

Canada and The World

New Directions for Canada's
International Policy

Canada's International Security and Defence Policy

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CANADA AND THE WORLD: NEW DIRECTIONS FOR CANADA'S INTERNATIONAL POLICY

Canada's International Security and Defence Policy

Co-Chairs: Rob McRae
and James R. Mitchell

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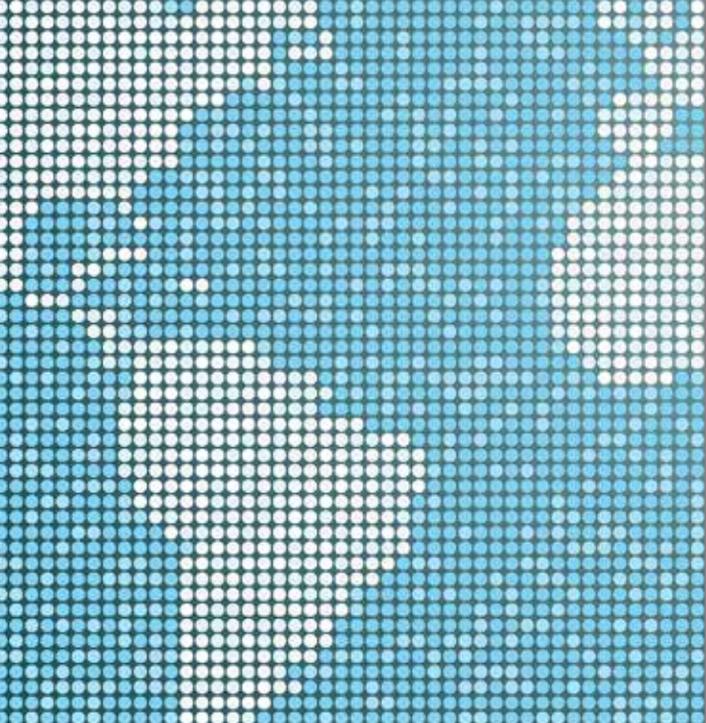
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Canada's International Security and Defence Policy

CIPS INTERNATIONAL SECURITY AND DEFENCE POLICY WORKING GROUP

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EXECUTIVE SUMMARY

THIS PAPER CONSTITUTES ADVICE to the Prime Minister in the area of international security and defence policy. It is based on our understanding of a rapidly changing global environment and our views of how Canadian interests can best be advanced and protected. We offer what we believe are affordable ways to do this. If there is a single theme underpinning this paper it is that Canada can, and should, be doing more in the world.

The world today presents complex challenges ranging from the migration crisis in Europe to the intractable conflict in Syria. However, there are longer-term problems and opportunities to be addressed as well. A new Prime Minister must deal with both the short and the longer term. Early in the new mandate, the Prime Minister will be expected to attend no less than four summits, including the UN meeting of heads of government on climate change in Paris in November. On all of these occasions, he will need to present a credible Canadian position that may have to go well beyond the electoral platform of his party.

The advice that follows, therefore, is intended to serve a number of different purposes: in some cases, it speaks to an immediate policy requirement; in others, there is an opportunity following the election to stake out broader government intentions or commitments. In still other cases, policy must await further analysis of the fiscal situation and must be balanced against other priorities. But some decisions must be taken now. On this basis, our advice to the Prime Minister with respect to international security and defence policy can be distilled into seven key recommendations:

- 1 Take immediate steps to restore Canada's standing at the United Nations and within the UN system.
- 2 Bring forward a credible position on climate change at the Paris Summit.
- 3 Define and commit to a balanced counter-terrorism strategy that addresses both prevention and threats ranging from the Middle East to those in our own country.
- 4 Engage Canadians in a dialogue about Canada's foreign and defence policy through a 'White Paper' for delivery within six months. This would include articulating a comprehensive policy and strategy for Canada's relations with the United States, including continental defence.
- 5 Set out a vision for the humanitarian dimension of Canada's foreign policy and, in the short term, develop an action plan for dealing with Syrian refugees, countering the threat from ISIS, and building regional capacity.
- 6 Commit to adequately resourcing the government's international policy commitments, and specifically to revitalizing Canada's diplomatic presence and capacity in support of the government's security, trade and development objectives, and aligning resources in the defence envelope with Canada's security commitments.
- 7 Organize and equip the centre of government to properly support the government's international security and defence responsibilities and objectives.

I. INTRODUCTION

THE MOST TELLING CHARACTERISTIC of the current international security environment is its dynamism. New risks and new threats, and the uncertainty of shocks and surprises to come, require the constant reassessment of interests, capabilities and possible outcomes. Today's emerging partner can become tomorrow's determined adversary. The focus of international attention shifts in an instant from the South China Sea to the Sahel to a migration crisis in Europe. It is difficult to recall a period in the past 100 years in which the premises and the possibilities of the international environment have been more open to unpredictability and critical change.

This paper describes the key features of that dynamic environment and their implications for Canada's international policy writ large, and particularly for Canada's security and defence policy. Other papers in this series focus on issues related to trade, international development and human rights. Their findings and recommendations should be considered in conjunction with this report, bearing in mind that the four reports reflect diverse opinions on a broad range of issues. We would caution against viewing all international issues through the security lens, however. Nor should it be assumed that all the authors of the various papers would agree with every conclusion or recommendation set out below. But it is useful to begin with a view of the world and Canada's place in it today, in order to focus discussion and debate.

