

# STRATEGIC OUTLOOK 2024

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In Memoriam

The authors dedicate this Outlook to Brian Mulroney, one of Canada's great and most internationally engaged Prime Ministers.

# STRATEGIC OUTLOOK 2024

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Their input was seminal, the output is authors' fault alone.

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We wish to thank David Andelman for his input.  
He can be read at <https://daandelman.substack.com>

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## INTRODUCTION

The year 2023 was marked by shifting areas of violence and instability, touching every continent. Though much of the western world's attention has been directed towards Ukraine and Gaza, there are nonetheless other conflicts and trends emerging from these conflicts which must be understood in the context in which they are occurring.

Geopolitical competition has created a fluctuating multi-polar world driven by parochial national interests. States, not limited to Russia and China but regional actors such as Turkey, Saudi Arabia, North Korea, and Iran are acting in a more provocative and proactively independent fashion unconstrained by either alliances or adherence to previous international norms. Military technology and political / financial support extend outwards, even beyond these nations' immediate regions, intensifying or invigorating existing conflicts.

Iranian drones feed the Russian war machine, aided by North Korean munitions supplies. In turn, Russian technology feeds North Korean missile technology and Iranian advances, as well as maintaining mercenary forces in Africa. China (and others) provide a continuing market for Russian commodities, financing its Ukrainian war while also providing access to embargoed industrial and technical components to Russia. Iran finances terror groups and everyone fills the vacuum caused by US sanctions in places like Cuba, Venezuela, and further afield.

Elsewhere, with the continuation of terrorist acts throughout the Sahel strip, the multiple coups d'état in Africa, the violence inflicted on Iranian women by an archaic religious regime, the near civil war in Myanmar, or the daily phenomenon of despair of migrants sinking in the Mediterranean or drowning in the Rio Grande, one may ask what values do we uphold? What institutions represent us in the well-being of humanity?

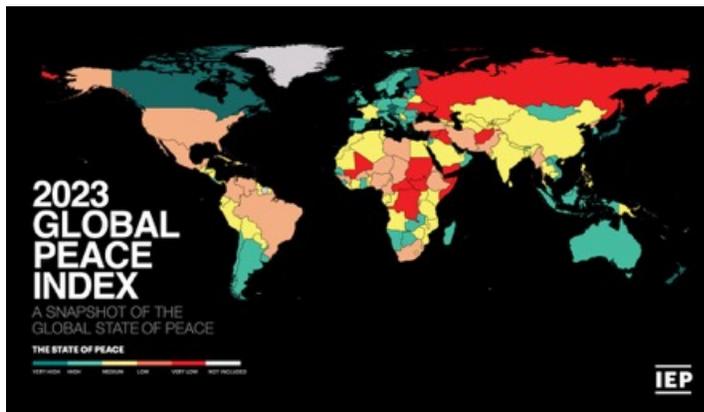


Figure 1 - Global divides on stability (GPI 2023)

years of benign neglect, the country must rebuild the primary institutions which produce strategic international effects, namely the entire institutions of defence and foreign affairs. The need for these investments' flies in the face of rising indebtedness and the need to spend monies on incipient crises in housing, health, and immigration. All Faustian choices await, driven by what we can afford and what we are willing to give up.

The political, social, and moral disintegration that is occurring is a formidable wake-up call for Canadians feeling immune to the vagaries of the world as we feel sheltered by our three oceans and our vast territory, and a sense of security as to our neighbourhood. Yet, uncertainties of today's world compel Canada to revisit two fundamental questions: what Canada's strategic prospects are and what are the means it must muster to safeguard its interests.

Addressing these questions could not come at a worse time for Canada. After

If there is one thing that the last few years have taught us, it is the uncertainty in all areas and the unpredictability of the political world.

The invasion of Ukraine on February 24, 2022, created a movement of solidarity among a group of countries which shared the feeling of horror in the face of Russian aggression. But it also enshrined the emergence of multi-polarity, with most established democracies siding with Ukraine. Other nations, mostly identified as totalitarian, sided with Russia, or were part of a cohort that did not care much at all. (See maps in the Ukraine War analysis).

In other words, the defenders of the established order, based on democratic principles and relying on the multilateral framework of the United Nations to work out solutions to conflict and to manage crises on the international scene, faced those who denounced the imposition of norms that they rejected.

This is why Francis Fukuyama's theories about the end of history were illusory, misunderstanding short-term currents for long term trends, ignoring random or contradictory subterranean impulses. Obviously, as soon as a marked instability is established in an international system, reflecting inequalities much more than course corrections, it is the foundation of the system that is called into question, from the Bretton Woods institutions to the attempts to absorb crises such as climate change. The reason for this is simple: these negotiations highlight the balance of power, and it is that balance that shapes the movement towards cooperative solutions.

These tectonic movements, heralded by the 2008 financial crisis, took on the appearance of real political-military tsunamis including identity irredentism as one of the symbols of loss of confidence. These movements also symbolize the inevitable march towards a conflict between the tutelary American power and the aspiring Chinese power, already at a stage well beyond emergence. The Russian attack on Ukraine is the result of Putin's erroneous perception that the developing US neo-isolationism would be perpetuated as a form of American acquiescence by Trump's old and frail successor.

It is undeniable that the values that the Western world has wanted to impose on the rest of the world have crumbled as much in light of the deep divergences in this world that we thought or hoped united, under the banner of American leadership, as well as the legitimate resurgence of profoundly different conceptions that go beyond the divide between democracy and authoritarianism or consumer society, such as egalitarianism, moral aspirations, and syncretism. The real challenge or drama is that the search for a single royal gateway is futile. The failure of multilateralism is proof of this.

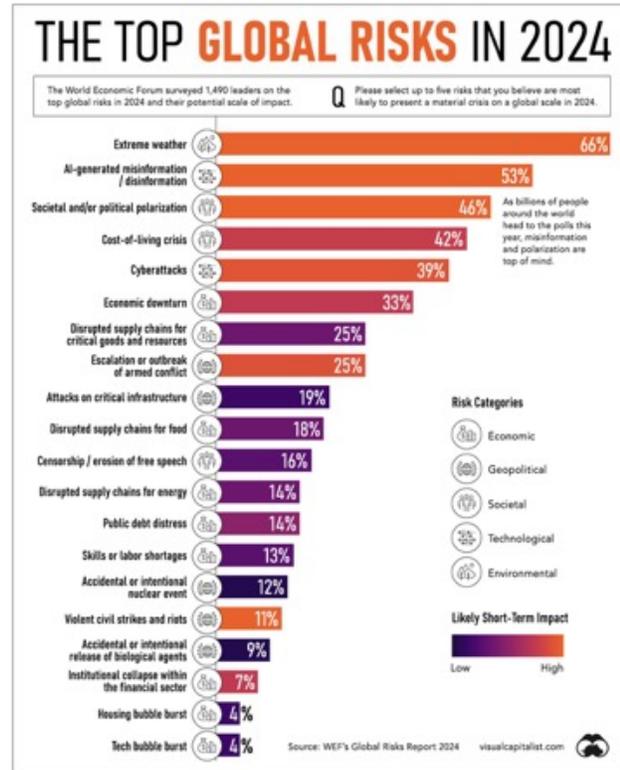


Figure 2 WEF assessment of all Global Risks

## THE WORLD WE (AND 2024) INHERIT

We are in the midst of an epochal change.

The international order, and adherence to its underpinnings, are slowly being abandoned. At the end of the Second World War, many nations realized that order had to emerge out of the chaos that brought on that conflict. Nations were committed to the notion that certain fundamental understandings were needed.

The Second World War gave birth to the Atlantic Charter, the UN Charter, the Paris Peace Treaties, the Universal Declaration of Human Rights, the Fourth Geneva Convention, and the Genocide Convention. The Bretton Woods Agreement and the creation of a series of international economic institutions were also a key component of post war planning.

These conventions, and post war plans, were developed during wartime conferences in Argentina, Quebec, Casablanca, Yalta, Washington, Bermuda, and Cairo amongst others. The conferences began as early as 1941 and established the post war order. Even while fighting for the unconditional surrender of the Axis Powers, the Allies consistently and concurrently had an eye as to how the war would end, and what would come after. The conventions clearly covered codes of conduct, how wars should be fought, excesses constrained, and how disputes might be negotiated, solved, or controlled.

In the world these conventions created, arms limitation agreements were possible; the United Nations, and particularly the Security Council, mattered; peace treaties occurred as a consequence, and peacekeeping became a viable enterprise -notably in 1956 when Canadian Prime Minister Pearson proposed its first iteration. It is noteworthy that in the near 80 years since the Second World War, no major conflict erupted, at least not to the scale that would engulf the world as it had on two occasions previously. The Russian aggression against Ukraine ranks a notch below but represents a significant danger.

The year 2024 constitutes an inflexion point. In essence, elections in nations representing nearly half the world's population will determine if there is still adherence to the principles that animated international relations, global economic associations, international legal frameworks, and their corresponding structures towards what increasingly appears to be a multi-polar world of shifting transactional alliances based solely on national self-interest.

India almost serves as a poster child for the emerging way of things. It is allied with the US, Japan, and South Korea in the Asian QUADs as a counter to China, yet it has emerged as a near ally to Putin's Russia. At the same time, Russia and China are emerging as an economic and political polarity. Within international legal frameworks, China and Russia have played heretofore important roles, notably in enforcing international UN sanctions on North Korea, but now suddenly Russia is exchanging technology for ammunition with the latter, undermining even that element of international cooperation.

Unlike some epochal changes in nature, where transformation can be traced to a singular event, changes in our times are occurring slowly, just as erosion gradually alters a landscape. While no specific moment is the fulcrum point of this change, there are several which indicate it is occurring.

For China, that point of change can be traced to 1987 and the Third Taiwan Strait Crisis. Having been forced to step back due to the presence of U.S. Carriers in or near the South China Sea, there was a sense that the international order was more of a constraint on China rather than an enabling structure permitting China to fully meet its potential as a global power. That starting point marked the beginning of rapid military expansion. Its first carrier construction and concurrent learning process began the year after. The late 80's and early 90's under Deng Xiaoping provided China with economic reforms which gave China decades of economic growth, underpinning its growing military prowess.

In the years that followed, the concept of the two-island chain defence in depth began to take form. Equally, the principle of “one China” accelerated what had begun in 1971 with the mainland government being recognized as “the” government of China. While logically, Taiwan would have then become an independent state, the existence of the Chinese veto on the Security Council ensured that an independent Taiwan would not and could not be recognized as a “nation” in the UN, starting the state of ambiguity with respect to Taiwan. On its face, nations stopped referring to Taiwan in all manner of things from flight schedules to commercial and diplomatic representation, reverting to Chinese nomenclature so that by 2023 only thirteen nations recognized Taiwan as an independent state.

In line with China's position on Taiwan, and its increasing military wherewithal, China began a program of establishing fulsome control of various contested reefs in the South China Sea and, through a process of terra-forming, created wholesale islands. China did so notwithstanding the acknowledged structures of the post-world war order. The UN, the Security Council, the international courts of arbitration to interpret the Law of the Sea, and adherence to other rules-based organizations were simply ignored as if they no longer existed. In turn, the West's response, primarily led by the United States, took on a military aspect with greatly increased air and sea patrols in the South China Sea to reinforce the principle of international waters and freedom of navigation, giving force to understandings of the post-war order. However, it is shoring up an order that China simply does not recognize.

Another point of change may have been the world's reaction to the Russian stealth invasion of Crimea in 2014, and the support to the breakaway provinces of Luhansk and Donetsk. The point here is not to argue whether there was or is any validity to Russian claims but that the rules of international order, which forbid territorial expansion through the use of force, were not responded to in any fashion through established international structures. The UN itself became irrelevant as the Russian veto in the Security Council removed any possibility that the UN, whom many nations had thought of as the ultimate arbiter of international disputes, would play any role.

The response was left to individual nations, which responded with varying degrees in a patchwork quilt of “elective” sanctions. What is important to note is that at no time was there a singular collective response based on the structures and treaties that had been established post Second World War.

Throughout the 1990s, after the dismantling of the Berlin Wall and the breakup of the former Soviet Union, there was a brief period when the “international order” was maintained. The UN played a role in all conflicts, notably in the Balkans, but also in places like East Timor. Though international institutions were not active participants, the negotiations underpinning the dissolution of the USSR and the recognition of an independent Ukraine, as well as agreements over nuclear weapons, the status of the Russian Black Sea Fleet, and the naval base at Sevastopol, were also

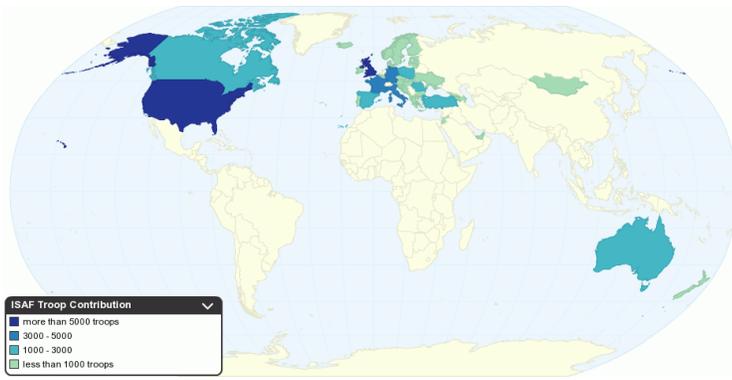


Figure 3 - Nations that contributed to ISAF / GWOT

negotiated within the body of rules and structures that characterized the “world order”.

In that period, the U.S. emerged as the single superpower and played pivotal roles reinforcing the global order that it was instrumental in creating. That role, and the brief period in which the U.S. was akin to the godfather of the planet, started to erode in the early years of this millennium when nations like China and Russia began to see that order as not being in their self-interest.

Concurrently, in the aftermath 9/11, the U.S. emphasis on the Global War on Terrorism in multiple regions and fronts had the net effect of accelerating selective participation in the established order of things.

The apprehensions of U.S. leadership and the order it founded could be traced to actions in Afghanistan, Iraq, Africa and Libya and elsewhere.<sup>1</sup>

In the case of Afghanistan, many nations were supportive of the U.S. and subsequently NATO leadership of the Afghan war which was also supported by the UN. Yet all that goodwill and effort was squandered as there was never an overarching vision for an Afghan end-state. Though many will claim there was, the means of achieving that aim fluctuated enormously through successive U.S. administrations, producing the roots of U.S. neo-isolationism that would become glaringly evident around 2015. Afghanistan must also be seen in the light of the U.S. intervention in Iraq. U.S. leadership, attention, and wherewithal being diverted from Afghanistan to Iraq led to the famous Admiral Mullen quote: “In Iraq we do what we must, in Afghanistan we do what we can.” And so, the one grand international enterprise was well on route to failure and, subsequently, the mishandled evacuation.

From a multilateral perspective, the international order led by the U.S. could not deliver, calling into question the faith in internationalism when its leader could not be counted on. It was not just Afghanistan, but also the rationale behind the coalition forming effort for Iraq. The lingering doubts introduced by the U.S. Secretary of State’s misleading rationale for the incursion into Iraq further eroded confidence and trust.

The final wedge in international confidence came from the incursion into Libya in 2011. A civil uprising in Eastern Libya against the Gaddafi regime threatened to develop into a massacre. In response,

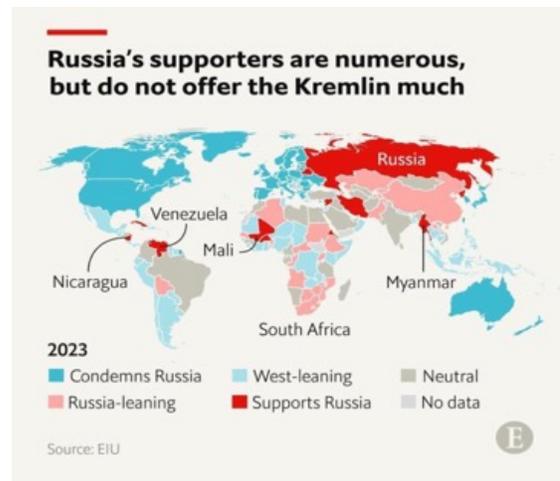


Figure 4 Countries by stance to Russia

<sup>1</sup> The Global War on Terrorism (GWOT) operations occurred in Afghanistan, Pakistan, Libya, Mali, Philippines, Somalia, Cameroon, Yemen. This list does not include nations which provided basing rights to US Forces or participated in, or hosted facilities related to the Extraordinary Rendition Programme.

the world wished to react under the new but internationally agreed upon doctrine of the Responsibility to Protect (R2P).

R2P was the ultimate expression of all the treaties, conventions, and understanding that formed the backbone of the international order and humanitarian assistance, unanimously agreed to by all nations at the 2005 UN General Assembly. R2P was predicated on the notion that nation states had a responsibility to protect the populations under their sovereignty, from genocide, war crimes, ethnic cleansing, and crimes against humanity. Outside states would help through various forms of assistance and capacity building. If an individual state was manifestly failing to provide such protections to its own citizens or populations within its borders, or perpetrating crimes against them, then the international community might or should take collective action to protect populations up to and including the use of force if authorized by the Security Council.

In 2011, the world did indeed come together and eventually the Security Council adopted several resolutions targeting Gaddafi and his regime, and ultimately passed resolution 173 authorizing the use of force, primarily airpower (with several limitations) to protect the Libyan population particularly in the eastern areas of the country. The remarkable aspect of resolution 173 is that it passed at all. Though there were five abstentions in the Security Council authorization, the critical two were those of China and Russia which could have vetoed the resolution but did not.

As the intervention unfolded, the application of R2P led to a deep rupture and damage to what might have been an extraordinary example of a rules-based order at work. Once the rebel factions had been protected from the regime, the campaign objective changed, moving beyond what the UN had authorized. Rebel forces began to move towards Tripoli to defeat and replace the Gaddafi government. From an initial deployment to protect a vulnerable population, NATO air forces *de facto* became the air force of the rebel forces pushing to change the regime, which ironically was an Allied untold desire as well. For many, and particularly Russia and China, the way in which R2P was applied was nothing more than a legally normalized effort for regime change and a clear case of overreach.

We would describe this as but one pivotal moment, with its effects playing out in the events of today. The Libyan incursion hardened Putin's (and no doubt Xi's as well) view that the UN, NATO, and the West in general were not to be trusted. Rather than repairing the situation in Libya, the incursion set in motion further instability. The uncontrolled passage of migrants from Libyan shores into Europe, the displacement of the Tuaregs leading to the instability / insurrection in Mali, and contribution to a now decade-long conflict in Chad were the results amongst others Putin observed. In 2014, the western and European support to the Maidan Revolution further crystalized his views.

That brings us to the United States and its evolution towards quasi-neo-isolationism, the roots of which could be detected as early as 2013. In a Pew Research poll conducted in 2013, Americans overwhelmingly responded that, "The U.S. should mind its own business internationally and let other countries get along the best they can on their own," and that, "America should not think so much in international terms but concentrate more on her national problems." In the context of engagements in Iraq, Afghanistan, Libya and elsewhere, with the concurrent costs in blood and treasure, such a reaction, contrary to America's roles post Second World War, was entirely understandable and in many ways was true to George Washington's words to the nascent Republic in his farewell address. Today, those attitudes are more entrenched than ever in the body politic.

Donald Trump seized on that emotional undercurrent enough to propel him to the Presidency in 2016. In his own right, he further cast doubt in an international structure based on order and rules.

It is not so much that Trump was a fan of strongmen and dictators, but rather he shared their world view. To paraphrase Kim Ghattas writing in *The Atlantic*, the Libya intervention was the result of a chain of revolutions followed by Western military interventions.<sup>2</sup> In Gaddafi, Putin saw a figure who had accepted the West's terms and yet nevertheless paid for that with his life and that is his government. In short, backing down or making any concessions is a death sentence; the exact opposite behaviour necessary in an interconnected world. The North Korean leader also learned a lot from the fate of Gaddafi.

As will be developed, a series of Trump policies during his Presidency contributed to US retrenchment and further diminished any sense of an international rules-based order. One of many is the withdrawal of the US from the Paris Climate Accords, which represented a global approach towards addressing climate change simply because Trump felt, and feels, that climate change is a hoax or runs counter to his financial interests. His solution, as recently stated in his present campaign, is “drill baby, drill” notwithstanding that the US is already the world's largest producer of oil and petroleum byproducts.

Trump's view of the world during his presidency has left behind undercurrents which still dominate much American thinking even though Biden is President, thanks to a notable block of Trump supporting “MAGA” republicans in the House, the Senate and some State governorships. What in the past would have been resolute support for allied causes, such as Ukraine, is eroded by emphasis on domestic issues, principally but not exclusively by the migrant crisis on the US southern border.

Support for Israel has become unconditional whereas in past, the U.S. more than any other nation was also cognizant of Palestinian and Arab grievances. There was a time when choices were not binary, when the US could handle domestic issues and international ones at the same time, and generally function well as an arbiter. At one time this was possible as both Republicans and Democrats shared similar visions of America in the world. That does not seem to exist any longer. “Make America Great Again,” a slogan borrowed from Ronald Reagan, one of the most celebrated US Presidents, was co-opted by Trump as an indictment of past presidents who failed to reflect insular populist views.

This Strategic Outlook traces this instability to the presidency of Donald Trump, inaugurated in 2016 with a distinctive message of gloom and division, framing America as a nation fractured between those who govern and the governed. Like firebrand populists before him, Trump's “America First” approach dramatically shifted the nation's stance, challenging international agreements and alliances with every domestic and international issue distilled into a simple binary choice between enemies, both foreign and domestic, against a downtrodden people to whom he promised relief.

For Trump, globalism was the illness, its symptoms being stolen jobs, offshore production, and diminished American industry. In that world view, America funded its competitors, defended unappreciative allies at the cost of America's own defence and national infrastructure, all while America bore the burden of immigrants and broken borders.

For an America weary of nearly two decades of war, continuing foreign engagements were no longer seen as being in the national interest. Instead, Trump offered that American self-interest

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<sup>2</sup> Kim Ghattas, “What a decades old conflict tells us about Putin”, *The Atlantic*, 6 Mar 2022 <https://www.theatlantic.com/international/archive/2022/03/libya-russia-ukraine-putin/626571/?gift=fQ0W8mBiY21gwy6Yq12abgZgPtsPpCYAcvkXPlwMsYU>

would lead to revived strength and offered an illusion of simpler times when America was respected/great. Trump's vision of the world simply accelerated an existing trend towards isolationism. In so doing, fissures appeared with international allies, partners, and with the very institutions and customs that America itself created.

Though Trump lost in the 2020 election, he had succeeded in cloning his views on a significant base of citizens and lawmakers who saw America and the world as he did and hence issues of the day continue to be influenced by his world view. These undercurrents, though not part of the rest of this Outlook's analysis, are nevertheless the foundation on which the analysis is built.

We briefly examine exemplary moments of Trump's presidency that continue to shape policies under the Biden administration:

**Trans-Pacific Partnership (TPP)** – On his inaugural day in office, President Trump withdrew the United States from the TPP, signalling an end to the era of multinational trade agreements and indicating that the United States would not be bound to previous agreements.

The TPP could have had a positive impact on U.S. economic growth and played a role in enhancing American influence, particularly in Asia. The agreement was viewed as a means of reassuring both allies and rivals that the United States was a full spectrum power firmly committed to the region. By any measure, the withdrawal was and is counter-productive to the overarching American strategy of a shift towards the Pacific.

President Trump's decision to remove the United States from the TPP raised concerns amongst allies, introducing uncertainty about U.S. reliability across the spectrum of foreign, defence, and economic matters. Notably, this move marked the first time the United States withdrew from an agreement it had previously championed. The withdrawal also signalled a shift in trade policy, expressing a preference for negotiating individual trade deals with specific allies, a change experienced in the renegotiation of NAFTA.

The withdrawal from the TPP resonates today as but another data point regarding the reliability, fidelity, and commitment of the United States as a partner and ally, as seen in the near-secret decision to withdraw from Afghanistan and how the withdrawal was conducted, as well as its military and financial support to Ukraine, with the risk that might end leaving Europe holding the bag and the unilateral withdrawal from the Joint Comprehensive Plan of Action (JCPOA).

**NATO Relations** – Trump's presidency was a departure from the traditional leadership role of the United States within NATO, with Trump emerging instead as one of the alliance's fiercest critics and often evasive as to the American commitment to NATO's Article 5.

Indeed, viewing NATO through the prism of self-interest, Trump portrayed European military allies as freeloaders and a financial burden on the U.S. Treasury, implying that European nations owed the United States for not carrying their share of the financial burdens of NATO. The European Union, whose membership significantly overlaps with NATO, was perceived by Trump as a competitor rather than the close partner it had been to every American president before him.

Unilateral foreign policy decisions, such as withdrawing from the Iran nuclear deal, imposing extraterritorial sanctions, pulling American troops from Syria and Germany, conducting most of the Afghanistan withdrawal negotiations in near secrecy, and terminating arms control deals like the INF

Treaty and Open Skies, conflicted with Europe's and NATO's interests and amplified questions of America's reliability. Unresolved differences linger, with Eastern Europe being viewed as a European problem first, to be funded primarily by Europeans vice Americans – a division reflected in any discussions on membership to either body.

Ironically, Trump's transactional approach spurred momentum in burden-sharing discussions, leading to increased defence spending. Additionally, the Trump administration's shift towards addressing great power competition compelled NATO to grapple with the security implications of China's rise. Therefore, while Trump's NATO legacy was mixed, it did lay some groundwork for a potentially more constructive transatlantic cooperation.

However, the perceptions of NATO, Eastern Europe, and the European Union continue to impact legislative processes as witnessed with the difficulties experienced by the Biden administration in securing Ukraine funding.

**The Joint Comprehensive Plan of Action (JCPOA)** – One of the most significant decisions by the Trump administration was to withdraw from the JCPOA, aka the nuclear deal concluded with Iran by the five permanent members of the UN Security Council plus Germany and the EU on limiting Iran's ability to produce nuclear weapons.

The JCPOA initially helped to reverse Iran's isolation and separation from the world by fostering diplomatic engagement and dialogue. The JCPOA additionally served as another platform where major global powers convened, sharing common concerns. When the United States withdrew unilaterally from the JCPOA, labelling Iran as non-compliant, it lacked substantiation and contradicted the assessments of all the other JCPOA members, who had considered Iran to be complying (as had the US prior to Trump's decision to withdraw).

The EU members of the JCPOA saw the American withdrawal as running contrary to their fundamental interests. It coloured dealings with the European members of NATO and the EU itself. Following the end of the JCPOA, successive waves of sanctions radicalized and pushed Iran towards more extreme positions. In international negotiations, the imposition of compliance through sanctions often triggers resistance instead of fostering cooperation.

With Iran now further distanced from any diplomatic process, returning to the JCPOA poses an impossible challenge for the Biden administration and any other subsequent administration. Consequently, the only policy options available are forceful responses, military in nature, which the current administration is being pressured to do in certain quarters and which a Trump administration could be tempted to engage in.

Any military operation against Iran, if not carefully planned, conducted, and scaled, could inflame the whole region, especially if Israel Defence Forces (IDF) air assets participate. It should not be forgotten that while Iran is no friend of most Arab countries, it is nevertheless accepted as an ancestral member of the Middle Eastern Islamic community.

**COVID-19 crisis** – The impact of the COVID pandemic remains immeasurable given how deeply and broadly it influenced international relations and gaps between have and have not nations, while reinforcing domestic divides, reason with emotion, theories over data, and alienation between the governing and the governed. This alienation did not appear because of COVID; the divides between

perceived elites and the rest of the country were present well before COVID. The pandemic solidified them.

An international crisis, knowing no borders nor having any political-military undertones was dealt with strictly on the basis of national interest and husbanded national resources. It was what Trump had offered in his inauguration.

In contrast to the responses during the SARS outbreak and the global financial crisis of 2008, nations engaged in a frenzied pursuit of resources for their individual benefit. This was particularly true of the European Union countries, despite structural linkages with pharmaceutical corporations and their R&D especially as vaccine development progressed.

The race to secure masks and respirators vividly illustrates this, with countries competing to locate and monopolize reliable suppliers. Emergency production orders limited domestic suppliers from assisting other nations, even those considered allies, leaving less resourceful nations to fend for themselves. Another political issue surfaced, namely distrust of both national and international institutions, coupled with skepticism about the altruism of nations.

Consequently, even the act of wearing masks evolved into a divisive issue, marked by political affiliations such as blue vs. red in the United States and elsewhere. Measures like lockdowns, quarantines, and curfews triggered protests, with entire segments of the population discarding scientific advice and rebelling against governments that acted upon that advice.

Parenthetically, the rejection of science needs to be underlined as it impacted more than approaches to the pandemic. It is true, that not “all” science is settled but much basic science is. There is little question on how respiratory viruses spread and how masks of specific quality (N95) prevent spread. Yet the very efficacy of masks was questioned and back-alley concoctions such as hydroxychloroquine were the 21<sup>st</sup> century equivalents of elixirs. This distrust of science, as presented through institutions was questioned or disbelieved in many areas of endeavour, not the least of which being climate change.

The rejection of mostly established science gave rise to theories questioning the effectiveness of masks, the viability of vaccines, created questions on the origins of the pandemic, and led to the withdrawal from the World Health Organization. Some viewed the WHO as beholden to China, particularly concerning the unresolved quest for the origins of COVID.

Collectively, these undercurrents significantly influenced attitudes toward China, painting it as a geopolitical adversary. Global supply chains, which had previously prioritized efficiency, underwent a transformation into protectionism, an extension of isolationist tendencies.

These undercurrents persist today, shaping economic policies, and permeating legislative efforts in a divided Congress in the United States. Recent debates, such as the one between Governor Ron DeSantis of Florida and Governor Gavin Newsom of California, underscore the enduring impact of these dynamics. The discussion over which state implemented lockdown measures first reflects the broader ideological debate over the balance between government policies and personal freedoms. Similar tensions are observed in Canada, notably in the Freedom Convoy protests in Ottawa. The lasting legacy of these undercurrents is evident in the ongoing struggles to find common ground and foster global cooperation in addressing shared challenges.

**Election denialism and January 6, 2021** – The echoes of January 6, 2021, resonate throughout the American body politic through to today and likely well into the next Presidential term. In the interim, the results of upcoming trials of ex-President Trump could have an indelible impact on the electoral landscape. Given the potential trial dates, two will have significant impact; those being the Mar a Lago documents trial, and the January 6 trial. (The election funds diversion trial will not be significant politically and the Georgia conspiracy trial may begin prior to the election but will not go to judgement before the election).

The impact of the two most important trials opens a spectrum of effects, whether Trump is found guilty or not. The division amongst Americans is stark to the point that some 60% of GOP voters believe that Biden is an illegitimate President and a smaller percentage believing that January 6 is not what is commonly accepted to be –with many believing that it was instigated or enflamed by the government itself. In that light, lawfully convicted participants are now described as hostages by significant personalities inside the GOP.

Potential outcomes:

- a) Whether or not Trump is found guilty, the prospects are high for domestic violence. There is a section of the US electorate (also well-armed) that would see guilty verdicts as the final collapse of the American republic that will need to be saved.
- b) If guilty and elected, we can expect a constitutional issue depending on if Trump as President pardons himself and by extension all other incarcerated participants of January 6 events.
- c) If not guilty of either or both there will equally be large segments of America that would not be satisfied with the verdict particularly if there are hung juries of only one or two people. Without doubt, there could be appeals which would overshadow.

**Climate change** – Though climate change is discussed in greater detail under the rubric of the major transnational issues, the discussion on climate has more acute implications politically in North America. Support for proactive climate actions or conversely conditional recognition of the phenomena permeates almost every substantive policy initiative in the United States and Canada given that the topic is intertwined with other competing interests.

Solutions that touch on how we produce power or consume it, how we emit or not, and the relative importance of jobs versus adjustments to achieve climate goals touch local, regional, state/provincial, national, and international views. It is more important to save “coal jobs” notwithstanding health effects than to transition away from coal, especially now that we purportedly have “clean” coal. Besides, as the story goes, the Chinese have more coal plants than us so we shouldn’t change until they do. Alternative technologies –valuable as Australian and European rooftop solar installations have proven—are fraught with the inefficiency of solar panels (using dated data) or calculations as to how much land would be lost to solar arrays, given that both rooftop solar and grid solar arrays are entirely different.

There are many more examples: batteries rely on minerals sourced from unsavoury regimes, windmills kill birds, alternate energies feed the Chinese economy, and of course jobs lost in producing oil at the source, jobs lost in transporting oil, and individual freedom lost lest someone ride in anything other than a gas-powered vehicle.

The various positions briefly touched upon above migrate to politics at every scale of government and between governments. It is the constant battle not only between the positions of mitigation versus adaptation but also of parochial concerns.

Major parts of Biden's Inflation Reduction Act were aimed not only to spur domestic manufacturing but to privilege it compared to anything sourced from China. That Act may well be sacrificed as a consequence of the 2024 election and replaced by similar manufacturing incentives favouring oil production, oil transport and distribution networks, steel and aluminium, and other traditional industries including defence industries.

The truth is, either on the mitigation side or the adaptation side, investments will be required. On the one hand there are investments to reduce the spectrum of emissions, while on the other hand investments will be needed to harden infrastructure. While both will be required, the debate eventually is reduced to who will pay and how.

That debate will continue unabated throughout 2024 and impact the outcome Federal and State elections in the United States, and in elections which occur in Canada.

The past clearly influences future actions and considerations, but the lasting impact of Trump's first presidency on international (and domestic) issues is beyond comparison to the nations and leaders we have discussed simply because the United States, even though it is less engaged globally or that it faces challenges to its leadership, remains the indispensable, irreplaceable nation in world affairs. The outcomes of major conflicts in the world –the Ukraine War and the Gaza War and the shape of possible future conflicts– will much depend on U.S. approaches even though parts of the world are moving away from a United States-led international order.

The changing complexion of the international order will be further defined through 2024 elections across the globe. Dozens of countries will be having some form of national election, the most ever in history with the outcomes generally up in the air except for a few cases like Russia where the results are surely known. The results will impact neighbours, regions, alliances, multi-national approaches to international issues and crises, and the adhesion of nations to the various international institutions we have been speaking of.

Informally on the ballot will also be the very question of liberal democracy. Is the disillusionment of democracy real as some polling reveals, where many voters do not see positive change as an outcome of their vote never mind questioning whether elections are free and fair to begin with? Perhaps the siren song of the autocrat who just gets things done is more appealing than the general messiness of democracy.

*“Many elections will (therefore) entrench autocratic, illiberal rulers. Others will reward the corrupt and incompetent. By far the most important contest, America’s presidential election, will be so poisonous and polarizing that it will cast a pall over global politics”,* as The Economist notes.

The “pall”, will be cast over the US election, more so if charges against Trump are tried during the campaign, inviting a very real prospect of violence. As a consequence any substantive policy discussions will be eclipsed by legal battles that seemingly won't affect Trump's electability. He has become the Teflon Don. The world we've inherited is the foundation of the Outlook's view of the future.

# FOUR MAJOR TRANSNATIONAL ISSUES OF 2024

## THE UKRAINE WAR

At its present trajectory, both political and military, this war is lost. It is lost if winning means removing Russian forces from the Eastern provinces of Luhansk and Donetsk, retaking Mariupol, and environs, and returning Crimea to Ukraine. There are several items which lead to this assessment.

Most articles and evaluations describe the Russian Army as beset with logistics difficulties, unmotivated troops, poor tactics, and poorer communications, yet it has shown itself to be remarkably resilient—it too has learned lessons whilst fighting. While many point to the Ukrainian successes in repulsing Russian advances early in the war, most notably around Kyiv and the Northeast region of Ukraine, it should be also noted that a good part of the Russian forces in those regions withdrew without being defeated wholesale. Yet many current appraisals of Russia are based on that Army's performance in the first months of the war; things have changed.

