

## **Trudeau Foundation Project Proposal**

### **Canada's Role in the Indo-Pacific** **A '3 geos' analysis of trans-Indo-Pacific relations and futures**



Submitted by [the Fellowship candidate], as nominated by [the Host Institution]

## Intro

In 2007, Japanese Prime Minister Shinzo Abe was invited to address the Indian Parliament. His speech, "Confluence of the Two Seas", publicly declared a new dynamic that had been developing over the past few years. Abe stated: "*The Pacific and the Indian Oceans are now bringing about a dynamic coupling [...] I feel that it is imperative that the democratic nations located at opposite edges of these seas deepen the friendship among their citizens at every possible level.*" Abe made clear what those in the region knew already, the trans-Indo-Pacific age had officially begun, and is actively being reshaped.

Since then, the reshaping has accelerated, with even the smallest countries of the Indo-Pacific coming into play. Most recently, in November 2014, India's Prime Minister Narendra Modi and China's President Xi Jinping visited Fiji within days of each other to try to build relations with the leaders of the 14 tiny Pacific Island States.

All this is happening in Canada's Pacific backyard. Our Atlantic policies are well developed. Our Arctic policies are being actively discussed. However the third sea in our sea-to-sea-to-sea is often less examined, even though enormous amounts of trade pass through our Pacific ports to and from the Indo-Pacific, there are a growing number of Canadians who have ancestry from the Indo-Pacific, and the strategic shifts in the Indo-Pacific will undoubtedly affect Canada. Also, if transit through the Canadian Arctic increases, the Bering Strait choke point will increasingly link our Arctic future to our Indo-Pacific one.

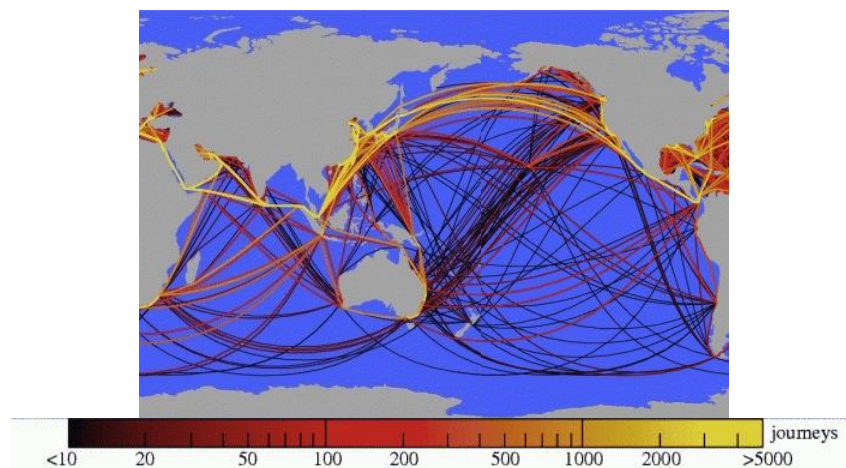


Figure 1 Indo-Pacific trade flows. From: 'The complex networks of global cargo ship movements', Pablo Kaluza et al., *Interface: Journal of the Royal Society*, 19 January 2012

So far, little open research or debate has been conducted on Canada's role and options in a rapidly changing Indo-Pacific. The pieces are out there, and many of them reside within the vast experience of those in the Trudeau Community. This

project of will bring them together to highlight and examine what this 'confluence' might mean for Canada. What are our options, opportunities, risks and challenges?

This interdisciplinary project, will primarily be led by [the Fellowship candidate] in conjunction with, and hosted by, [the Host Institution].

This project is a chance to get ahead of one of the key geostrategic shifts of our times, and to help ensure that Canada is helping to craft that future, not simply react to it.

## **The Indo-Pacific and Canada**



In geopolitics, the term Indo-Pacific was first popularised in the 1920s by German General Karl Haushofer. The region was roughly bookmarked by the east coast of Africa and Hawaii. In the past decade or so, the term has taken on new importance, and expanded -- arguably to the Pacific coast of Canada.

In economic and strategic circles the 'Indo-Pacific' is increasingly used to frame the interconnections between the region's coastal and island nations, including China, Japan, South Korea, Indonesia, Singapore, Australia, India and, by some counts, dozens more. These nations, comprising at least 2/5<sup>th</sup> of the planet's population and some of the world's strongest economies, are increasingly bound together by trade flows, while at the same time fracturing along strategic lines.

The US's 'Pacific Pivot', India's new 'Act East' policy, and China's 'Maritime Silk Road' are all enmeshed with the Indo-Pacific. The tensions are mounting. For example, China is moving into the Indian Ocean, with enormous trade flows through the region, bases in Bangladesh, Sri Lanka and Pakistan, and growing political ties across the region. China says the reason is resource access. It seems understandable. The Indian Ocean is overtaking the Atlantic and Pacific as the world's busiest trade corridor. One-third of the world's bulk cargo and around two-thirds of global oil shipments pass through the Indian Ocean. Much of that is heading towards the Pacific. And China says it needs the bases to secure that flow.