It is worth stating up front that though we highlight areas where more investment in our international security and defence capacity is merited, by and large the initiatives we recommend do not require significantly more funding. It is generally a question of doing things differently and, we hope, more effectively. One key challenge will be to establish a reasoned defence funding baseline.

Our timeline in assessing the major factors in the international security environment, and their implications, is five years, though some decisions on policy or action will need to be taken early in the new mandate. In describing these major factors, we are not attempting to make predictions about events or outcomes; rather our purpose is to identify the vectors that we see as most significant in the evolution of the global security environment and, in

broad terms, what Canada will need to do to be prepared and to respond effectively.

One thing is certain: in preparing for this dynamic future, and in seeking to contribute to a safer, more prosperous world, we need to be clear-eyed about what exactly Canada "brings to the table" and what commitments or engagements we are prepared to make. It is in answering this question that it becomes apparent just how much our domestic and international policies intersect.

Three Factors of Change

The first factor of change is a realignment of power and influence, both political and economic, in the world today. Despite its evident weaknesses, Russia has become more aggressive and as a result more isolated, at least in some important respects; China has become, or is clearly on the way to becoming, a new kind of superpower, with ambitions to be pre-eminent in its region and to project power and influence beyond it; the European Union, facing a current crisis over migration, continues to struggle with fragile growth and a declining population, as does Japan; and despite a resurgent economy and significant hard power assets, the United States faces obvious challenges with respect to governance and internal cohesion. Looked at from this angle, the US shares certain characteristics with Europe, where the total can occasionally add up to less than the sum of the parts. And as we have seen, the very viability of the European 'project' has been called into question by recent events.

At the same time, middle income and developing countries will soon have a larger share of global GDP than the developed world, and their prospects for continued growth, though uneven, are generally better. This economic rebalancing has considerable implications for international development, where traditional aid instruments are being rivalled by new, non-governmental actors and mechanisms ranging from individual remittances to investment by the private sector. This is no less the case for trade and foreign investment and for the regimes, new and old, that govern them. But economic rebalancing also has significant implications for security, where economic powers clash, where maritime right-of-passage is disputed, and where the growth of defence budgets is accelerating.

A second major characteristic of the international en-

vironment today consists of continuing challenges to the international security system. These include:

- the emergence of the Islamic State (IS) and a seemingly intractable conflict in Syria and western Iraq
- the re-emergence of inter-state conflict, albeit in a new guise (e.g., Russia/Ukraine)
- the seemingly unpredictable evolution of international terrorism
- the ever-present risk of the proliferation of weapons of mass destruction
- transnational issues such as climate change and the security dimensions of migration, organized crime and pandemics.

The third key attribute of the new international environment is the now-pervasive technological revolution, especially in information technology, that has virtually eliminated geography and distance, and that binds most of humankind into a single connected community. The communications revolution in particular affects every aspect of social and economic infrastructure in the developed world and in the developing world as well. It brings with it new opportunities for growth and development, as well as new threats from both state and non-state actors in the cyber domain. When information technology is combined with aerospace engineering and robotics we begin to see how the future battle-space will be transformed and how traditional notions of deterrence and “balance of power” will be potentially up-ended.

All of these developments have implications for Canada and thus for Canada’s international policy and international engagement. They also have direct implications for Canada’s security and defence policy and for how Canada organizes and equips itself to address them. For example, the growing international interest in Canada’s Arctic, both commercial and military, is a consequence of global warming, an expansive China and a more nationalist and aggressive Russia. The latter factors point to the need to re-engage with the United States on the question of a North American security framework, including wheth-



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er Canada should opt to participate with the US in continental ballistic missile defence. Overall, there is a need to think more imaginatively about Canadian defence capabilities in the 21st century, and about the necessary investments and associated consequences for policies and commitments. There is a corresponding requirement to re-invigorate Canada's role in multilateral institutions, and rebuild the diplomatic presence and capacity that will be crucial to the conduct of Canada's international relations over the coming years. Organizing governmental resources to anticipate, to understand and to respond effectively to this new environment, alongside trusted partners, should be the priority for the government in 2016.

While the following sections of this paper are focused on the international security environment, Canada's strategy must reflect a broader understanding of our international role, and especially of the unique assets we bring as a nation in support of that strategy.

II. THE EVOLVING INTERNATIONAL SECURITY AND DEFENCE ENVIRONMENT

Refugees

The crisis generated by unparalleled numbers of refugees fleeing the war in Syria has now spread well beyond the region, challenging the countries of Europe in ways we could scarcely imagine even six months ago. The humanitarian needs of civilians caught in conflict have rarely been so daunting, and the inability of existing international and national institutions to deal with the migration of refugees so stark. There are a number of dimensions to this crisis, including the inability of the UN Security Council to find a solution to a conflict that has raged for years. But one consequence of this inaction is now the erosion of some of the building blocks of the EU itself. Canada needs to be seen to be working with the interna-

tional community to provide a humanitarian response to the refugee crisis, while contributing to the resolution of the conflict in Syria and Iraq – a conflict that has taken an unending toll on civilians.