The Ukrainian Army succeeded admirably in fending off the Russian thrust to the capital, imposing heavy casualties on some but not all units. Most Russian columns entering from Belorussia, never really entered battle. Thousands of soldiers and their vehicles were actually stuck in a 65 kilometres long convoy 30 kilometres away from Kyiv. These formations never entered battle.<sup>3</sup>

The Russian presumption that Ukraine would quickly fold, and that a coup de main strike to the capital to install a puppet government would succeed in short order, was wrong. According to Ukrainian Intelligence, “Russian military units involved in the planned invasion were only supplied with food, ammunition, and fuel for three days, indicating that Russia may have seriously underestimated the situation.”<sup>4</sup>

Faced with extreme Ukrainian resistance, and an inability to deploy troops from columns or to cross obstacles, is what forced a Russian withdrawal. With the Kyiv thrust blocked, Russia also removed its forces from the Northeast (east bank of the Dnieper River) to consolidate in the South. Ukraine's greatest successes came in the battles around Kharkiv in 2022 where the Russians were definitively pushed back. That success has not been repeated.

Nevertheless, in the first year of the war, the Russians did succeed in capturing Mariupol after an intense siege and creating the land bridge to Crimea. Whilst the Russians have lost territory in the West through Ukrainian action which rendered continued occupation untenable and lost in emotional but tactically insignificant locales such as Snake Island, in the main, the Russian presence has remained intact, even though heavily bruised.

There have been other Ukrainian successes, too. Ukrainian air defence, now bolstered with a small number of Patriot batteries, has blunted most of Russian bombing and drone attacks. However, this is also a function of poor Russian targeting decisions seeking to sap the will of the Ukrainian

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<sup>3</sup> [https://en.wikipedia.org/wiki/Russian\\_Kyiv\\_convoy](https://en.wikipedia.org/wiki/Russian_Kyiv_convoy)

<sup>4</sup> The Kyiv Independent News Desk, “Ukrainian intelligence: Putin postponed Ukraine invasion date three times” 19 Dec 2022 <https://kyivindependent.com/ukrainian-intelligence-putin-postponed-ukraine-invasion-date-three-times/>

people, rather than going after Ukrainian railways, bridges across the Dnieper River, and other logistics centres which are vital to Ukrainian defence. In a way, it is remarkably like the German aerial assault on Britain in the Second World War. What began as German targeting of radar stations, RAF airfields, and aircraft factories, suddenly transformed into the Blitz bombings of British cities. Accounts of the day indicate that the RAF breathed a sigh of relief at the targeting change.

At sea, the Ukrainians have also succeeded with the innovative use of sea drones, sinking the *Moskva* –the flagship of the Black Sea Fleet– and shutting the Kerch Straits bridge on a number of occasions. Ukrainian reach has extended to the Crimea itself, destroying logistic depots and even attacking the Russian Naval Headquarters in Sevastopol, forcing most of the Black Sea Fleet to relocate to the east. Unfortunately, these attacks have not been sustained. The Kerch bridge has been repaired each time it has been hit, and its defences now improved. The repositioning of the Black Sea Fleet has resulted in the port of Odessa being opened for shipments of Ukrainian grain. That has been one of the most important strategic gains for Ukraine.

In short, many Ukrainian successes have been brilliant, entrepreneurial in their inventiveness, motivational, and captured the worlds imagination, but on a strict tactical level they have had little impact.

Concurrent with Ukrainian success on the battlefield in the first year of the war, the prevailing opinion was (short of putting Western forces on the ground) that punitive Western sanctions would asphyxiate the Russian war machine. While sanctions have had some effect on Russia, they have not come remotely close to destroying the Russian economy. It is important to note that most nations in the world did not join the sanctions regime, providing Russia with numerous options to sell its oil, natural gas, and other Russian commodities, while at the same time being able to acquire raw materials and war stocks to supplant previous trade. Generally, if sanctions do not achieve intended effects within six to nine months of imposition, sanctioned nations find ways and means to adjust.

On the Russian home front, we see glimpses of anti-war sentiment, and even effects of the war brought to Moscow through some high-profile drone attacks on and near the Russian capital. However, the anti-war sentiment has not come close to the levels seen during the “Mothers” protests during the then Soviet incursion into Afghanistan. Other than the closure of some Western stores and access to certain goods and commodities, these have been replaced in part by other sources of supply, or rebranded and now run by Russian businesses. Tourism, another measure of impact on a population, has not been cut off –it has shifted.

Prior to the war, Europe was a favoured destination. With restrictions on airlines travelling to and from Moscow, certain areas of the world are out of bounds. Yet, the demand for travel has not declined but shifted to countries that have not signed on to sanctions or agreed to closed skies. Bizarrely, Turkey, a NATO nation, and Cyprus, an EU nation, have seen massive increases in Russian tourism, with direct flights to Turkey ferrying over 2.6 million tourists in the first half of 2023. Thailand in the first six months of 2023, received 791,000 Russian tourists –a 1000% increase from the year before the point that Russia opened a consulate in Phuket. Similar numbers are found in Bali, and Russians in Dubai now represent the second largest source of tourists. The impact on ordinary people, at least from the controlled views we obtain in the West, do not seem to be at a level that creates a domestic political problem for Putin.

Fundamentally, from a sanctions perspective, the conflict is strictly a Western endeavour at best, and more precisely, a European conflict and seen as such by most of the rest of the world.

At the start of the second year of the war, a perhaps unrealistic expectation was that the Ukrainian Army, buttressed by Western aid in artillery shells, artillery guns, air defence, state of the art tanks, training, and other assistance would be able to launch a counter-offensive if not to retake all lands, at least to drive a wedge into the Russian land bridge in the south. As of December 2023, the word stalemate is most often used but in truth, the counter-offensive failed.

The Russian army has been successful in creating an approximately 1,300 kilometre defensive line with obstacles in depth. To even reach the first Russian defensive line, an attacking force must pass wire obstacles, “dragon teeth” anti-tank obstacles meant to separate tanks from the infantry they are supporting, kilometres long and deep tank ditches impeding both armoured vehicles and infantry, followed by minefields, with all these obstacles covered by fire. Some Western critics say that these defensive lines are not efficient, as for example, dragons’ teeth should be buried and a bulldozer can knock them over, but this type of analysis gives false hope, as one still must get the bulldozer to the obstacle. Regardless, the Russian Army is good at this aspect of warfare, and its professional arms (namely artillery, armoured, and engineer units) should not be discounted. The Russian lines have held.

If there is a danger to Ukraine in early 2024, it would be that Russian forces sally forth and launch their own attack on Ukrainians out of the security of their defensive positions.

Looking forward to 2024, the Ukrainian army faces a number of challenges.

Primary amongst these is aid and funding from the United States. Increasingly, the U.S. House of Representatives is expressing a growing reluctance to fund Ukraine, a reluctance that began to be expressed as early as February of 2023. As a consequence, Ukraine is held hostage to several trends we’ve identified at the outset of this Strategic Outlook, and more specifically:

First, with an increasing trend towards retrenchment at home, battles in Ukraine seem far from direct U.S. interest. A characteristic of the United States pulling back from its leadership position is witnessed by the combination of reducing aid to others in favour of concentrating on domestic agendas –for the moment, principally the U.S. southern border. In that context it is difficult to see how long support for Ukraine can be maintained. Though in the short term the national security appropriation which forms part of Ukrainian aide may pass in early 2024, each continuing tranche of aid will be more difficult to come by and if the 2024 election produces Trump as President, it is overwhelmingly probable that aid to Ukraine will cease. An additional complication, as will be explained below, is that Ukraine will not likely be able to embark on a sustained offensive in 2024, further undermining its case with a reluctant GOP controlled House.

Second, while aid has slowed down, Ukraine, at least for the short term, has been forced to scale back on the intensity of its operations, at least in artillery and missile usage to conserve its stocks. Even if aid for at least ammunition types opens up, vitally needed capability will not be delivered in time for a 2024 counter-offensive. Chief amongst these capabilities is the provision of fighter jets. Many commentators now say that an offensive is impossible without air support (that can be debated) but there will not be sufficient aircraft, aerial munitions, and trained crews available in time for a 2024 offensive. So far, some 65 older model F-16s have been promised to Ukraine.



Figure 5 Countries arming Ukraine

the Russian forces to be bisected. That would cause enormous logistical headaches for Russia and even force tactical withdrawals as was the case in Mykolaiv and Kherson.

One aspect of munitions delivery must be highlighted as it represents a near mortal danger to Ukraine. Air defence munitions, particularly missiles, are not as widely produced or stocked as compared to other types of munitions. By their nature, these munitions are more complex (detection and guidance systems) and expensive, and less considered since in all conflicts where the U.S. and allies have been involved in the last 30 years have enjoyed complete air superiority. The exception has been the IDF and its Iron Dome system. For Ukraine, subject to frequent aerial attack by planes, missiles, and drones, air defence is critical for the security of its cities and infrastructure. If Ukraine is not assured of a stable air defence munitions supply, the Russian aerial campaign will be enabled and expanded to Ukraine's detriment.

There are 16 operators of the Patriot missile system globally, eight of which are in NATO. Of these, only the US, Germany, and the Netherlands have provided Patriot launchers or batteries. One source is Israel with presumably some upgraded Patriots remaining in inventory and the well-known Iron Dome system, for which President Zelensky issued a specific plea to Prime Minister Netanyahu in September 2022, with U.S. backing as well. Israel did not provide access to Iron Dome and now with Israel at war, it is highly unlikely that it will do so.

Third, we are not certain from public sources of the total number of Ukrainian troops deployed at the front nor the casualties Ukraine has sustained. Estimates (and these are estimates) from credible sources indicate that the Russian troop presence in Ukraine is between 300,000-500,000. The Ukrainian army is somewhere in the range of 400,000-600,000 out of populations of 143 million and 43 million respectively. Casualties for the Russians are estimated to be 120,000 killed, with

At best this year, indications are that only 12 to 15 aircraft will be delivered with crews trained to operate and maintain the jets. That number is insufficient to maintain pressure either over a broad front, or over a longer duration offensive. A highly pinpointed, localized, concentrated offensive could work, assuming that Ukraine can establish air superiority over a specific section of front.

Alongside jets, it is unknown how many Western tanks, armoured vehicles, and artillery pieces have been delivered to Ukraine. At best count, about 120 tanks (out of a total eight hundred requested) have been delivered. Clearly, 120 tanks are not enough to expel the Russians from Ukraine or Crimea. As with the availability of fighter aircraft, the best course open to Ukraine is for a concentrated assault on one section of the front, and preferably one that allows

250,000 wounded while for Ukraine the figures are presumed to be 70,000 killed and 120,000 wounded. Aside from the need for better weaponry, Ukraine is challenged for a renewed offensive by the number of troops available, let alone that casualties have a greater impact on Ukraine than they do on Russia.

It is a common axiom in militaries that the attacker should possess a 3:1 advantage in offensive troops against a defender, with many military philosophers saying that defence is the strongest form of war. If the above figures are correct, by historical ratios, Ukraine would need up to 1.5 million soldiers to fully defeat the Russians. Already, President Zelensky is discussing a recruitment or draft of another 500,000 soldiers into the Armed Forces. There are some variables in the above noted ratio: the relative exhaustion of the two sides troops, their motivation, and availability of weaponry. We would assess that the exhaustion level is equal on both sides, with a slight advantage to the Russians as they have had the time to prepare defensive positions while entering this winter. The Ukrainians have not had the same time or equipment to prepare, so most positions are ad hoc. Motivation is clearly on Ukraine's side, and that advantage is immeasurable. On availability of weaponry, it all depends. At the moment the Russians seem to have an advantage, but all will depend in the coming months on what happens in Washington D.C.

The final aspect of personnel is the time to train. If Ukraine proceeds to induct another 500,000 soldiers into its military, they will have to be trained, not only how to fight and survive, but also on the range of equipment that is forecast to be delivered. This training includes operating the capabilities they are sent, but also in logistical sustainment. This training may take up to a year for specialized roles, but no less than six months for general military training. Who will do that training and where it will be conducted is a serious and perplexing question, but the net result is that the personnel influx will not be felt on the battlefield until late 2024 or 2025.

The prospects going forward are challenging.

EVERYTHING depends on the willingness of the Europeans and the Americans to continue their support, in the realization that the apex of the conflict will not arrive until 2025. As we have noted, there may be a counter-offensive in 2024, but for all the reasons articulated it will be modest as will its measures of success. To say that it will have to succeed to some degree is an understatement. It must succeed not only to give hope to Ukraine, but to demonstrate to allies that the investment has been worth it.

Even so, there remain a number of other challenges.

Much of the materiel that has been promised or given to the Ukraine, has come from existing stockpiles of equipment or ammunition. Even though production has increased in armament firms, the supply is not keeping up with demand. For some nations, and to quote from Canada's Chief of the Defence Staff at a recent parliamentary appearance: "If Canada had to expend ammunition at the same rates seen in Ukraine, our stockpile of ammunition would last three days." In an uncertain world, in a Europe where a Russian victory is still very possible, with questions of what Putin would do next, nations will look at their own stockpiles of ammunition and capabilities and ask, "How much can we afford to give?"

In the worst case, if the United States backs out of its commitments to Ukraine, the European Union will not be able to make up the shortfall on its own. The issue is not simply about money. The industrial base in Europe cannot produce enough armaments and ammunition to meet

Ukraine’s needs and domestic needs. Even if only using European Union monies, capability would have to still be sourced out of the United States –or at least the delta between European production and overall requirements.

The final additional challenge is alliance cohesion.

What was oft trumpeted in the early months of the war, that “NATO has never been more unified,” is starting to show cracks that were frankly evident at the outset. Clearly Hungary, Slovakia, Turkey, and in future other nations depending on electoral outcomes, are examples of divisions that may set back the Ukraine support effort. Of all European Union nations, the vast preponderance of assistance comes from a mere handful of countries who would excessively feel the burden of support if the United States does not live up to its commitments. An American withdrawal of support, it should be noted, would have vast and far-reaching implications.

In conclusion, the West faces two stark choices. The first is to commit to and continue to aid Ukraine for at least the next two years. If not, and not committing IS a choice, there is no other outcome than an expanded Russian state, controlling all the lands it has currently conquered.

The allies must think deep and hard as to what that means.

In the short term, it does not mean an emboldened Putin or a new attack on the Baltics or Poland. His army will be too exhausted in the short-term for more adventurism, but five years from now may be an entirely different calculation for Putin or his successor. If Russia succeeds, it may form a strategic validation for using force somewhere else, sometime. Not committing to Ukraine will also put into question implied promises such as “there will be a NATO future for Ukraine,” affecting nations relying on NATO or the United States, or Allied security guarantees question their reliability.

If Ukraine wins and Russia is expelled from Ukrainian territory, allied diplomacy will have to avoid creating conditions for a future conflict and will have to be especially mindful of how Ukraine reimposes its sovereignty over Eastern Ukraine and Crimea. Membership in the European Union would alleviate such post-conflict concerns but how nations adjust to post-conflict has everything to do with how the future peace develops.

A snapshot of sanctions and support:



Figure 6 G20 views on Russia

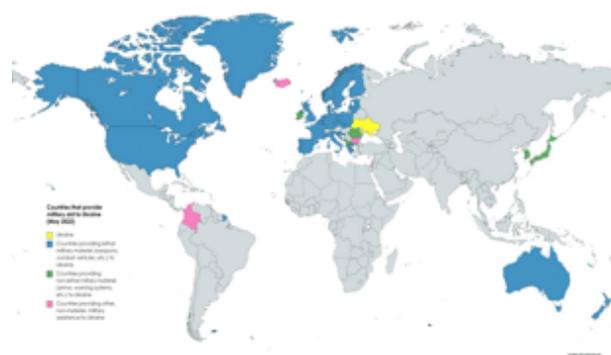


Figure 7 Nations shutting airspace to Russia



Figure 7 Nations shutting airspace to Russia

and air). In the battle against a modern military, Ukraine has adapted commercially available and relatively inexpensive technology to produce effects far beyond expectations. The mating of an optical device, a transmitter/receiver, and a likely rudimentary steering system to a small commercially available boat has produced spectacular results. Similarly, commercially available quadcopters have been adapted to provide imagery or to simply drop an explosive onto a target. Whether copied, or independently thought of, the Hamas attack on Israel on October 7, 2023, featured the exact same tactical innovation.

So, technologies easily available to any consumer have been adapted for battle. This presents future planners with important considerations.

- a) How to control access and trade in such widely available commercial technologies.
- b) How to disrupt the use of such drones, in other words, how to disrupt the data links that produce images to the drone operator and in turn the operator's control signals when the transmissions are not wide spectrum but limited to radii of 8-10 km.
- c) Finally, how to defend ships and land formations at the point of attack against a weapon that current defensive systems are not designed intercept –low level, very low radar signature etc. which have literally defeated the Russians in the Black Sea

Many commentators, including this Strategic Outlook, refer interchangeably to the Western World, democratic states, and more loosely the International Community without defining what exactly those somewhat nebulous terms mean. These maps indicating who supports Ukraine, or conversely does not follow the sanctions regime, shed some light to those terms.

For the most part, the world or the Western world consists in the main of North America without Mexico, Europe, Australia, Japan, and South Korea, the nations that historically most benefited from their alliance with the United States after the Second World War.

An observation with respect to the Ukraine War that resonates far beyond is the adaptation of asymmetrical solutions to warfare in general, particularly when applied by small adversary, specifically the use of drones (sea

## THE GAZA WAR

Gaza is an incredibly complex battlefield. The entire strip of approximately 365 square kilometres is the equivalent of Manhattan, or the City of Oshawa. It is an amalgam of densely populated and heavily urbanized centres of Gaza City, Rafah and Khan Younis, surrounded by lower density neighbourhoods. It is a unique battlefield historically due to its dimensional qualities, with multi-floor buildings and 500 kilometres of tunnels winding their way underground the urbanized centres.<sup>5</sup> The density of population and structures presents two other difficulties: as aerial and ground attacks maintain intensity, narrow urban streets become increasingly rubble filled making movement difficult and increasing the value of subterranean movement, and the challenges of displaced populations which are now faced daily by the IDF.

As the battle progresses, the initial tactical successes of the IDF, encircling Gaza City, bisecting the strip into north and south through a thrust from the border to the sea north of the Gaza wadi, will become more difficult to achieve as the IDF proceeds to assert tactical and operational control of the entire Gaza strip. According to the Washington Institute the urban battlefield most closely resembling Gaza is Mosul.<sup>6</sup> That battle lasted 277 days or just over nine months to achieve military control.

Entering the fifth month of combat, IDF operations have shifted somewhat to consolidate gains and clearing smaller elements of resistance, finding hostages, and capturing high-level Hamas leaders, however the IDF has confirmed that the end of the war is not yet in sight insofar as it has not achieved its aim to completely dismantle Hamas military capability.

What has begun to emerge are cracks in the international consensus supporting Israel after its own horrific experience on October 7. The attack was especially obscene as the rape and dismemberment of others were not just crimes enacted in the heat of battle, but whose terror was planned with foresight given Hamas's memorializing their butchery through body cams and the gleeful distribution of their videos. The attacks of October 7 did call for a massive response against Hamas perpetrators, not civilians.

There is no escaping or obscuring the fact that civilians have borne the brunt of the IDF offensive. As of mid-December, two months into the conflict, the IDF has conducted over 22,000 sorties/attacks with many demonstrably conducted by unguided bombs and an unknown number of artillery strikes producing over 21,000 dead with an unknown number of wounded, but estimated at over 50,000. The intensity and attack density exceeds what Germany experienced during five years of Allied strategic bombing, with one bomb or projectile landing in Gaza every two minutes.

In addition, according to UN estimates, up to 1.8 million civilians have been displaced, flitting between ever changing safe zones, with such a lack of food, water, medicine and hygienic conditions to the point that every international aid agency and the UN itself terming the humanitarian condition as beyond catastrophic. In fact, there is no safe area for civilians in Gaza and the conditions (as of January 2024) are leading to a possibility of famine.

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<sup>5</sup> There is no doubt as to the existence of tunnels, but an accurate figure of their extent and lengths are not definitively known.

<sup>6</sup> <https://www.washingtoninstitute.org/policy-analysis/gazas-urban-warfare-challenge-lessons-mosul-and-raqqa>

In a rather unprecedented public rebuke in December, President Joe Biden cautioned Israel that its “conduct of the war in Gaza risks losing international public support” as a consequence of the high civilian casualties, and a humanitarian crisis reaching the boiling point, with no evidence of a plan for what comes post-conflict, although Israeli leaders point to solutions or measures totally insensitive to the needs of Gaza’s civilian population.

Biden was being relatively restrained. The following day, the Prime Ministers of Australia, Canada, and New Zealand issued a joint statement calling for an immediate ceasefire. This on the heels of a UN General Assembly vote, where only 14 Nations out of 193 voted against (there were forty-five abstentions) a humanitarian ceasefire; doing nothing supported by the powerhouse nations of Austria, Czechia, Guatemala, Liberia, Micronesia, Nauru, Papua New Guinea, Paraguay. In the Security Council, a vote for an immediate ceasefire was only defeated thanks to the power of a United States veto. Even U.S. Senators are now considering attaching humanitarian conditions to further aid.

If any further affirmation was needed, U.S. Defence Secretary Lloyd Austin said Israel risked “strategic defeat” if it fails to heed warnings about the mounting civilian death toll. “I have personally pushed Israeli leaders to avoid civilian casualties, and to shun irresponsible rhetoric, and to prevent violence by settlers in the West Bank,” Austin said in a speech to the Reagan National Defence Forum in Simi Valley, California.

Prime Minister Netanyahu risks losing on the international stage all that the IDF has gained militarily in defeating Hamas, and no amount of IDF spokespeople speaking of precision strikes, proportionality, and target discrimination in the protection of civilians will reverse the growing erosion of support.

In a letter to *The Wall Street Journal*, Prime Minister Netanyahu outlined his amorphous preconditions for peace in the Gaza War: “Hamas must be destroyed, Gaza must be demilitarized, and Palestinian society must be deradicalized.”<sup>7</sup> Demilitarization “will require establishing a temporary security zone on the perimeter” of the territory and that, “for the foreseeable future Israel will have to retain overriding security responsibility over Gaza,” he said. Furthermore, Netanyahu demands full control of the Gaza-Egypt border.

The Netanyahu preconditions are amorphous primarily as the statement lacks a definition of what constitutes the destruction of “Hamas” beyond the military definition. What is a measurable demilitarization and what exactly is the meaning of deradicalization? The statement from Netanyahu builds on previous nebulous examples that the Prime Minister has specifically pointed to, such as the de-Nazification of Germany post Second World War, which have lacked any substance as to how those goals would be achieved without other nations bearing the financial burden of what he has destroyed.

It is worth recalling that during the Second World War, planning for the post-war world began as early as 1941. Yet, the line followed by Netanyahu’s spokespeople is that it is too soon to plan for post conflict while the war is ongoing. Paradoxically, it is not too early for Netanyahu’s preconditions to reject –almost gleefully so– any notion of a two-state solution for post-conflict governance, and so it is incumbent on the Prime Minister to articulate clearly what he envisions sooner rather than

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<sup>7</sup> <https://www.wsj.com/articles/benjamin-netanyahu-our-three-prerequisites-for-peace-gaza-israel-bff895bd>

later. President Biden's repeated assertions of the two-state solution is definitely falling on Israeli deaf ears.

### **The four wild cards of escalation**

Though so far contained and for the most part deterred, elements of the conflict have already expanded beyond Gaza to Lebanon, Syria, Iraq, and Yemen. Casualties are very low, Israelis have been displaced, shipping routes changed with attendant future costs to commodities they carry and to insurance rates, and attacks on US Forces outposts in the Middle East.

**Hezbollah** – is important to Iran as part of the axis of resistance, but it is more valuable to Iran as a second front if Iran itself is attacked. Its mere presence though means Israel needs to plan for a second front of operations and assign resources even though the likelihood of a second front is low. It is low for four reasons:

- Hezbollah would face a massive retaliation as Netanyahu has warned of and Hezbollah experienced in 2006.
- Even with 150,000 rockets/missiles, there is not a powerful enough ground force to occupy Israeli territory, and the volume of rockets might effectively overwhelm the Iron Dome, but overall missile attacks alone cannot produce strategic effect.
- A Hezbollah military action would also invite U.S. involvement through carrier-based aviation now in the Eastern Mediterranean for precisely that reason.
- While allied in destroying Israel, Hezbollah and Hamas do not share the same ideologies.

**Yemen** – The Houthis are a free-runner. They are supported by Iran, but do not seem to be controlled by them, so the unpredictability of the Houthis is a threat. So far, direct attacks on Israel have not produced any measurable effect. Attacks on shipping, especially now with shipping rerouted, will not have an escalatory effect. One fear should be a change in Houthi targeting against Saudi oil fields as they have done before. Any further escalation will depend on the world's patience with the Houthis and the costs of that patience.

**The United States** – The U.S. position so far is to play a role of deterrence and moderation with Israel in so much as Netanyahu is listening and marshalling support for a yet unknown post-conflict settlement. Two events would effect U.S. military engagement:

- If Hezbollah significantly expands beyond its current level of missile attacks, it is highly likely that US airpower would be used to suppress Hezbollah military infrastructure.
- Attacks by Iranian surrogates/proxies against US installations will provoke a response. That response will be limited to attacking the proxy groups but if the U.S. experiences a calamitous attack or directly traced to Iran (or electoral pressures) a direct attack against Iran is possible. If that causes Iran to react then a wider conflagration is inevitable.

**Israel** – has been restrained by the US from attacking Hezbollah or others. Israel in Lebanon has only responded in kind, relying on the deterrent effect of its promise of a massive counterattack. However, Netanyahu is continually signalling a lack of patience and indicating that but for the US restraint, he would prefer to address Hezbollah once and for all militarily. If Netanyahu initiates and escalates to a full invasion akin to 2006, it is difficult to see how other nations would not be drawn into the conflict and Israel deepen the chances that it will be suffering a strategic loss on the global stage.

Everyone tacitly agrees that Hamas needs to be destroyed yet Hamas is an entity that is military, political, and administrative in its function. If destruction of the military means of Hamas to resist or to influence a battlefield is the measure, that point is reached when there is little or no military resistance to IDF movement, and identifiable Hamas leaders, militants, and military infrastructure has been captured, killed, or otherwise taken out of battle.

How, however, will Hamas be destroyed in its non-military manifestation? Cities and societies require a framework of bureaucrats to function across a range of civic functions inter-alia; hospitals and health services, justice, policing, schools, taxation, utilities, waste collection, roads and road maintenance, media and telecommunications. These functions are run by a hierarchy of leaders, supervisors, and workers. In almost all press reporting, Gazan health services are always described as the “ Hamas run Ministry of Health.” How will Hamas be destroyed if the Hamas-run civil service is not expunged of Hamas members? How will those bureaucrats be judged and, if removed, replaced with continuity of essential services?

During Allied Military Government in Germany, the same issues confronted the victors.<sup>8</sup> In Nazi Germany, 10% of the population were Party members and many key positions in all functions of life were awarded to its members. At the wars end, thanks to a German penchant for record-keeping (and luck that some prevented their destruction), party members were easy to identify, contain and the processing of them to begin.<sup>9</sup> The complexity of the task needs to be understood lest de-Nazification (de-Hamasification) process be over-simplified. In short, all-party members submitted forms to explain what they did in the war years. These were checked and verified, and members assigned to one of five categories; Exonerate through to Major Offenders. Every category except the exonerated had sanctions imposed on them. The sanctions ranged from 2-3 years’ probation for lesser offenders up to immediate arrest and imprisonment for 10 years and death or imprisonment for major offenders. Between 1945-1950, 400,000 Germans were in detention and 1.4 million forbidden to work as anything but manual labourers.<sup>10 11</sup> In order to process these files, over 22,000 staffers were employed in the American Zone of Occupation alone. This is what we mean when we ask, how will we know when Hamas has been destroyed? How long will that take, and who will do it?

Irrespective, the IDF simply does not have the personnel to conduct a similar type cleansing of non-military Hamas organs within Gaza especially as the IDF will bear the responsibility for the full spectrum of humanitarian issues management at the same time. If Netanyahu decides to proceed with a purge of Hamas influence in non-military realms, especially if the humanitarian crisis at his doorstep is not properly addressed, he would continue to bleed international support, being seen as occupiers once again. The international community is unlikely to do the work of weeding out Hamas loyalists on Netanyahu’s behalf if it were accorded governance of Gaza post-conflict, so we assess that this aspect, as we presently understand the Prime Ministers pre-conditions, would fail.

We will not delve into the de-militarization of Gaza as, by implication, if Hamas is destroyed militarily, the de-militarization of Gaza will be mostly completed save the destruction of industrial capability that directly participated in the manufacture of munitions, rockets, and other such weapons of war. Some considerations with respect to policing and public security would have to be resolved.

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<sup>8</sup> Joint Chiefs of Staff directive JCS 1779, Directive to the United States Military Governor for Germany <https://history.state.gov/historicaldocuments/frus1948v02/d470>

<sup>9</sup> Directive to Commander-in-Chief of United States Forces of Occupation Regarding the Military Government of Germany; April 1945 (JCS 1067) <https://usa.usembassy.de/etexts/ga3-450426.pdf>

<sup>10</sup> The President's Economic Mission to Germany and Austria, Report No. 1: German Agriculture and Food Requirements, February 28, 1947

<sup>11</sup> Beattie, Andrew H. (2019). *Allied Internment Camps in Occupied Germany: Extrajudicial Detention in the Name of Denazification, 1945–1950*. Cambridge: Cambridge University Press.

The third and perhaps most difficult task of Netanyahu's preconditions is the de-radicalization of Palestinian society. It is not clear from Netanyahu's remarks if de-radicalization applies to the West Bank as well as Gaza. If it includes the latter, it would be a natural extension of the war that has been fought and Netanyahu would be opening a Pandora's Box of future conflict that is too horrific to consider.

Regardless, de-radicalization takes years and is more than simply creating new schools and curriculum. For this aspect of Netanyahu's plan to work, would require degrees of censorship and control not seen since the Second World War. Media organs, such as those in Gaza, will have to be replaced by full control of everything that is read, seen, and heard by civilians of Gaza as well as control of the creation and distribution of all media writ large. This of course would extend to control of all forms of social media. This could encompass as it was in Germany, not only criminal tribunals such as Nuremberg, but the passage onto the civilian population the sense of "collective guilt" and therefore "collective punishment." The aim being "to shake and humiliate" the Germans and prove to them beyond any possible challenge that these German crimes against humanity were committed and that the German people –and not just the Nazis and SS– bore responsibility." <sup>12 13</sup>

The IDF's and Netanyahu's strategic direction will succeed only in the military destruction of Hamas in Gaza with much of its leadership remaining intact in places like Qatar. Given no planning for the "day after," Netanyahu will likely fail in the societal dismantling of Hamas-influenced civil institutions and will never go beyond the theoretical insofar as de-radicalization is concerned.

Netanyahu simply will not have the world's support as far as we can foresee in anything other than the military defeat of Hamas, and that of course being conditional on how the rest of the war is prosecuted. The end result, especially without a sense of what happens after, and mustering the international resources required, will sadly produce more radicalized militants than the present war has succeeded in killing.

The codicil to Netanyahu's three preconditions is the notion that the overall security responsibility will remain vested in the government and the IDF. So far, the Prime Minister has hinted at this entailing unfettered rights over Gazan airspace and a further developed security zone and infrastructure on Gaza's land border. We presume that this would include a robust naval blockade of Gaza's sea approaches.

In other words, it is difficult to see how this would be materially different from a state of siege. Under such conditions, it is impossible to see any interim international coalition or a subsequent Palestinian Authority able to provide interim governance, the clean-up of war damages, the building of agreeable housing, the institution of a reliable civil service including an efficient security force, and a reopening to the world through trade and mobility. Without further clarification, this appears akin to a Versailles-like set of conditions whose end result, aside from restricting political and economic growth, will act as kindling for future conflagration. Therefore, Netanyahu's plan to retain overall security responsibility for Gaza will not succeed in providing the peace and security Israel seeks.

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<sup>12</sup> "The Fate of F3080" by Elizabeth Sussex, "Sight and Sound," British Film Institute, April 1984

<sup>13</sup> "Memory of the Camps" PBS Frontline, 7 May 1985 - <https://www.pbs.org/wgbh/pages/frontline/camp/faqs.html>



*Figure 9 – A typical street scene. With rubble to be cleared before rebuilding can even begin the task is unappreciated in its scale. During the Second World War, in Berlin alone – every woman between the ages of 15-50 were obliged to pick up rubble. It took at least 15 years to do so.<sup>13</sup> Mohammed Hajjar/A*

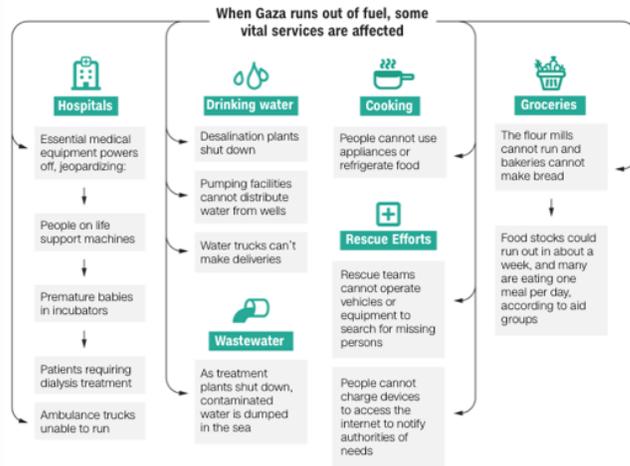
Our final thoughts on Gaza have little to do with the conduct of security operations but with the imminent crisis of rebuilding and humanitarian aid. The data presented defines the scale of the problem the world and particularly Israel faces.

Analysis of satellite data cited by the Associated Press suggests that about two-thirds of all structures in the north of Gaza have been destroyed, and about a quarter in the southern Khan Younis area.<sup>14</sup> Across the whole territory, about 33% of buildings have been destroyed. The AP said that the rate of devastation was worse than either the razing of Aleppo in Syria or Russia's bombing of Mariupol.<sup>15</sup>

<sup>14</sup> <https://apnews.com/article/israel-gaza-bombs-destruction-death-toll-scope-419488c511f83c85baea22458472a796>

<sup>15</sup> <https://www.theguardian.com/world/2024/jan/08/the-numbers-that-reveal-the-extent-of-the-destruction-in-gaza>

The human toll and extent of damage and reconstruction required		
Item	Detail	Remarks
Killed	22,835	
Wounded	58,000	
Missing	7,000	
Displaced	1,800,000	85% of population
Housing Units	65,000	Destroyed or uninhabitable
Damaged Units	290,000	Damaged
Hospitals	1500 beds remain	23 of 36 hospitals inoperable
Schools	104 damaged/destroyed	70% of total
Water	7% of pe-war	One shower per 4,500 people One toilet per 220 people EU, US UNHCR and Canadian standards are for one toilet per fifty people in disasters. This includes access to washbasins and at least 5L of water per day
Aid delivery	20 trucks/day Oct 85/day November 104/day December	Pre-conflict 500 trucks per day There are about 700,000 people in the world currently facing catastrophic hunger,- 577,000 of them are in Gaza. (Arif Husain/WFP) Distribution delivery points run by UNWRA and WFP have been damaged or destroyed.
Fuel	Near zero	
Power	Near zero	



Sources: World Health Organization, United Nations Office for the Coordination of Humanitarian Affairs, Palestinian Ministry of Health, World Food Programme, United Nations Relief and Works Agency  
Graphic: Rachel Wilson and Amy O'Kruk, CNN

Figure 10 - Chain of consequences created by a lack of electricity

remaining water coming from wells which require fuel in order to function. Turning on these sources of water and power are directly under the Netanyahu government's purview to decide.