Others are concerned that China's moves into the Indian Ocean are more purely strategic. Partially as a result of those concerns, India has been welcomed into the Pacific and is rapidly developing closer economic and defence ties across the region, in particular with Vietnam, Japan and Australia.



Figure 2 Canada's economic footprint in Asia.

Meanwhile, Australia, a major exporter to the region, is trying to position itself as a key player in the Indo-Pacific. Most recently it discussed membership in the US-Japan-India strategic grouping – a grouping that Beijing thinks targets China, and those involved frame as a coalition of like-minded democracies.

The three main reasons for Australia’s engagement in the Indo-Pacific were made clear in 2012 by Rory Medcalf of the Lowey Institute for International Policy:

“Australia is entering an Indo-Pacific age by dint of: 1) our geographically-defined interests and our economic-societal enmeshment with Asia, including India; 2) the rebalancing imperatives of the US alliance; 3) and, most importantly, the fact that the major states of Asia now have some fundamental economic and strategic drivers – many involving the sea -- that compel them to look to each other’s neighbourhoods, beyond the erstwhile barriers of Southeast Asia’s straits and archipelagos.”

For all those same reasons, Canada should examine its own role and options in the ‘Indo-Pacific age’. In a sign of how much we need Canadian analysis on the region, one of the few discussion papers on the topic, *Canada, the Asian Century and the Indo-Pacific* (2012) was written by an Australian, Dr. John Blaxland, for the Australian Strategic Policy Institute. In his paper, Dr. Blaxland points out that Canada is closer to many parts of Northeast Asia than Australia.

Does Canada have the potential to be as much of an Indo-Pacific country as, say, Australia? Is this something Canada even wants? Is it something Canada can ignore? This project will highlight and examine the dynamics of trans-Indo-Pacific relations, how the region might change, and Canada’s roles and options as an Indo-Pacific nation.

The outcome can reshape how Canadians see the world, and their place in it.



Figure 3 Time to reimagine Canada's place in the world?

## **Methodology**

This is a vast topic. The Indo-Pacific is diverse and highly dynamic. It will be necessary to ensure the fundamentals are covered, while selecting the focal points critical for Canada. This will require engaging with a wide range of experts and stakeholders, and a three-phase process.

### **The '3 geos'**

The project uses a '3 geos' methodology, ensuring no major factors are missed. The methodology, first created by [the Fellowship candidate] for uses with food security analysis for [the intelligence service of country Z], is currently being tested and refined by [the Fellowship candidate] in conjunction with the [military training institution of country A] for use as a widely-applicable strategic assessment tool. At its core, it is very simple. It just ensures that any assessment covers the '3 geos': geopolitical factors, geoeconomic factors, and geophysical<sup>1</sup> factors. It is a way of ensuring the obvious questions have been asked, and that assumptions made in silos are challenged before being enshrined.

For example, ten years ago, most economists would say the Chinese economy was growing and was actively seeking resources, even in high-risk investment areas (geoeconomics). Most strategists would say there was an - admittedly tense - alignment of Russia and China, and that China was fast becoming a maritime power (geopolitics). And most climate experts would say that the Arctic was becoming more navigable, and that the Russian Arctic was opening up faster than the Canadian Arctic (geophysical changes).

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<sup>1</sup> In this context, 'geophysical' is taken to mean physical or 'real world' factors that have large-scale - and potentially trans-border - implications, for example climate change, demographics, groundwater depletion, etc.

However, even with all those pieces apparent to those in their silos, very few were putting them together and identifying China as a growing Arctic power. Today China has one icebreaker and another on order. It has observer status in the Arctic Council. China has teams of policy analysts and scientists working on its Arctic positioning and there are an estimated two to three million Chinese nationals operating along the Russian Arctic Coast. China is in the Arctic to stay. A 3 geo



Figure 4 China's icebreaker, the Snow Dragon.

exercise may have uncovered some of these deeply interlinked factors earlier, and allowed Canada more time to decide how it wanted to position itself in the new reality. The '3 geos' are mostly about challenging assumptions and getting a good range of people 'in the room'. This mechanics of this process will be described in greater detail in the 'when' section.

three phases of the project.

The 3 geos methodology will underpin the

## The Phases

### **Phase One: Understanding the Indo-Pacific**

The first phase involves a *tour d'horizon* of available research, experts, stakeholders and, ultimately, of the region itself, and of Canada's current levels of engagement.