The Return of Inter-State Conflict

Beyond the current crisis involving Syrian refugees, the most unexpected development for Canadian security interests is the renewed potential for interstate conflict and in particular conflict involving one or more of the major powers. For Canada and its Allies in the West, the main concern is Russia, where its well-known actions in Ukraine are just part of an escalating pattern of troubling behaviour. Meanwhile there is also a recent series of increasingly assertive actions on the part of China in its region of the world. China's actions over conflicting territorial claims have escalated in the South China Sea with the Philippines and Vietnam, and in the East China Sea with Japan. In broader terms, China is challenging America's decades-long dominance of the region, raising the question of how the U.S. and China can work out a *modus vivendi* in security as well as in economic terms.

International Terrorism

As an evolving transnational risk, it is difficult to predict the impact that international terrorism may have on Canada over the coming years. But there is no question that terrorism continues to pose a danger to Canadians and to our interests, to the extent that it threatens public safety and public confidence in the infrastructure that we take for granted on a daily basis. Moreover, when overseas conflicts radicalize individuals who then conduct attacks on Canadian soil, those conflicts directly affect Canada's national security. Failed states pose a threat to Canada if they are used as a launching pad or training ground for strikes against Canada or its allies. No less important is the prospect of a terrorist strike in the United States by individuals who might enter the US by way of Canada, or who may be Canadian citizens. Such an event would turn the border from a point of entry to a transcontinental barrier, dramatically slowing cross-border trade so central to Canada's economy.

The Proliferation of Nuclear Weapons and Their Means of Delivery

The possible intersection of radicalism and weapons

of mass destruction, while still a low probability, continues to pose an existential threat to the West and to Canada. Moreover, the risk of further proliferation of nuclear weapons and their means of delivery remains an ongoing concern. North Korea has nuclear weapons and an unpredictable leadership, while Iran has over recent years progressed towards a nuclear capability. The conclusion of an international agreement with Iran on its nuclear program has diminished the immediate threat, though the longer-term risk that Iran will develop nuclear weapons remains. India and Pakistan have large and rapidly growing nuclear arsenals, and Pakistan in particular has advanced in the miniaturization of new nuclear weapons, and faces the risk of an insider threat within its nuclear establishment. Western engagement with Pakistan, including its military, is critical to nuclear safety, as is the renewal of Canada's relationship with a post-accord Iran.

Climate Change

Changes in the natural environment, notably climate change and its impact on the Arctic, on food production, on weather patterns, and on the availability of water will be significant over the coming years, and will require governments to take steps now to help mitigate their worst effects. These developments, impossible to control and difficult to manage at the national and international levels, have significant implications for security. The potential for new trading routes through the Arctic and for an accompanying increased military presence there will raise issues of sovereignty and is bound to increase tension. Water shortages in other parts of the world will worsen, and the resulting migration and disputes over access to water will fan nationalism and potentially destabilize fragile states. This is already occurring in sub-Saharan Africa. A climate change strategy is therefore integral to our future security and a credible Canadian position on climate change will be expected at Paris in November 2015.

Transnational Threats

Beyond the risks posed by inter-state conflict, terrorism, proliferation, and climate change, there is another set of security challenges that often intersect with more traditional threats and that pose complex problems for domestic and international governance. These are such

transnational threats as organized crime, illegal migration and people smuggling, and global pandemics and other health risks. No country is immune to these threats, and Canada is no exception, as we saw with the SARS crisis in this country. These kinds of events — and the Ebola epidemic is the latest example — force us to redefine how we understand security, because they can, when sufficiently severe, challenge state institutions and the safety of citizens on an unprecedented scale. Moreover, these phenomena can intersect in unexpected ways with more traditional security concerns, exacerbating the challenges facing governments when dealing with a crisis. For example, terrorist organizations and organized crime often work hand in hand, so that the most powerful tools in disrupting terrorists can be, at least in part, economic and financial. Pandemics, if sufficiently lethal, can require national armed forces to aid the civil authority, as we saw with the Ebola crisis.

III. RE-PURPOSING CANADA'S INTERNATIONAL ENGAGEMENT

THE SHEER DIVERSITY of current regional and international challenges constantly pushes the capacity of Canadian foreign and defence policy to respond. Events such as the global economic crisis, Eurozone instability, the Arab spring, the Syrian civil war, the war in Ukraine, as well as the rise of the Islamic State have all tested our capacity to understand the full range of challenges today, to anticipate what may come next, and to make the most effective use of international policy instruments and institutions. Indeed, few would argue that, to date, those instruments have been wholly successful in dealing with those challenges. In a restrained resource environment, Canada must prioritize and invest in key institutional relationships to achieve its international goals, including at the UN, NATO, or the G7.

Canada's influence in international institutions and



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partnerships will depend on the assets we bring to bear in anticipating, understanding, and finding solutions to the collective challenges we face. Many of those assets are particular to us as a nation, whether a proven track record in developing balanced solutions to intractable problems, to highly deployable military forces, to our experience in accommodating ethnic diversity at home. Of course, what we can contribute will be affected by fluctuating defence budgets and shifting political priorities. It seems obvious, however, that any future Canadian government should focus on what we do best, and invest in the partnerships and institutions that resonate with our values and protect our interests. Canada will always do well in a world governed by the rule of international law, as opposed to a world dominated by the unilateral actions of big powers. Hence we have a strong stake in investing in an international system that works.