It is true that the blame rests with Hamas for launching the 7 October attacks, using human shields around infrastructure, or IDF concerns with respect to dual use. However, with 1.8 million displaced, particularly towards the south, the human shield argument carries little present weight, and the shifted battlefield control equally reduces the dual use concerns. The responsibility for care is now shifting to the IDF.

In early January, the IDF announced the withdrawal of five brigades from its forces deployed to Gaza, reflecting the IDF's operational control of most of the Gaza strip, particularly in the north, and the need to reconstitute forces, return reservists to the economy, and adjust to a lower intensity conflict. Having operational control of large swaths of Gaza means that the IDF is transitioning to the role of an occupying power, which implies a number of responsibilities with respect to international law.

*"The occupying power has the duty to ensure that the adequate provision of food and medical supplies is provided, as well as clothing, bedding, means of shelter, other supplies essential to the survival of the civilian population of the occupied territory, and objects necessary for religious worship" (GCIV Arts. 55, 58; API Art. 69).*

The above figures indicate that reconstitution of basic services and then the long task of rebuilding has to feature in international discussions. The IDF has warned that there are logistical limitations to getting aid into Gaza and has urged the international community to find additional solutions, in effect shifting the responsibility to the other nations.

Pre-conflict however, the Netanyahu government provided 28% of Gaza's electricity supply, and fuel for Gaza's power plant producing 17% of power. The remaining percentage represents the overall energy deficit. 15% of water came from pipelines and fuel permitted the desalination plants to produce another 10%, with the

## CLIMATE CHANGE

### An Existential Crisis Portrayed as A Myth or An Industry

The first major conference on the environment dates back to 1992, in Rio de Janeiro. Since that historic moment, an innumerable number of meetings, conferences, panels, surveys, and research initiatives have been devoted to this theme considered fundamental. There is no question of throwing everything away but it is undeniable that the sum of all this work has only produced marginal results, even if a good number of industries have taken over from governments to implement techniques less energy-intensive or more demanding standards in terms of construction, distribution, and sales of goods and services. Europe is also the heart of establishing technical and other standards for the planet.

That said, the planet burned more than ever during the summer of 2023, with July being the hottest month on record since data began. In 2015, the goal set by world leaders was to keep the planet's temperature from rising no more than 1.5 degrees Celsius above pre-industrial times to avoid the most pernicious effects of climate change. Faced with this commitment, temperature records continue to be broken. And it is not only the increase in temperature that is to blame but also the speed at which the climate is changing. What is clear is that mitigation, which involves reducing emissions of harmful pollutants into the atmosphere, including carbon dioxide and methane, is no longer enough. It is the adaptation phase that must take over, particularly in terms of infrastructure and increasingly extreme climates which will affect people's lives, their means of subsistence, and the general survival of communities.



*Figure 11 - A two year drought, the worst in 40 years in the Horn of Africa left animals looking for water. These giraffes died in mud, trying to drink from an almost dried up reservoir (Ed Ram/Getty)*

COP28 in Dubai, the United Nations conference on climate change, convened within the framework of the United Nations Framework Convention on Climate Change, was to be the perfect moment to make adaptation as vital as climate change. Did it truly mark “the beginning of the end” of the fossil fuel era? Doubts are allowed, but the concept of a muscular transition combined with increased funding came out of the conference. That being said, the return to power of Donald Trump would herald the death knell of these efforts for one of the largest polluters on the planet, even if the climatic disasters which have struck the entire globe should be a signal of alert more effective than all the speeches.

On the one hand, the results produced by COP28 are terrifying given the accelerated disintegration of the climate over the past decades, in total contradiction of the objectives of the Paris Agreement, from which a Donald Trump would undoubtedly withdraw. On the other hand, the boost given by

the disastrous evidence of climate change should notably lead to a renewal of efforts to reduce greenhouse gases, the objective of which is more than 40% by 2030.

Though a minority, there are still too many people who doubt the impact of climate change, or at least too many who doubt its causes because the images are so overwhelming. Doubt in science is a dogmatic political position of deliberate denial. Combating bias is just as important as reducing the effects of climate change.

The statistic of temperature rises only tell part of the truth. 110 degrees Fahrenheit or 44 degrees Celsius translates to massive flooding, prolonged heat waves, more destructive wildfires, extended droughts, and increasingly severe storms. Iran experienced heat of 50 degrees, the temperature at which the body stops being able to function normally.<sup>16</sup> Productivity takes a huge hit. Many activities are interrupted by the heat. Harmful insects like mosquitoes find themselves in a favourable environment and lick their lips or tentacles, setting new records for Dengue fever. Forest fires in Canada have razed a territory the size of Greece, not to mention fuelled respiratory diseases. The razed town of Lahaina on Maui is a cruel reminder of the impact of wildfires escalated by high winds. The rains become torrential, destroying everything in their path. Hailstones measuring 20 centimetres hit Italy. We are talking about large-scale devastation with record temperatures inevitably attributable to human activities.



*Figure 12 - Wildfires raged across the Mediterranean in 2021. This image of an elderly woman bathed in the orange light of tiamēs has become an unforgettable symbol of the destruction. (Konstantinos Tsakalidis/World Press)*



*Figure 13 - The thickness and extent of Sea ice is declining in the Arctic which is critical to Polar Bear habitat. According to the IUCN, Greenland, Norway, US and Canadian populations are characterized as vulnerable, threatened or of special concern.*

Initially, the entire community of scientists, political leaders, and commercial companies focused on fossil fuels, to the detriment of the challenges posed by the climate disasters mentioned above. The scale of the latter requires a major new financing effort because what is at stake are the buildings threatened by flooding, both natural and man-made infrastructure, and the electricity network called upon to withstand extreme situations. Taking into account present and future disasters remains insufficient. The UN has said the scale of disasters caused by climate change could far exceed any adaptation efforts devoted to it.<sup>17</sup>

Generally speaking, without this coming as much of a surprise, the implementation of commitments made

<sup>16</sup> <https://www.medicalnewstoday.com/articles/how-hot-is-too-hot-for-the-human-body-heart-metabolic-rate>

<sup>17</sup> <https://www.washingtonpost.com/climate-environment/2023/03/20/climate-change-ipcc-report-15/>

is rarely up to par. Furthermore, measuring the results of actions taken in terms of adaptation is more complex than mitigation, which allows for loopholes. COP28 tried to “tighten the screw” on this level but we will remain far from the goal.

It is certain that COP28 was "shaken" by the scale of the climate disasters of the summer of 2023. Even the Dutch, one of the countries in the world best prepared for floods and other climate disasters, lost nearly 40,000 lives due to the summer heat wave. China and the United States have had catastrophic experiences, illustrating their negligence or lack of political will. The European Union, Canada, Australia and Japan have done better in terms of prevention strategies.

Whether one is optimistic or pessimistic, faced with the needs in terms of adaptation, the figures that we put forward in this regard are staggering. We are talking about needs ranging from \$160 to \$340 billion per year by 2030 to finance projects, including water management, road maintenance, and food security. COP28 speaks of \$100 billion in addition to a special adaptation fund established by donor countries. In total, we are talking about \$13 billion in commitments.

In a way, beyond global commitments, very practical measures will have to be considered which can be summarized in a few points, according to researcher Alice Hill of the Council on Foreign Relations.<sup>18</sup> The spectacle of serial disasters calls for the development of high-capacity weather early warning systems on a global scale. Furthermore, since climate change knows no borders, countries should establish cross-border relief mechanisms among themselves, such as in the case of fires or floods. The famous Canadair firefighting planes should never be blocked by an air border. There should be a global consultation of disaster insurers, in order to regularize a system that is less greedy and more concerned with the well-being of disaster victims, even if it means establishing regional reserves for small, weakened countries. Along the same lines, the world of insurers should join in risk mitigation efforts, such as reducing the use of flammable materials.

Finally, the planet's efforts should be redoubled in terms of food security —any permitted famine being a crime against humanity. As United Nations Secretary-General Antonio Guterres says, “if we don’t feed people, we fuel conflict.”

COP28 has undoubtedly made progress. We recall that the 2023 G-20 meeting failed to ratify the desired commitments in terms of reducing fossil fuels, as well as tripling renewable energies. Furthermore, it is regrettable that events without direct links to the climate crisis have nevertheless had a significant impact on the conduct of the fight against its effects. For example, the war in Ukraine has caused a noticeable imbalance in efforts as oil companies scramble to take advantage of increased profits. For its part,



*Figure 14 - Sudanese women who fled the conflict in Geneina in Sudan's Darfur region, line up to receive rice portions from Red Cross volunteers in Ourang on the outskirts of Adre, Chad July 25, 2023. (REUTERS/Zohra Bensemra)*

<sup>18</sup> <https://www.foreignaffairs.com/world/age-climate-disaster-here-extreme-weather>

China continues to increase its coal production six-fold compared to the rest of the world combined.

Global warming, undeniably, must be the starting point of future negotiations and the reduction of the most harmful pollution must be at the heart of efforts. Adaptation measures constitute the raw material for concerted action on a planetary scale. For once, the policy of the worst, i.e. acceptance of the scale of the threat and its effects, must be the starting point for the policies to be implemented.

## AN UNPRECEDENTED CHALLENGE TO MULTILATERALISM

Is the UN losing momentum?

The mission of the United Nations is enormous. As an organization, it aims at maintaining international peace and security while through its numerous agencies, recognizable by their initials for most people on the planet contributing to the economic and social betterment of each country. Multilateralism in the UN is not confined to the more dramatic venues of the Security Council and the annual General Assembly meetings, but finds daily expression in the work of UNHCR, the WFP, ICAO, and UNESCO amongst others. As a forum for international agreement, it is indispensable. There would literally be no international airline transport network without the forum of ICAO as an example.

Critically relevant, multilateralism in the present international set-up covers a much broader range of institutions than the United Nations family. The Bretton Woods institutions, as they are often referred to, include the underpinning of the world's international economic and financial system, namely the World Bank, the International Financial Corporation, and the International Monetary Fund, as well as the regional development banks, all five of them –African, Inter-American, Asian, Caribbean, European Bank for Reconstruction and Development– and a range of subsidiary organizations at the heart of development programs for low-income countries. The Organization for Economic Cooperation and Development (OECD) is the prime international economic think tank of the world. On the trade side, the WTO is the ultimate referee for international trade disputes.

So, the refrain of the alleged uselessness of the UN, considering the mission the founders of the UN defined for it, is selective and utterly counter-productive. Instead, the question of how the mandate is carried out and what are the institution's shortcomings in this respect should be the topic of discussion. These questions arise at a time when the international system is facing two extremely serious crises: the Russian aggression against Ukraine and the Gaza crisis. In addition, there are African conflagrations, such as the outbreaks of famine and general food insecurity in the Horn of Africa, affecting Somalia, Kenya, Ethiopia, Sudan and South Sudan, or the political crises potentially leading to armed conflict or internal violence in Niger, Burkina Faso, Cameroon, the Central African Republic, the Democratic Republic of Congo, Mali, and Somalia.

Elsewhere there are the simmering frictions in Syria, Yemen, Libya, Kashmir and the Indo-Chinese border. There are of course issues of human rights in China with the Uyghurs, internal Iranian oppression, and the transnational criminal enterprises affecting Mexico, parts of the Caribbean, and Africa amongst others. Additionally, the possible threat of a Chinese invasion of Taiwan remains and adds to current tensions, as does the unresolved question of North Korean nuclear efforts.

The immensity of the task should draw attention to the conclusions of former UN Secretary General Brian Urquhart in his 1987 memoir:

*“We have created unprecedented possibilities for both progress and disaster on our planet without yet assuming the collective responsibility that both those possibilities demand. In the United Nations, the only global design we have for this daunting task, the enormity of the challenge, the feebleness of the general will, and the smallness of the means were all too evident. As the years went by, the obstacles often seemed overwhelming and the spirit alarmingly weak. But then a disaster, or a near disaster, or sometimes even an exceptional leader, would remind the nations once again that they must cooperate or perish. The effort continues. It must be intensified.”*

What Urquhart does not mention is the structural deficit of the Organization, imposed at its creation, namely a hybrid leadership structure: on the one hand, the General Assembly open to all the members of the UN, and, on the other hand, juxtaposed, the “Board of Directors” as it were, aka the "Greats" with the right of veto in the Security Council. This has become the most anachronistic structure given the changing balance of power in the world since 1945: the United States, ex-Soviet Russia and mainland China (after the exclusion of Taiwan) with France and the United Kingdom were given permanent status and the individual right of veto since the five were considered the most substantial powers in the world at the time, and for the United Kingdom and France based as much on their respective colonial possessions as anything else.

By 1964, though the colonial empires had been effectively dismantled, the permanent five were by then the nuclear powers (U.S. 1945, Russia 1949, the UK 1952, France 1960, China 1964 –with only the United States and Russia being considered superpowers). The nuclear club maintained its monopoly until the Indian nuclear test in 1974. Up until the Indian test, the nuclear issue remained the absolute core of international security considerations, negotiations, and treaties, and hence the importance of the Security Council as a means to avoid another World War and a nuclear one at that.

With the expansion of the so-called nuclear club to include India, Pakistan, North Korea, Israel and, at one time, South Africa, the possession of nuclear weapons and international constraints against their use, though still vitally important, were not the only arbiter of what would be considered as issues and states vital to the security of the world.

With the change in what was the former backbone of international peace, there have been some attempts to constrain the singular veto power of the Permanent Five, France has presented an option to exclude the veto in cases of mass atrocities so as to prevent paralysis at the Security Council.<sup>19</sup> This and other efforts have not succeeded, as it is not in the self-interest of the Permanent Five to surrender their veto power, nor to admit other nations to permanent Security Council membership.

Yet, more substantial countries today would be logical candidates to a permanent seat, such as India, Brazil and South Africa, both in term of status and as potential representatives of their respective regions. A country from the Middle East or the Arab world should also be included. Germany, Europe's leading economic power, would be a justified candidate, if it were not for its past, which self-imposes itself modesty. That said, such an increase in membership would not necessarily mean greater efficiency, unless the use of the veto was codified, for example by sparing humanitarian interventions endorsed by the General Assembly, or by deploying binding measures with sanctions or genuinely punitive measures for countries ignoring decisions taken by the Security Council as, once adopted, such decision become statutorily part of international law.

Alas, codified Security Council resolutions (and other decisions by UN adjudication bodies) though having a moral standing in global opinion are often subject to the whims of individual states on whether they comply, for example some 52 countries are in violation of UN sanctions against North

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<sup>19</sup> <https://www.diplomatie.gouv.fr/en/french-foreign-policy/france-and-the-united-nations/france-and-the-united-nations/france-and-the-united-nations-security-council/why-france-wishes-to-regulate-use-of-the-veto-in-the-united-nations-security-65315/>

Korea.<sup>20</sup> Yet the Security Council did pass resolutions on counter-terrorism following the 9/11 attacks and authorized the establishment of the International Security Assistance Force (ISAF) in Afghanistan.

Aside from Security Council resolutions aimed directly at parties and combatants, there are also resolutions which authorize the use of (military) force under UN command for enforcement in peacekeeping.

It is undeniable that the work of the United Nations on conflict resolution and peacekeeping is in decline, from a high point of some 30 missions across the Middle East, Central America, the Caribbean, Asia and Africa in the 1990s to 11 current missions, nevertheless comprising 65,000 soldiers and police.<sup>21</sup> As it happened the most powerful Western militaries moved away from UN peacekeeping missions, just as UN peacekeepers began losing their effectiveness and impact, perhaps because of Western military withdrawal.

There are four events which accelerated the move away from UN peacekeeping:

1. The failure of the UN mission in Rwanda did not provoke an immediate reaction but observers of the mission's failure noted how the New York-based UN leadership could not respond quickly to changing events on the ground. UN missions for the most part require the acquiescence of the warring parties to operate with limitations in the use of force mainly for force protection only.
2. In the wake of the 9/11 attack and the subsequent GWOT and initial operations in Afghanistan – though Security Council authorized, and which subsequently approved the establishment of ISAF in cooperation with NATO– major nations that in previous years would have contributed to UN Peacekeeping missions were no longer available.
3. As for the U.S. invasion of Iraq, whatever marginal capabilities remained from Afghanistan were totally consumed by this action that necessitated drawing in troops from the UK, Australia, Spain, Denmark, and Poland. Nations whose soldiers traditionally had been mainstays of UN peacekeeping forces were again no longer available.
4. In the wake of the UN sanctioned mission in Libya, which turned into regime change, the consequences were additional upheaval in neighbouring Mali and beyond, sealing a distrust of UN forces across the region and particularly but not exclusively by China and Russia.

A comparison with the UN mission in Bosnia and Croatia ten years earlier is revealing in how the “Western” world has moved away from peacekeeping. The UN Protection Force (UNPROFOR) numbered at its peak nearly 39,000 soldiers split almost equally between Bosnia and Croatia. Contributions to Bosnian side of UNPROFOR shown below:

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<sup>20</sup> <https://isis-online.org/isis-reports/detail/52-countries-involved-in-violating-uns-resolutions-on-north-korea-througho/10>

<sup>21</sup> [https://en.wikipedia.org/wiki/Timeline\\_of\\_United\\_Nations\\_peacekeeping\\_missions](https://en.wikipedia.org/wiki/Timeline_of_United_Nations_peacekeeping_missions)

Nation (NATO)	Contribution	Nation (NATO)	Contribution
France	3,700	Belgium	100
United Kingdom	3,100	Norway	634
Canada	820 (+1200 Croatia)	Denmark	280
Netherlands	1482	Spain	1,372
Sweden (partner)	1,030	Turkey	1,469
United States	Op Deny Flight	NATO	Op Deny Flight
Non-NATO	Contributions	Non-NATO	Contribution
Pakistan	2,983	Malaysia	1,500
Russia	472	Egypt and Bangladesh	1,656

The vast majority of capability was provided by NATO member states having an enormous advantage of interoperability from the standpoint of doctrine, staffing, and standardization. Most nations continued with the force when it reverted to NATO Command as Stabilisation Force (SFOR). The results UNPROFOR achieved were:

- a) Kept Sarajevo from starving through convoys and maintaining an air-bridge to the outside world, distributing food and aid throughout Central Bosnia
- b) Successfully removed Serbian artillery surrounding Sarajevo
- c) Seized heavy calibre weapons / mortars from combatants
- d) Facilitated the separation of forces following the Washington accord between the Bosnians and the Croats
- e) Ensured that the Dayton Peace Agreement was enforced on the ground
- f) Led the seizures of suspected war criminals for subsequent trial at the Hague

In all these successes, there was one failure which overshadows the rest of the mission: the massacre of Bosnians in Srebrenica that the UN did not prevent. However, the fact that Bosnia and Herzegovina is now a functioning state, even with some internal issues, is an example of success that was possible.

It is possible that UNPROFOR is an outlier, as Western/NATO nations contributed as the operational theatre was in the middle of Europe, however a close examination of several UN missions in the same timeframe shows that Western/NATO nation participation, though not as significant as in Bosnia/Croatia, was still substantial but participation in all UN missions dropped substantially in the early 2000s.

In contrast, the UN's largest current mission is United Nations Multidimensional Integrated Stabilization Mission in the Central African Republic (MINUSCA). The top contributors are Rwanda, Bangladesh, Pakistan, Nepal, Egypt (all with over 1,000 soldiers) and Zambia, Morocco, Tunisia, Burundi and Cameroon, plus 3,000 police officers. The immediate noticeable difference is the composition of contributing nations. Alas, there is a qualitative difference in personnel, equipment, tactical ability, access to intelligence / information, and discipline between "Western" militaries and non-Western forces. This in turn plays out on the ground, as it did on occasion in the Central African Republic, with instances of sexual violence and corruption in some of the contributed forces, and varying abilities to take on various armed groups. In contrast, to our knowledge, no such allegations emerged against UNPROFOR and its successor SFOR, and both forces were able to muscularly enforce the Dayton Peace Agreement.

Nevertheless, in a study of MINUSCA effectiveness conducted by the Norwegian Institute of International Affairs in 2020, UN Forces in the Central African Republic had been mostly successful, and had "dramatically reduced instances of civilian casualties, stabilized the country, helped expand government control" while implementing many peace measures.<sup>22</sup> The force is also credited with preventing genocide and extremist movements (i.e. Al-Qaeda) from establishing a foothold.

In the case of MINUSCA, the P5 of the Security Council is united in support of objectives. In short, according to research from the Norwegians, "Without MINUSCA, there is no Central African Republic."

Missions have regularly emerged and dissolved as a consequence of changing political/military conditions on the ground. With very rare exceptions, a degree of acquiescence of the warring parties is required in order for the UN to effectively operate. Without that acquiescence, missions end, as has recently happened in Mali. Advisory capabilities are missing as Western powers now limit their involvement through the UN and conduct advisory missions on bilateral arrangements. Also, streaks of anti-colonialism occasionally break old, forged bonds. The very nature of conflict has shifted from intra-state to cross-border in areas where these borders are ill-defined or contested, such as between the DRC and Rwanda, with the latter sowing disorder in Kivu and other areas east of the former Belgian colony.

Today, four major conflicts are creating a deep rupture in the multilateral fabric that, until now, has helped to maintain a semblance of reflection and dialogue across the planet. Russian aggression against Ukraine, of course, could never result in binding resolutions in the Security Council, with Russia, backed by China, exercising its veto power. The renewed Security Council resolutions against the strengthening of North Korean nuclear weapons have not had the influence desired on leader Kim Jong Un who now likely has a ballistic capacity to reach the United States. Since Donald Trump's abrupt failure of the JCPOA, the Iran nuclear deal, hopes of achieving Iran's denuclearization through a regime of active verification measures and a forum for dialogue have faded. Meanwhile, Iran is fuelling the terrorist capabilities of the Middle East, despite the Iranian-Saudi reconciliation brokered by China. Finally, there is Gaza.

But the world order, which is claimed to be urgently needed, is not limited to the action or inaction of the United Nations. Russia's invasion of Ukraine is nothing like the conflicts that the UN deals

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<sup>22</sup> <https://effectivepeaceops.net/wp-content/uploads/2020/10/EPON-MINUSCA-Exec-Summary.pdf>

with, even though it is discussed in its forums. What is at stake is the upheaval of the international system or, more precisely, the one that followed the end of the Cold War. Many other more recent crises have sounded the death knell of UN peace operations, such as the madness of the invasion of Iraq ordered by President George W. Bush or the murderous action in Libya under UN mandate but undermined by an interpretation of the mission by France, the United Kingdom, and eventually the United States, opening the door to individual actions by the forces of regional middle powers, most often in countries neighbouring their respective regions.

In fact, the United Nations is confronted with a multiplicity of crises that combine to destabilize what remains of the global order. COVID has been a recent factor, along with climate change, which has been formally on the international agenda since the Rio Conference in 1992, without fundamental progress. Add to these deep economic crises, notably in 2008, and growing food insecurity, all in an increasingly dark polycentric geopolitical framework, in which the multilateral institutions that emerged from Bretton Woods no longer exert a restraining effect.

While the UN's intervention in Libya has left deep bitterness, ad hoc interventions remain a less difficult option to endorse, such as the forthcoming Kenyan-led mission in Haiti, particularly in the wake of Canada's refusal to re-enter the Haitian mission as it is over-extended with a mission in the Baltics. (This part of a general failure in the Canadian Forces which will be discussed in the Canadian chapter of this Strategic Outlook). But this cannot be a general panacea because this type of operation is part of a hybrid framework, regionalizing UN action at the margins. Even if successful, it dilutes the institutional capacity of the organization.

In the absence of an untraceable alternative, there is no other choice but to hope for a possible alignment of the interests of the great powers whenever they are not in direct confrontation, as is the case in Ukraine.

# THE MAJOR NATIONS IN 2024

## THE UNITED STATES

*"However [political parties] may now and then answer popular ends, they are likely in the course of time and things, to become potent engines, by which cunning, ambitious, and unprincipled men will be enabled to subvert the power of the people and to usurp for themselves the reins of government, destroying afterwards the very engines which have lifted them to unjust dominion."<sup>23</sup>*

In his farewell address, Washington also warned that the forces of geographical sectionalism, political factionalism, and interference by foreign powers in the nation's domestic affairs threatened the stability of the Republic. His words and his warnings once again have come true.

Entering 2024, the United States is a deeply fractured country. Every issue of importance, and viewpoint is impacted by the continuing undercurrents of its recent past divided by party and geography and by individuals over country.

The pandemic, the contested 2020 election and subsequent legal issues, the revisionism surrounding January 6, the Afghan withdrawal, policies with respect to climate, and the southern border crisis, all influence domestic discourse and in their own way affect foreign policy.

In this environment, data and facts are contested through an ideological prism. The U.S. has reached the point, as Presidential advisor Kelly Anne Conway often described, as everything having alternate facts; in short, a cognitive dissonance in matters and forms. The revisionism surrounding January 6 is but a case in point. It is difficult to logically explain how a well-documented violent action with the ultimate aim of subverting an election is now being interpreted by a significant percentage of the U.S. population as an FBI instigated riot and whose participants, who have been tried and sentenced in court, are somehow seen as “hostages” or political prisoners by key political players.

This dissonance is propagated continually through select media and social media, as the country is actively being moulded for the upcoming U.S. election, creating two parallel universes where cognitive dissonance and cognitive warfare reign. On a daily basis assertions are made, often unsupported by even a sliver of truth. To listen to these opposite ends; the U.S. economy is in tatters, yet the economy grew by some 5% this past year. The recovery from the pandemic has been remarkable, with unemployment having dropped from a high in 2020 of 14% to 3.7% in December 2023 –which remains lower than the long-term average of 5.7%. If the Dow Jones Index is a measure of the economy, it hit all-time record highs in 2023. Yet, Americans by and large, do not feel as if the economy is working for them.

Inflation did increase in the past year, as did interest rates used to combat inflation. Emerging from the pandemic any administration, Republican or Democrat, would have experienced inflation as demand for products and services grew exponentially while the lingering pandemic damage to supply lines meant that the supply curve lagged significantly behind, producing inflation.

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<sup>23</sup> Washington, George, "Farewell" Address to the People of the United States, Announcing His Intention of Retiring from Public Life at the Expiration of the Present Constitutional Term of Presidency" (1796).

Notwithstanding, interest rate rises by the U.S. Federal Reserve Bank (the Fed) and constrained supply lines, job creation was not dampened and a series of labour settlements throughout 2023 have increased the wage rate to a level over that of inflation which in December 2023 was at approximately 3%. In short, wages are up, employment is up, inflation is in decline and the Fed, like other central bankers, is forecasting a reduction in interest rates in 2024. To put it in another perspective as Fareed Zakaria notes, “The value of the top ten tech companies in the United States, exceeds the entire value of the Canadian, UK, French and German stock markets combined.”

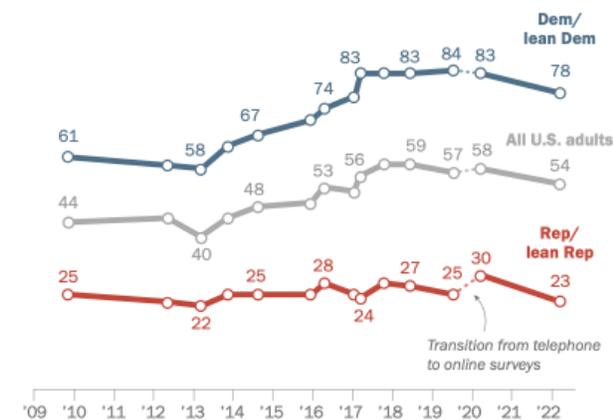
Thus, by any economic measure, the U.S. (at least in economic terms) is not in decline. The perceived decline is a function of noticeable price increases at the grocery store coupled with a continuous repetition of decline aimed at receptive ears, which over time gains the patina of truth.



Figure 15 - The value of the top ten tech companies in the United States exceeds the entire value of the Canadian, French, UK, and German stock markets combined

**54% of Americans view climate change as a major threat, but the partisan divide has grown**

% of U.S. adults who say global climate change is a major threat to the country



Note: Respondents who gave other responses or did not give an answer are not shown. Source: Survey conducted March 21-27, 2022.

PEW RESEARCH CENTER

In America today, climate policies and their accompanying legislative acts are fought against tooth and nail, not because clean air, clean water, and cleaner energy production are not virtuous aims in and of themselves, but because “green” technologies are linked to and imply an acceptance of human-caused climate change. If climate change is a hoax, why change?

Biden’s Inflation Reduction Act (especially when coupled with the CHIPS and Science Act affecting semi-conductor production) is in equal measure a promotion of “green” technologies and industries in the U.S., while striking at the heart of China’s economic future by shifting raw materials exploitation and subsequent production to the U.S. And so, the domestic and foreign economic aims of the two legislative instruments are eclipsed by the core emotive issue of climate. Current trends indicate, especially with a Trump Presidency

that climate initiatives and investments in the “green” economy would likely decline and would extend to U.S. positions and approaches internationally.<sup>24</sup>

The divided parties also paint a landscape of decline and despair. Crime is often termed as out of control in the U.S. —more so in so called “blue” states than “red.” No night goes by without images of homeless in San Francisco and other cities, murders or mass shootings in a host of American cities, or police interventions gone while never examining the effects of guns in American culture.

Socially, as but an example, key elements of Diversity, Equity and Inclusion (DEI), which is often depicted as symbolic of American decline, paradoxically featured in the legislative agendas of every U.S. President since the Second World War, including Republican administrations. Whatever Republican presidents post Second World War did domestically with respect to civil rights, affirmative action, and immigration or internationally with respect to alliances and trade, are forgotten. We note this not judging the merits of DEI, but as indicative of how far the U.S. right has migrated from what were its past traditions.

Eisenhower and his Vice President, Richard Nixon were champions of the 1957 Civil Rights Act, the first in a series of Acts which continued through the presidencies of Kennedy and Johnson, to Nixon as President. Forgotten, in what would be termed as “woke” today, was Eisenhower’s armed intervention to support de-segregation in the cause of the Little Rock Nine, and his efforts to eliminate obstacles to voting rights in the South.

Nixon as President extended voting rights, and moved on equal employment opportunity, large transfers of funds to Historically Black Colleges and Universities (HBCUs), and introduced affirmative action on a racial and gender basis to government contracts and then to government itself. From a 70% segregated population of Black children in the 1960s, had been reduced to 8% by 1972. Certainly, Nixon faced challenges with the riots of the 1960s which were based in equal measure on racial issues and opposition to the Vietnam War, leading him to address the nation in terms of the “silent majority” who nostalgically sought a return to a simpler America. This of course is no different to Trump’s appeal to Make America (Great, Respected, Feared, Safe) Again.

In turn, President Ford was an enormous backer of the Equal Rights Amendment and voted on the side of every single Civil Rights legislation throughout the 1960s. Reagan, in his turn welcomed immigrants as he saw America defined by ideals and values, not race and ethnicity. In what would only be described today as a toxic landscape Reagan enacted the largest wholesale amnesty of more than three million Mexican migrants. As Reagan asked rhetorically, “Rather than...talking about putting up a fence, why don’t we...make it possible for [Mexicans] to come here legally with a work permit?” Beyond race, gender, and immigration, Reagan was a vociferous opponent of what were then often normalized discriminatory practices of not allowing teachers who identified as gay from teaching in schools, and fought to defeat transformative ballot initiatives and amendments.

Republicans especially have broken their traditional conservative lineage as represented by Presidents Eisenhower, Nixon, Ford, Reagan, and even George H.W. Bush, as well as their political progeny in the likes of John McCain and Mitt Romney. Now, along with many traditional Republicans, all have been branded pejoratively RINO (Republicans in name only).

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<sup>24</sup> <https://finance.yahoo.com/news/new-yahoo-finance-ipsos-poll-shows-over-half-of-americans-unlikely-to-buy-an-ev-130040140.html?guccounter=1>

Internationally U.S. Presidents both Republican and Democrat in the main accepted and promoted a vision of U.S. power overseas in protection of, and promotion of liberal democratic values while aggressively countering malign actors globally. Whether based on the Nixon, Carter, and Reagan doctrines, a common theme was the defence of liberty and of course of direct U.S. interests. In that context, it is difficult to see any U.S. President of the past not stepping forward in defence of the Ukraine and actions to support regional allies in the Western Pacific, or be seen to maintain commitments.

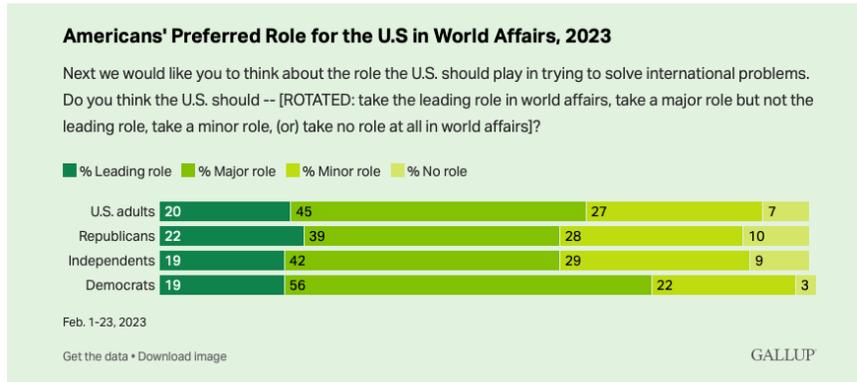


Figure 16 - 34% to 38% of Americans think that the US should a minor or no role in world affairs

Yet, there are serious questions of American reliability and commitment. The disengagement from the JCPOA and WHO during COVID-19 and the on again off again participation in COP indicates that America is becoming unpredictable. The withdrawal from Afghanistan, and how it was done is a case in point to U.S. fidelity and commitment called into

question. Afghanistan is thus transposed to Ukraine and equally to the signals that America is or is not broadcasting with respect to Taiwan. Some 34% of Taiwanese do not see the U.S. as a reliable ally.<sup>25 26</sup> Allies therefore have to be thinking in terms of contingency plans for the day America isn't there.

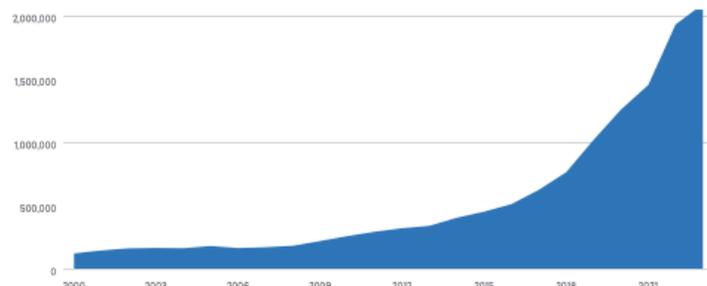
We have intentionally put more focus on the Republican state of affairs, as a vocal and powerful minority within the party who have moved away traditional Republican principles seem to control all elements of U.S. domestic and by extension U.S. foreign policy. We therefore focused on these aspects as current polling data, while not determinative is certainly indicative of a possible return to power of Donald Trump as the 47<sup>th</sup> President.

There are elements of the GOP agenda that cannot be discounted in and of themselves.

The border problem and the accompanying asylum concerns are certainly issues that the current administration has not handled well, if not disastrously. Pre-eminent is the southern border. The uncontrolled influx of migrants has to stop and by

**U.S. Immigration Court Backlog at All-Time High**

Pending cases by fiscal year



Note: Totals include immigration charges as well as charges related to national security and terrorism.

