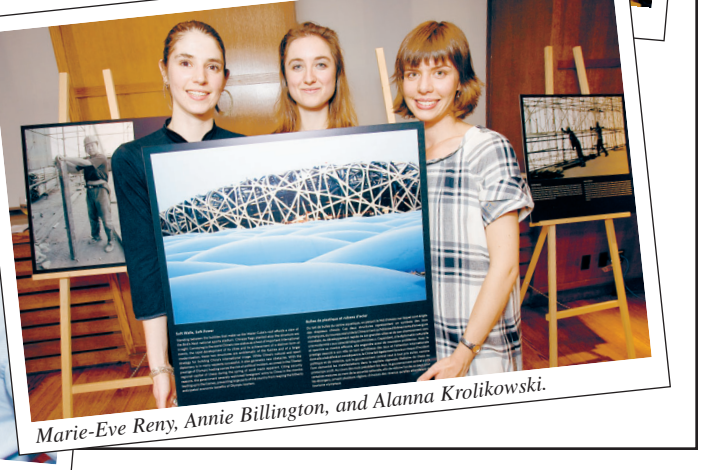
Part of exhibition.



Annie Billington, Eileen Lam, Alanna Krolikowski, and Marie-Eve Reny.



Alfred Chan, Michael Farewell, and Joseph Wong.



Marie-Eve Reny, Annie Billington, and Alanna Krolikowski.