Naturally, where there are both pressures against and temptations for more extensive international engagement, Canada must prioritize what it is prepared to contribute and better communicate the rationale for its actions abroad through concerted public diplomacy. As a country with often large ambitions but limited resources, Canada must take a systematic approach to identifying the instruments it can wield most effectively and the institutions where it can make a difference.

In other words, we have to make choices. But we should make those choices explicit and present national priorities clearly in public foreign and defence policy statements. This is something Canadian governments have neglected for too long. A government's interests are best served through a clear articulation of its international policy, explaining the connections between economic pursuits, development goals and security imperatives. A re-calibrated public diplomacy effort is required to support and explain a multi-dimensional international policy that involves the simultaneous pursuit of economic, security, human rights, and developmental objectives.

What is important here is not only better communication with Canadians: citizens should be consulted appropriately on international strategies, and these strategies should be available to citizens in public documents forming the basis of those consultations. Not only are governments engaged more than ever internationally, but so too are provinces, cities, the private sector, NGOs

and citizens. All deserve to have their views heard on the government's plans and, where interests coincide, all can cooperate in the pursuit of clearly-defined international objectives.

Partnership is important in another respect as well, as we learned from our decade-long commitment to Afghanistan. One of the key lessons learned was how peace support or stabilization missions should adopt a "comprehensive approach". The lesson here was that the combat mission needed to be partnered with a training mission and with diplomatic and development initiatives to provide a comprehensive solution to the many challenges facing Afghanistan at that time. This strategy was whole-of-government to the extent that it involved a broad range of government departments and agencies, including our police forces. But the comprehensive approach goes beyond national governments to include partnerships with NGOs, with international organizations such as the UN, with foreign governments, and of course with local authorities.

What conclusions should we draw from this experience? We need to ensure that our diplomats, our military, our development experts, our police and other instruments of Canadian policy are able at all times to act together when faced with the next mission or unexpected crisis. We need to strengthen our capability to react in an integrated fashion, with a task-force approach, led by Foreign Affairs, that can mobilize expertise and assets not only within government but, when necessary, within our broader society.

We know that fragile and failing states can quickly become humanitarian catastrophes for the citizens of those countries. The refugee crisis emanating from the conflict in Syria is but the most recent example. But we also know that those situations can eventually threaten other states, including our own, when they incubate extremist or terrorist groups, criminal organizations, or even pandemics; the new threats that do not recognize borders. This kind of state breakdown can only be treated by the international community through a comprehensive approach. A military response alone is rarely sufficient. It is in Canada's interest to be able to contribute to these solutions, and this means having the capacity to act "comprehensively".

Recommendations

- 1 CANADA SHOULD REVITALIZE its diplomatic representation overseas, especially but not only in multilateral organizations, where our diversity as a society and our humanitarian traditions often enable us to act as a bridge-builder between entrenched positions. In terms of bilateral priorities, often it is more important to be present in countries where the challenges are the most difficult. That is where diplomacy is both hard but necessary. There should be a direct link between our diplomatic presence and the potential to advance our interests, strengthen just rule of law, and better serve Canadians. For example, we should re-open our embassy in Tehran and expand our representation in Islamabad.
- 2 STRONG ENGAGEMENT in multilateral institutions, such as the UN, NATO, the Commonwealth, la Francophonie, etc., has often been of tangible benefit to Canada, enabling us to understand the perceptions of our partners and to influence the international agenda in our favour. We should recommit to multilateralism, recognizing that compromise and persistence can often move the yardsticks forward on issues of importance to us. With regard to our international security and defence interests, NATO, NORAD and *Beyond the Border* should be treated as fundamental to our cooperative security arrangements.
- 3 IN ORDER TO RESTORE Canada's image and influence abroad, the government should develop an international public diplomacy campaign to support Canada's declared foreign, defence and development goals and explicitly signal a higher priority in Canada's international engagement, especially on key issues such as climate change.
- 4 A NEW GOVERNMENT SHOULD move quickly to task officials to develop foreign, defence and development strategies and options, intended to inform public discussion, for example through a White Paper. Drafting these strategies should be done simultaneously in order to address the connections and trade-offs that exist between the respective priorities

of each policy area.

- 5 A SPECIFIC INITIATIVE of a humanitarian nature that would build on Canada's inherent strengths and the new capabilities proposed in this paper would be to lead international efforts in fragile states to strengthen rights-based democracy that accommodates diversity. This would be consistent with Canada's support for institutions such as the Aga Khan's Global Centre for Pluralism located in Ottawa.
- 6 UN PEACEKEEPING HAS CHANGED since its heyday in the 1960s. Many more nations are prepared to offer troops for UN peacekeeping missions. Canada should make a tailored contribution to provide experienced military leadership to those missions, as well as enablers such as transportation and surveillance, and additional policy and financial support for the UN Department of Peacekeeping Operations.
- 7 AS A SIGN of the priority that Canada assigns to its collective defence obligations within NATO, Canada should develop options for a small yet politically symbolic rotational force deployment to Poland or one of the Baltic countries as part of NATO's reassurance and deterrence mission in Eastern Europe.