Source: Transactional Records Access Clearinghouse, Syracuse University.

COUNCIL ON FOREIGN RELATIONS

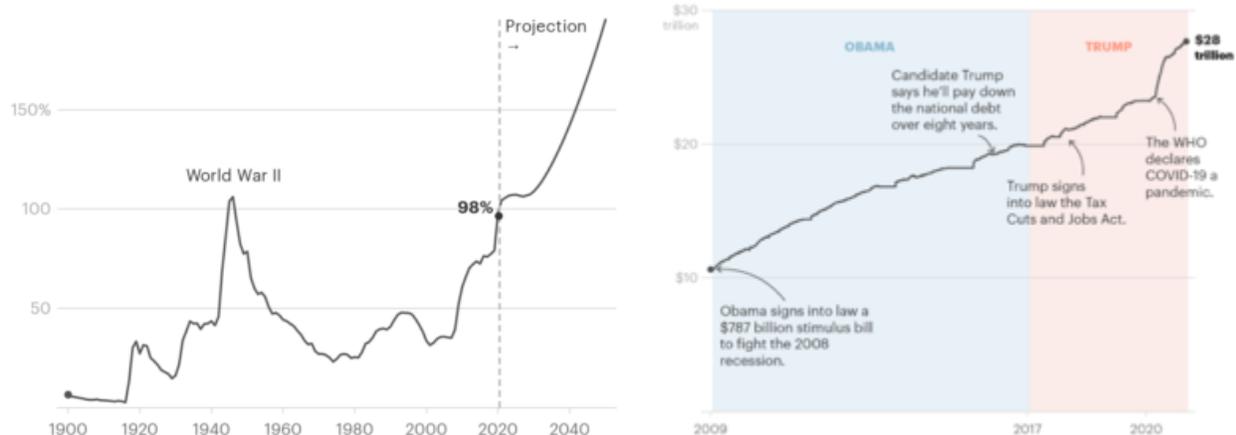
<sup>25</sup> <https://www.japantimes.co.jp/commentary/2023/12/04/world/taiwan-america-skepticism-china/>

<sup>26</sup> <https://www.nytimes.com/2024/01/20/world/asia/taiwan-united-states-views.html>

extension the ease of narcotics trafficking as it is introducing pressures in all aspects of American life. Housing, jobs, law enforcement, social programs are all affected as resources are diverted to address the most immediate needs created by the influx which due to bussing are straining cities and municipalities across the United States. Most recently it has created a potentially enormous constitutional issue with respect to division of powers between the Federal government and the States through the Texas actions to control portions of the border on its own with its integral State military resources in disregard of Federal responsibilities. Texas' actions form a dangerous precedent especially by ignoring rulings by the Supreme Court.

The migrant crisis has foreign policy and trade implications as well. Almost every Republican primary candidate has indicated a willingness to use military force, particularly special forces in actions against cartels in Mexico. Others have stated that all aid to Mexico would cease with favoured nation trade provisions repealed. These latter actions could easily spiral into unimaginable conflicts both active and passive, while dislocating trade frameworks. An America whose attention is solely focused on this problem will be distracted from other equally or more compelling international issues where American leadership is paramount.

It may also be argued that in some specific cases, U.S. sanctions particularly against Cuba, Nicaragua, and Venezuela were in fact a root cause of economic migration from those nations while the seeming ineffectiveness of aid and development programs to reduce criminality, economic outlook, and corruption in other Central American nations equally have contributed to the migration the U.S. is seeing. A wall, or tighter migrant policies will certainly attenuate the worst of the problem, they will not make it go away. Given that the border is the top electoral issue in the U.S., there is concern in some quarters that a President Trump might be tempted to lift sanctions or come to some kind of agreement with even Maduro as long as it contributes to solving the border crisis.



*Figure 17 - The Trump administration did add \$7.8 trillion to the debt. However it is nearly equally split between tax policies and emergency disbursements during COVID. Increases to the national debt have been a staple of both Republican and Democrat Presidents. Debt reduction should be a non-partisan issue, unfortunately it is not.*

The second issue where the Republicans from the centre to the extreme right have valid points; is the extent of the U.S. deficit and debt, irrespective of the fact that the Trump administration was responsible for adding \$7.8 trillion to the debt in part through tax cuts but mostly through the obligations of pandemic spending. In the coming years, the U.S. faces threats to the financing of its

Social Security retirement system, and to the affordability of its health system. There are some projections which indicate that the interest alone on its national debt will equal or exceed the Defence budget.

These projections do not take into account the potential costs involved in solving the southern border crisis, any schemes towards large scale deportations, let along the pressures on the U.S. to participate in post-Gaza conflict resolution, defence recalibration towards Asia-Pacific, climate change initiatives, and unknown but anticipated pressures vis-à-vis any range of international conflict. In part, these anticipated costs alone are a contributory reason to the trend towards neo-isolationism on the part of the U.S.

Though Trump as President went too far in castigating allies for not contributing what he considered their “fair share” to defence, he was not entirely wrong either. The U.S. contributes more than any other nation to NATO, and to UN entities with voluntary contribution budgets such as the WFP, UNHCR and UNICEF. However where Trump as President was wrong was to make these contributions part of a “transactional” process where the multilateralism for good works would be subordinate to what the U.S. received from a policy standpoint. The cessation of funding to UNRWA, critical to the survival of civilians in Gaza and funding for other agencies were decided on an ideological basis.

We would expect to see a growing nexus between all internal domestic legislative agendas balanced against international commitments the U.S. may or may not undertake. Depending on the final result of the 2024 election, there is a strong chance that ideological perspectives will again influence U.S. foreign aid and defence policies.

For Ukraine aid, already a contentious issue in Congress, it is difficult to see it sustained at present levels, as the U.S. primary season debates have reinforced. For some, it is primarily a European issue that should be funded by Europe reinforced by a view that not one American boot will ever walk in Ukraine, especially not with open-ended commitments. That point of view ties aid to perceptions of “globalism” and detracts from focus on domestic issues. On the other hand, international traditionalists see Ukraine aid as a great investment in containing potential future Russian aggression while upholding American values in support of democracies abroad and buttressing international law. This latter view, best expressed by Governor Nikki Haley, sees support to Ukraine as a means of ensuring that wider conflicts do not ensue. It is much in sync with Reaganite views. There are few interconnection points or commonalities between the two viewpoints which illuminate how consequential the 2024 U.S. election will be.

Given that a Trump Presidency seems probable, and even if defeated will likely not alter “divided government” in the Congress, we believe that support to Ukraine will likely end or be significantly reduced. Equally pressure on Ukraine and Europe to accept a cessation of hostilities along current confrontation lines will increase and become the likely position of the U.S. That position would likely include an end to the vision of having Ukraine join NATO –a position that paradoxically would be reinforced by several NATO nations.

Gauging the political response in the U.S. to the Gaza war it is likely that a Trump administration will revert to previous approaches with respect to the Middle East. We suspect that the idea of a two-state solution will likely be discarded and support to the Palestinian Authority would be significantly reduced. Potentially, the U.S. may revert to the former peace plan developed by Jared

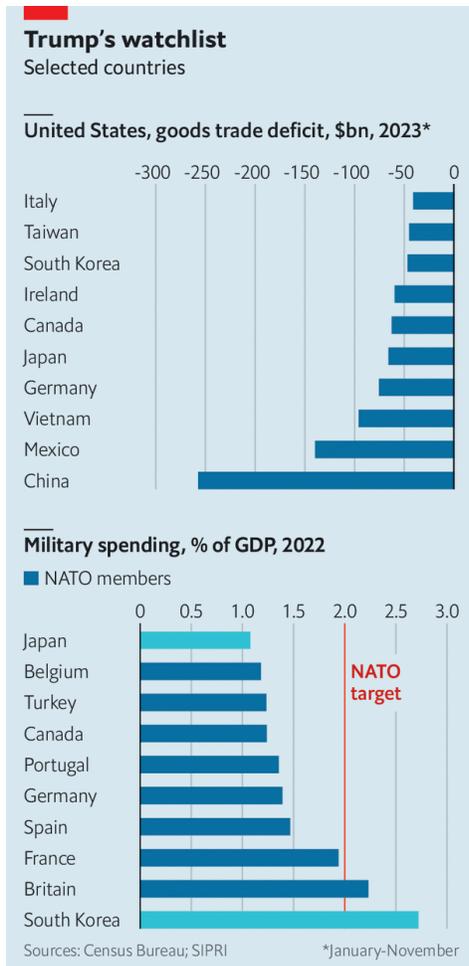


Figure 18 - Of 38 US allies in NATO or Asia, 26 have trade deficits and/or spend less than 2% GDP on defence, scoring badly on two key Trump yardsticks.

Kushner, but in the current U.S. electoral campaign there has been little indication on which way a Trump administration might lean.

Based on the aforementioned issues of affordability and focus on domestic issues, the U.S. would likely play a minor role with respect to Gaza reconstruction, unless the real-estate magnate cum President sees a development opportunity for Gaza as he once contemplated with Kim Jong Un. That would also be in line with the previous approach the Trump administration had applied to the peace process, with a greater focus on economic development as a road toward a political settlement.

As such, more emphasis would be placed on separating the Palestinian issue in favour of regional ententes all centred on further developing and expanding the Abraham Accords. Current U.S. policies with respect to Iran would not change appreciably and if anything, frictions would increase with more sanctions and certainly restricting access to funds made available by the recent prisoner swap.

In the near term however, the Biden administration faces a problem of its own making by promising unconditional support to Israel at the outset of the conflict. Netanyahu has barely paid lip service to U.S. requests with respect to its “red lines” —demands to reduce civilian casualties, allow more humanitarian aid, reduce settler violence, and articulate a vision for post conflict co-existence with the Palestinians.

On the face of such intransigence, the US may be forced to start “conditioning” its support to Netanyahu lest the U.S. itself be tainted in world opinion for enabling the very things the U.S. wishes Netanyahu would not do. If the war continues, as most expect for some time (see Gaza War

Assessment) the U.S. will lose its strategic patience with Netanyahu at least through Biden's current term.

With the U.S. pre-occupied with the election, other areas of concern have not disappeared but are getting less attention, at least publicly. Under the radar, North Korea successfully launched a satellite into orbit suggesting that the development of a missile with intercontinental range may not be far off. The declining relationship with China influences the current sanctions regime against North Korea, but also the security of Taiwan. The relationship with China as The Economist forecasts would decline further as a suspension of permanent normal trade relations is probable with China being subjected to even higher tariffs than are presently levied against it.<sup>27</sup> Each of these areas/issues would have profound consequences on the United States and for that matter global security. (See China and North Korea)

<sup>27</sup> <https://www.economist.com/international/2024/01/22/the-world-is-bracing-for-donald-trumps-possible-return>

Ultimately, Trump’s transactional approach will be ideologically based if his MAGA movement can be said to have any ideology, but rather on his often-expressed categorization of nations as free loaders or “shithole” countries. The Economist defines these categories as those he may deem “users” (supposedly ungrateful allies), “bruisers” (nasty adversaries), and “losers” (countries he doesn’t care about).<sup>28</sup> Nations that do not spend on defence, or with whom the U.S. has trade deficits with would likely be policy targets in the future.

There is one final element of concern with the U.S. which not only influences its domestic agenda, but certainly extends to how the U.S. conducts itself internationally and that is the widespread landscape of dis/misinformation or what this Strategic Outlook terms as cognitive dissonance leading to outright cognitive warfare.

While all nations, particularly democratic ones that seek to avoid any form of censorship and promote free speech, are also under the influence of cognitive dissonance in their respective information spaces, cognitive dissonance and warfare are nowhere more pervasive, entrenched, and widespread than in the United States. We provide three simple examples of the many that exist, illustrating the use of reinforcement (building a fallacy from a kernel of truth), repetition (where a conclusion is repeated and repeated until it gains currency), and the spectacular (an item that builds on preconceptions to propose something outlandish that is not critically appraised):

- a) Reinforcement – Inflation is high, but markedly down from its 2023 highs. Interest rates have risen, making home purchases and mortgages difficult to obtain. As a consequence, housing costs are up. These facts are then overlaid with general economic performance to show the economy being in the worst state for decades. Yet in fact, the economy is ploughing ahead, setting records of performance for the S&P 500 and the DJIA, while unemployment is near historic lows, wage growth is widespread, and the U.S. led in GDP growth amongst the G7 industrialized nations and also in GDP per capita.
- b) Repetition – Blue States are bad; Red States are good, and Florida is truly the sunshine state while California is beset by problems. Without dwelling on the specific data, this mantra is repeated not only in the “news” but subliminally promoted in the least expected of mediums. In a publication dealing only with the opening of the NASCAR season, the opening races were characterized with adjectives that had nothing to do with the subject of the sport itself as follows: “The Busch Light Clash out in Newsom’s empty, rundown California is less than one month away, while the Daytona 500 in DeSantis’ thriving Florida is two weeks after that.”
- c) Spectacular – In November following a manufactured YouTube video, a website controlled by Russia electronically masquerading as a Washington D.C. based entity circulated the claim that President Zelensky purchased two luxury yachts with \$75 million of U.S. aid money.<sup>29</sup> Not long after the story reached Congress, Senators Tillis and Vance, and Congresswoman Greene tweeted or said variations of the following:

*"Anyone who votes to fund Ukraine is funding the most corrupt money scheme of any foreign war in our country's history."*

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<sup>28</sup> Ibid

<sup>29</sup> <https://www.bbc.com/news/world-us-canada-67766964>

*"There are people who would cut Social Security, throw our grandparents into poverty, why? So that one of Zelensky's ministers can buy a bigger yacht?"*

The aforementioned examples, especially the third though quickly debunked, nevertheless sees its core message remaining in some legislators' minds – if not a yacht, certainly something else proves Ukrainian corruption. This mindset, where perception is more important than facts will make dealings with the U.S. difficult in the foreseeable future especially for nations listed in Fig 12.

In closing, every foreseeable issue confronting the United States domestically and internationally must be planned, not just through a traditional partisan lens, but more specifically through a MAGA lens which is increasingly being used to describe a movement in and of itself rather than as a campaign slogan. This lens, as the Council on Foreign Relations says will be “nationalist, less cooperative, and more unilateralist.” This stark new reality has forced discussion at various national levels (France, Germany, Canada, Ukraine) and internationally (the EU, WEF/Davos) to question what effects could be expected from a second Trump presidency.

The recurring themes with respect to a second Trump term are as follows:

- a) Business CEO's fear unpredictability and instability. On the one hand they embrace a low tax and low regulatory environment Trump would enhance, but fear swelling deficits on the other. The business community is also quite conscious of the populist effect on any “social” issues they embrace given the Bud Light backlash. Tariff wars and migration are also a concern, the former especially with respect to whether widespread general tariffs are imposed, or targeted, and the latter as pools of inexpensive labour that may not be easy to replace with the attendant cost implications.
- b) Tariffs are also a concern especially to nations that have a high percentage of exports to the United States –particularly Canada, Mexico, China, Japan, Germany and the EU as a block especially if Trump enacts a 10% tariff wall across the board. Whether these nations respond with tit-for-tat tariffs (initiation of trade wars) or simply accept tariffs as a cost of doing business with the U.S. under Trump, it is inevitable there will be an introduction of hostility between nations, and bleaker futures for the nations involved.
- c) NATO and Defence. Trump has frequently doubted the value of NATO ranging from questioning Article 5 provisions, to ascribing certain conflicts (like Ukraine) as a primarily European problem, and berating all with respect to their insufficient military spending which he sees as an exploitation of the United States. Allies will have to consider what NATO without the U.S., or a reduced or partial American membership would entail. Certainly for Europe it would increase discussions around the European Defence Community (EDC) and also add credence to Emmanuel Macron's calls for Europe to decide its own strategic future. In such an event, Canada becomes orphaned in the west of the North Atlantic alliance, and if an EDC like NATO emerges, then Turkey not being an EU member would likely be orphaned as well, while Sweden and Finland must be re-evaluating the validity of the security umbrella they joined in response to Russia's invasion of the Ukraine.
- d) Alongside NATO, the UN would also be severely damaged, given that Trump believes that the international order, of which the UN is a key pillar, does not serve American interests. U.S. funding would most certainly be reduced as Trump has long threatened to do. If the

UN is threatened, then there is reason to believe that U.S. engagement in other international bodies would likely be reviewed as well, particularly the WTO.

- e) Trump has often said he would end the war in Ukraine within 24 hours of turning his attention to it. There is little doubt that he would do so notwithstanding Ukraine's objections especially since Ukraine was a thorn in Trump's side during his first presidency, while its defence against the Russian invasion has been so closely associated to Biden. That raises the real prospect of a Russian win. The quid pro quo in this might be a renewal in nuclear talks with Russia, though it was Trump who withdrew from the 1987 Intermediate-Range Nuclear Forces (INF) Treaty that had constrained Russian nuclear deployments, especially in Europe.
- f) On U.S. Defence, it is difficult to see that Trump would not seek to disengage U.S. Forces from engagement and basing overseas as he did in part during his first term. For example, if the U.S. pulls back from NATO it stands to reason that the U.S. network of bases in Europe would be reduced. The prime candidates for disengagement would be U.S. troops in Iraq and U.S. bases in South Korea as, he has already expressed his displeasure with those deployments and did initiate the withdrawal from Afghanistan, that Biden completed and began the sharp reduction in troop strength in Syria. South Korea would be determined by what outcomes are envisioned by Trump with North Korea and those outcomes are subject to sheer speculation, but it is reasonable to assume that as President, Trump would re-open talks with Kim Jong Un with their "beautiful" letters. These actions would have an enormous impact on the U.S. relationship with China, and the insecurity subsequently felt by many Asian Pacific nations, particularly those along the first island chain in the South China Sea that Beijing values for its strategic depth. Such a move would only lead U.S. allies in the region as well as Australia to question U.S. reliability.

It is ironic, that the United States, for so many years the indispensable nation in world affairs, and in many ways its guiding hand, would return to the warnings that George Washington articulated in his farewell address, to ignore foreign entanglements that were at their heart not in the American interest, while ignoring his warnings about the threats to the Republic.

## RUSSIA

### Putin and Ukraine: a predictable war

It is George Kennan who offers the key to understanding not only Vladimir Putin, but his desire to bring Ukraine “to heel”, when he wrote that for the Kremlin, there are only vassals or enemies and that for Russia's neighbours, the binary choice was therefore simple, with all the consequences this entailed. What is happening today in Ukraine is only Putin's continuation by force what Yeltsin wanted to accomplish through persuasion. The collapse of the Soviet Union for the latter was to lead to control of Ukraine in the same way as Belarus or Kazakhstan, the north of which was populated mainly by Russians.

Everything was linked to the concept of spheres of influence, the collapse of the Soviet Union calling for new balances of power. Yeltsin worked to bring Ukraine back into the Russian orbit. His attitude led to changes in Western positioning, initially very favourable to Russia, but gradually becoming disillusioned with the pressure exerted by it on Ukraine. This was particularly true for the Canadian position, which in the space of a year –particularly given the strong Ukrainian presence in the Canadian population since the end of the 19th century– turned entirely in favour of Ukraine. The choices that Kennan mentioned apply perfectly: the Russian elite after the end of the USSR believed that Ukrainian independence would be temporary, notably during the Belovezha meeting in 1991, leading to the creation of the Commonwealth of Independent States (CIS) which was, according to Yeltsin, to unite Russia and Ukraine on economic and defence issues, in a formula of partial sovereignty.

The West went astray in thinking that the concept of a "Europe whole and free" would mark the end of the Cold War when even for Gorbachev, the concept of a “Europe, common home" would be one where the USSR would retain its status as a superpower, while Yeltsin saw the rapprochement with the West as a consecration of Russia's control over the post-Soviet region, also demanding a right of review, even veto, over affairs European and global security. It is not surprising that his first meeting with President Clinton, who was clearly opposed to this conception, was not the most calm and that Yeltsin felt better with Prime Minister Mulroney who did not speak harshly to him.

In Ukraine at that time, the relationship with Russia was the subject of heated debate, though independence was not yet in question. But Russian pressure, already significant, only strengthened nationalist fervour. The return to Russia of the nuclear weapons stationed in Ukraine, probably bitterly regretted today, has brought Ukraine considerably closer to the United States and more generally to the Western world. On the other hand, irritation in Moscow was growing, given the fact that this rapprochement was taking place with NATO in the context of the Partnership for Peace program. The Russian response was to demand the return of Crimea to Russia and to impose restrictions on hydrocarbon deliveries to its neighbour.

The democratic disintegration in Russia with the attribution of increasing powers to the presidency during the constitutional revision under Yeltsin would greatly serve Putin. The conflict in Yugoslavia following its collapse would lead to growing disagreements between Russia and the West. Furthermore, the impact of the Russian economic crisis would be felt deeply, humiliating Russia to the very depths of the country. One has to have lived in Russia at that time to realize how much the second military power in the world resembled a developing country with completely new poverty.

Several events would indirectly accelerate the crisis between Russia and Ukraine, including the enlargement of NATO, the American abrogation of the 1972 Anti-Ballistic Missile Treaty agreement, and the disastrous U.S. invasion of Iraq (which Putin will mention to many repeatedly to justify its invasion of Ukraine). Even the Arab Spring would add to the resentment of Russians fearing losing control, particularly in Syria. All this would culminate in Putin's famous speech at the Munich Conference, announcing a period of confrontation.

The Russian invasion of Georgia served as the first warning shot. And in 2014, in the mystifying wake of the Sochi Olympic Games, what could be called the first phase of the Russian invasion of Ukraine began, following the ouster of pro-Russian President Yanukovich, leading to the capture of Crimea by Russia and Russian support for the fighting led by pro-Russian separatists in Donbas. This put an end to any illusion of understanding with the West. What followed was Russian war crimes in Syria, the poisoning of Putin's enemies in the United Kingdom, Russian interference in Western elections, and the complete disintegration of Russian democracy.

This is what eventually leads us to the Russian invasion of Ukraine in February 2022. Certainly, it was not a total surprise since U.S. intelligence announced it for all practical purposes, though its scale suggested a rapid fall in the Ukrainian regime in place. But that was without taking into account Zelensky, the former comedian who had recently become the Ukrainian President. The explanation of the invasion, notwithstanding its partial failure in the short term, in view of its deep ambitions, should allow us to make a civil and military judgment on its possible “chances” of success.

If we start from the initial observation of Yeltsin's dissatisfaction with the United States mentioned above and add to this the accelerated expansion of NATO in Eastern Europe, clearly carried out to counter Putin's desire for revenge against the "betrayals" of certain former members of the USSR,

### **Syria: Russia's Strategic Gateway**

Attention to Syria —once a focal point of Western strategic interests due to the fight against ISIS, and the intrusion of Russia and Turkey —has waned over time and being eclipsed by other international crises.

Yet, stability in the Middle East without a solution in Syria will not occur. Thirteen years of conflict have left this Mediterranean country in ruins and led to a displacement of 12 million Syrians and nearly 400,000 deaths amid desperate living conditions.

Of all the countries having gone through the Arab Spring and eventually lost to dictatorships, the divisional factions in Syria have turned the country into a failed state. It remains a refuge for the remnants of the Islamic State and harbours Al-Qaeda linked terrorist organizations, Kurdish groups, Hezbollah, and foreign militias. The presence of Russian military units adds to a situation of disarray.

President Bashar al-Assad has remained in power and was readmitted to the Arab League, a recognition of his legitimacy. Yet, he has limited sway on the interactions between the governments of Russia, Iran, Turkey, the GCC countries, let alone the U.S. and Europe, complicating any sense of a clear path forward. For Russia, Syria is the most important country in the Middle East because of the presence of its forces, the only Mediterranean naval base Russia has in Tartus, and the links with Syria's Orthodox Christian community.

The country remains a low-intensity battlefield even if the Syrian frontlines have tended to stabilize with Assad now in control of 70 percent of the country, with the help of Russia and Iran, steadfast allies of the regime. Yet, there are multiple engagements at play. Assad is battling Islamist militant groups, coalesced under Hay'at Tahrir al-Sham in Northwest Syria while the mostly Kurdish Syrian Democratic forces are backed by the 900 U.S. military personnel still in Syria in the Northeast.

Russia found itself increasingly excluded from debates on European security, to the point of undermining the feeling of Russian security, an impression exalted by Putin in the process of “creating an enemy”. But the fundamental reason is Ukraine's candidacy for entry into NATO, which has never been completely rejected. The NATO press release in 2018 covers most of the admission under military cooperation without confirming either membership or a timetable. Furthermore, the Ukrainian desire to join NATO was accompanied by a request for entry into the European Union. As we see today, the process is well underway but requires a considerable number of provisions to be put in place by Ukraine before it becomes a member. As much as the gesture of accession is important as a political symbol, on an economic level, there will be no free pass for Ukraine, in addition to the requirements in terms of strengthening democracy and the fight against corruption. The negotiations will last a long time.

But the very fact that these negotiations are beginning highlights the erasure of democracy in Russia. Of course, the threat to Putin's dictatorial Russia may not be great, but it is insidious. Hence the ongoing blocking of all uncontrolled information. An agreement between Ukraine and the European Union could have been accepted by Russia, even if reluctantly; but Ukraine's entry into NATO remains a *casus belli* against which Russia must take preventive measures –war– even if this, in the long term, could precipitate Ukraine's entry in NATO.

This is why the war against Ukraine cannot be interrupted or under conditions completely unfavourable to Ukraine, such as neutrality. Any neutrality, even of the Swiss or Finnish variety before Finland's entry into NATO, would not have prevented the continued penetration of the country by Russia, given the linguistic-cultural structure of Ukraine. The “multi-vectorism” practiced

### **Syria: Russia's Strategic Gateway (con't)**

Arab tribal fighters also operate in that region against ISIS. Turkey continues to try to limit the influence of the Syrian Democratic Forces (SDF) and maintain control over the northern border to prevent Kurdish separatists infiltrating into Turkey. Israel in turn, regularly strikes Syrian and Iranian positions in Syria.

In such a complex context, despite UN support for political solutions based on Security Council resolution 2254 aimed at reconstituting “the sovereignty, independence, unity and territorial integrity of the Syrian Arab Republic,” little progress has been achieved, notably due to Russia's intransigence, made stronger due to the Ukrainian conflict.

Ironically, President Assad's position strengthened by his reintegration into the Arab League, helping him to resist outside pressures and ignore the plight of his people. Assad has started to court China for assistance in exchange for access to the port of Latakia and Syria's joining the Belt and Road Initiative, completing the triangle of Russia, China and Syria.

As Assad renewed attacks against his opponents with Russian assistance and planning, Israel's attacks in December on the airports of Aleppo and Damascus have added to the region's tension in pursuit of reducing Iranian military presence in Syria which Russia and China, do not oppose given their own relationships with Iran. These events may have an influence on the outcome of the Gaza crisis, as Syria has always espoused the Palestinian cause as do Russia and China, both having quasi-official links with Hamas.

Turkey remains a major player in the area given its concerns about potential Kurdish infiltration in the country. It is another case of Turkey, as a NATO member, pursuing its own domestic interests in a kind of “ballet” with Russia.

Whilst no longer at the forefront of Western attention, Syria remains as a potential flashpoint in the Middle East.

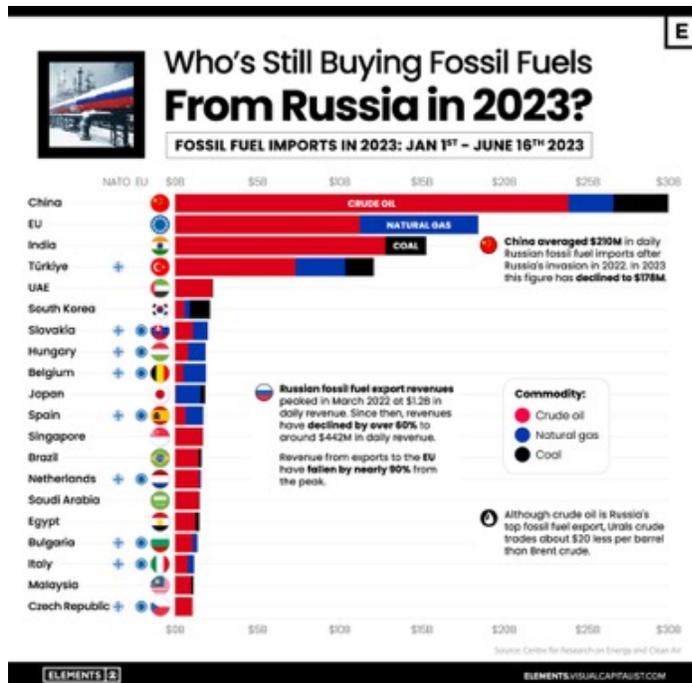


Figure 19 - The stickiness of energy - two years into the Ukraine War, Europe still buys oil and natural gas from Russia as does Turkey, a NATO ally

inevitable. The chances of achieving peace in the short and medium term are minimal, precisely because the initial Russian objective provides for only one possible outcome –the total subordination of Ukraine, perhaps not completely occupied by Russian forces, but a vassal state akin to Belarus. Furthermore, defections or slowdowns in the delivery of arms and ammunition to Ukraine, for whatever reason, clearly mark the limits to international cooperation and confirm the desire of Russia to continue the war as Putin has suggested on innumerable occasions.

In fact, the war launched by Putin calls into question all the elements of the post-Cold War period since Russia has once again become a military threat and, very incidentally, an economic one with regard to its own production of hydrocarbons and its capacity to cause harm on the international scene given the reserves and the oil pipelines under its control. At the level of values, after the West defaulted to attenuating its own concerns towards Putin's Russia –recall George W. Bush's naive remark that he had been able to read Putin's soul –it is clear that there is no longer any doubt about who we are dealing with. Even Russian hydrocarbon delivery agreements, previously a symbol of a new understanding, have become instruments of the Russian threat, hence the extraordinary effort to reduce dependence on Russia, allowing, incidentally, China to replace itself as a customer, at advantageous rates.

The final question remains: Will the battlefield turn decisively on the future of relations between Russia and the West? This is where hopes have weakened considerably. From the momentum in favour of massive military and economic aid to Ukraine in the first year to American and European grumbling at the end of 2023, everything suggests that both on the ground and in the chancelleries, the future of Ukraine is seriously compromised. The difficulties the 27 EU nations faced in finally pushing through a \$54 billion aid package to Ukraine, only suggests a waning support in the West, at

by Ukraine between the Russian East and the European West during the time of Yanukovich and Yushenko would hardly work in a framework of neutrality without democratic safeguards and barriers to corruption.

Likewise, there cannot be, in the short and medium term, or even in the long term, a clear and clear exchange between non-entry into NATO and respect for the independence of Ukraine because politically, this would be the death sentence of any Russian leader who might accepted it.

This conflict will not end until a Russian leader is strong enough to renounce physical and moral possession of Ukraine or the political situation in Ukraine leads to a heartbreaking revision of its pro-European position. What must also be understood is that the war in Ukraine was a personal choice of Putin, and therefore

the same time as a corresponding increase in support for Russia from China which shares with the Kremlin anti-hegemonic objectives against the West.<sup>30</sup>

Indeed, China is unlikely to shift its position as it is clearly profiting from Russian hydrocarbon deliveries, helping Beijing keep its economy afloat. Additionally, there are pariah countries like Iran and North Korea. Faced with the strengthening of the Russian armed forces quantitatively if not qualitatively and the increased production of weapons and military equipment, for Ukraine, the prospects of victory are tenuous. Russia maintains popular support for its war efforts, with manipulation of public opinion particularly successful, precisely because it is Ukraine and not a Central Asian country. The population is intelligently fed propaganda emphasizing that the “real Ukraine” is not that of the “Nazis now in power in Kyiv” –messages accompanied by calls for patriotism soaked in reminiscences of Soviet glory during the Second World War.

The start of military operations turned largely in favour of Ukraine, notably the defence of Kyiv in the first days of the offensive, followed by acts of bravery in the face of disorganized Russian forces insufficient to win the battle. After the first winter and clownish episodes of the unbridled Wagner group, the battlefields began to resemble those of the First World War. There have been some questions of Ukraine’s stoic determination to defend every inch of ground. A smaller army like Ukraine’s must husband its most important resource, that being its soldiers. While Ukraine earned respect for the defence of Bakhmut, it lost some of its best military units in the defence of a destroyed city with little tactical value. Despite ammunition that was continuing to arrive from NATO members, the weapons Ukraine really needed were more armoured, mechanized equipment and air assets, their absence leading to the largely failed Ukrainian counter-offensive in the summer of 2023 and the consequent bogging down of the front lines. The slowdown in financing of operations by the United States and the European Union was matched by a strengthening of Russian defence system and contributions from Putin's allies.

If the American presidential elections, which are already distracting Ukraine’s allies, were to lead to the victory of Donald Trump, which would undoubtedly spell the end of the U.S. contribution, Europeans would be unable to fill this void. At this stage, a frozen conflict would result, with definitive Russian control of the Donetsk and Luhansk region and perhaps further territories it could well seize prior to any ceasefire. The reconstruction of Ukraine will also be a complex issue because Russia will not have given up on its long-term objective –the integration of Ukraine into the Russian fold–while the European Union will trample on Ukraine's accession efforts due to the risks of instability and failure to comply with the essential conditions of membership in the European Union.

### **Future prospects**

As the war in Ukraine continues with no clear indication of an end to operations and we collectively strive to maintain our assistance to the war effort, the West, as a whole, has refrained from defining its objectives long term vis-à-vis Russia.

Assuming that Ukraine is restored to its full sovereignty, however implausible this hypothesis may be, what relations do we want, or can we have with Russia? It is not just a question of developing scenarios but of defining our long term interests vis-à-vis, geographically, the largest country on

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<sup>30</sup> <https://www.wsj.com/world/europe/europe-warns-hungary-to-back-ukraine-aid-or-face-consequences-1dea4b5b>

earth. Do we want to get rid of Putin? Do we want to wait for a coup or illness to prevail? Should we rely on an external event, or do we have short, medium, and long term plans? We will have to define at some point what the new normal for relations with Russia would be. The Minsk I and II agreements were damp squibs and are therefore not a convincing example.

Starting from the hypothesis of a ceasefire and a possible disengagement, which would not be a “defeat” of Russia but the starting point for a negotiated solution, the sanctions regime should undoubtedly be perpetuated until an agreement is made on reparations. Russia will need to recognize its responsibility. But before even starting an extremely difficult negotiation, what are the “minimaxes” of the Western world which, without loss of human life, will nevertheless have sacrificed enormously to strengthen the Ukrainian defence and counterattack capacity.

One way or another, short of a total Russian debacle, which is difficult to imagine, Russia will never return Luhansk, Donetsk, and especially not Crimea. The West should have no difficulty convincing Ukraine that even a humiliated Russia will remain dangerous. Still the hope of Ukraine’s much longer term reintegration into the European concert (to use an arcane expression) will depend on some form of joint peaceful management of the two Russian majority regions in a shared federal system—a more sophisticated version of Minsk II.

The question of Ukraine's entry into the European Union and NATO must also be part of the negotiations, though realistically, in a perceived Russian win, only EU membership has a chance of success and Ukraine remains far from meeting all NATO membership criteria, and there are NATO and EU nations that would oppose Ukrainian entry to either. Nevertheless, the loss of Luhansk, Donetsk, and Crimea should be accompanied by a negotiation on Ukraine's entry into the two organizations or at the very least, the EU. In any case, if we take into account the military and civilian aid granted by the countries of the Atlantic Alliance to Ukraine since the start of the conflict, all that’s missing for us to be able to speak of direct military intervention would be a soldier from a NATO country in Ukraine.