Initially, it is a process of wide enquiry, guided by the 3 geo methodology. It involves discussions with willing members of the Trudeau community, engagement with [the Host Institution's] diverse and multilingual network of experts, literature review, and identification of nodes of Indo-Pacific/Canada expertise. This could be, for example, Canada experts in think tanks based in the Indo-Pacific, trade and political experts posted in the diplomatic missions of Indo-Pacific nations in Canada, scientists assessing impacts of demographic and climatic shifts on the Indo-Pacific, and/or chambers of commerce focusing on Canada's trade in the region, etc.

The diverse intellectual treasure trove of the Trudeau community is of particular value. As a small example, Professor Jennifer Clapp's work on global food policies and economics, Professor William D. Coleman's work on globalisation, Professor Eric Helleiner's work on international monetary relations, Professor David Ley's work on Canadian immigration, and Professor Irvin Studin's work on Canada in the world would all greatly enrich the project.

This phase is primarily led by [the Fellowship candidate], assisted by a research assistant provided by [the Host Institution] against a background of active exchanges of ideas with the wider Trudeau and [Host Institution] communities.

The research **outcomes** of Phase One are the identification and development of a network of expertise for the project, as well as the choosing of the major geographic and thematic areas of focus. For example, the project may choose five pivotal countries to research more in depth -- India, China, and Australia are likely, but the other spots on the list may be filled by Russia, Indonesia, Japan, Vietnam, or even a pivotal small state such as Tonga.

Similarly, the thematic areas most likely to be of importance to Canada are identified, keeping in mind the four cardinal points of the Trudeau Foundation. Likely contenders are energy flows, agriculture and demographic shifts. However less obvious choices emphasising human rights and responsible citizenship may jump into clearer focus with more research.

A particularly exciting element of having this project hosted at [the Host Institution] is that traditionally there has been little English-language analysis of French strategy in the Indo-Pacific (France directly controls vast territories in both the Pacific and Indian Oceans). Working in a bilingual team will allow an uncommon and valuable level of analysis.

#### **Public outreach:**

**Website.** The project's website will grow with the project. Initially primarily framing Canada within the context of the Indo-Pacific, it will then add links to published research, research nodes, publications, interviews, etc. It will function as an open and evolving window into the development of the project, and offer media an access point for the experts identified. It will also feature relevant, short 'expert commentaries' by those involved with the project.

**Media.** [The Fellowship candidate] will engage with her media outlets (i.e. [names of media outlets]), augmented by [the Host Institution's] own extensive media networks (including its own tv show) to provide frequent topical commentaries and briefings on news stories relevant to the project (i.e. Prime Minister's Harper's visit to Australia, or a new development in the Trans Pacific Partnership).

**Academics.** [The Fellowship candidate] will give public talks through her existing network of academic and think tank linkages outlining the project and eliciting debate that can help inform the research. [The Host Institution] has also offered to hire [the Fellowship candidate] to teach university-level summer intensives in the subject area.

**Briefing Paper.** This phase will be capped by a Briefing Paper outlining the Phase One findings. In particular, it will aim to answer the questions: what is the Indo-

Pacific? What are its primary drivers? What is Canada's current role in the region? The paper will be focused, accessible and policy relevant. It will be launched at a public event in which key participants present the findings and then discuss them in a Q & A.



## Phase Two: A Changing Indo-Pacific

### **'Geopolitical Articles of Faith' (GAFs)**

1. Western 'culture' **is/is not** exceptional and the epitome of development.
  2. The Chinese Communist Party (CCP) **is/is not** expansionist beyond what is required for China's economic security.
  3. The CCP **is/is not** committed to current international systems.
  4. China's economy will **grow/stagnate/collapse** by 2022<sup>1</sup>.
  5. The US **will/will not** militarily defend its Asia-Pacific allies in a time of crisis.
  6. The US dollar **will/will not** be the global reserve currency by 2022.
  7. India **will/will not** be more than a regional power by 2022.
  8. Wahabbism/Khomeinism **will/will not** be a major, global destabilizing factor by 2022.
  9. The price of oil will **spike / drop / stagnate / fluctuate / stay stable** between now and 2022
  10. Environmental change **will/will not** have a major effect on economic growth, stability and infrastructure by 2022.
- 1. The 2022 timeline is chosen as China's President Xi Jinping is likely to be in power until then so China, at least, has certainly planned at least to this horizon.*

This phase is more creative. Once the general geographic and thematic foci are identified, the project uses a 3 geo methodology to try to identify potential major Indo-Pacific trends and shifts, with 2018, 2023, and 2050 time frames (the 2050 time frame is obviously largely speculative, but it may inform shorter term policy by allowing the exploration of drivers that are more apparent over a longer time frame, such as climate change and demographic changes due to aging populations).

This phase involves interdisciplinary research framed by the 3 geo methodology, punctuated by approximately half-a-dozen 'scenario exercises' to try to explore less obvious possible futures, and to identify and challenge common assumptions. The first three exercises will be managed by professional scenario facilitators who will at the same time train members of the team to run the subsequent sessions on their own.