IV. STRENGTHENING CONTINENTAL SECURITY AND DEFENCE

CONTINENTAL SECURITY ARRANGEMENTS will remain a cornerstone of Canada's larger security and defence policy, not least because of the privileged relationship with the US that they entail. The Canadian government will face four continental security and defence challenges in the coming years.

The first arises from the fact that Canadian departments involved in public safety and security need greater capacity to share information, conduct exercises and

communicate effectively. There is scope to improve interdepartmental coordination at the federal level in all of these areas

A second concern is continental security cooperation with the United States. In 2010, Ottawa and Washington launched the *Beyond the Border* initiative, a new bilateral effort to construct a continental security framework that would better protect the continent while allowing for smooth travel and trade across the Canada-United States border. *Beyond the Border* has led to wider cross-border law enforcement cooperation, increased information sharing, and greater customs pre-clearance. But additional work is required. In particular, Canada and the United States should work to improve cooperation on the protection of critical infrastructure and generally to increase the continent's resilience to terrorist attacks and natural disasters.

Third, there is an increasing requirement to devote more resources and effort to respond to new security challenges in the Arctic. Building on cooperation in the Arctic Council, Canada is engaged in a diplomatic effort to resolve boundary disputes in the Arctic. If the Arctic Council lives up to its potential, Arctic states will have fewer security and defence concerns than they would have in an unregulated competition for sovereignty and control over resources. However, the hope that Russia would not engage in greater militarization of the Arctic is fading, and this is a shared concern on the part of Canada's NATO Arctic allies. In addition, as shipping, resource extraction, tourism, and travel in the region increase, there will be a greater need to track the movement of vessels, aircraft and people. Similarly, this expected increase in Arctic traffic will necessitate additional search and rescue capabilities in Canada's North.

A fourth consideration arises from the new threats at the strategic level. The unpredictability of the threat to the continent from a nuclear weapons-equipped North Korea, a more aggressive posture on the part of Russia, and the broader risks of nuclear proliferation suggest a need to review the earlier decision of the Martin government not to take part in continental ballistic missile defence. If Canadians want a say as to how North American cities will be defended in the case of an attack, the Canadian government will have to participate in continental bal-

listic missile defence. It simply makes more sense being in the room when decisions are being made in the defence of our continent, and our country, than being outside the room with no say at all. Furthermore, Canada's continued abstention from continental missile defence undermines NORAD's continued role as a bi-national aerospace defence command.

A fifth consideration is NORAD modernization. Canada and the United States will soon need to replace the North Warning System, a series of aerospace surveillance radars that detect incursion into North American air space. Canada is responsible for 40 per cent of the costs associated with the radars and maintains the sites. Replacing the current radars with a new system will be costly, yet Canada and the United States will need to upgrade this capability in order to provide an effective aerospace defence of the continent. Accordingly, the government of Canada must address how it will pay for the North Warning System upgrade given the already constrained budgetary environment.

Finally there are the non-traditional approaches to continental security – including vital space platforms, capabilities and services, and cyber networks. Our security at home is completely dependent on the assurance that these largely private sector services and capabilities will be reliable in performance and resilient against man-made or natural disasters. There is a state-level competition for access and control of space, and countries such as China have demonstrated their capacity to disrupt and destroy space-based platforms. Similarly, state and non-state actors are increasingly targeting the cyber domain. Given that Canada and US space and cyber infrastructure is increasingly integrated, we will need to enhance the integration of our abilities to anticipate threats and to defend against attacks on this critical infrastructure.

Recommendations

8 THE CANADIAN GOVERNMENT should bolster interdepartmental coordination in matters related to international and domestic security. This should include improved information sharing, routine exercises between departments and agencies, and strengthened crisis response and communication protocols.

9 THE CANADIAN GOVERNMENT should seek to advance critical infrastructure protection cooperation with the United States. In particular, Canada should explore how the two neighbours might strengthen the protection of non-physical critical infrastructure, such as essential software, electronic banking, and digitized information and communications systems.

10 WITH THE PROSPECT of increased activity and interest in the Arctic over the coming decades, the Canadian government should develop a plan to augment investment in Arctic reconnaissance, surveillance, and sovereignty enforcement. Budgetary provision should be made for renewal of the North Warning System.

11 CANADA SHOULD SEEK to formally join the United States' ballistic missile defence system. As part of its negotiations with Washington, the Canadian government should ensure it is involved in setting the system's operational protocols. In addition, Canada should seek to locate the continent's missile defence command and control within NORAD, thereby strengthening the binational command's status as North America's joint regime for aerospace defence well into the future.

12 CANADA IS A MEMBER of NATO, and therefore our NATO allies are already committed to come to our assistance in the case of an armed attack on our territory. As some countries increase their military presence in the Arctic, including Russia, we should discuss with our Arctic NATO allies how to improve deterrence in the Arctic. This should include the development of contingency planning within the Alliance in anticipation of any foreign military action directly affecting those NATO allies bordering the Arctic Ocean. Of course Canada would have to provide its permission for any allied operations in the region.