We should note that a second Trump Presidency, with his proclaimed yet amorphous 24-hour peace negotiation, is an unpredictable variable. What little we know from his pronouncements is that Trump would threaten each side equally to bring them to the centre: no further aid to Ukraine, and a punitive U.S. approach to Russia.

In the longer term, it would seem there are Western interests that would benefit from a return to some form of reconciliation with a Russia whose ambitions can be restrained.

Certainly, the Russian democratic fibre is fairly non-existent and any successor to Putin will probably have ideas, if not similar, at least related to his own. But we must not forget that one of the major objectives of both European and American foreign policy is to detach Russia from China, on the one hand, and to make it stop absorbing the rest of Ukraine either physically or through influence. Ukraine as a Russian vassal state would represent an enormous strategic loss. These strategic issues must take precedence.

Finally, what is important in this whole context is that even if we bring into the debate ideological considerations, which for Russia go so far as to have the invasion endorsed by the Russian religious authorities, the debate is essentially territorial, with underlying economic interests which can be decisive in the outcome of the conflict and Russia certainly seeking to put an end to the sanctions which hamper its growth. Just as important, we must not forget that Russia has strategic interests elsewhere in the world, particularly in the Middle East, and that its capacity to cause harm is not

negligible across the planet. In other words, whatever the eventual negotiations, it must take into account the entire gamut of Russian interests in the world.

Although there should not be a direct role for China in these negotiations, it will be necessary to maintain a constant dialogue with it and reassure it that the West is not involved in a regime change manoeuvre in Russia. The message should be clear: any negotiations with Russia would be based on the principle of equality and sovereignty of the parties.

This also means avoiding any reprisals once an agreement has been ratified, particularly towards the Russian-speaking population of Ukraine who suffered more than others from the conflict. This is why the negotiation of the reconstruction of Ukraine will have to involve, in one way or another, not only Russia but also international financial institutions. One would expect that the chancelleries involved on all sides would have already started this type of thinking.

## CHINA

By any financial, economic, diplomatic, and military measure, China is an ascendant if not already a near peer power to the United States, which instantly raises the question of Beijing's relationship with Washington.

Many years have been lost coming to terms with accepting and subsequently adjusting to the realities of an ascendant power finding its place alongside the established power. No one any longer doubts that China is a driving force in contemporary history and that the future of humanity can be profoundly influenced by the evolution of this world imbued with a centuries old history. But its actions are also animated by a resentment caused by a century of occupation, exploitation, and dispossession, and reinforced in the modern age of a sense that there are two sets of rules in the world order, unequally applied which form the heart of China's profound distrust of the West and its allies. Like Putin, the invasion of Iraq without any UN acceptance based on faulty intelligence without any repercussions to the U.S., or the intervention in Libya which was to protect people and instead became regime change all reverberate, even decades later.

It perhaps explains, though does not justify, China's reaction to Western criticisms on the treatment of minority groups in China, particularly Uyghurs and Tibetans, as China sees a paradox in how some Western nations act in terms of human rights compared to how they speak of them. For China, the U.S. having instigated arbitrary detention and torture during the "war on terror" or the U.S. management of the asylum system with its detention facilities, family separations, and the history of discrimination towards Blacks and Native Americans are viewed as American hypocrisy.<sup>31</sup>

The outcomes of the three principal crises over Taiwan, a few short kilometres from the mainland, each ending with the threat of major U.S. military engagement, reinforce Chinese viewpoints as to never be so embarrassed again. Modern Chinese rearmament —especially the drive to build aircraft carriers —can be directly traced to the end of the Third Straits Crisis of 1995-1996. This view of Western nations and their international institutions such as the IMF, restraining China or not treating China equally, adds to the historical impact on Chinese psyche and hence its perceived need for strength, especially on its periphery. China's very geography and its sea lines, central to trade and military movements, drive the need for strategic depth which explains its actions throughout the South China Sea. While its moves are seen by many as illegal, they are a strategic necessity for China.

China's rise to the second largest economy of the world may be traced to a fundamental reform begun by or credited to Deng Xiaoping decades earlier. While the socio-economic system is profoundly different from Western capitalism, it borrows the facets and norms China considers desirable while modifying them to China's circumstances which meant wealth would trickle down to all. The theory worked out somewhat imperfectly in that a class of uber-billionaires was created distorting its internal markets somewhat and is now the source of some of China's real estate problems. However, China, for the moment, enjoys a significant advantage in areas like green energy transition due to the proximity of domestic manufacturing to raw material sources of supply with a combination of lower labour rates and direct subsidies improving its competitive position.

China's geophysical fortune of having the natural resources, minerals, and other raw materials, that coincide with the global pursuit of a "green" economy, has placed China in an advantageous

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<sup>31</sup> [https://www.mfa.gov.cn/eng/wjbxw/202206/t20220619\\_10706059.html](https://www.mfa.gov.cn/eng/wjbxw/202206/t20220619_10706059.html)

position in the short term, capitalizing on the fact that its economy performed much better than expected during COVID-19, notwithstanding its lockdowns.<sup>32 33</sup>

The success of China is made starker in the re-evaluation of supply lines and precepts of post-pandemic globalism, which led the United States to undertake a real policy review even at the risk of going against the long-standing support of free trade and competition. Joe Biden's "Build Back Better" program, which produced the Inflation Reduction Act, is an aggressive protectionist response that risks transforming the macroeconomic management of the world. In short, inducements to consumers are intended to favour their spending towards manufacturers who source raw materials and commodities that benefit U.S. workers, with China (and others) feeling that U.S. subsidies are protectionist and thus harmful China.

China currently has a comparative advantage in manufacturing, but a number of trends could erode this advantage as the world appears to be retreating from globalism, and nations like the United States, especially if Trump is elected, will likely insist on trade parity while favouring domestic production in higher value industries and manufacturing. The policies that may result will be notable for their consequences as China and the U.S. are each other's significant trading partners though there is a marked imbalance between imports and exports for both with China. China is by far the largest source of America's global trade deficit.

Furthermore, the protection of intellectual property remains a Western fear in the face of Chinese industrial espionage but also extends in restricting the ability of the Chinese to acquire the most advanced semi-conductors or other technologies that might be applied to current products but may also enable future AI solutions.

The fact remains that, beyond the considerable political and strategic dimensions, the relationship of mutual economic dependence between the two blocs remains significant. That has been underscored by Biden who referred to the balancing act for both being how to "maintain competition without lapsing into confrontation."

Since security often follows trade, on a geopolitical and security level, the stakes are considerable. China's territorial claims in the South China Sea, marked by illegal occupation, the militarization of islets rightly claimed, according to the law of the sea, by coastal countries like the Philippines, have been accompanied by increasingly provocative and sometimes dangerous gestures on the part of the Chinese armed forces and Coast Guard. Western measures under the Freedom of Navigation in the Chinese seas are being challenged with increasing frequency as are other legal uses of the sea such as fishing. Though China is a global economic power, and is increasingly a military power as well, emphasis is placed on protecting its most important trade connections, which are within Asia and the region, as a strategic priority, followed by protection of supply lines and improved access to foreign markets for Chinese goods.

China's string of pearls, the arrangements with port cities ranging from China to Africa are a two-way security measure, protecting its oil imports which are heavily reliant on Middle East oil (including Iran) and outward-bound exports. However, there is a looming trade crisis over and above the U.S./China relationship in the coming year.

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<sup>32</sup> <https://www.sciencedirect.com/science/article/pii/S1877050921008607>

<sup>33</sup> <https://www.cnbc.com/2021/02/01/new-chart-shows-china-gdp-could-overtake-us-sooner-as-covid-took-its-toll.html>

BYD Company, reflecting huge market gains by Chinese EV automakers, surpassed Tesla for the first time ever in total EV sales. Elon Musk, Tesla's CEO said, "Chinese car companies were the most competitive in the world." This rising competition and particularly the expanding access to European markets has the earmarks of a trade war as Europe is likely to impose tariffs on China, whom it accuses of dumping goods in Europe at prices lower than the cost of manufacture.

To appreciate how central automotive manufacturing has become to China, over 10% of China's entire GDP is reliant on its automotive sector, and globally Chinese output represents some 30% of all car production. It has surpassed Japan as the number one exporter of vehicles in the world, controlling 17% of the total global market in vehicles, which is expected to climb to 30% by 2030.<sup>34</sup>

The importance of this market to China leads us to believe that the overland "silk road" of the Belt and Road Initiative will be of greater importance than the sea route with respect to faster and cheaper delivery options to Europe. Nevertheless, China will face tariff initiatives from not only the U.S., but increasingly from Europe as well.

But it is obviously the question of Taiwan which is the most complex and confounding issue most likely to lead open conflict, which raises the fundamental question of what China may be prepared to do to take this territory and what the U.S. and its allies will do to defend it. The six assurances given to Taiwan during the Reagan presidency along with the Taiwan Relations Act are the cornerstones of U.S. Policy.

**THE SIX US PRINCIPLES**  
(governing U.S. policy on Taiwan and with China with reference to Taiwan)

- did not agree to set a date for ending arms sales to Taiwan;
- sees no mediation role for the United States between Taiwan and the PRC;
- will not attempt to exert pressure on Taiwan to enter negotiations with the PRC;
- there has been no change in our longstanding position on the issue of sovereignty over Taiwan;
- "no plans to seek" revisions to the Taiwan Relations Act; and
- communiqués should not be read to imply that we have agreed to engage in prior consultations with Beijing on arms sales to Taiwan.

The complexity comes from the intentional strategic ambiguity of what and how Taiwan is defined. Is it an unrecognized independent state that China has no claim over (see inset). Is it one China? Or is it neither, but for whom the US and its allies would arm, assist, and, if necessary, defend?

There are some indications from the Taiwanese themselves. Given a choice, fewer than 6% support either independence or reunification with the vast majority preferring the status quo indefinitely or status quo until the nation can decide.

<sup>34</sup> <https://finance.yahoo.com/news/china-steps-on-gas-become-top-131100517.html>

Furthermore, since the death of Chiang Kai Shek, self-identification has changed with more than 70% of Taiwan's citizens identifying themselves as Taiwanese. Trade also complicates matters as trade with China is double of that with the U.S., not including Hong Kong which is Taiwan's fourth largest trading partner.

The U.S. and its allies have never pushed to resolve this ambiguity and in fact the ambiguity in and of itself forms part of the deterrence to China. If anything, the West adheres to an ambiguous sovereignty while not "officially" recognizing Taiwan; the exchanged "non-diplomatic representations" are all but embassies in name.

That said, the One China policy, clearly established at the United Nations that the People's Republic of China is the sole legal government of China, means that Taiwan, not being a country as such, is limited in its membership to certain international organizations such as the WTO, APEC, or the Asian Development Bank, which do not confer automatic state status on members. The number of countries that recognize Taiwan now numbers twelve.

Since the "election" of Xi Jinping as president for a third five-year term, many China specialists are convinced that Xi will try to seize Taiwan before the end of his term. Xi reportedly sees this as the signature item of his entire rule, which will secure his position in history.

But Xi's ambitions go beyond territorial gains. Xi wants the international system, including the

### **Was Taiwan ever part of China?**

Mike Pompeo, as Secretary of State, posited that in the 17th century Chinese migrants moved to Taiwan, then being a barely populated Dutch colony.

Pompeo ignored that the islands in the Straits were inhabited by Chinese since 1200 and southern Taiwan had 1,500 Chinese before the Dutch arrival.

During Dutch control, over 30,000 Chinese emigrated to Taiwan. Taiwan was subsequently annexed by the Qing dynasty in the 1660s and was then forcibly ceded to Japan as a spoil of war in 1895. In 1912, the Republic of China (ROC) was formed, led by Sun Yat Sen, the formal name retained by the government in Taiwan till today.

In 1949, the ROC forces of Chiang Kai-shek, Sun Yat Sen's successor and his political party the Kuomintang (KMT), retreated to Taiwan where Chiang Kai Shek remained as President of the ROC over five terms until 1975. Some believe that this history gives some weight to the argument that Taiwan was never really part of China.

This is complicated question affects the West's position. Until 2000, the nation was ruled by KMT Presidents, who adhered to a One China principle only a China ruled by the ROC. Many of the KMT were considered "mainlanders" and following unrest demanding democratic reforms, KMT rule ended, and the democratic Taiwan known today emerged though the KMT remains as a party and elected Taiwan's 6<sup>th</sup> President (2008-2016), and though failing to secure the presidency in 2024, did surge to a lead in parliament.

The KMT adhere to One China either through eventual reunification or One Nation-Two Systems, or in some cases –the ambiguity of no independence– no reunification, with the one China interpretations stemming from a "1992 Consensus" between the ROC and PRC. The current President Tsai rejects any reunification and describes co-existence without ever mentioning independence, which her successor is expected to respect.

United Nations, to no longer be subservient to the Western vision of the world and that Western powers reduce their military footprint in East Asia, and that their presence and influence be supplanted by China. For Xi, this is most important as it impacts China's regional trade, and by considering the First Island chain as part of his security zone prevents outside interference.

Xi may want to implement a hegemonic vision in Asia and beyond, if necessary and possible, but this is a second and more distant phase once he has secured his regional influence and transforms the People's Liberation Army (PLA) into a military with global reach. It is not capable of that reach presently but the type of rearmament occurring leads to the conclusion that this is his ultimate aim.

His vision of the world is based on the one hand, on China being a respected leading power in the world and, on the other hand, on a political universe based more on control than on freedom. This concept is obviously at odds with the Western conception, more particularly of the United States which already sees in the alliance of China with Russia, the supply of Iranian oil to China, the establishment of Chinese military bases further removed from mainland China, as a direct attack on the world order resulting from the Second World War.

Today's China is different from the one that preceded the 2008 economic crisis, when it was more willing to fit into the norms of conduct of the international economy. In fact, the opening of China to the international market had given rise to exponential growth which contrasts sharply with the current results of the Chinese economy.

That raises a difficult choice for China: reconnect with the global market for its revival (already started if latest growth estimates are confirmed) or strengthen control in a dirigisme more brutal and controlled than ever. The problem is that the rejuvenation of the Chinese nation is not compatible with control measures stifling the sense of initiative. Ideologically, China fears the United States, even if it accepts the political quagmire that reigns there, a perfect example of unpatriotic indiscipline.

The challenge for Xi is to stimulate nationalism on an ideological level while maintaining control in the light of the communist doctrine which he claims as foundational. The history of China and the reminder of its century of misery and humiliation during the European occupation is both a firebrand animating the national flame and a slogan for the inexorable march forward.

Another question that arises, given the interpenetration of conflicts in an increasingly disordered world, is the link between Ukraine and Taiwan, to the extent that the abandonment of Ukraine by the West would be a powerful signal for China to begin the conquest of Taiwan, the reasoning being that if the United States is incapable of providing the Ukrainians with the means for victory or, at least, repelling Russian aggression, why would they engage in the defence of Taiwan, a simple indentation in the Chinese world?

China's economy is partially dented, and Xi sees this in part as a result of anti-China trade policies and measures taken by the West. However, even if there are many recent policies adopted by the West to protect itself from China –its restrictive measures and its industrial espionage as well as its attempts to reduce its dependence through investments at home– many in the West believe that the Chinese threat is not taken seriously enough.

These competing visions play out in a concentrated form in the South China Sea.

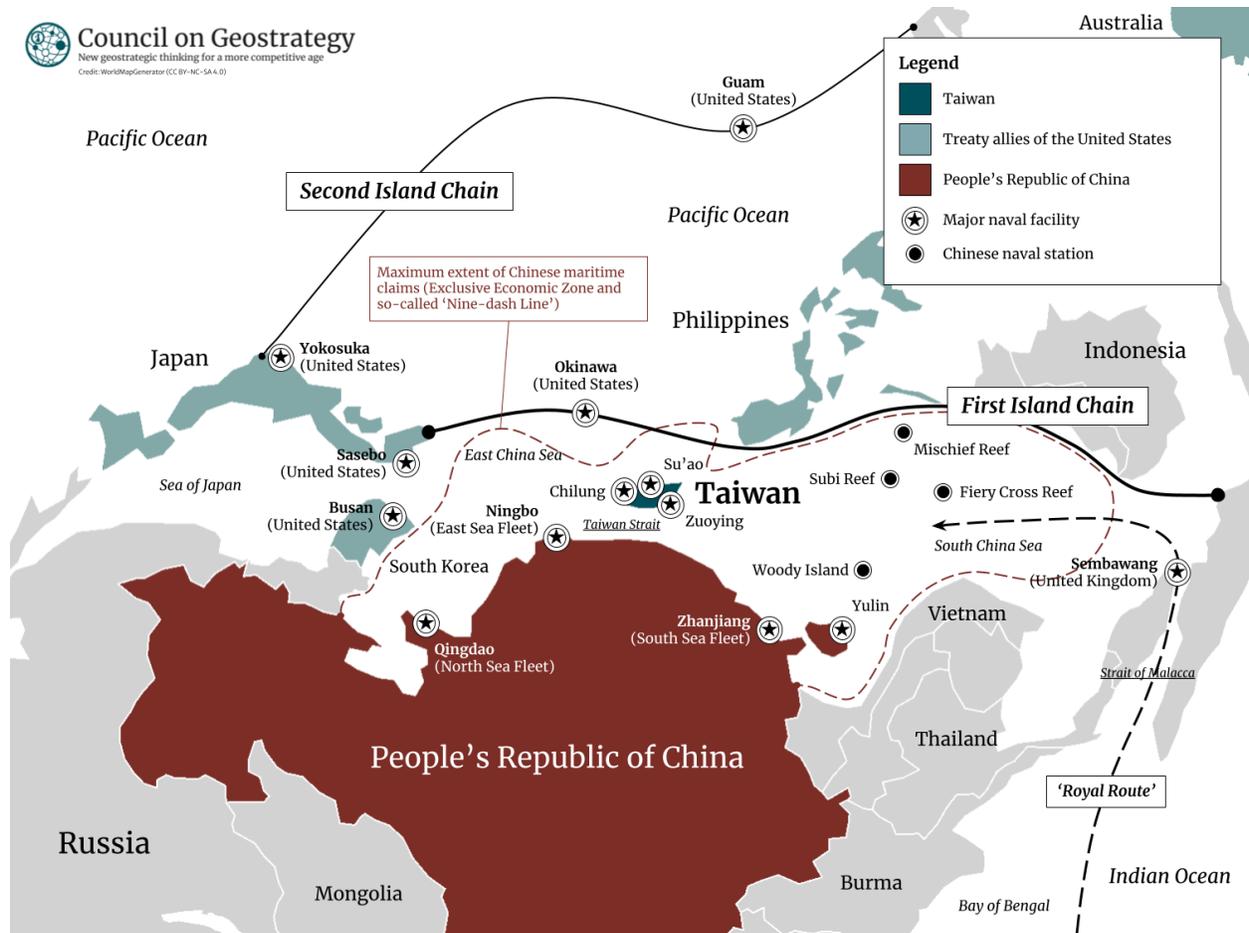


Figure 21 - China's view looking out. Its access to the Pacific passes through a gauntlet of US allies and US bases. Its seelines to the Middle East pass through waters out of its control

China's desire for strategic depth and the protection of its Asian trade, runs directly into U.S. interests and those of its Asian allies in contravention of accepted international laws in the region. In response, Chinese reef expansion is challenged through the principle of freedom of navigation as the South China Sea is prescribed in international law as international waters.

Taiwan in turn becomes one of the critical chess pieces of this friction of vision. The Chinese assertion of Taiwan as part of One China (something that we acknowledge) runs into a Catch-22 application of policy where our acknowledgement is tempered by the desire to maintain the status quo indefinitely or until such time the Taiwan itself decides whether or not to re-integrate fully with the mainland.

To maintain this state of affairs, U.S. and allied freedom of navigation is exercised into and through the Taiwan Straits as well, and senior U.S. politicians visit Taiwan underlining that no permission of China is required to do so. Finally, to shore up the policy of Taiwanese self-determination aid in armaments continues.

The Chinese see this as provocative and illogical based on our acceptance of the "One China" policy. Its response has been frequent military exercises, notional blockades, and aerial

demonstrations as if to say, we are able to determine our own future and take what is ours. In turn, each Chinese action provokes a Western reaction and affirms the perception that an invasion of Taiwan is in the offing at some point. This has given rise to the belief that China will take the lesson of Ukraine, where Allied commitment appears to be waning as an indicator that U.S. and allied commitment to Taiwan is softer than it seems.

We do not believe this to be true, yet. The indicators of a tip towards war are not fully present:

- a) China, at this point, does not have the military strength and most importantly the capability to launch a seaborne invasion of the Taiwanese main island, nor does it have the ability to deny U.S. fleet access to the Taiwan Straits and environs.
- b) Ukraine has demonstrated that the supposed overwhelming superiority of the Russian Army can be stopped. A further lesson would be the need to examine its own ground forces prior to engaging U.S./Western technology on the battlefield. Note that the Chinese Main Battle tanks are modelled after the Russian T-72. What is not known is if the Chinese have addressed the inherent design flaw of the T-72 which saw so many of them destroyed due to the ammunition storage system.
- c) The failure of the Ukrainian counteroffensive points out the numerous advantages accruing to the defender over the attacker. These defensive advantages increase when defending from an attack by sea. With Taiwanese (ROC) Army of some 150-170,000, the Chinese would have to be prepared to commit up to one half of their 950,000 person army.
- d) We do not believe that China has sufficient landing ships and amphibious vessels to conduct an opposed landing against a prepared defence such as would be mounted by Taiwan (ROC). If the total capacity of every landing ship and like vessel (approximately 90 ships) was used to land troops (with little or no armour) that would amount to approximately 26,000 soldiers. We do not believe that sufficient to achieve success.<sup>35</sup>
- e) We are not seeing an escalation in the area that would most likely indicate imminent hostilities, which being the islands of Matsu and Quemoy. These islands are at their closest 6km from the centre of Xiamen city, and there are no indicators that tensions are expanding. It is of anecdotal interest the President Xi was once deputy mayor of Xiamen.
- f) Finally, and perhaps most importantly, any outright invasion of Taiwan would all but destroy China's deep desire to become a central member of the global community. It would destroy most goodwill, purchased at enormous cost, accrued by its decades-old efforts towards the Belt and Road Initiative. It would result in many Western industries relocating out of China and leading to potentially high levels of unemployment and unrest. Above all, it could reduce China to a pariah status akin to that of North Korea and Russia.

We would therefore conclude that China would continue to harass, and maintain aerial probes and naval demonstrations as a means to maintain “grey zone” pressure continually on Taiwan, but will not intentionally tip over into open conflict.

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<sup>35</sup> <https://www.cnn.com/2023/01/09/politics/taiwan-invasion-war-game-intl-hnk-ml/index.html>

Of far greater concern would be a tip towards open conflict between China and the Philippines, where the strength of American commitment to its allies would be tested. However, even with the Philippines, where the Chinese pressure tactics are much more direct, appears to be part of a strategy of continuing “grey zone” pressure rather than an outright inducement to open conflict.

President Biden constantly talks about China, but this does not translate into a very articulate policy or greater military investments. It must be said that the American defence budget is so gigantic that one can wonder whether the argument of over-armament would prevail in the face of the socio-economic problems of the United States.

All that said, if Niall Ferguson is to be believed, according to the late Kissinger, we have gone from the foot of the Cold War mountain to the Cold War passes. But it seems that seen from a historical perspective, the reaction to the Chinese threat, if we believe it to be significant, is rather one of complacency.

## INDIA

### The relationship between India and Canada: Modi's contempt

In December 2010, a Senate committee released its report entitled “Seizing Opportunity for Canadians: India's Growth and Canada's Future Prosperity.” Subsequent governments have attempted to implement the proposed recommendations. But when it comes to relations between the two countries, discomfort sets in, whether due to the diversion of Canadian uranium to create India's first experimental nuclear bomb, or the dark memory of the explosion of Air India flight in 1985, which recalled then, as still today, the harmful role of Sikh separatism in bilateral relations while the Indian government accuses Canada of lacking firmness towards Sikh “terrorists.” Every high-level visit from Canada to India causes a stir.

If Steven Harper's visit in 2012 only allowed the beginning of an opening in an unfavourable Indian political context, it nevertheless made it possible to resume the delivery of uranium to India, to strengthen cooperation in the energy sector, and to sign an agreement on the protection of investments. Furthermore, negotiations for a free trade agreement have received impetus, without being successful to date.

Prime Minister Trudeau's visit in 2018 was a total disaster. On the one hand, Prime Minister Modi absolutely does not belong to the same political family. Furthermore, the tour of the entire Trudeau family in Indian outfits was a fiasco which only reinforced the impression of a profound distance between the two political leaders, reflected by the welcome of Mr. Trudeau by Mr. Modi in the final hours of his visit. Even the suggested guest list caused serious problems. Modi's reception of Donald Trump was the polar opposite of Trudeau's reception.

Unfortunately, Canada, as often happens, is among the last countries to take note of India's rise to power. American, Australian and European competition, on the one hand, and India's lack of regard for a “small country” like Canada, on the other hand, adds to the security crisis between the two countries which is taking on a worrying scale.

Certainly, the affair of the apparent assassination by the Indian secret services of Hardeep Singh Nijjar, Canadian citizen, promoter of the creation of an independent country for the Sikhs in the North-West of India, adds a heavy obstacle to Indo-Canadian relations. It seems that this is the result of a muscular policy by India, known as a “defence offensive” in the context of an anti-terrorist strategy. India haughtily denied the Canadian denunciation of the crime and its attribution to India, until a similar incident occurred in the United States. The Indian side maintains that this type of attack on foreign soil does not correspond to the practice of the Indian secret services. It is possible that India's importance, particularly to the United States, will result in both cases being dismissed.

However, informed security sources maintain that India has expanded the presence of its spy networks in the Western world, including countries like the United Kingdom, the United States, Canada, Germany, and France, among others to gather firm intelligence and participate in covert operations. Many experts are convinced that since Prime Minister Modi came to power, Indian secret services have had free rein to carry out active espionage and eliminate enemies of India. This would hardly be surprising if we rely on Modi's past, notably in the state of Gujrat where his actions led to the deaths of more than 800 people.

In a sense, one could almost draw a comparison between Indian spy activism and Chinese practices with their offices in major Canadian cities to enlist operators of Chinese origin. The Indian approach could resemble it. The matter worsened with the reciprocal expulsions of diplomats and the interruption of visa issuances. Canada specifically expelled the local head of India's intelligence service. The message was clear.

That being said, the Indian security situation due to hostile relations with Pakistan gives rise to attacks that are difficult to prevent, such as attacks against civilian targets in Mumbai, including that against the famous Taj Mahal hotel with its 160 victims.

The murdered individual, Nijjar, accused of terrorism by India in 2020, had fled India in 1997 to arrive in Canada where he assumed the presidency of a Sikh temple and was accused of promoting the creation of a national Sikh home, Khalistan, northwest India. Communications were reportedly intercepted by Canada proving India's participation in the assassination. This information allowed Prime Minister Trudeau to accuse India of the fact.

Although this is only one twist in the complex and often stormy relations between Canada and India, it reflects, for India, the increasingly marked trend towards a profound change in its vision of the world and its place in it. We also note that Canada continues to be treated as a country of no consequence for India, compared to the United States which welcomed Modi as part of a state visit, a rare occurrence for President Biden. India is undoubtedly a country of prime importance in the world, which all countries are courting in view of the colossal market it represents, as well as a regional counterweight to China for the whole of Asia. The United States will not rest until it becomes, if not an unconditional ally, at least a partner with similar or related international horizons.

Ultimately, the Nijjar affair will only be a twist. For his part, Modi will pursue the policy of transforming his country into an "ethnic democracy" through multiple processes such as digital vigilantism, majority polarization, and the Hinduization of both the public space and ethics. Disinformation is one of the regime's weapons, exploited to excess. Modi has established near-total control over the media by funding only media outlets favourable to him, threatening media outlets critical of him with police action, occasionally suspending television channels, and forcing station owners to get rid of their overly committed journalists. Finally, any dissonant voice can be harassed or threatened. Vigilantism is particularly threatening. The most worrying thing is the systematic attempt to convert India into a Hindu nation, notably through profound transformations of the education system.

The welcome given by President Biden to Prime Minister Modi as part of a state visit confirms without the slightest doubt that India has become the most courted Asian power of all on all levels, but especially strategically, the global balance depends on it. Many will set aside the authoritarian tendencies of the Indian Prime Minister but few will forget his authorizing assassinations outside his country.

## OTHER NATIONS AND REGIONS OF NOTE

### AFRICA

As we enter 2024, the principal Western nations have been consumed with crises in Ukraine and Gaza, with potentially simmering crises in the Asia Pacific region most notably but not exclusively so in relations with China. Though the aforementioned areas of international friction occupy Western leaders' time, there are still pressing domestic issues in each Western nation, most notably the battle against inflation, the effects of central bank interest rates, domestic political instability, and more pointedly in the United States, the outcome of the 2024 Presidential election.

Currently, these issues eclipse reflections and actions on the longterm strategic importance of Africa, paradoxically reflecting former Admiral Mullens statement that in some countries “we do what we can, and in others we do what we must.” The December 2022 US-Africa Summit and U.S. Treasury Secretary Janet Yellen tour of the African continent confirmed the lack of any strategic U.S. engagement with the continent, and the European Union is not doing any better. At best, the West's attention barely reaches the level of what it can do, while other nations profit and exploit from our distracted interest. In the near-term foreseeable future, while the continent will not merit significantly greater investments, moves to strategically vacate the continent completely will have negative impacts in future that we may never be able to recover or recoup.

Indeed, Africa is important and growing more so, for its economic potential, its resources, and its labour force, which will need investment in training to become the driving force of economic growth, assuming one will ensure it benefits from innovation, research, and development, local and imported. But first things first: education must be a priority, aided by getting the right facilities to deliver it. Millions of children will need to be attended to. Seven out of ten countries face a major shortage of teachers and 9 million girls between 6 and 11 will never go to school, compared to 6 million boys. Filling the gender gap is an existential priority. Equally important, Africa will represent a growing market as prosperity grows and a striving middle class emerges, leading to increased urbanization and opportunities for businesses to expand and invest in the continent, ultimately contributing to global economic growth.

China has understood all this perfectly in driving its own investment in the region, with its own people, often with limited input from the local authorities or government. Russia has developed its own approach in Africa with the Wagner group taking control of mines and resources. Such developments require a sustained intelligence and security investment on the part of the West. But more than anything else, any prospect of success will demand the strictest of anti-corruption measures.

On the plus side, the real potential of Africa goes beyond its vaunted natural resources, including minerals, oil, gas, arable land, and renewable energy sources. Africa has a youthful population, with a large percentage of people under the age of 25 and an increasing access to technology and education. If properly educated and employed, this demographic can contribute significantly to economic productivity and innovation, eventually creating a large market for both exports and imports. The agricultural potential of Africa comes from fertile land and favourable climates in many regions. Improving agricultural practices, infrastructure, and value chains can boost food security and export opportunities. Efforts to promote regional integration, such as the recent African Continental Free Trade Area (AfCFTA), can create a single market of over a billion people,

fostering trade and economic growth. Africa has significant potential for renewable energy sources, such as solar, wind, and hydropower. Developing clean energy infrastructure can provide electricity to millions and stimulate industrialization. Yet, none of this will bear fruits unless Africa addresses the well-known challenges of corruption, conflict, inadequate healthcare, and educational systems.

The score is somewhat appalling on the geopolitical front. The International Crisis Group reports that West Africa is coup-plagued with Niger, Burkina Faso, Guinea, and Mali, facing a range of sanctions from the Economic Community of West African States (ECOWAS), with suspensions of financial transactions and freezes of countries' assets in banks outside of the countries. The key question, for most African sanctions' regimes, given the state of the economies, is to what extent the "patients" survive the impact of sanctions or risk an accelerated meltdown. The alternative is outside military interventions in the coup countries –not a hopeful prospect.

Parts of Africa have been going from crisis to crisis –political, social, and military–particularly in the last two years, with Cameroon's President, Paul Biya, winning his fifth term amid continuing allegations of fraud and repression. President Denis Sassou Nguesso of Congo-Brazzaville, managed to rig a constitutional reform to earn a sixth term in 2023. In the DRC, President Felix Tshisekedi foiled a coup in 2022 thanks to the help of ruthless "kingmaker" Paul Kagamé of Rwanda. Its partner, Burundi, one of the poorest countries in the world, sadly famous for the tragedy of the genocidal war between Hutu and Tutsi, is continuing to face instability.

Sudan, the second largest country of Africa after Algeria, is facing a war between two powerful competing forces, the Sudanese Armed Forces (SAF) and the Rapid Support Forces (RSF), a paramilitary force originally part of the National Intelligence and Security Service, i.e. a former branch of the national armed forces of the country. UN Under-Secretary-General Martin Griffiths called it "one of the worst humanitarian nightmares in recent history"<sup>36</sup>. The significance of the RSF is that it is mainly composed of the Janjaweed militias which fought in Darfur to quell the uprising 20 years ago, leaving a horrendous legacy of abuses. To no one's surprise, the RSF benefitted from the Wagner Group support. There is a risk of a de facto partition between the RSF controlling Darfur and much of Khartoum, and the SAF controlling much of the rest of the country.

Prior to these dramatic developments, Sudan had started to manage its protracted relationship with South Sudan including the reopening of border crossings and cooperation on security issues. However, the resolution of the final demarcation of the border and the status of Abyei, including the oil fields, remains a work in progress.

Somalia, with recorded relations with ancient Egypt and, later, extended relations with the Roman Empire and then ties with the Ming dynasty in China, became a colony of the British or the Italians in the late 19th century. Its independence in the late 1960s was followed by a devastating civil war leading to operations against the terrorist group Al-Shabaab. Instability, a humanitarian crisis, piracy (eventually attenuated), displacement of population internally, and huge development problems in one of the poorest countries in the world, make Somalia an impossible challenge.

The roots of the terrible so-called Tigray crisis go back to the Ethiopian system of government. Indeed, since 1994, Ethiopia has had a federal system in which different ethnic groups control affairs in ten regions. The powerful Tigray party or more precisely, the Tigray People's Liberation

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<sup>36</sup> <https://www.aljazeera.com/opinions/2023/10/29/the-war-in-sudan-is-a-consequence-of-a-derailed-transition>



The Economist

Figure 22 - Regional political map - key locations

accused of corruption and repression.

Separately, perhaps his greatest contribution, Mr. Abiy ended a long-standing territorial dispute with neighbouring Eritrea, earning him a Nobel Peace Prize in 2019. The Prime Minister's popularity in the world and most of its population did not prevent the rise of deep unease among Tigray's leaders who saw Mr. Abiy's reforms as an attempt to centralize power and destroy Ethiopia's federal system. The feud came to a head in September 2021, when Tigray defied the central government and decided to hold its own regional elections. The central government, which postponed national elections due to the coronavirus, denounced the illegal nature of the decision. The divide widened when the central government suspended funding to Tigray in what Tigray leaders considered a "declaration of war." Tensions increased; Tigrayan forces then allegedly attacked military bases to steal weapons, which, for Mr. Abiy, was Tigray crossing a "red line," forcing the federal government to consider a military confrontation.