[The Fellowship candidate's] previous research identified 10 key Geopolitical Articles of Faith (not coincidentally known as GAFs – i.e. potential misconceptions) that tend to underpin most strategic foresight (see box). These GAFs may be very deeply held by individual strategists, but all benefit

from regular examination and discussion.

The scenario exercises, usually taking half-a-day, are conducted within [the Host Institution], and with a specially convened cross-section of interested parties (willing victims?), including members of the Trudeau Community. The goal isn't to find 'right' answers, but rather to make sure nothing major is missed because the right questions weren't asked.

The research **outcomes** of Phase Two include a [Host Institution] Working Paper and a major Briefing Paper looking at potential changes in the Indo-Pacific. Additionally, we would assemble a multi-authored book (each chapter written by a different author) that explores speculatively, but with academic rigour, a range of possible scenarios for the Indo-Pacific with the goal to spur widespread debate

([The Fellowship candidate] contributed to a related book, [*Book Title*], published in [year of publication] by [country C's naval think tank] that focused on the current situation in the Indo-Pacific. The positive response to the book showed that, internationally, there is a desire for more on the topic). Additional **public outreach** will include a continuation of the initiatives begun in Phase One (website, media, academic outreach and engagement).

### **Phase Three: Canada's Role in a changing Indo-Pacific**

This phase continues the work done in the first two phases, but adds a sharp focus on the policy implications of what the findings might mean for Canada's trans-Indo-Pacific relations.

For example, say in Phase One it was determined that a key region of interest is India, and a key focus area is the energy sector. Then, in Phase Two, it was determined that it seemed likely that in the 2018 frame, India would focus on developing its nuclear power generation. And it within the 2023 time frame, India was likely to start exporting that civilian technology to previously non-nuclear powers.

Currently, Canada is primarily looking at the immediate situation, and is keen to start uranium sales to India. Does the possibility that India may export nuclear technology affect that position? Does it offer other opportunities for cooperation (say in co-developing new generation reactors) that might help to change the currently negative view of India's strategic community towards Canada. Looking forward to 2050, will demographic shifts pull Canada and India closer together anyway, giving more reason to speed the growth of a fellow democracy? Or should Canada close the doors on nuclear cooperation with India completely? In that case, should Canada at the same time acknowledge India's imperative for energy security by offering access to Canadian hydro technology and/or fossil fuels? Or offer these in addition to uranium?

Similarly, Phase one may show that, currently, China is facing a potential food crisis and is reaching far and wide to secure supply, including, for example, buying vast tracks of alfalfa fields around Prince George, B.C. The alfalfa is exported to China, leaving some Prince George ranchers now in the position of having to import alfalfa from southern BC, dramatically increasing costs and potentially driving them out of business. Phase Two might see this trend increasing, at least until 2018. What happens after will depend on if there are changes to Canadian regulations. By 2050, China's food supply problems are likely to increase, unless there are technological breakthroughs.

So, in Phase Three we explore how Canada should approach being a food exporter in a time of food insecurity. Should we continue a free market model that assumes wheat, for example, is a commodity to be traded on the open exchange? Or should we start to think of some of our supply, as China does, as a strategic asset that has

added value in places of scarcity. Should Canada consider long-term supply deals that leave the land in the hands of Canadian farmers but ensures supply and price consistency for overseas buyers, in particular ones that Canada wants to build strategic relationships with? Or do we trust the market?

Apart from using now established networks to refine the focus, this phase also features a bilingual public workshop on Canada's Indo-Pacific options in Canada, and the possibility of another one, with regional experts, in India.

The research **outcomes** of Phase Three include a series of short Briefing Papers exploring narrowly focused policy questions, such as those above, and a single authored book by [the Fellowship candidate] that summarises the findings of the entire project. The additional **public outreach** will include a continuation of the initiatives begun in Phases One and Two (website, media, academic outreach and engagement). Once the project is complete, the website will stay with [the Host Institution].

The overall outcome of the project is threefold:

1. Raise awareness of trans-Indo-Pacific issues, and their relevance for Canada.
2. Establish and nurture active networks for those in Canada and abroad who are interested in Canada's role in the Indo-Pacific.
3. Help Canada, and Canadian policy makers, reimagine Canada's place on the map – so that Canadians can play an active role in shaping our sea-to-sea-to-sea future.

This project is interdisciplinary and future-oriented. It has the potential to help inform and shape our discussions about Canada's future.

There is an urgent need for Canada to take a serious look at the Indo-Pacific. Currently, in spite of economic ties and geographic proximity, Canada's voice is rarely heard.

The economic, political and security architecture of the region is rapidly evolving. Whether we like it or not, dramatic changes are taking place that *will* affect Canada.

**[Draft Timeline not for public view]**