V. ANTICIPATING THE IMPACT OF NEW TECHNOLOGIES

IN THE LAST DECADE we have witnessed only the beginning of what promises to be a significant transformation of international security – in everything from conflict management to military doctrine and strategic policy – as a result of accelerating technological change. The U.S. has been at the cutting edge of this change, but others are catching up and are using new technologies to even the playing field. The two developments that already have had a significant impact are the military use of cyber and the deployment of unmanned aerial vehicles (UAVs) for surveillance, disruption and targeted killing. There are important policy issues posed by both developments that have yet to be fully addressed, and which are of direct interest to Canada and to the broader international community.

The revolution in information and communications technologies means, among other things, that the global economy has become increasingly dependent on virtual transactions enabled by electronic networks. Moreover, not only economic transactions but government and private sector operations, healthcare services, even personal relations and automobile travel, have migrated to the virtual world of cyber. The coming “network of things” will only deepen that dependency on electronic connectivity.

On the one hand, key parts of the cyber domain are now viewed as national critical infrastructure. On the other, the cyber world is in many respects a world without geography. Its global networks undermine traditional notions of state sovereignty, borders, governance and accountability. Cyber, to the extent that it reduces the importance of geography, allows conflicts abroad to affect us at home. These developments pose policy challenges going forward:

■ **Cyber defence/offence:** Military missions must now integrate cyber considerations and capability into both defence and offence, though a cyber attack

on the critical infrastructure of an opponent would be tantamount to an attack on civilians and would constitute a crime under the Geneva Conventions; if so, how would we respond to a cyber attack on our critical infrastructure?

■ **Hybrid Warfare:** Hybrid warfare is best exemplified by Russia’s “stealthy” invasion and annexation of the Crimea. It involves the integrated use of special operations forces, security and intelligence services, information warfare, and the backing of local insurgencies. Cyber is increasingly a component of hybrid war fighting, where states are increasingly resorting to asymmetric cyber attacks in an attempt to sow confusion or deter an enemy’s future actions, whether of a military or economic nature.

■ **The Dark Web:** So-called soft power, like globalization more generally, has recently revealed its dark side, where adversaries use the web as a way of influencing non-state actors to take up their political cause (i.e., “radicalization”).

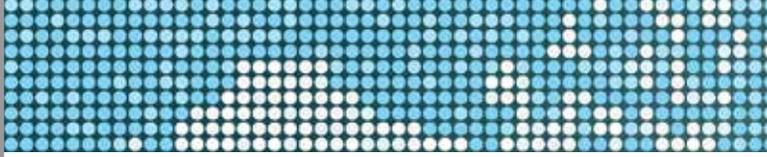
■ **The Cyber Security Dimension of Economic Policy:** A number of private sector security firms have now documented the extent to which some states (e.g., allegedly China) are directly involved in the theft of intellectual property from Western companies through cyber attacks, to the benefit of their State-Owned Enterprises. At the same time, SOEs are a significant source of foreign direct investment for many countries. The alleged close working relationship between some SOEs and military hackers means that when countries welcome those SOEs into their economies, they may also be inviting an unexpected guest to the party.

The cyber revolution is both challenging the way we think about security and defence, and transforming it. When cyber intersects with advanced aeronautics and robotics, the result is UAVs, which can translate attacks in the virtual world into attacks in the real world. UAVs epitomize stand-off war-fighting, since they can be controlled at huge distances. In this way, they share with the cyber world both the tendency to ignore borders and the

ability to conduct directed attacks against individuals. We could soon see the development and deployment of swarms of UAVs operating autonomously from a single platform, acting like an aircraft carrier in the sky. With much greater precision than bombing runs with fighters, such swarms could inflict comprehensive damage to the critical infrastructure networks of an opponent. Further, both state and non-state adversaries will increasingly have the ability to use these capabilities against Canada and our security forces, whether in missions abroad or within our own territory. Not only must we consider how to employ these new capabilities, we must be able to deter and defend against them.

UAVs also play another crucial role in the new armaments of modern armed forces: their ability to gather information that is then integrated into real-time, battlefield situational awareness. For example, the asymmetrical attacks on our forces in Afghanistan using IEDs posed a significant threat to our soldiers and a challenge to our mission. At least part of the answer to that threat came with the deployment of UAVs that could stay aloft for hours and watch for the placement of IEDs along roads used by the military. But UAVs are only the latest addition to a growing array of electronic platforms designed for intelligence gathering, platforms which produce information that can be integrated and analyzed through “big data” processing.

What does it mean for contemporary defence policy when the assets of an opponent’s armed forces can potentially be tagged and analyzed in real time? At minimum, early warning takes on a new meaning. Yet integration can also bring new vulnerabilities, including for example the development of anti-satellite weapons that could blind big data analysis at a crucial moment. Would such an attack become a trigger for conflict? Moreover, as automation in weaponry increases, whether in UAVs, in anti-satellite weapons or in “killer robots”, can international agreement be reached on regulating these technological advances? When a country has the lead in such technological developments, there may be a reluctance to agree to a self-imposed cap, at least until near competitors start developing and deploying similar weapons. These are policy questions that affect all countries because the technologies transcend borders and, ultimately, because they affect our own safety and security.



The fact is that whatever is procured for the Army, Navy and Air Force today will be with us for the next 30 to 40 years. Canada needs a military capable of adapting and responding to an increasingly unpredictable future.