The conflict began on November 4, 2020, when Mr. Abiy ordered a military offensive against regional forces in Tigray. Fighting has continued since then, once again destabilizing a country in the Horn of Africa, leaving thousands dead and 350,000 living in

Front (TPLF) which represents barely 7% of the population, played an important role in the establishment of this system while this party led a coalition of four parties that governed Ethiopia from 1991 after a military regime was ousted from power. Under the coalition, Ethiopia became more prosperous and stable, but concerns were regularly raised about human rights and the level of democracy, which escalated into protests, leading to a reshuffle of the government with the coming to power of Mr. Abiy Ahmed as Prime Minister. A member of the Oromo, Ethiopia's largest ethnic group, Mr. Abiy made calls for political reform, unity, and reconciliation in his first speech as prime minister. His program responded to the demands of protesters who believed that Ethiopia's political elite had hindered the transition to democracy. Responding to these calls, Mr. Abiy, as a bold reformer, liberalized politics, created a new party (the Prosperity Party) and removed key leaders of the Tigrayan government, which was

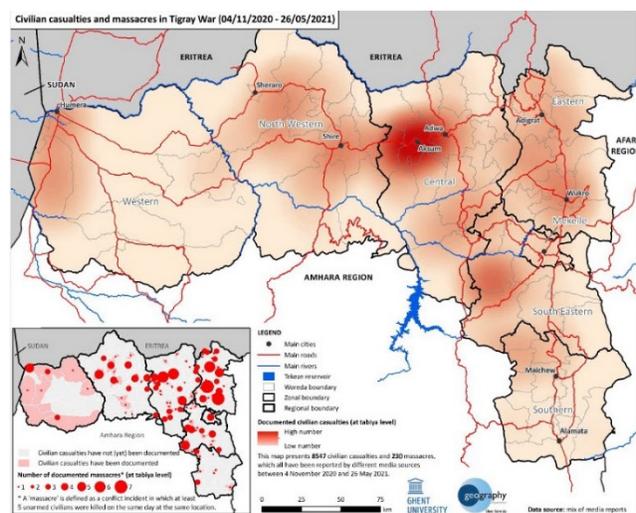


Figure 23 - Heatmap of civilian casualties in the Tigray War up to 26 May 2021, as well as occurrence of massacres

starvation conditions. Eritrean soldiers are also fighting in Tigray for the Ethiopian government. All sides have been accused of atrocities.

There has been no marked progress in this fratricidal war. The World Bank approved more than a year ago an allocation of \$300 million dollars intended to support reconstruction efforts in areas affected by the conflict, notably in Tigray, despite the obvious concerns about the implementation of the project.

As with many conflicts, the Security Council, like the Human Rights Council, has remained largely paralyzed over Ethiopia, the rare African country never colonized, with one of the longest histories on the continent.

Libya today is still reeling from the consequences of the 2011 disastrous application of the Canadian-promoted concept of the Responsibility to Protect (R2P), through Security Council Resolution 1973, leading to a civil war and the killing of then leader Muammar Gaddafi. Up to now, the country remains in utter chaos, ruled by three governments, one in Tripoli, one in Benghazi, and a kind of UN landlord, trying to reestablish a semblance of united government—to no avail as the 2022 burning down of the House of Representatives would attest. The 2023 catastrophic floods, as the worst natural disaster ever recorded in Libya, were interpreted by some as God’s punishment for the country’s mayhem.

The rest of the Maghreb, if anything, has become more divided within itself and has developed increasingly antagonistic relations with its French partners, notably Morocco and Algeria, while Tunisia, the “mother of the Arab Spring,” has veered towards an increasingly autocratic regime. The Western Sahara issue seems to be tilting in favour of Morocco, notably since then U.S. President Trump gave it a favourable nod. One could expect renewed hostility between Algeria and Morocco, the former taking advantage of the conflict to distract its population from the abysmal management of the country by an army in cahoots with the secret service.

African experts will remind anyone that the legacy of colonialism, despite decades of independence, has affected the resilience and effectiveness of governance institutions, notably due to the sustained interest, too often seen as meddling, by the former colonial powers. This is particularly true of France, animated still to this day by a spirit of “mission civilisatrice” (civilizing mission), and Belgium, which still keeps an eye on the immense resource basin of its former colony in Congo. This is less the case with the UK and Portugal. Most African countries have inherited artificial borders, weak institutions, and unresolved conflicts bequeathed by their former colonial powers, creating major challenges for nation-building democracy and development.

It is time we look at Africa as a critical locus of geopolitical influence and address the security concerns in a more systematic, collaborative way. Failing that, we will leave the field open to other countries who do not share our values and modes of working cooperatively. Of course, climate change in a continent called upon to surge economically is and will be a growing challenge as it is particularly vulnerable. Its ecosystems, wildlife, and agriculture are at risk from rising temperatures and extreme weather events.

Let there be no mistake—that venture calls for avoiding the arrogance of one-size fits all! There are more than 50 countries in Africa and they vary as much as their climates and natural environments do.<sup>37</sup> There are significant African partners to work with in upscaling cooperative efforts, such as South Africa, Nigeria, and Morocco (already heavily involved in South-South cooperative projects).

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<sup>37</sup> <https://wisevoter.com/country-rankings/countries-in-africa/>

For too long, the “North” has spoken of development assistance. There was a time for that and there is still a time for it with a certain number of countries. The real model might be that of the early stages of the Asian Tigers a few decades ago, but with an African spirit and joint security endeavours to eliminate terrorism, admittedly not an easy feat.

And there is a role for Canada in this venture, if only we were to rethink our development programs, first in terms of specific countries, not all of them, but in real cooperation with other donors (as opposed to competitive bidding and “chasses gardées” in preserved fields or areas, as we fought in the past with the French for multilateral funded projects or programs). As *The Economist* puts it, “Fights among foreigners for influence have seldom been kind to Africa.”<sup>38</sup> There are now a multiplicity of “African Summits” by China, the EU, Turkey, Russia, etc. Somehow it is hard to believe that such a level of competition delivers what Africa needs; but it certainly allows the Africans to play one against the other...ending all too often in bribes and corruption.

## EUROPE

Some elections are more important than others. We have highlighted the colossal importance of the presidential election in the United States. Without having the same political scope, the June 2024 elections to the European Parliament are no less important in terms of the future direction of the largest economic bloc in the world. The machine is well established to the extent that these are the tenth elections by direct universal suffrage since 1979, which means an event of a more democratic nature than many elections elsewhere in the world, even in the West.

Five years ago, Europe focused on the geopolitics of its strengthening. Significant events have above all illustrated Europe's dependence, starting with the pandemic which hit the very concept of a united Europe head-on since border closures, trade restrictions, and nationalist withdrawal characterized the initial reactions until a pan-European solution emerged. This was followed by a recovery plan of 750 billion euros which made it possible to reduce internal and external vulnerabilities and excessive dependence on China. But the lesson was hard: the pan-European reflex was not automatic.

Obviously, Russian aggression against Ukraine would completely transform European dynamics, moving into war, upsetting the achievements of pan-European peace dating back to the 1950s. Sanctions against Russia began to rain down, including the exceptional achievement of energy independence from the aggressor. Peaceful Europe has rearmed itself. NATO has expanded adding Finland and Sweden and the EU has dedicated more than 15 billion euros to the European Peace Facility, not counting individual contributions totalling more than 85 billion euros. It does not seem that Europe suffers from the same hesitations as the United States regarding continued support for Ukraine, but European military resources are largely insufficient to fill the American deficit if it continues.

What is more worrying is the presence of pro-Russian populist European parties. Whatever their importance in the election, the signal of disunity will be obvious. But the Russian aggression will above all have demonstrated that Europe has a major gap to make up in terms of defence and that

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<sup>38</sup> <https://www.economist.com/the-world-ahead/2023/11/13/there-is-a-new-scramble-for-africa>

the famous 2% of GDP level for each nation's defence spending will inevitably have to be achieved –with or without Trump in the White House. Moreover, the international situation demands it, whether in Africa, the Middle East, or Asia. The European theatre is only one of the centres of conflict in the world and the situation is not going to improve. It is now impossible to rely on the United States. Europe will have to look again at the possible creation of a European Defence Community, both to respond to growing threats requiring new investments and to no longer have to depend massively on American weapons, especially in the event of a Trump presidency.

The great difficulty with these new requirements is that they force further unification of the different sectors of European activity, civil and military. However, there is no guarantee that European states are ready to devolve more national authority to supranational bodies to grant more supra-nationality. The pandemic has clearly illustrated this fact. Will the war in Ukraine be enough motivation? Furthermore, even in terms of the environment, the European population seems less "green" than its institutions which have accomplished remarkable work, particularly on hydrocarbons, having succeeded in substituting less polluting energy products to those imported from Russia. Europe's carbon neutrality in 2050 is achievable. The European elections should show whether ideals have become embedded in mentalities. We are skeptical. And Chinese competition for electric vehicles risks undermining the European effort.

In the background, the European economy is experiencing precarious growth and retrograde demographics –which explains the validity of the million refugees accepted in Germany by Chancellor Merkel in 2016. The average number of children per woman in the EU is 1.59, therefore a negative balance. Immigration will become an imperative rather than a crisis...if Europeans understand this. Furthermore, the Ukrainian crisis has put the question of enlargement of the Union back on the agenda. But it must be understood that this is above all an economic decision even if, nowadays, the prospect of candidacies like those of Ukraine, Moldova, or Georgia is fundamentally political, even strategic. Will Europe have to revise the treaties defining the Union? The stakes are enormous, and the risks are great, especially in times of global crisis.

All these questions will not be addressed head-on during these elections with too many other disparate issues on the table. But the results will be an important measure of the state of mind of Europeans. More fundamentally, despite their importance, the results of European elections rarely reflect deep movements within individual states, although the rapid rise of the radical right in some of these countries –especially Germany's Alternative für Deutschland (AfD) –is especially troubling. Still the absence of perceived domestic stakes in these votes does help explain the relatively low participation rate, at 50%. There is another election in the offing that will have as much to do with Europe's future as the upcoming European elections; that being the U.S. election.

Europe is grappling with deep concerns about the potential return of Donald Trump. Former diplomats say they are deeply concerned about the impact on the Atlantic Alliance, citing Trump's affinity for Putin, his hostility to NATO, and the likely repercussions for Ukraine. In fact, Europe has been warned. Trump recently declared that if Europe was attacked, the United States would not intervene. His views on NATO have not changed. Even though the Senate has passed legislation prohibiting the President from withdrawing from the Alliance without a vote from the Senate and the U.S. House of Representatives, Trump could de facto withdraw by adjusting U.S. troop levels, which are not subject to Congressional control. There is danger ahead.

But the fear of Europeans goes further because it touches on the attacks carried out by Trump against democracy itself. Because of the central role that the United States plays in safeguarding Western security, many Europeans in positions of influence are relaunching the debate on the

urgency of European strategic autonomy in the face of the geopolitical challenges represented by, to varying degrees, Russia and China.

Certainly, Europe came to the aid of Ukraine but, given the risk posed by a second Trump presidency, it is acutely aware of the threat of a European conflict beyond the Ukrainian space without the support of the founder of the Atlantic Alliance.

Other questions arise for Europe: how, when having one of the largest commercial fleets in the world with approximately half of the world's merchant and container ship capacity, the 200 European warships were not the first to secure the Bab-el-Mandeb Strait?<sup>39</sup> <sup>40</sup> Is freedom of navigation no longer a transnational priority at a time when it is most threatened, particularly in the strategic area of the China Seas? The real problem in Europe is that the war in Ukraine revealed the absence of a geostrategic concept commensurate with the economic weight of the European Union.

We should recall that a pan-European military structure almost saw the light of day until the European Defence Community project, strongly pushed by the Americans, was rejected by France in 1954. It is highly likely that a new version of this project sees the light of day and that Europe, whose peace and war technologies are on a par with those of the United States, provides them with better funding to close their material gap.

Even on the economic level, Trump's possible return to power is causing a certain panic on European markets. It is all the more important for Europe to strengthen all its community defence mechanisms since everything suggests that Trump will not hesitate to go even further than President Biden in terms of industrial policy, which is already a threat to the Europeans in particular in terms of subsidies for "clean" energy, let alone the possible impact of broad tariffs application as Germany individually, and the EU as a block are amongst the top five exporters to the U.S.

## **LATIN AMERICA, SOUTH AMERICA, AND THE CARIBBEAN**

At the dawn of 2024, what is marking Latin America are the changes of leaders in several of the continent's 24 countries, with a change very soon in Mexico. In fact, the victory of Luiz Inácio Lula da Silva in the Brazilian presidential elections on January 1, 2023, in a general context of political alternations in Latin America, highlighted convergences which have already begun to have an impact on economic recovery, the ecological transition, the strengthening of social justice, and the renewal of regional cooperation. They are the ones who will allow the continent to regain its place on the international scene. There is no shortage of challenges because the last few years have been marked by inconsistency from the point of view of governance, tax policies, industrialization, the fight against precariousness, security, the digital divide, in short, all elements that have contributed to a certain collapse of Latin America's position in the world. In some sense, recent events –such as the war in Ukraine and the economic and trade tensions it provokes, the expansion of the Sino-American rivalry as China establishes itself massively in the southern hemisphere continent– exert pressure on Latin America to redefine itself on the international scene.[i] All these elements require that this eminently diverse region regains its unity of action.

<sup>39</sup> <https://www.csis.org/analysis/transforming-european-defense>

<sup>40</sup> <https://warontherocks.com/2022/01/are-european-navies-ready-for-high-intensity-warfare/>

The perception of Latin America, on the economic level, is that the region has missed multiple opportunities to initiate sustained development, particularly at the macroeconomic level, due to derisory monetary, budgetary and foreign exchange policies. Furthermore, on the political level, political instability and democratic decay are attributed to political polarization, in particular the radicalization of governments in place, in the light of populism. It is this reputation, as well as the real regressive elements, which have caused a certain disengagement from both Europe and the United States, thus opening the door to China whose investments of the order of billions of dollars make it almost a hegemonic power in the region. There is certainly truth in these interpretations but there is also a fair amount of prejudice.

However, the future of this gigantic and promising region depends on an arbitration between prejudices and realities. Even at the political level, the dominant narrative is that economic stagnation is dependent on democratic disintegration, disaffection towards political parties, the blockage imposed by the traditional political elite, the fragility of governance, and, of course, the polarization of political systems, leading to the weakening of governance. However, in this respect, Latin America is little different from other global trends in other regions, including North America and Europe, which are marked by fragmentation.

But here again, there is reason to correct ideas because democracy has made notable progress in Latin America with a few major exceptions. Elections take place with real dynamism, based on a consensus for the value of democracy. Certainly, there is a certain radicalization, but it operates on both the right and the left. However, it is still centrism that dominates. Polls show that nearly 70% of Latin Americans define themselves as centrists. Does this mean that the undeniable setbacks are only cyclical and not structural? It is a safe bet that future economic results will provide the answer to the question.

The same question arises economically: is Latin America a failure in this regard? On the macroeconomic level, the results are rather solid, focused on growth devoid of excessive inflationary surges, public finances more stable than in the past, strong banking supervision and fewer balance of payments crises. Public debt crises have been muzzled. Per capita incomes continue to lag behind the per capita incomes of developed countries; but it is a fact that applies to all emerging countries. It is certain that Latin American countries have experienced weak growth in relative terms and that a recovery is necessary. The challenge for Latin America is this recovery, which is the only one capable of ensuring convergence both between and within countries. If this is not achieved, redistribution proposals not linked to economic results will give rise to social tensions. We remember Lula's largesse over time, straining the national budget.

The real hope, on the other hand, is that political, economic, and social progress contributes to the foundation of inclusive and sustainable growth. Furthermore, the Trump/Bolsonaro axis and the problems within the European Union gave the impression that both the United States and the EU had lost interest in Latin America, leaving China to fill the void. There is truth and falsehood as in any generalization. As for the United States, Mexico is inextricably linked to the latter, sometimes for painful reasons, such as the accumulation of refugees at the border, but especially in the context of the tripartite free trade agreement Mexico, United States, Canada. Central America is also linked in this sense, economically and militarily. But in fact, Latin America also has close links with Europe, particularly with Spain, as evidenced by investments and civil and military sales as well as exchanges of people.

There are also geopolitical considerations such as Russia's invasion of Ukraine giving rise to new geopolitical scenarios, Europe turning towards the Americas, Latin America becoming a more important partner for the projection of international leadership of Europe, particularly in terms of the defence of multilateralism, democratic values, and sustainable development, in addition to deliveries of strategic raw materials. But sustained political will is required, as the Atlantic Ocean remains large.

At the institutional level, current reflection focuses on strengthening ties between the European Union and the Community of Latin American and Caribbean States (EU-CELAC), particularly through the members of the G20 (Brazil, Mexico, and Argentina), and other Latin American countries according to their importance on the international scene. Various sub-organizations could also emerge in this context, such as those which exist between the EU and India or the United States. Obviously, the topics would be those that are now found in all these forums –energy security, food and water security, digital governance and connectivity, supply chains, clean and green energy technologies, migration, crime, and transnational terrorism.

What is regularly discussed in transatlantic discussions is the EU-Mercosur agreement. Some say that the ratification of the EU-Mercosur agreement is not an end in itself, but the way forward for a more ambitious project that will serve the strategic interests of the EU and Latin America. An EU-Mercosur agreement will affect 94% of Latin America's GDP. Obviously, such agreements involve in-depth and longterm work on the harmonization of rules of origin, standards, regulatory processes, and digital commercial and customs procedures, which allow greater cross-border movement of goods, services, and investments. The complementarity of the economies of Latin America and Europe is indisputable.

But it would undoubtedly be necessary, before embarking on such undertakings, for the countries of Latin America to ratify the Mercosur agreement at home. When Brazil does well, South America feels better.

Brazil, a true giant of the southern hemisphere, exerts comparatively almost as much influence there as the United States in the Northern Hemisphere. During Jair Bolsonaro's "reign" in Brazil, the world was dedicated to comparing him to his counterpart Donald Trump and gawking at his handling of the COVID-19 pandemic. It certainly was not the best criterion for judging a country almost the size of the United States, but of vastly inferior economic power and two-thirds the population, with a gross domestic product one-tenth that of the United States. What also differentiates them, to the advantage of Brazil, is the fact that the latter is a creditor within the IMF while the United States is the most indebted country in the world.

Lula's return to Brazil marks an important step for his country, particularly in environmental matters, reversing the accelerated development of the Amazon by his predecessor, and reversing privatization. On the other hand, in terms of foreign policy, while condemning the Russian invasion of Ukraine, he does not associate himself with the sanctions against Russia and refuses to deliver weapons to Ukraine, judging the two countries equally responsible for the conflict.

This attitude must be understood in the typically Brazilian context of maintaining its strategic autonomy and also in the fact that Brazil imports a quarter of its fertilizers from Russia. Thus, there is little interest in the kind of expansion of the BRICS desired by China, not having the same conception of an anti-Western bloc, but Lula tends to give back to his country an essential role in what we call the "countries of the South." It is indisputable that Lula is giving Brazil back its

previous aura without this translating into closer ties between the two giants of the Americas – North and South. The Brazilian left is characterized by a favourable opinion of Russia, linked to its traditional opposition to the United States. That said, Biden and Lula find themselves in a rather protectionist vision of the economy.

We cannot forget that Brazil, a country of the South, has strong apprehensions regarding the very nature of the world order established by the West under the aegis of the United States, and often gives as an example the invasion of Iraq for which no sanctions were imposed on the United States. The same goes for the memory of the regime change in Libya, the deleterious impact of which continues today. Lula also rebelled in the past and probably still today at the fact that the United States decides who occupies the post of president of the World Bank, and the Europeans of the International Monetary Fund. On Taiwan, for example, Brazil will always maintain its neutrality. Chinese investments in Brazil of nearly \$100 billion will reinforce this attitude, sometimes with poorly cut odds such as that of the construction of a public 5-G network by Huawei.

It is indisputable that the Lula “regime” is fragile given its victory with 50.9% of the vote. The ratification of the Mercosur agreement is on the table in the face of a very protectionist Workers' Party but Uruguay's decision to begin bilateral trade negotiations with China risks a problem for the common external tariff of Mercosur, especially since the negotiations between Brazil and the European Union are stalling. Finally, on intra-South American problems, Lula's accents have been rather radical, notably his defence of Nicolás Maduro of Venezuela.

Fundamentally, the future of Brazil under Lula continues to depend on its relationship with a very conservative Congress that has imposed several defeats on him. Ultimately, Lula's future will be determined by this classic phrase: “it is the economy, stupid!”

Obviously, Venezuela remains a black spot on the map of Latin America, just like Cuba and Nicaragua. Certainly, there is a resumption of relations between Colombia and Venezuela and a semblance of inter-Venezuelan dialogue in view of the presidential elections this year. But there is little hope of an improvement in the situation under Maduro. In Nicaragua, Daniel Ortega dominates the political scene and strengthens his links with both China and Russia. There is little hope of what we would consider progress as Chinese investments in Latin America have been close to \$160 billion between 2000 and 2020, protecting some of the governments that we in North America consider ineffective.

In the Southern Hemisphere of the America's writ large, we are witnessing a trend that has every chance of spreading to many nations. For years governments, by their inaction or ineffectiveness, permitted parallel but criminally based illegal governance to become implanted in various cities and provinces, either through corruption, or through intimidation. The cartels in Mexico and elsewhere supplanted or co-existing with legal institutions to provide a range of governance, social services, with parallel quasi-legal systems in cities and land they ostensibly controlled. These are not ideologically based, but simply exist to maximize self-enrichment by protecting their illicit activities, mostly in narcotics. This requires no uprising or revolt to challenge their control. So these enterprises are in one part ruthless for any violation or challenge to their rules protecting their “business” and on the other hand seemingly benign at times to ensure allegiance. These groups have little or no allegiance to state backers. Drug cartels that have exploded in size and capability, seriously threaten to destabilize a half dozen or more countries at least, from Mexico to Uruguay. A counter-reaction by legally constituted authorities is beginning to materialize and it is worth following closely their progress.



*Figure 24 - El Salvador is building mega prisons each capable of housing between 40,000 to 70,000 prisoners*

The impact of any progress in the fight against drugs from all origins, fentanyl included would reduce what has become the greatest killer of men in the United States aged 18-49 more than automobile accidents, in a kind of reverse opium war by China to destroy Western cities –a key domestic threat.

In El Salvador, their reaction is premised on the belief that the “normal” justice system no longer works, and exceptional measures need to be taken, even at the risk of suspending some basic civil rights. President Nayib Bukele has obtained a “state of exception” from his Congress leading to the arrest so far of 70,000 people in an anti-crime dragnet (2% of El Salvador’s population). Arrests do not have to be made on a specific indicted charge, and missing documents, but on aiding, abetting, or consorting with criminal gangs. Arrests do not need a warrant, all private communications can be used by the government in investigating charges, and detainees no longer have the right to a lawyer.<sup>41</sup> The system is designed to process detainees to trial quickly, with groups trials of up to 900 at a time if they come from the same region or are charged with being in the same criminal group or gang. Sentences for gang leaders will be between 45-60 years imprisonment. This has created observations of near 6,500 human right violation by human rights groups, however the policy and the state of emergency are widely popular within El Salvador, and other regional leaders who now seek to emulate El Salvador’s policies.

<sup>41</sup> <https://www.theguardian.com/world/2023/feb/25/el-salvador-moves-2000-suspected-gang-members-to-new-megaprison>

# ASIA PACIFIC

## Key U.S. military facilities in Asia

The United States has military bases around Asia. But logistics in the Pacific is one of the greatest U.S. vulnerabilities in any potential conflict over Taiwan, according to officials.

### Key facilities in the Indo-Pacific region

- China**
  - Major military base
  - ▲ Support facility
  - ⚓ Port project
- U.S., or with routine U.S. access**
  - Major military base
  - ▲ Support facility



Note: Marine traffic density based on all vessel positions reported between January 2015 and February 2021.  
 Sources: The IISS Military Balance; The Pentagon; Asia Maritime Transparency Initiative, Center for Strategic & International Studies; AidData report, College of William and Mary; Military.com; GlobalSecurity.org; United States Naval Forces Korea; United States Air Force; Natural Earth; International Monetary Fund's World Seaborne Trade monitoring system  
 Vijdan Mohammad Kawoosa • Jan. 31, 2024 | REUTERS

*Figure 25 - The immensity of the region is frequently lost, particularly to North American audiences. The areas of friction as clearly seen by military installations and the importance of the sea routes that are integral to global trade and hence security. Nations that border sea routes, Chinese perceptions of immediate waters and security, inevitably must consider these complexities in their dealings with the US, China and their neighbours*

Events on the international scene, particularly in the Middle East, have so siphoned off the attention of both leaders and the general informed public that tensions in the rest of the world, including the Asia-Pacific, have been partially eclipsed. However, with the importance China accords to the region it occupies and often considers more within its sphere of influence, is inevitably subjected to the winds of the rivalry with the United States.

This rivalry plays out in many ways and across many fields. The first is economically based, as nation states around China's first island chain happen to be amongst its largest trading partners. It is ironic that notwithstanding the conflict between the Philippines and China over reefs in the South China Sea, China is the largest trading partner of the Philippines, and that trade has experienced an average annualized growth of 17% since 1995. It is a statistic that is repeated with many of the regional economies that China trades with, and illustrates the complexities and nuances surround the overarching great power competition.

For the Philippines, this has meant divorcing the two issues from each other and carrying on with a blind eye a business-as-usual approach. In the shadow of conflict, this can alternate at a moment's notice as Rodrigo Duterte at one time flirted deeply with China, including on defence, until his ouster and the Philippines came to an agreement to allow use of bases by the U.S. It underlines the importance of elections, and the resulting effect on policies and in this year, who some call 2024 Asia-Pacific's year of elections, with elections occurring in India, Indonesia, South Korea, Pakistan, Bangladesh, Taiwan and the Solomon Islands.

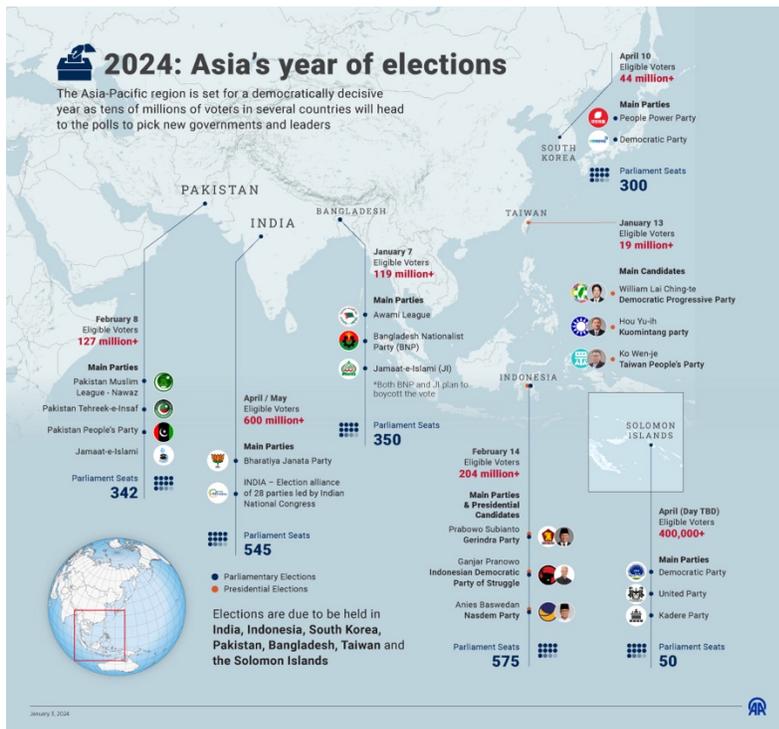


Figure 26 - Elections in Asia in 2024 will affect the future of approximately 1.4 bn people

The second way the rivalry plays out encompasses trade, resources, and diplomacy, and the South Pacific is an area of contest. The majority of the nations recognizing Taiwan diplomatically are island states located in the South Pacific and China invests and trades in order to force a change to Taiwanese recognition. Recently, Beijing persuaded the Solomon Islands to establish diplomatic relations with China while ceasing to recognize Taiwan. In turn, the Chinese offered a security pact giving its Navy port access, loans to finance Huawei cellular networks, and preferential leases to Chinese firms. Shortly thereafter there were two incidents where a U.S. Coast Guard ship was denied a port stop, as was a Royal Navy vessel. Honiara, the Solomon's capital, is also headquarters of the Fisheries

Forum Association, a 17-member organization which manages and protects the South Pacific Fishery, especially tuna. The "tuna belt" runs west to east in the South Pacific and is home to over

65% of the world's tuna, and therefore a vital protein source, especially for China. This places China in a regional competition with Australia and New Zealand for areas that straddle sea lanes and resources.

The third way in which China influences the region is through the financing and construction of mega projects specifically related to transportation infrastructure to alter trade patterns. China has and is investing in high-speed rail in Cambodia, Laos, and Thailand with a view to create regional networks that at some point terminate at one end in China. There have been similar investments in port facilities and airports. In some cases, they add to trade; in others are complementary to the Belt and Road Initiative; and in almost all cases serve to protect China's near space and its supply lines, over land and over water.

We discussed the fluctuating tensions between China and countries sharing a shore in the China Sea. We highlighted North Korea's growing nuclear militarization as an increasingly troubling challenge. Tensions between India and China in the Himalayan region remain high; the dispute between Japan and China over the Senkaku or Diaoyu Islands in the East China Sea will not be resolved soon.

Climate change also plays a huge part in regional concerns and changing weather patterns have only reinforced the trends towards natural disasters in the Asia-Pacific region, a phenomenon taken into account at the Dubai meeting, without immediate measures being able to bring about changes. The region is particularly sensitive to the impacts of typhoons, tsunamis, and earthquakes. Indeed, many islands of the South Pacific are at threat of disappearance if sea levels rise. Climate change only exacerbates the effects.

As in many other regions of the world, other problems loom, especially environmental degradation, notably deforestation particularly by planting crops such as for palm oil, which coincidentally are not only ecologically problematic but spur social issues like child and forced labour.<sup>42</sup> Pollution, which makes large cities unlivable, and the loss of biodiversity in the Asian region are brutally affecting the most populated continent on earth, especially with lower standards in industries such as mining.

On a political level, the issue of human rights remains a subject of concern, particularly due to the tightening of security measures in Hong Kong. It is also the question of democratic disintegration which is at the origin of the armed uprising of ethnic minorities against military power in Myanmar while the fate of the Rohingya remains deeply uncertain and Bangladesh, already overpopulated, hopes that the international community will help absorb the flow of refugees from Myanmar.

Competing economic interests find themselves in the race for hydrocarbons identified in the East and South China Seas, again provoking clashes. Climate change is also believed to be the cause of new infectious diseases affecting countries that are overpopulated and poorly equipped to deal with them.

The most surprising phenomenon is the fall in demographics in several countries in the region, notably Japan and South Korea but others as well. The aging of the Chinese population has not slowed down at the pace desired by the leaders who had abandoned the one-child-per-family policy. Today we are wondering about the irreversibility of the trend.

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<sup>42</sup> <https://chinadialogue.net/en/food/11627-palm-oil-the-pros-and-cons-of-a-controversial-commodity/>

By the time this text will be published and made available, Indonesia will have held the world's largest single-day election to choose its President, Vice-President and 20,000 representatives to national, provincial, and district parliaments. Geographically, Indonesia is unique from many standpoints. It stretches as a narrow band over a distance nearly equal to Canada's. It is situated in the Pacific Ring of Fire with more active volcanoes than any other country in the world. The 2004 earthquake altered some of the country's physical boundaries. There are over 700 languages/dialects with variations from one mountain ridge to another. Its fauna and wildlife are unique, including the famous Komodo.

As the 4th most populated country in the world at 280 million, it is one of the great democracies of the world, dating from 1998 after years of the totalitarian regimes of Soekarno and Suharto. Yet, that democracy is still dominated by the successors to the leaders of Suharto years, competing politically among themselves. For instance, Megawati Soekarnoputri, president from 2001 to 2004, is the daughter of Soekarno. Yet, now retiring and still very popular President Widodo was an outsider, but he rapidly learned how to play by the establishment rule. Failing to get a constitutional pass for a third mandate, he announced that he would try to influence the outcome of the race. But incumbent parties seem so far to have ensured their continued dominance. New political parties have a hard time gaining a standing.

It will be interesting to see how much influence Widodo will have exerted in the final result. The 2024 election will most likely bring a generational change but what will not change is the dynastic character of the country's politics with elders bequeathing parties leaderships to their children while Widodo, who wants to retain power and influence positions himself as the kingmaker with the help of old rivals. In Indonesia, "Wayang" dominates politics, which relates to the "shadow" or "imagination" in the traditional puppet theatre, behind a screen. There is little chance that Indonesian politics will change much in the future.

Yet what has changed in a remarkable way in the country in the last decades is the rise of a powerful middle class which has transformed the country into a major economic powerhouse. The country's GDP has been increasing steadily, although like most economies, it took a hit with COVID-19. Investment in infrastructure has been the key driver, including transportation, energy, and telecommunications, to improve connectivity and support economic growth. While diversification reduced the excessive dependence on natural resources, more so that oil reserves continue to be depleted. Technology-based industries provided sustainability to growth while manufacturing was on the rise. Foreign Direct Investment, notably from China, added to the general economic progress, particularly with simplified regulations and greater ease of business.

Canadian direct investment in Indonesia was \$5.7 billion in 2022 —sizeable, though lower than levels decades earlier. But Canadian interest in Indonesia has recently rekindled. The growth of Indonesia's digital economy has produced a full ecosystem of start-ups and technology-driven sectors of the economy. The size of the domestic market has left little for exports other than in the field of natural resources, agriproducts, and some manufactured goods. On the negative side, income inequality remains a serious problem, so its excessive bureaucracy and corruption, the latter quite endemic.

In terms of Indonesia's foreign policy, one is always reminded of the famous principles of "Pancasila," a national ideology articulated around democracy, social justice, and international cooperation. It is very much enshrined in the mentality of the nation and underpins Indonesia's non-alignment, in the spirit of the Bandung 1955 conference. Indonesia's influence continues to

express itself due to its religious diversity make up, yet a devout Muslim country as well. Indeed, Indonesia is the world's largest Muslim nation by population. It is interesting that the number one and two nations by Muslim populations —Pakistan and Indonesia —will each be holding their elections within a week of each other this year.

Indonesia's fundamental spirit of religious tolerance plays a role of influence far afield unlike any of the other Asia-Pacific nation —China excepted. Indonesia has gained in stature and plays a significant role in regional organizations such as the Association of Southeast Asian Nations (ASEAN), headquartered in Jakarta. It is one of the few nations in the region that doesn't have a maritime border issue with China, but its fishing boats have suffered nasty encounters with their Chinese counterparts. It has also maintained relations with Russia. The relationship between Indonesia and Australia is often fractious on a range of issues, notably immigration and refugee settlement as well as on relations with China. Australian diplomats often say that the importance of their relationship with Indonesia is on par with that with China.

Indonesia being one of the most significant players in the region, Canada would gain in expanding its relations with Indonesia. Progress has been made on that score with Canada now having a distinct Ambassador to ASEAN.

It is difficult to draw a conclusion on the region, as competition between the United States and China is the primary factor in its evolution. But even if Donald Trump returned to power, given Joe Biden's maintenance of his predecessor's tariff measures, the uncertainties would remain those facing the world. Unpredictability is the only certainty.

## **ISRAEL**

The perennial conflict in the Middle East, the conceptual consensus of two states, Israeli and Palestinian, living side by side in peace and security, should give rise to a final effort, after the horrors of both the merciless Hamas attack on October 7 and Israel's bombing of Gaza, which many are coming to believe has been indiscriminate and lacking proportionality, to carry out the mandate given by United Nations General Assembly Resolution 181 in 1947.

Unfortunately, the stalemate in this conflict remains and its consequences have been and are devastating to both peoples. The relationship between Israel and United Nations' officials during the Gaza conflict provided an illustration of the weakening of the world's premier multilateral organization, which is supposed to lead the nations of the world towards greater humanity and new ways of resolving conflicts.

The attitude of the Israeli representative towards Secretary-General Guterres was more offensive because it tended to call into question his impartiality. The subsequent restrictions by Israeli representatives towards United Nations personnel being able to enter Israel and in Gaza, where a record number of UN workers perished in the service of humanitarian efforts, was utterly unacceptable. That there now appear to be some UNRWA workers who took part in the October 7 attacks should not by itself result in wholesale condemnation and funding cuts to the UNRWA, nor of the other UN agencies and international humanitarian groups in Gaza.

The wearing of the yellow Star of David by the Israeli delegation to the UN came across as an affront to the institution but a desecration of the Holocaust, which remains the worst crime ever committed against humanity. When the Secretary-General took the liberty of declaring that, “‘ Hamas' attacks did not occur out of context,” he was attempting to recall one of the foundations of the Israeli-Palestinian conflict.

Guterres was also recalling the inability of the United Nations to implement the multiple Security Council resolutions, therefore falling under international law, requiring that Israel cease the incessant expansion of settlements in large swathes of the West Bank, in principle designated territory for an independent Palestinian state. The horrible crime committed on October 7 against innocent Israelis, an inevitable reminder of the Holocaust, the memory of which remains on edge, is unforgivable and explains the intensity of Israeli reactions and their absolute desire to put an end to Hamas.

The history of this conflict has its full share of upheavals and ignominies.

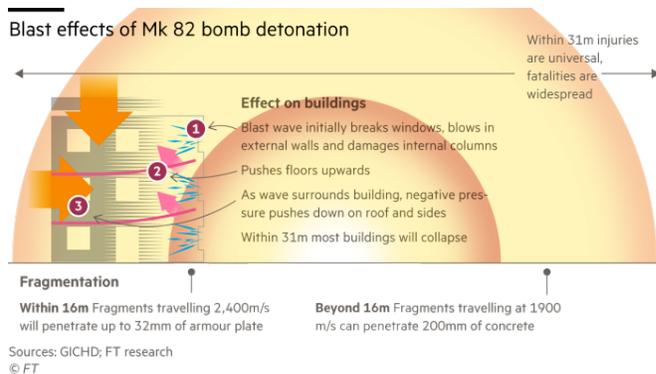
The limits placed on Gaza through the land, air and sea blockades have always been "suffocating" and that the promises to create a Palestinian state living in peace, side by side with Israel, have never been fulfilled. The blame is shared, however as Israel is and was the dominant power in the relationship, it had more latitude in its positions towards achieving a settlement.

Israel's fierce conquest of Palestine began long before the adoption of United Nations General Assembly Resolution 181 establishing two states, the Haganah, Irgun, Stern, Palmach and Lehi groups committing atrocities long before Israel's declaration of independence and the entry of the Arab states into the war. The Americans and the British who refused at that time to allow the creation of a Palestinian state to be put on the agenda of the United Nations at its very first sessions did in many ways set the foundation for the present conflict. Had a Palestinian State been considered early on, the worst outcomes which created the expulsion of more than 700,000 Palestinians thereafter referred to as the Nakba, "the catastrophe" in Arabic. This is not to deny or forgive the deadly retaliations on the Palestinian side but does require acknowledging the Palestinian view that they were defending their own territory. Unfortunately, as regarding prospects for the future the past is not erased, nor are the other three wars between Israel and Arab countries – 1956, 1967, 1973.

Eventually, peace treaties were signed to allow the Arab nations to recover their conquered territories, although Syria is still waiting for the Golan Heights to be returned, which is unlikely to happen given the tactical importance of the heights to the IDF, and that President Trump officially recognized the sovereignty of Israel over the Golan. Legally, the Golan remains occupied territory and a UN Observer force remains in place.

Of course, there have been mistakes on both sides in the various negotiations, but, as Mr. Netanyahu has repeatedly pointed out, he has always opposed the idea of a truly independent Palestinian state. Moreover, historic Judea and Samaria, unfortunately in the West Bank, remain the ultimate goal of the Netanyahu government who has created the term “disputed territory” for the area whereas the rest of the world (including the Israeli Supreme Court) terms the West Bank as “occupied territory.”

The incorporation of the West Bank into Israel, without civil rights to the Palestinians that remain, is the undisputed aim of the very large number of settlers who don't hesitate to use the weapons provided by Minister Ben Gvir to threaten and occasionally extra-judicially kill Palestinians who live there in deplorable conditions. Amnesty International's report is convincing in this regard.



*Figure 27 - Damage from a 2,000 lbs bomb is immense. Unguided, a bomb may fall 100m away from the intended target, with a blast radius of up to 300m, the blast itself is not precise, exacerbated if the bomb misses its target.*

In the Gaza Strip, the bombing campaign has been intense, and likely more intense and denser than almost any other campaign in history. Notwithstanding that the IDF issues warnings and announces safe areas, the strikes have not been proportional nor precise. Two things have led to this: an apparent relaxation of the targeting process and its rules prioritizing targets over collateral damage, and the far greater use of unguided bombs than previously believed. Combined, this has led to overly excessive death, now (Jan 25<sup>th</sup>) numbering 24,000 dead, most of whom are children and an unknown number of wounded, let alone 1.8 million displaced people with the humanitarian crisis that alone is causing.

For Arabs, and many others, nothing allows them to forgive the relentlessness of the bombings and the total lack of respect for the lives of Gazans, guilty only of being locked up in that inhumane enclave. Each bomb that serves to spare the lives of Israeli soldiers who will finish off Hamas in time also deprives Gazan families of their children, just as the unfortunate Israelis lost their children during the music festival in October.

In the near term however, the U.S., the only nation that has the possibility of restraining Netanyahu, faces a problem of its own making by having promised unconditional support to Israel at the outset of the conflict.

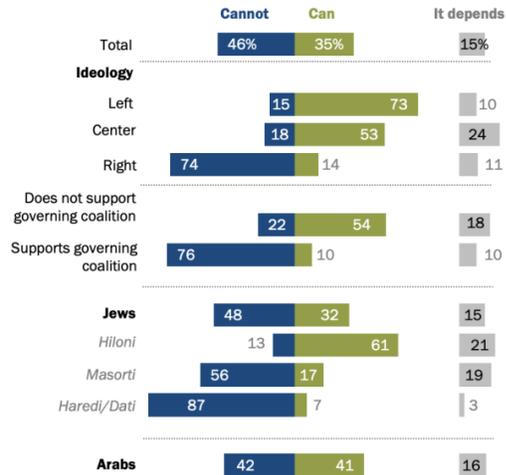
As former National Security Advisor Ben Rhodes has said, “The 2,000 lb. bombs the IDF is dropping are the very bombs we [the United States] supplied.” With Netanyahu paying lip service to U.S. requests with respect to its American “red lines” (to reduce nn casualties, to allow more humanitarian aid in, to reduce settler violence, and to articulate a vision for post conflict co-existence with the Palestinians) the U.S. may be forced to start “conditioning” its support to Netanyahu lest the U.S. itself be tainted in world opinion for enabling the very things the U.S. wishes Netanyahu not to do. If the war continues, as most expect it to for some time (see Gaza War Assessment) the U.S. will inevitably lose its strategic patience with Netanyahu at some point in Biden’s current term.

The dilemma for the United States today, in the face of a barely contained humanitarian crisis and casualties that continue to mount, is exactly when does that split arrive as Netanyahu clearly pays no mind to any U.S. cautions, “red lines,” or proposals for peace, and even attempts to place responsibility for humanitarian efforts on U.S. and international shoulders, as we indicate in the Gaza war analysis.

The greatest failure of the United Nations, not of the organization as such, but of the multilateral movement it represents, is the futility of all the efforts to create a Palestinian state. At the UN, the United States bears the greatest responsibility for this. Today, as the U.S. pleads for the two-state solution and tries to bring Israel to its senses, Netanyahu, Ben Gvir, Smotrich reassert once again what they have said clearly since 2000 that there will never be a Palestinian state —a notion that

### Israelis are divided over whether peaceful coexistence with independent Palestine is possible

% of Israelis who think a way \_\_\_\_ be found for Israel and an independent Palestinian state to coexist peacefully with each other, among ...



Note: Those who did not answer are not shown. For more information on governing parties, read the "How we did this" box. Because of small sample sizes, we combined Haredim and Datim in this analysis.

Source: Survey of Israeli adults conducted March 15-April 24, 2023. Q64.

PEW RESEARCH CENTER

Figure 28 - polling including Palestinians indicates that most Palestinians do not believe a two state solution is possible, in part as they don't believe Israel would permit it.

most Israeli's no longer believe possible, echoing the Palestinians equal lack of faith in being able to arrive at a negotiated settlement.

It is possible that the word "two states" carries the burdens of a history of failure. According to Benny Gantz's National Unity Party seems to indicate that a majority of Israeli's would accept two states by another name i.e. "two-entities."<sup>43</sup>

Therefore, no matter the IDF's presumed success in eliminating Hamas, Israel, the Palestinians, and for that matter the rest of the world will run up against an almost impenetrable wall of history in finding a solution that both sides might accept.

For Palestinians, there is a generational memory which remembers the terror they faced at the hands of the Zionist gangs in the war for statehood and in places the world prefers to forget like Deir Yassin, Safsaf, Sabra-Shatila and the ongoing instability, to be kind, in the West Bank. For Palestinians 1948 is memorialized as the "Nakba" –the catastrophe. Unable to put aside or move beyond that cultural memory makes the idea of shared space difficult.

For Israelis, the establishment of their State has been mired in wars to defend the very idea and existence of Israel, too long withstanding terror attacks against

Israelis and more specifically Jews as the target. These attacks number in the thousands at home and abroad; the Israelis killed since the Oslo Accords are well over 1,500 (not counting October 7) let alone the constant disruption of daily life due to attacks. That terror reinforces the trauma of the Second World War and the notion of "never again." Thus, for Israelis too, there is a generational but equally a cultural if not near religious memory which guides present actions.

Cultural and historical memories are the most difficult to overcome and are all too often the principal obstacles to dialogue and peace; that type of memory which becomes self-propagating over time has been seen underpinning conflicts around the world. Few, however, have lasted as long or affected the world as much as Israel and Palestine.

Israel rarely acknowledges Palestinian grievances as a source of violence, and the Palestinians have a hard time acknowledging Israel's right to exist and the post-1948 reality. Whilst some efforts, primarily led by the United States, provided some successes, the gap between the two has never truly been bridged even though it was tantalizingly close at times.

<sup>43</sup> <https://www.economist.com/briefing/2023/12/07/despite-the-war-in-gaza-talk-of-a-two-state-solution-persists>

Yet the peace that Israel wishes for itself, is reluctantly granted to others. Israel did give up Gaza in 2005, but as the prevailing power did little to ensure success. The handover lacked a plan for financing or development and most importantly no plan for Gaza’s political and administrative evolution. That was a cardinal error as it permitted the rise of a Hamas military and Islamist dictatorship.

As for the West Bank, even the Israeli Supreme Court sees those lands as occupied territory, that designation permitting all sorts of differential treatment. Without a vision for a post-conflict landscape, the conduct of this war is what will be remembered and will only serve to entrench each side further. Both sides have utterly failed.

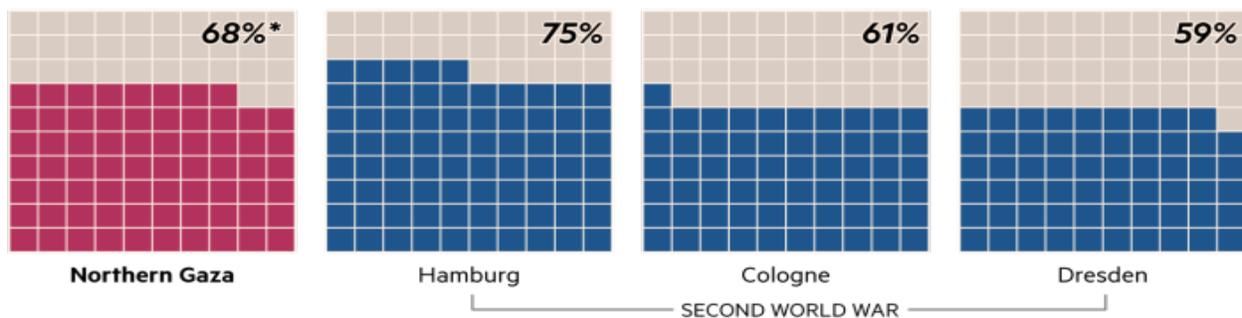
This interminable war must come to an end, and the Secretary-General is right to reiterate that international peace in one of the tensest climates in modern history is essential, and that requires in part the establishment of a Palestinian state.

To arrive at that evanescent objective, both the Biden administration and Israelis themselves need to distinguish their nations’ interests from those of Netanyahu and his far-right supporters. Indeed, notwithstanding the long history between Israel and Palestine and the elusive search for a political solution leading to some form of peaceful co-existence, it is clear that at this moment when great statesmen are needed, the single greatest obstacle to ending the Gaza War through some form of settlement is Prime Minister Netanyahu himself.

In December during a Knesset session, the Prime Minister said, “The difference between Hamas and the Palestinian Authority is that Hamas wants to destroy us here and now, while the PA wants to do it in stages.”<sup>44</sup> While also saying that the UAE and Saudi Arabia would underwrite Gazan rehabilitation with no basis in fact for that claim. His more extreme supporters are also creating

### Devastation of northern Gaza comparable to Allied bombing campaign of German cities

Per cent of buildings damaged during conflict

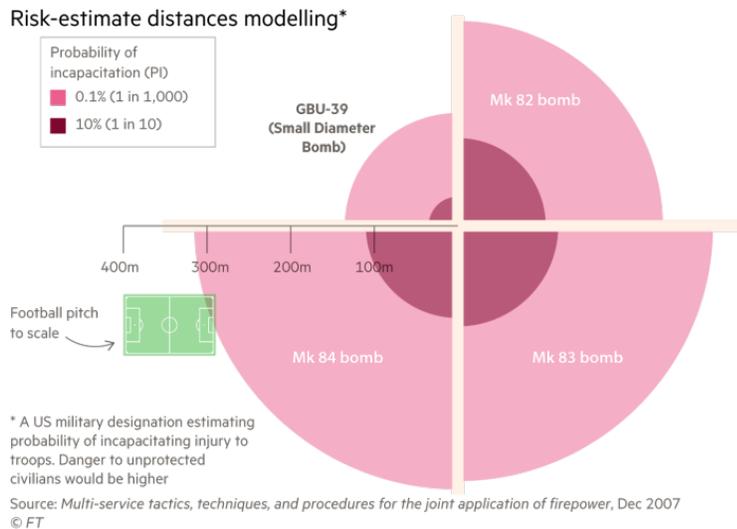


\* high end estimate October 5 to November 29 for buildings with at least 50% damage

Sources: FT research; damage analysis of Copernicus Sentinel-1 satellite data by Corey Scher of CUNY Graduate Center and Jamon Van Den Hoek of Oregon State University  
© FT

Figure 29 - Damage from a 2,000 lbs bomb is immense. Unguided, a bomb may fall 100m away from the intended target, with a blast radius of up to 300m, the blast itself is not precise, exacerbated if the bomb misses its target.

<sup>44</sup> <https://www.timesofisrael.com/netanyahu-said-to-tell-mks-that-saudis-uae-will-foot-bill-of-gaza-reconstruction/>



*Figure 30 — The blast radius of various bombs used by the IDF. The most precise with less collateral damage would be a 250lb GPS guided bomb. The IDF may be using larger bombs to also expose the Hamas tunnel system but in doing so risks excessive collateral damage.*

decisions vis-à-vis Hamas and the war.<sup>46</sup>

While the investigation of “how” October 7 occurred is awaiting the end of the war, we assess that there are three likely elements (amongst others) to be examined, all of which will presumably place heavy responsibility on Netanyahu and could lead to a change of government whenever the next election takes place:

- How was Israeli intelligence unable to provide warning of the attack? From reporting seen so far, the IDF was aware of Hamas’ preparations and rehearsals and either discounted them through some element of hubris or mishandled the analysis through the chain of command.
- Once the attack commenced in the early hours of October 7, why did the IDF’s first line of defence not work, and more pointedly why were no reinforcements rushed to the point of attack? The reinforcement issue will be emotively tied to how it was possible that so many hostages were taken.
- The Netanyahu strategy, which ironically enabled Hamas by dividing Gaza from the West Bank Palestinians through separate funding sources.<sup>47</sup>

The three war aims of Netanyahu will be part of the electoral campaign as well, and as we assess in the section on the Gaza War, his war aims are unlikely to be met. The war aims will also be discussed

<sup>45</sup> <https://www.reuters.com/world/middle-east/only-15-israelis-want-netanyahu-keep-job-after-gaza-war-poll-finds-2024-01-02/>

<sup>46</sup> <https://nypost.com/2024/01/22/news/majority-of-israelis-believe-netanyahus-wartime-decision-making-driven-by-personal-interest-poll/>

<sup>47</sup> <https://www.timesofisrael.com/for-years-netanyahu-propped-up-hamas-now-its-blown-up-in-our-faces/>

in the context of the hostages. The frustration of the hostage families will be an emotive issue that cannot politically be put aside. For these families, Netanyahu’s objectives should have been secondary to the release of hostages. Netanyahu’s premise that greatly increased military pressure would force Hamas to release hostages, or permit the IDF to find and rescue them, has so far not proven to be correct. The ultimate fate of these hostages will play a huge role in the elections, which at the time of completing this text, over 100 hostages were still being held.

According to polls, Benny Gantz, a former Army Chief of Staff, and a centre-left MP who is currently part of Netanyahu’s unity War Cabinet, is the frontrunner to replace Netanyahu. He has indicated that he would support a “two-entity” solution and has generally avoided the term “two state,” but since October 7 has also asked the U.S. to tone down the solution in its pronouncements as the country isn’t ready for that discussion yet.<sup>48</sup>

Peace talks require two parties at least at the table. On the Palestinian side the, prospects of who might lead talks are not positive. In the U.S., much is made of the age of the presumptive candidates for the Presidency, while the age of Mahmoud Abbas, the titular head of the Palestinian Authority is 88 years old having held power for 20 years —without an election. He is not a partner for future negotiations and so, U.S. pressure should equally be directed to the Palestinian Authority for elections and a wholly new leader and leadership team.

## **NORTH KOREA**

### **North Korea remains a predictably unpredictable nation.**

For years, concerns about the North Korean nuclear capability have been allayed to a degree as while North Korea had nuclear weapons, it lacked an intercontinental delivery system with the longest range of its operational missiles being 1,500 km.

Unfortunately, the UN and separate unilateral sanctions regimes have failed to deter or halt North Korea’s pursuit of nuclear weapons, with its most recent underground test conducted in 2017. It is presumed that North Korea has approximately 40 small yield nuclear weapons in its arsenal, though it is assumed to have sufficient fissile material for an additional 50-70 weapons, according to the Arms Control Association.

In 2023, after years of failed attempts, North Korea successfully inserted into orbit a spy satellite. By doing so, it has solved half the equation of mating a warhead to a ballistic missile capable of striking North America. What is unknown is if North Korea has solved the second part of the equation: targeting a warhead ballistically inserted to space through re-entry to a target on the ground.

Here again, the Ukraine War has had an impact in unforeseen ways. Russia, unable to produce enough ammunition to replenish its units in Ukraine, has negotiated a supply agreement for additional munitions. Whether that includes tactical range missions and other armaments is not known but should be presumed to be all encompassing. In return, most experts believe that Russia will be supplying technical assistance to the North Korean missile program. Though the intercontinental ballistic missile (ICBM) program has had failures to date, it should be noted that the failures come during flight and so, the North Koreans are able to successfully launch their ICBMs.

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<sup>48</sup> <https://www.timesofisrael.com/israel-urging-us-not-to-talk-publicly-about-two-state-solution-officials/>

In other words, the North Koreans are “close” to solving their technical issues and may do so rapidly with Russian assistance.

It should be noted that the North Korean missile program is also a source of hard currency to the Kim regime, as the technology has been exported far afield in violation of all current sanctions. The new Russian arrangement likely provides another source of income to Kim’s government.

If a series of future tests are successful –in sequence a launch with controlled flight, then a demonstration of payload carriage and successful re-entry, will only leave a full-scale nuclear test (though that would not be absolutely necessary if the re-entry can be demonstrated)– then the West and particularly the United States will be challenged as to how it might respond.

In past, most scenarios point to either a nuclear or non-nuclear aerial campaign to destroy the capability and existing warheads, however even the most optimistic assessments indicate that wholesale destruction could not be guaranteed, and North Korea would still have the ability to attack South Korea with either nuclear or conventional munitions; something they would likely do. So, a pre-emptive strike would also have to consider targeting other capability as well. That is not even running through scenarios of how China might respond. The key conclusion therefore is that even with a pre-emptive strike, the war would widen even before North Korea responded.<sup>49</sup>

China was long seen as the best hope to put pressure on North Korea and for a time it reluctantly upheld sanctions against North Korea. With the U.S. relationship with China now in difficulty, China cannot be presumed to influence North Korea on the world’s behalf and would certainly not be a party (nor would Russia) to a campaign that would actually threaten the regime’s survival.

Since nothing in the diplomatic/military tool chest has worked so far and there are too many risks in employing a military pre-emption, the eradication of the North Korean program is nothing more than an aspirational goal and has now become something we live with while trying to contain it and deter the use of the capability.

The U.S. then is realistically faced with three options:

- a) Continue with the status quo –sanctions and maintain deterrence.
- b) Walk away from the issue leaving South Korea, China, Russia and Japan to deal with it. This is a possibility if a Trump presidency follows a policy of disengagement.
- c) Accept North Korea as a nuclear armed state and negotiate limits or freezing the program through verifiable inspection measures.

Under a Trump presidency, any one of the three would be the policy foundation, however the second and third options are equally the most dangerous, with third option being the most likely.

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<sup>49</sup> <https://time.com/north-korea-opinion/>

## PAKISTAN

Pakistan, as a strategically located country and in a more or less constant state of war with India, has constantly been threatened to become a failed state, were it not for outside support from such countries as Saudi Arabia, China, and the United States at certain times. And it is true that at first glance, one wonders how this country, constituted based on faith rather than on a historical national identity, was able to become a nuclear power.

Pakistan's fundamental problem lies precisely in its origins stemming from the partition of the Indian Empire decreed with the departure of the British colonial power. As much as India under the leadership of Nehru would become a major and respected power, Pakistan would seek its own identity. The country was created as a federation from disparate parts including Punjab, with Lahore, its ancestral capital, the only truly national entity dating back to the time of Alexander the Great, Sindh with Karachi, with Quetta, and what is today called Pakhtunkhwa, the famous Northwest Frontier leading to Afghanistan.

Pakistan has always suffered from a triple deficit. The most important is the security deficit, made up of the conflict with India due to Kashmir, its nuclear armament, and the consequences of the Afghan conflict. Pakistan is captive to its geography in a volatile region and is shaped by its tribal history. Added to this are the societal crises of terrorism, extremism, and the militarization of society, all associated with a certain form of jihadism. China has established itself as the essential sponsor of Pakistan. Because of this allegiance, Pakistan no longer counts on Afghanistan to provide it with strategic depth against India, a concept at the origin of the arming of the Taliban during the era of Benazir Bhutto. The most obvious deficit, despite more regular electoral processes than before, is democratic, due to the direct presence of the armed forces in the direction of affairs in the country, the military having been in power for almost half of the existence of the country. The third deficit is ethical, with corruption and lack of accountability being legendary in Pakistan. The result of all three deficits is a failing economy and mounting poverty as the population continues to grow at a frightening rate.

There is considerable inequity and imbalance between the provinces. While Pakhtunkhwa has suffered for years from an influx of Afghan refugees, the people of Baluchistan, marked by a strong tribal culture, are geographically shared by Pakistan, Iran, and Afghanistan, the latter as tribal as it gets. Baluchistan has always been marked by instability, unrest, poverty, and difficult relations with Islamabad. They have often felt marginalized and discriminated against within the countries where they reside, leading to grievances and a desire for greater autonomy or independence. The region is rich in natural resources, including minerals, natural gas, and oil. However, the local Baluch population has often not benefited significantly from the exploitation of these resources.

The Baluchistan region straddles the borders of Pakistan, Iran, and Afghanistan, which has at times led to cross-border tensions and conflicts. Border security issues have further complicated the situation. Yet, its strategic location, close to the Arabian sea, makes it a region of interest for regional powers and, even more so, a global power like China.

Equally important, both Iran and Pakistan have had to deal with drug traffic issues circulating through the province, with its attending conflict situations. More importantly, both countries are at war with the Sunni, Iran-based, militant group Jaish al Adl operating on both sides of the border.

The initial firing by Iran in Pakistan was likely tied to Iran's desire to remind that, following the vicious Al-Qaeda attack in Kerman on the anniversary of the killing of General Qasem Soleimani, it could draw attention to its capabilities.

Once the tit-for-tat had taken place between Iran and Pakistan, the tension subsided. Yet, it is a clear message to Pakistan, recognized as a troubled ally of the U.S., not to mess with Iran.

# CANADA

## CANADA'S GLOBAL CHALLENGES

In 2015, Justin Trudeau's election was marked by the famous declaration: "Canada is back." The Canadian foreign policy community, disappointed by the Harper administration's perceived withdrawal from the multilateralism of the Mulroney, Chrétien, and Martin premierships, welcomed Trudeau's announcement.

Some thought Trudeau's commitment led to the traditional exercise of reviewing Canadian foreign policy. Many were those who were disillusioned, especially since the Harper administration had scrapped many of the traditional principles of Canadian foreign policy, asserting that it knew perfectly well what it wanted to do on the international scene and had not, so no need for an external thinking exercise. It must be admitted that an exercise in reviewing national foreign policy requires a fair amount of effort on the part of both political leadership and the bureaucracy. However, many countries carry out this exercise on a regular basis, such as in France (2023), in the United Kingdom post-Brexit (2020), and in the U.S. with its Quadrennial Defence Review (QDR) and its analogous State Department review consisting of extensive national consultation, followed by in-depth reflection.<sup>50</sup> Generally, effort is devoted to defining major themes based on the strategic environment over a longer-term projection, underlying a small number of key objectives. The goal is to avoid a litany of priorities even when some constantly. The most difficult task is in aligning the results of the thinning effort to financial and human resources.

The Trudeau administration, after revealing the commitments of its government by publishing the specific mandates of each ministry, was content to express its foreign policy in declamatory language, voluble about the values that the government wished to put forward, but with very few details on both the objectives and the actions that would result from them. This determination to deploy idealistic rhetoric has often provoked the irritation of heads of state and government to whom Mr. Trudeau addressed with some pretension, as if Canada were the symbol of perfection on the planet.

In fact, very few initiatives have come from this verbiage and even fewer concrete commitments, with the exception of the survival work on NAFTA which was an undeniable success in the face of Donald Trump's armada, some of whose representatives doomed Trudeau to hell.

Even on essential questions such as levels of military spending or foreign aid, very little strategic vagueness has been maintained throughout the years of the Liberal mandate. Moreover, it is interesting to recall that the Trudeau government, in 2017, issued a solid review of defence policy as well as, in the context of development policy, a feminist development policy statement. Two remarkable exercises, except that they are not based on a foreign policy statement.

Furthermore, as many commentators have pointed out, the Prime Minister has changed foreign ministers on numerous occasions, illustrating the absence not only of continuity but also of an understanding of the imperative need for constancy in an increasingly dangerous world. The

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<sup>50</sup> The State Department review "The Quadrennial Diplomacy and Development Review" (QDDR) was conducted during the Obama Presidency but not conducted by Secretaries Tillerson and Pompeo. However, the US system of Congressional Oversight provides ample and continual reviews of US Foreign Policy. <https://democrats-foreignaffairs.house.gov/committee-oversight>

pusillanimity of the Canadian veto on the nature and identity of the Trans-Pacific Partnership (TPP), demanding that it be accompanied by the term “comprehensive and progressive” initially did a lot of harm to Canada. Moreover, the United States opted out of the TPP to conclude an Indo-Pacific economic partnership agreement from which Canada remains excluded to this day. That said, the United States recognizes that it will one day have to resolve the question of its membership in the TPP.

More recently, the Canadian government has worked to establish greater stability in the administration of foreign, trade, and development policy. Minister Mélanie Joly, hesitant at the start, began to give a personal touch to her mandate, notably with the statement of a policy on Asia. But we also noticed that the absence of Canada, a Pacific nation with a 1,800km Pacific EEZ border (27,000 km if including every single harbour, inlet and fjord), in regional forums devoted to defence issues, such as the Quadrilateral Security Dialogue (QUAD) of the United States, Japan, India, and Australia.

But more generally, we cannot deny that Canada is absent from the major debates of the day, not in terms of presence, because Canada makes a point of sending delegations to the meetings of the G7, G20, APEC, and other international gatherings, but by the absence of profound initiatives.

Certainly, the defence of democracy and human rights is undoubtedly of prime importance. We realize this well in the American context, our neighbours going through a major crisis that we have mentioned due to the legacy of Donald Trump. But it is much more the absence of Canada in the face of the multitude of fault lines confronting international relations on a global scale.

Aside from singing the voice of the United States on most foreign and defence policy issues, ensuring that we are not involved beyond statements of support, the disruptions in the world order, at their most critical since the fall of the Berlin Wall, we are fundamentally absent. This is particularly serious at a time when we are wondering with anxiety not only about the evolution of American domestic politics but also about the risks that this may entail for the balance of power in a more multipolar world.

At the risk of raising a thorny and sensitive question, should the changing demographic composition of Canada not give rise to a more diversified foreign policy, less confined to Atlantic comfort, more sensitive to the diversities that our country represents and assumes? On this level, it is true that we have opened new diplomatic missions in distant countries. We still need to take into account the lessons that this brings. Of course, this in no way changes our close relationship with the United States, but it does force us to think in depth about the consequences of the changes occurring there.

Furthermore, our policy towards China cannot continue to be dictated by the Two Michaels affair which has just taken a sordid turn. As much at the strategic level we must be more vigilant than ever, as much on the level of human, intellectual, cultural, and artistic relations, with normal prudence, we cannot ignore this "mass" of capacities, intelligence, and research that the world needs.

Taking up each element of change, danger, or opportunity that we have discussed so far, let us look at the short, medium, and long term responses that Canada must consider on short notice in 2024, it being understood that the absence of a Canadian foreign policy statement does not make it possible to determine the government's priorities and intentions.

We do wonder, however, if this government, or any government that follows, is committed to producing policy, especially coherent foreign policy which is by practice and needs intertwined with a defence policy. Internationally, the two are inextricably linked. Rather, what we have seen of late is that every long-term issue is determined through a short-term political lens. We are seeing that good policy has for the first time in our postwar experience been replaced by good politics. We deserve better.

## AN AMALGAM OF THREATS AND CHALLENGES

At the outset of this Strategic Outlook, we introduced the major questions facing Canada in the new geopolitical world in which we live in. From outward appearance, the world looks much the same as the world of years past, however the generally accepted rules which govern international affairs have changed, as have the proclivities of certain key international leaders to follow well established norms and conventions, rather there is a discernible tendency to shatter the status quo.

At one time, faithlessness in the international community could be defined as belonging to the outlaws of the international community; fascists, communists, anarchists, revolutionaries, Marxists, in most cases simply divided into democratic versus totalitarian camps. What is most worrying now is that faithlessness has crept into democratic states as well.

As we opened this 2024 edition of the Text, the political, social, and moral disintegration that is occurring is a formidable wake-up call on Canadians, feeling somewhat immune to the vagaries of the world as we feel sheltered by our three oceans, our vast territory, and a feeling of security as to our neighbourhood. Yet, uncertainties of today's world compel Canada to revisit two fundamental questions: what are Canada's strategic prospects, and what are the means it must muster to safeguard its interests?

Addressing these questions could not come at a worse time for Canada. Even though our debt burden is one of the best in the G7, it is still rising to historic highs, and annual deficits are increasing. As a percent of GDP for both, we are able to handle the debt, however, unlike other nations we are a high-tax nation, our exports are not growing, we have an overvalued housing market and above all, we need to spend more to rebuild and/or construct elements of our national security apparatus.

After years of benign neglect, the country must rebuild the primary institutions which produce strategic international effects, namely the entire institutions of defence and foreign affairs. The need for these investments flies in the face of rising indebtedness and the need to spend monies on incipient crises in housing, health, and immigration. Almost all Faustian strategic choices await, driven by what we can afford and what we are willing to give up.

Canada has not really caught up to the reality of a changing world. In the past, secure in our world protected by the oceanic moats of the Atlantic, Pacific and Arctic ice, the peaceable kingdom had the luxury of secure trade with little political turbulence with our superpower neighbour to the south. Never under any threat of invasion or of a domestic uprising (not even the Quebec Crisis of 1967 came close to that standard) driven by ideology, social disparity, or territorial conflict, our national security apparatus such as it was directed in doing our part as part of a team, part of alliances –chiefly NATO, and as relatively good international citizens within the structure of the UN.

But as we described in the body of the Outlook, what was once unimaginable has become our new reality beginning with the indispensable power which is the United States. We no longer live in a fireproof house. It is surprising that in a few short years that America, which led events contributing to the collapse of the Soviet Union, would now seem to be in a period of neo-isolationism and worse, whose reliability and commitment to allies is somewhat in question –from Afghanistan, to Ukraine, to Taiwan, and elsewhere.

With neo-isolationism, invariably arises notion of self-interest versus common interest. We provided examples of approaches during the pandemic which were principally nation-based, as opposed to collective action during the 2008 financial crisis, and when national interest dominates all fields and levels of action, adherence to and support of international multilateral institutions declines. There is a very real possibility that the next U.S. election, irrespective of who wins the presidency, will lead to government divided on ideological lines, at the exact time that American leadership is needed most.

Nature abhors a vacuum or void, and with American detachment, various nations have emerged to challenge the world order, finally sensing the opportunity to act against an order they felt was hypocritical, restraining, and whose rules were designed to preserve American and by extension democratic hegemony. Individual states began to act in more aggressive, proactive, and even callous fashion. No common sense of purpose unites Russia, Iran, Turkey, China, North Korea, and others, other than a rebellion against the conventions of the past. To put it at its basest form, if the Allies could do regime change in Libya, and the U.S. could invade Iraq, why would invading Ukraine be anything different?

Without a common sense of the world, in part because of differing perspectives of the global power system, the emergent multi-polar world is driven by transactional self-interest and the nations that side with a specific “pole” today, may be aligned with another one tomorrow, a fluid and fluctuating realization of the maxim “the enemy of my enemy is my friend.”

This environment has introduced a whole new level of threats, enabled by technological advances that we did not react to or that we never anticipated nor planned for and as a consequence our institution is ill prepared for.

These threats, far beyond the fear of Soviet bomber fleets or submarines in the Atlantic, include an array of cybersecurity in all its forms ranging from access to privileged systems: data (including personal) theft, financial manipulation and crimes, intellectual property theft, and defence information. What makes these threats particularly insidious is that they are not demarcated by clear limits, for example personal data theft becomes an enabler for access to systems, or extortion to obtain something or act on a malign actor’s behalf. Access to privileged systems enables all natures of action, from obtaining more personal information, stealing intellectual property, and repeated shutting down of critical systems such as communications, pipelines, and hydro systems.

Disinformation represents another form of threat which again straddles multiple avenues. Disinformation, or cognitive warfare, is not new —it goes back to the day that the Greeks convinced the Trojans that their horse statue was an offering to the Gods while hiding soldiers within. Today, what you see, hear, and read may not be the truth. From the previous simplicity of a poster, or a planted news story, a fake recording technology has enabled the deep-fake and combined with AI can create an event or have a person say something that never happened. A massacre that never occurred, a politician saying something or doing something they never said or did.