Recommendations

- 13 CANADA SHOULD SUPPORT international efforts to negotiate “rules of the road” for acceptable behaviour in cyber space, as a means of tackling the problem of cyber-threats, both state-sponsored and by non-state actors. The Proliferation Security Initiative offers one model as to how rules of the road within national jurisdictions could be knitted together to create a new international regime.
- 14 FOREIGN INVESTMENT BY SOEs, or by other foreign enterprises with suspected or documented links to their domestic security agencies, requires vetting by the government that goes well beyond economic considerations. The government should develop a policy to ensure that both security and economic considerations are taken into account when approving FDI or the foreign acquisition of Canadian firms.
- 15 A COMMITTEE OF SENIOR OFFICIALS chaired by the National Security Advisor should be created to address cyber threats and to develop protection strategies.

VI. REDEFINING OUR UNDERSTANDING OF DEFENCE CAPABILITIES

IN THIS INCREASINGLY VOLATILE and unpredictable international environment, the mission of Canada’s Armed Forces remains timeless – to defend Canada and Canadians, to defend North America, and to promote peace and security abroad. These three core missions have always required the Canadian Armed Forces to be highly deployable, to be capable of being sustained at great distance, and to be inter-operable with US and allied forces. Surprisingly, not many allies can claim the

same: these characteristics of what we bring to the table in a military sense need to be protected at all cost. On the other hand, the functions required of Canada’s Armed Forces, the current domains in which Defence is acting, and the associated capabilities required to be effective as a force in today’s operations are not timeless. They too require agility, adaptability and flexibility.

What this means is that the Canadian government will need to decide the strategic and operational functions that our Forces must perform, as well as the capabilities required for our forces to be effective in operations, including combat at sea, in the air, on the land and now, as well, in the space and cyber domains. Defence procurement debates tend to focus on platforms, both the costs of platforms today, and the costs of sustaining them in future. The fact is that whatever is procured for the Army, Navy and Air Force today will be with us for the next 30 to 40 years. Canada needs a military capable of adapting and responding to an increasingly unpredictable future. That military – while constrained in size – needs First World quality in platforms and equipment if it is to do that.

Strategic and operational capabilities go beyond the traditional fighting platforms of land, sea and air forces. These less recognized functions include such things as the ability to understand the new security environment and to anticipate what is coming; the capacity to partner, to posture forces and material, and to practice in advance of crises; the ability to project military and security forces to multiple locations at home and abroad, and to provide for their protection and operational support in multiple locations concurrently; and the ability to preserve and utilize the space and cyber domains. These strategic and operational functions are all vital capabilities in their own right. They must be developed and resourced as energetically as major platforms and include:

- **Multi-level security data and communications networks** to integrate forces and sensors – nationally, bi-nationally, and internationally – and to link partners, while assuring network agility and resilience in the face of adversaries who target them
- **Command and Control** that enables individual missions, while providing leadership and support to planning, preparing and conducting a multitude of

missions at home and abroad concurrently;

■ **Surveillance in all domains** – maritime, air, land, space and cyber – to enhance understanding of current and emerging threats, and to provide vital information to security and defence forces conducting operations in all operational domains

■ **Force Protection**, and the means to provide for the protection of forces from physical, chemical, biological, and radiological attack, the security of critical infrastructure and materiel, and the protection of space and cyber networks

■ **Operational Sustainment**, including air/sea/land transportation, air and maritime lines of communication, supply, maintenance and repair, health and personnel services

■ **Space Operations**, especially the surveillance of space and space control: defence must leverage all forms of space exploitation including earth observation, communications and navigation

■ **Cyber Operations**, because the Canadian Armed Forces needs reliable and resilient networks, at home and available for contingency abroad, enabling multi-agency and multi-national interaction and interoperability as well as being able to deny the same to an adversary.

Defence requires the capabilities to anticipate, understand and prepare for contingencies and crises, as well to succeed in operations at sea, in the air, and on the land. Both traditional and these less familiar functions and capabilities are central to a modern defence capability, and to a responsive, adaptable and effective Armed Forces.

Today's defence budget is at one of its lowest levels in relation to GDP in decades. There is an incredible bow wave of major platforms coming in the next decade as other equipment reaches the end of its useful life. Adjusting the Defence baseline, as well as resourcing the less traditional strategic and operational capabilities described above, should be a major preoccupation for the new government.

Recommendations

16 CURRENT MILITARY PLATFORMS need to be upgraded or replaced, favouring quality over quantity, according to a long-term plan that both avoids gaps and is fiscally sustainable.

17 IN ADDITION, LAPSES in capital spending must be addressed and a program to deal with the recapitalization bow wave over the next 10 years put into place. This would apply both to major platforms as well as to the communications, intelligence, sustainment, space and cyber capacities essential to effective national defence and security operations.

VII. ORGANIZING FOR A MORE EFFECTIVE INTERNATIONAL ROLE

THE MOST SIGNIFICANT factor bearing on how to organize for an effective international policy and presence is the dramatically increased requirement, in Canada as in most countries, for:

■ **an understanding** of the future and a shared appreciation of our national interests and objectives

■ **awareness and rapid response** by decision-makers at the centre of government

■ **effective coordination** of different government capabilities (diplomacy, military, cyber, police, intelligence collection and analysis) in response to new threats and opportunities

■ **coordination of national decision-making** and response with that of our allies and, in our case especially, our southern neighbour

Meeting these 21st century requirements will call for significant new investments in central capacity, organized in effective support of government and prime ministerial decision-making. It will also entail some not insignificant changes in the broader operations of government and in the relationship between departments and the centre of government.

A matter of particular concern today is the need for a much more robust integration of these different policy and operational elements of the federal government. The dramatic increase in the speed at which issues and threats evolve, their now global interconnections, and the enormous increase in the sheer volume of information flowing into decision-makers – all of this requires a new capacity for institutional integration in the gathering and sorting of intelligence, in analysis and in operational response.

There are two key dimensions to the current organizational structure in Canada for international policy-making and operations: the first is the structure of ministerial portfolios, specific mandates and related bureaucratic support within the government; the second consists of the functions and structures located immediately around the Prime Minister. While both are important, it is the latter that have become increasingly central to how advice is given and decisions are made, and where policy options will be developed to meet more effectively the highly complex policy challenges that future Canadian Prime Ministers will face.

Recommendations for adjustments to the mandates and resourcing of the international policy and related intelligence units supporting the Prime Minister are set out below. None would require legislation or any significant change to the mandates of the departments and agencies in this sector.

Recommendations

- 18 SEPARATE THE FUNCTIONS of Foreign Policy Advisor and National Security Advisor in the PCO and divide current staff and related resources appropriately between them; appoint/designate a Foreign Policy Advisor. This separation of functions is essential to ensure the Prime Minister has the benefit of unvarnished information on threats and circumstances in addition to advice on policy and operations.
- 19 CREATE A STRONG LEADERSHIP and coordination capability on international security matters (including foreign policy, defence, and threats such as cyber and terrorism) at the centre of government to ensure that the Prime Minister has the benefit of robust advice and analytical support in all the areas that matter to him and to ensure that line departments are appropriately led, coordinated and challenged. Ensure that similar leadership and coordination capacity is present in PCO on matters of international development.
- 20 INCREASE RESOURCES IN PCO to support this expanded mandate for analysis and coordination, especially in the area of foreign intelligence assessment; consider whether increased resources are required in concerned line departments and agencies.
- 21 CREATE A MIXED COMMITTEE of Ministers (Foreign Affairs, National Defence, Public Safety, Justice) and officials (Clerk, National Security Advisor, Foreign Policy Advisor, Director of CSIS, CDS, and the DMs of Foreign Affairs, Public Safety, National Defence, Justice, Commissioner of RCMP and others invited as necessary) chaired by the PM, that would be convened as required to deal with specific threats and crises related to national and international security (along the lines of the UK's COBRA committee). The committee should be supported by the National Security Advisor and his/her staff.
- 22 MAKE THE CASE publicly and politically for devoting increased political attention, as well as increased resources, to all these dimensions of the federal government's responsibility for national and international security.

VIII. BOTTOM LINE

THE POLICY RECOMMENDATIONS outlined in this paper are based upon a realistic assessment of Canadian interests and an appreciation of enduring Canadian values in an evolving international environment. It is crucial that a future government be clear-sighted about what assets we bring to the table as a nation. We cannot do everything, but our society and our traditions equip us to make a unique contribution to the collective effort of meeting today's many international challenges. Yet the international context, just like Canada itself, is changing. The need to constantly adapt to this new reality affects governments just as much as it does the private sector or individual Canadians. Hence we have focused on policy responses to a highly dynamic set of challenges that the government will face over the coming mandate.

The broad conclusions of the foregoing analysis are fairly straightforward. At the start of the next mandate, any government will need to devote more time and resources to:

- **Canada's diplomatic engagement and presence abroad**, especially in the multilateral context where the solutions to the most complex challenges must be found
- **the central functions of planning, policy-making, and coordination** in the area of national and international security, including closer cooperation with the United States
- **the essential human and technological capabilities** to support and sustain a modern, combat-capable Canadian Armed Forces
- **the capacity and resources** necessary to anticipate, prepare for and lead a successful, multi-faceted Canadian effort in international development, human rights, and trade relations

The international security and defence environment has entered a period of rapid and often unpredictable change. Globalization has brought enormous benefits

economically and technologically, and has facilitated the spread of democratic ideals to every corner of the globe. But globalization has also created conditions of increased risk – for the spread of extreme ideologies and nationalism, for threats to our electronic infrastructure, for the proliferation of weapons of mass destruction, and for climate-induced conflict and competition.

While it is impossible to predict with certainty the specific threats that will engage the next government over the course of its mandate, we can take steps now that will ensure we have the capacity to act when threats do occur. While some of this capacity will require increased expenditures, we have sought to demonstrate that what is most important is better governance: improved cooperation within government, and between governments and with citizens; stronger policy capacity; better systems and processes; consultation; and an openness to the world and to international collaboration that reflects our history and our spirit as a people. ■

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This report was prepared as a group product by the co-authors listed below, who were convened as members of a study group organized by the University of Ottawa's Centre for International Policy Studies. All co-authors contributed in their personal capacity.

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