The most outrageous of cognitive challenges were often the purview of dictators and totalitarians. In the modern era the purview of Stalin, Hitler and Goebbels, and Mao at the grand scale of things. Democracies were generally, though not always, somewhat immune to these threats. No longer.

As we noted in our review of the world, cognitive dissonance extends not only to a populace but to political leaders domestically. While it is easy to attempt to place efforts in convenient silos, in fact

the silos overflow into each other. Ukraine is a perfect example. Russian influence operations operate both directly and indirectly.

For example, exploiting current fears in the US about immigration serves to abet the sense that domestic priorities should eclipse international interests. That Ukraine is corrupt, and losing, influences thinking that the West should not throw money after bad outcomes or permit misuse of its funds when there are more important priorities. There were certainly Russian efforts to exploit the George Floyd killing and the unrest that followed.<sup>51 52</sup> These types of efforts have been aimed across the Western alliance including Canada.



Figure 31 - A deep fake video of Barack Obama being frank about then President Trump. Photo: YouTube/Buzzfeed

With an expanding universe of social media, and a public gravitating to narrow-casting news, media, and social networks, it does not take long for unchecked information to migrate into wider public domains, as our example of President Zelensky and his supposed yacht did.

Cognitive dissonance rises to another dimension when erstwhile enemies not only influence sources of information, but are buttressed by penetration of society and its political institutions. Without going into elaborate detail, there have certainly been examples of influence activities in the U.S. and

Canada, but also the manoeuvring of moles/agents into key positions (staff, friends, or even domestic officials) as an extension of traditional espionage activities.

Recently, the focus in Canada has been on suspected Chinese activities in Canada ranging from recruiting Chinese immigrants, positioning China-friendly personages, leveraging immigrant relatives through pressure on families remaining in China, in addition to the aforementioned cyber, cognitive warfare and geo-strategic actions. Truth be told, however, though the current focus is on China, a whole host of adversaries target Canada in and of itself, or as a gateway into Canada's allies. These activities are not limited to adversaries such as Russia, Iran, and North Korea but also friendly nations advertently or



Figure 32 - Convicted US Spy Jonathan Pollard welcomed by PM Netanyahu after Pollard's release from 30 years in prison

<sup>51</sup> William J. Aceves, *Virtual Hatred: How Russia Tried to Start a Race War in the United States*, 24 Mich. J. Race & L. 177 (2019).

<sup>52</sup> <https://repository.law.umich.edu/mjrl/vol24/iss2/2/>

inadvertently as has been reported with respect to India, France, and Israel.

As a multicultural nation, we can categorically expect that governments of our immigrants' home nations will seek to influence and tamper with their former citizens. We can also expect that old country political differences will play out in various forms in Canada. We have seen that with Tamil, Sikh, Palestinian, and many other's protests in Canada.

At times, this has crossed a threshold into violence as in the Air India bombing or home-grown actions against others' mere presence, as in the Quebec City Mosque shooting or the attacks on synagogues. We seemingly are not structured to intercept these kinds of threats, which begs the question of whether the entire national security infrastructure needs to be reviewed with a view to improving intelligence sharing across agencies.

Physical threats to Canada that we never truly believed in are becoming real. It is ironic that those who believe climate change is a hoax, are also amongst the strongest advocates for Arctic security that climate change itself has made proximate. The exact strategic threat to our north is not immediately evident, but not having control over the Northwest Passage waterway does open our north as a loitering area for SLBM submarines as but an example. The Northern Warning System itself could be threatened by seaborne attack for which there are really no defensive measures existent.

To answer these challenges, our key allies have concluded and agreed that defence spending should at least meet 2% of GDP. As we discussed at the outset of this Outlook, this could not have come at a worst time for Canada and we would be remiss in not mentioning some aspects to the challenges of meeting our 2% spending goal:

- a) A variety of domestic imperatives and policy priorities will require extremely difficult choices to be made in what programs to fund or not, or how to raise additional revenues. These include balancing the funding needs of health care, pharma care, housing, migration, foreign aid and climate initiatives with needed investments in foreign affairs and defence. No government, regardless of political stripe can avoid bowing to the realities of a balance sheet.
- b) The need to make up personnel shortages in the Forces and the acquisition of both new and replacement equipment considering that most equipment programs require several years to complete. The spending to redress personnel and equipment shortages is generally future dollar spending commitments rather than current year/dollar expenditures.
- c) Finally, the availability and experience of the human capital needed to execute the drive towards 2% GDP is a cause for concern. Process redesign and reach will have to be significantly improved in order improve recruiting, with concurrent infrastructure adjustments. If Canada re-equips and rearms, multiple project staffs would be required within the CF and the federal bureaucracy over and above current activity and our ability to source managerial talent to expedite activity is troubling. The consequent potential impact to current activities will have to be carefully measured.

We would suggest that realistically, Canada will not be able to achieve a 2% GDP defence spending goal before 2028 bearing in mind that a Federal election will occur sometime in 2025 which could impact the 2028 target date.

## THE INSTRUMENTS OF NATIONAL SECURITY AND GLOBAL EFFECT

The handmaiden of the tag “Canada is back” is the notion that the “world needs more Canada.” But what if Canada has nothing to give? In art imitating reality, a well-known British film titled “In the Loop” had this marvelous dialogue concerning Canada. In the film the UK foreign minister is providing direction to his staff:

*No, no, no, you needn't worry about the Canadians, they're just happy to be there.*

*[pause]*

*Yes, well, they always look surprised when they're invited.*

To put our position in some context, China today has 276 embassies and other representative offices globally, whereas Canada is last in the G7. It is not just having presence, but what we do within that presence. Having an influence in the world is a result of investing in the world through Global Affairs, but also in National Defence. Allies call when we have something to substantively contribute to any one of the world's problems. Contributions, both military and diplomatic equate to influence. However, to make those contributions, we must have something to offer and that is the background to the ongoing NATO discussions on meeting a 2% GDP target for defence spending, and recapitalizing Global Affairs.

As Campbell Clark from The Globe and Mail rightly opines: “Canada has not kept up with a world that changed. And here we are now: Multilateralists who lost two United Nations Security Council elections, free traders subjected to coercive trade bans, and old allies left out of new security groups.”

## GLOBAL AFFAIRS CANADA

What was for many decades called the Department of External Affairs because of our condominium link with the British monarchy was at the heart of progressive national assertion as a partially independent entity. The constitutional reform of April 17, 1982, ensured that our sovereign, Queen Elizabeth II, declared the independence of Canada from the British Parliament. Our legal autonomy dates to 1931 when our self-government stemmed from the British North America Act of 1867. The name of the department has changed several times and today it is called Global Affairs Canada.

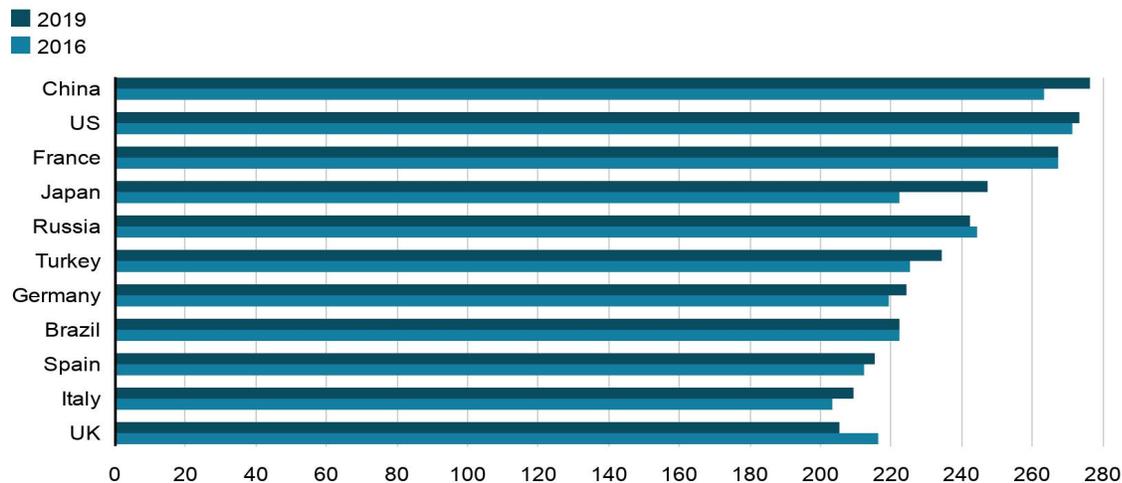
The evolution towards a full-fledged ministry has been slow and subject to many changes which, even today, influence the delivery of ministry services. Various reforms took place, the most important of which, in 1982, united foreign trade with foreign affairs while immigration and foreign aid were exiled. It is undeniable that these multiple shocks have destabilized on different occasions the overall management of our external relations, but the most significant was the reintegration of the Canadian International Development Agency (CIDA; former foreign aid office) into the Foreign Affairs and Trade.

The importance of this latest change partly explains a significant shift in the balance of power within this enlarged department, with CIDA staff not only being more numerous, reflecting funding levels of over \$6 billion, but also under the responsibility of a large number of senior managers. We found ourselves having on one side, the traditional agents responsible for Canada's external relations and on the other, a large number of executives, responsible for aid programs. The latter are certainly

competent in their fields, but the political reflection function of the new ministry has suffered from the imbalance in favour of the delivery of development programs.

It seems that despite a certain maturation of Mélanie Joly's ministerial team, Canada is much more absent from the international scene than at the time of Minister Lloyd Axworthy, whose ideas were constantly flowing to the point that the Ministry officials spent as much time opposing them as making them happen. The Canadian presence abroad is not negligible, with 112 embassies and 179 consulates, but we hardly hear about Canadian initiatives on the international scene.

## Diplomatic missions worldwide



Source: Lowy Institute

BBC

Figure 33 - Comparative graph of other nations diplomatic representation abroad. Canada is last in the G7. There is a sense that the return on investment could be improved.

The Prime Minister seems little interested in expanding Canada's scope of action and, recently, the Canadian Senate, under the pen of two former AMC deputy ministers, Peter Harder and Peter Boehm, published a report in 2022 which clearly illustrates a significant weakening of the ministry's capacity and will to act. This report perfectly illustrates the impact of the Prime Minister's profound disinterest in international issues, unless forced to do so by a critical situation or a firm call from Washington.

A foreign observer of the Canadian scene would have only remembered the affair of the two Michaels, the "clothing" trip of the Trudeau family to India, and the insulting delay of the Prime Minister for a meeting with his Japanese counterpart, although an ally, solid and important, to conclude with the absence of the slightest dialogue with the Chinese President at APEC after the latter castigated our Prime Minister for reporting to the press a conversation which would have deserved to remain silent.

The absence of initiatives or simply of clear direction is reflected in a certain lack of coherence in the different sectors of Canada's external action, between trade, diplomacy, and development, apparently marked by silos while the whole objective of the structural reform was to achieve better coordination of Canadian efforts.

### **Re-investing, Rebuilding and Refocusing**

The fundamental problem with GAC is an absence of creativity and imagination, which some of Minister Frieland's advisors complained about when she was Minister of Foreign Affairs. Yet many senior department officials had contributed to Canada's previous initiatives on issues as diverse as the ozone layer, the responsibility to protect, and the anti-personnel mines treaty. Without wishing to rehash the difference before and after the Harper premiership, it is undeniable that the blockage to which the ministry was subjected by the former Prime Minister remained significant, especially since his successor, did not have the same vision nor the interest that his father had in international issues.

It is not even certain that today there is an in-depth reflection on who are the essential international partners to cultivate at all levels.

Previously, the planning group at the MFA had chosen a small, deliberately disparate number of countries, for discussions on future prospects among members of the Commonwealth, the only link justifying the choice. Other groupings have been designed with certain countries in the Middle East.

In the current context, with threats emerging in a shifting multipolar world, and probable budget constraint, Canada must focus on a limited number of partners in the major regions of the world. Essential allies like the United States and major European countries will need concerted attention in the case of a Trump Presidency, and we should accentuate our links with Japan and South Korea via, in particular, our respective groups of analysis centres and forecast that we summarize in English as "policy planning" followed by aggressive execution.

The ministry suffered deeply from a ten-year freeze on recruitment, in principle to curb spending. But the financial effort turned out to be a fiction since instead of recruiting through official channels, a considerable number of lateral entries or temporary positions were transformed into permanent positions in a juggling exercise worthy of "a circus." It is fortunate that the recruitment competition was recently announced, if only to slow down the ageing of executives.

Furthermore, the Prime Minister, responsible for the appointment of deputy ministers on the recommendation of the clerk, ignored for a long time the usefulness or even the essentiality of having at the head of the three components of the ministry senior civil servants with experience of work in our missions abroad. As with ambassadorial appointments, the Prime Minister only wants to deal with people he knows personally. As we heard it said in senior civil service circles, "The Prime Minister wants to have known his ambassadors beforehand to be able to call them in the middle of the night," as if any ambassador in office would not be happy to receive a call from the "boss" in the middle of the night! All this reflects a lack of self-confidence which means that we have a foreign policy which tends to stammer rather than thunder the voice of a member of the G7, the second largest country in the world, and depository of multiple reserves that the whole world needs.

This timidity or lack of confidence is reflected in the exercise of foreign policy or even in the work of ministry agents whose autonomy is one of the weakest in the public service. A young ministry official who writes a comment or an opinion must go through 4 or 5 levels of control and verification before seeing their piece of paper approved or rejected. Could it be that the ministry is afraid of its shadow? The argument that everything that touches the foreigner is ultra-sensitive is fodder for cats. The over-classification of documents deprives the public of analysis of what is happening in the world. We need load shedding, empowerment and less fear of our shadow!

**Re-investing, Rebuilding and Refocusing (Con't)**

An integral part of re-focus is the fashion that our Embassies and Consulates function abroad. The Ambassador and the Embassy is a nexus point of a little Canada. It is far beyond diplomatic and foreign policy efforts.

The Ambassador leads a team that straddles defence, the RCMP, CBSA sometimes and CSIS, trade and investment (TC's). The role covers military relationships, sales of Canadian products, and real-life operational management in crisis, non-combatant evacuations, consular aid —especially in disasters.

The Canadian approach particularly in the promotion of Canadian interests varies by Embassy and is also different from the approach taken by some of our allies. On the defence side, until DND is ready to consider these positions as part and parcel of the military career as opposed to a “nice” option which guarantee you will never go beyond full colonel, the case is lost. In contrast, the U.S. grooms officers from within the Foreign Area Officer's classification with specific regional knowledge. The French also tie their attaches to promotion of every French defence export in coordination with the rest of the Embassy team. Both have an aggressive approach in contrast to Canada's passive approach. The Trade Commissioner service does not have uniform quality.

The RCMP, CSIS, CBSA teams when present are an invaluable resource for source intelligence and coordination with allies and are a vital resource for contingency planning, only they are not widely deployed.

The consular service is vital to Canadians in need overseas but has been challenged of late, given the performance in Afghanistan, and unanswered phone calls following the October 7 attacks in Israel.

Furthermore, although there has been progress in this area, the ministry still has a lot of progress to make in terms of diversity as well as opening up to external skills, in the same spirit of the decision French government to open the Quai d'Orsay to other areas of expertise... Shame on anyone who thinks badly of it. The debate on specialization is a false debate since the public service covers practically all technical and financial specializations. The real problem is the preserves that turn into silos, under the pretension of knowing more than others. More fundamentally, our subservience to the United States, more extensive than ever with Mr. Trudeau on most foreign policy issues, does not encourage total confidence, even from our allies in terms of impartiality.

Finally, we can only deplore the profound lack of progress on the linguistic level, both in terms of knowledge of the two official languages and foreign languages. A flower all the same, after long-term battles, the employment of the spouses of agents abroad has gained in importance.

If we had to come to a conclusion for the future of Canadian foreign policy, it would be a certain structural weakness of the department as an agent of change despite the individual quality of the civil servants who work there. The response to the lack of exploitation of existing skills is the authorization of ministry agents at all levels. Nothing stimulates more than the trust of one's superiors.

## THE CANADIAN ARMED FORCES

2023 has been a positive year for the Canadian Armed Forces. Yet the very successes of the Forces, have revealed an underbelly of weaknesses that need to be addressed lest Canada's Forces become unfit for purpose.

The previous year saw the replacement fighter acquisition of F-35s, which finally resolved ending near decade-long processes of a turbulent acquisition marked by its partisan political battles rather than what was good for the Forces. Canada also announced replacements for its strategic transport / refuelling fleet, sooner than anticipated with a fleet larger and more capable than the 34-year-old A-310 aircraft being replaced. And Canada demonstrated a rare maturity in the acquisition of the P-8 Canadian Multi-mission Aircraft and awarded contracts for its future air crew training. Canada's newest ships, the Arctic Offshore Patrol vessels slowly but surely continued to launch hulls and a replacement project for the MCDVs, was announced. Towards the end of the year, Canada finally decided to proceed with the purchase of armed Reaper UAVs after a summer which saw hundreds if not over a thousand CAF members deployed to fight wildfires throughout the nation.

All this positive news however is eclipsed by a number of fundamental weaknesses the Forces are facing; that of having sufficient personnel to do the missions it is requested to do in large part due to failing recruitment and apparently rising attrition, cost escalation and delivery issues in programs of record, and capabilities that are still missing from the Canadian Armed Forces inventory which would permit Canada to have a greater effect on world affairs. But at this juncture, it is issues relating to recruitment and retention that are paramount, what the Chief of the Defence Staff (CDS) referred to as “an existential crisis.”

Canada's military is primarily designed to be expeditionary, except for navy and air force units assigned to coastal air and naval missions and Search and Rescue. Everything else, whether for previous peacekeeping roles, NATO augmentation, or disaster relief is primarily intended for overseas deployment.

To manage the Forces for overseas deployments, the military uses a system called managed readiness which is a cyclical rotation of people and units through a path of regeneration. A unit and its people go through individual training, new people are posted in, others are posted out or sent to longer duration courses, and equipment, platforms and materiel go through a deep maintenance cycle. That same unit then enters a “road to high readiness” phase where training is focused on collective training or in simplistic terms, how all the individuals fit into how a unit operates and fights. When this phase is complete, a unit is then deemed to be at high readiness available, for whatever mission the Government wishes to send that unit to.

In general, three “units” must be in the cycle at any given time. This 3:1 ratio varies by service. As for the Army, this is a personnel-intensive endeavour as its “unit” is defined by the number of people (800+) required to form a battalion, regiment or a larger Battle Group, while for the Navy it is the combination of people who form a ship's crew and above all the readiness of the ship itself.

It is an imperfect system, as it can be out of sync with operational demands i.e. if training towards a specific mission then suddenly changes, and is also sensitive to personnel issues.

When Canadians hear that certain unplanned tasks interfere with readiness, it means that people are being taken out of one of the formative steps in the cycle to produce a high readiness unit. If three

months are taken to fight fires as an example, that is three months where either individual training is not being done, or collective training on the road to high readiness is being missed. The spillover effect is that when it comes time to replace an existing high readiness unit, especially if the high readiness unit is overseas then the role reassignment could be delayed, or a unit will enter high readiness without being optimally trained.

The system pre-supposes that there will be a predictable influx of new service members in the reconstitution/regeneration phase and equally that critical skill sets are not being lost through early retirements. It is for this reason that both recruitment and retention are critical to making the managed readiness system work. It is exacerbated by whatever the year's operational commitment are. If a high readiness unit has not been committed overseas, then there is plenty of latitude the same if only "one" of potentially three high readiness units is committed, then there is still latitude. However, the Forces frequently reach a saturation point where all high readiness units are committed, leaving little latitude, and situations where Canada refuses to participate in missions requested of it, as was recently the case for Haiti, as to commit over and above what the readiness system can handle risks breaking the system.

The Forces do take certain risks to be able to meet requests made of it. This can include prolonging missions, and as often happens with the Navy, ships are sometimes kept out for deep maintenance and overhauled to meet operational requirements.

We should also note at this juncture that units in the steps of high readiness are also away from home. Advanced courses will see a member away from home for up to two months. Collective training also features time away from home, learning to fight the ship at sea, fly missions against realistic adversaries, or conducting full scale live fire attacks or defence for land forces. All to say, time away from home is not limited to deployment—it is a constant factor of service for those in line units.

## **PERSONNEL SHORTAGES EFFECTS ON THE SERVICES**

In the fall of 2023, Vice Admiral Topshee, the head of the Canadian Navy in a rare public display of frustration warned Canadians that the Navy had not met its recruiting targets (in fact it has not met them for a decade) and that the Navy was challenged in keeping ships at sea, prolonged repair cycles due to a shortage of technicians, or even sail them due to a shortage of sailors. It is nice that commentators pointed out "serious challenges," but the word challenges do not remotely describe the crisis that the Forces writ large and the Navy is in.

For Canada, a three-ocean nation, primarily depends on 12 Halifax class frigates as they are the most rapid and visible application of Canadian commitments worldwide. Alas, these ships are nearing the end of their 30-year operational life but must stay in service for a many more years as their replacements are behind schedule and well over budget. However, the older the ships are, the greater the maintenance requirement, meaning that at no time are all 12 ships available. In truth, managing maintenance and personnel readiness means that normally four to six ships are available for deployment, and that is only because Canada takes risks to have ships available. Three oceans with only four to six ships does not equate to significant influence or impact.

At least six to eight Arctic Offshore Patrol vessels will help, but aside from frigates, Maritime Coastal Defence Vessels (MCDVs) will need to be replaced unless supplanted by Arctic and Offshore Patrol

Ships (AOPS), our submarine fleet of four will have to be replaced and by most analysis need to be increased, let alone the fleet replenishment vessels that are also well behind schedule, and well over budget too. That does not even touch upon new ship types we believe are an absolute requirement for the future, namely amphibious vessels. Originally the new frigates acquisition intended to have twelve new frigates, in addition to four Air Defence destroyers, the value of which is being demonstrated presently in the Red Sea with ships capable of reacting to Houthi missile threats, but budget restrictions combined with limited shipbuilding capacity ended that option. Regardless, with the Navy shortfalls in recruitment with its present inventory raises serious questions of our future ability to man the ships coming online let alone additional ships for a three-ocean nation with an increasing desire to play a role in the Pacific can manage.

It would be enough and manageable if this state of affairs was limited to the Navy which has the most complex design, procurement, and production processes of all the three services, but issues of recruitment and retention are acute in both the Army and the Air Force as well.

A study commissioned by DND from a highly respected UK based think tank (RUSI) to evaluate the Air Force, did not mince words. The RCAF's fighter fleet is "in crisis" and "is not credible in a NATO context."<sup>53</sup> That would be terrible enough on its own, but even worse when we consider that the RCAF is the only service of the Armed Forces that has a daily, day in and day out, year after year international obligation and commitment which provides an airborne early warning and threat interception function over Canada, the continental United States, and Alaska.

The issues with the Air Force are twofold. The first is the age of the fighter aircraft the RCAF is operating. At over 40 years of age, the aircraft has also accumulated fatigue on the airframe that maintenance can extend only so much, meaning the stressful flights (high Gs) are avoided. As a consequence, as the RUSI study notes, there are "certain missions that a NATO commander would never entertain giving to the RCAF" and advises that Canada should limit its operational missions to more benign tasks like NORAD intercepts or Air Policing.

With an older and now mission-limited aircraft there is a chain reaction of effects with long-term consequences. Husbanding aircraft hours and avoiding certain manoeuvres means that both pilots and instructors do not have sufficient flying time to practice their skills, and when they do not practice their skills, and cannot push the aircraft to perform the high stress manoeuvres that are a staple of aerial combat, it is akin to attempting to train to drive a Formula One car while training in Volkswagen. Thrust onto a Formula One track, there should be no surprise if the driver cannot keep up. In the air, over time, this means our pilots lose experience and end up not being able to do the missions for which they were originally trained.

This leads to four possible outcomes:

- a) Pilots who cannot fly often, and are restricted in what they can train for, eventually decide to move on. It is not just flying. Canada's major fighter bases are far removed from major urban centres which particularly create issues for military families, when a spouse cannot find work commensurate to their own professional goals. For years, being able to have a great flying job compensated for lifestyle but with other choices available in a better paid and more predictable civilian life, pilots choose to do that.

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<sup>53</sup> <https://www.theglobeandmail.com/politics/article-dnd-canada-fighter-jet-crisis/>

- b) Those who train pilots, the instructor pilots and weapons instructors represent an even smaller cohort than the pilots themselves. For the uninitiated, think of instructors at a Top Gun school. It takes years of training in flight, tactics, weapons use, and systems knowledge to instruct at that level. When those people are lost, that erodes the quality of pilots over time. If new instructors are not as experienced as they should be, the students they teach will not be as skilled and so begins the gradual erosion of skills that become institutionalized. This described situation is no longer theoretical, as for the first time in modern memory, the RCAF is sending both Instructor Pilot candidates, and pilots themselves to advanced schools of other nations as we can no longer generate the requisite skills in the RCAF.
- c) That environment leads to a development of mistrust with younger and lower ranking pilots towards their direct leadership and that of the Canadian Forces as a whole. It's quite simple, leaders have been warned of shortcomings and seemingly have not addressed them. For those who might be tasked to go into some form of combat, the natural reaction is “you are expecting me to go into combat without the tools ‘you’ and I both know we need.”
- d) Finally, the continued erosion leads to Canada making choices in what it may realistically offer NATO or other allies the next time a crisis appears on the horizon defined by what we “cannot” do, vice what we can do.

Put together the result is a smaller, less trained RCAF fighter fleet, which then becomes hard pressed to continue its daily missions in the protection of North American airspace and sovereignty while transitioning to an entirely new and significantly more complex aircraft in the F-35.

The Army is in better shape than its sister services but reductions in people through attrition and poor recruitment make it challenging to sustain its largest current mission. That being the forward presence in Latvia with a near brigade worth of troops, while equally being used to respond to domestic emergencies such as wildfires.

The readiness cycle and the result that overseas deployments are coming at a shorter time between missions, results in the pressures relating to deployment, on family and careers are felt by a smaller number of people. Over time, this induces fatigue, and a re-evaluation of careers and people simply decide to leave, or to seek postings where overseas deployments happen less often.

## **RECRUITING - A PAN-CANADIAN FORCES ISSUE**

For each service, we have avoided discussing force structure, capability initiatives, transformation to meet the global security environment as none of these matter or are realizable unless the issues of recruiting and retention are addressed. We could be gifted an aircraft carrier tomorrow, and we could not man it, operate it, or maintain it, and so we have studiously avoided promoting 2% of GDP to defence until the foundation of stabilized recruiting is realized.

There are a number of theories circulating as to why the CAF does not appear to be an employer of choice. These include:

- a) That Gen Z is not inclined to look to the CAF as a career choice given their attitudes towards work, service, values, and so forth. The difficulties in recruitment in the U.S. would suggest this is not only a Canadian problem and may indeed be reflective of the current

generation's attitudes towards military service. However, of the five U.S. Armed Services, the Marines have been remarkably successful in avoiding recruiting shortages of the other U.S. services as we discuss in more detail below.

- b) That the Canadian Forces have suffered on both an image and an internal culture issue that has seen numerous allegations of sexual misconduct and the institution's seeming inability to address those issues speedily and transparently have soured recruitment. Related, is the image that the CAF projects of itself. It is white and male to the point that it is not an accurate reflection of the society it serves.
- c) That the Canadian Armed Forces in responding to the above two observations has turned "woke" with its most outward manifestation being the revised dress codes or derision over any effort to achieve a balance reflecting its society.
- d) That the Canadian Armed Forces have become invisible in Canadian public life, with little advertising and whatever media coverage exists, it mostly negative.

We would argue that the base reasons behind the failure in recruiting is all of the above, made more difficult in the "how" we do recruiting. Rather than addressing each of the above points, we would rather point to how the U.S. Marine Corps has been able to achieve success.

Before outlining the structural difference in Marine Corps recruiting it is important to understand the cultural preparation of the national landscape that Marines engage in on a daily basis.

## **THE MARINE CORPS EXAMPLE**

The image of the Marine Corps is carefully cultivated and consequently they are seen every day in U.S. media. The cultivation of their image plays a significant role in their recruiting.

When the President of the United States lands or takes off on his Marine One helicopter, a U.S. Marine in dress blues is always on camera. Every shot of doorways at the White House, at every visit of a dignitary, the Marines are there. And the image appeals to the sense of being as all-American as possible. White House music is almost always the Marine Band. On reflection, there is never an image of a Marine that could be called slovenly. Their advertising reflects that, "the few, the proud." Their monuments, especially the Iwo Jima memorial is iconic in the American psyche. The image is carried internationally as well as a symbol of the United States with the Marine Corps guard detachments at U.S. Embassies abroad.

We do not do the public duties in Parliament as the line of command flows from the Forces to the sovereign not the head of government, and so the only formal CAF visible presence in our own capital is the seasonal changing of the guard on Parliament Hill, and at the Cenotaph.

More than any other service, it is the individual Marine that is the focal point of their recruitment. They are also present at every event of consequence in the United States, it is part of their outreach. In Canada, the only "brand" that comes close is the RCMP.

The only time in modern memory that the Canadian Forces really developed its "brand" was during the tenure of General Hillier as CDS. Hillier understood that the Forces had to be seen and

embraced by their society, and if they were not, they would not be supported during their travails overseas, or be able to recruit at home.

There was a concerted effort to have the Forces present at every major public event or large festivals like the Calgary Stampede throughout Canada. There were Canadian Forces appreciation nights in every city hosting an NHL team, and rallies in red primarily at the national capital but other locales as well. Finally, the deaths of Canadian soldiers were treated as a moment of national mourning and reflection as they always should have been. Canada as a nation at least emotionally travelled the road of the highway of heroes with its military.

Proactively engaging our public is an effort and demands an investment and especially time. The Forces have walked away from engaging in this field for years, and the CDS has ordered these outreach programs be stopped given all the competing demands presently felt by the military. When we have been heavily engaged, as during the Afghanistan withdrawal, most imagery and reporting was never seen by Canadians in the interests of “secrecy” when one channel over on television, Americans saw in ample detail what the U.S. was doing. In Canada, Canadians could only imagine. The reality of “we can’t do everything,” while true, nevertheless has corollary effects.



*Figure 34 - US Armed Force Recruiting Station, Times Square, New York. There is no missing this station, one of many in New York City*

Irrespective of presence, where the Canadian Forces are challenged, is in the conduct of their actual recruiting. Our recruiting centres are nondescript and when found are tucked into some corner of a federal government edifice, which would suffice if the Forces were a passport office, but we are in competition with other employers to attract attention and eventually become an employer of choice. So not only are we invisible in public life, we are also invisible to the public we wish to attract.

To find a recruiting centre requires a conscious act to find one as our centres are not where our target audience is, nor do we have mobile recruiting present as an option.

U.S. Recruiting Centres are present in towns as small as a couple of thousand, but the key point is that they are not hidden. They are frequently located where youth demographics drive them to be, in other words close to their target audience.

Aside from presence in the communities, the approach to recruiting is enviable. The top percentile of noncommissioned officers (NCOs) in any given year are given preference to and posted to recruit training depots. The Marine Corps realizes that the future of the Corps is entirely reliant on the quality of recruits that their depots turn out.

The entire process is geared to produce warfighters, cast in the image of Marines that was described earlier. The care that the Marine Corps places in its recruit training surpasses the standards of most armed forces. Every marine, no matter what their future classification is groomed to think they are



Figure 38 - US Armed Force Recruiting Station, Times Square, New York. There is no missing this station, one of many in New York City

a simple rifleman first, even if they become fighter pilots in future. The basic training inculcates them to think that their prime responsibility is to protect, aid, and enable that marine who is the front end of the spear on the ground.

The next highest percentage in performance reviews are posted or directed towards recruiting billets. Recruiting represents a fast path to promotion as recruiters are provided quotas which if they are met, result in faster advancement and other benefits.

It is best, train, it is next best, recruit. The Corps then spends a considerable amount of time training

recruiters, and a part of that training is personal engagement with every potential recruit they have identified. They do not just administer aptitude tests, and then sit back waiting for results before calling a recruit for another interview. Recruiters stay in touch with their potential recruits, even driving them to appointments if necessary.

However, the recruiting process is highly dependent on the conditioning of the landscape described earlier and reinforced by the advertising the Marines conduct. The Marines do not promise individual careers, nor the opportunity to learn new skills or the pay and work environment. The Corps does not really promise anything other than if you are good enough, you can join their club and call yourself a Marine.<sup>54</sup> The appeal is towards the organization versus the individual and that once in, they are Marines for life. As the author of the below cited article says, “They sell that they are different and they’re giving you an opportunity to prove yourself to them.”

That may not and would not work in Canada, as we do not “prepare the landscape” with an image of the Canadian Forces, its history, its battlefield successes and so culturally the bond between the population and its military is not similar to that enjoyed by the military in the U.S. Nevertheless, there are applicable lessons that can be applied, if the Forces are to reverse the trend of declining recruitment as follows:

- a) Reinvigorate General Hillier’s connect with Canadian programs at a similar scale and across the country. In addition, recruiters need to establish bonds with every high school and community college in their territory.
- b) Open new recruiting centres in all cities with over 45,000 population in Canada and for large cities, have several recruiting centres that reach into where the target demographic lives. Recruiting centres would be scaled to size of population they serve but they must be storefront operations and visible. It is worth noting that if Canada conducted recruiting at a

<sup>54</sup> <https://nationalinterest.org/blog/buzz/why-do-new-recruits-love-us-marine-corps-207532>

comparable scale to the U.S. we would have 161 recruiting centres. There are seventy cities over 45,000 population in Canada.<sup>55</sup>

- c) Change the output of promotion boards to direct bright, motivated, and entrepreneurial service members to recruiting tours and define a performance reward structure for time in recruiting. Recruiters must also be proactive in remaining in contact with prospective recruits in addition to a concerted effort to reduce the bureaucracy involved and time taken to process a recruit from contact to induction. There should be a possibility that clean sheet (no medical issues and no legal issues) recruits should be able to start their basic training even before a specific occupation is chosen or the full security clearance process is completed based on positive aptitude tests.
- d) Advertising needs to have more frequency and in more media types. With respect to advertising, what we are selling needs to be reviewed. Judging from past recruiting, there appears to have been a positive spike around 2005-2006 reflecting the mission in Afghanistan, the CAF's Connect with Canadians efforts at that time, and the style of advertising characterized by the edgier "Fight with the Forces" campaign. The Globe and Mail, examining a report on recruiting success, found that: "The learning to date has demonstrated that men in general, and men disposed to join the CF in particular, were generally less responsive to the CF positioned as a place to find a career, but seemed to react very positively to the CF as a place to find action and engagement."<sup>56</sup> Though this seemed to appeal more to men, if used today might detract from being able to attract more qualified women into the CAF. We would argue instead that, like the U.S., demonstrating that women can attain the highest levels of command as have the Comd of the USCG, Comd SOUTHCOM, Comd TRANSCOM, and the Chief of Naval Operations, have more impact in attracting women to uniform than advertising. Of course, this assumes that the CAF continues to eliminate workplace harassment and assault.
- e) Finally, the CAF must realize that it is in a competitive job environment. A complete overhaul of employment conditions are required to improve attraction and recruitment to include:
  - a. Pay rates to better reflect analogous positions in the civilian market
  - b. Bonuses and salary adjustments for in-demand trades and professionals
  - c. Affordable on-base housing and premium adjustments for off-base housing. With respect to housing, the CAF has available land at most Canadian Forces bases (CFB's) that now simply requires a decision to proceed to build. This is not complicated.
  - d. Whole family health care is maintained at equal standards irrespective of the province the member is posted to
  - e. Improved CANEX services across the country
  - f. Extension of physical medical care post career to veterans

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<sup>55</sup> [https://en.wikipedia.org/wiki/List\\_of\\_the\\_largest\\_population\\_centres\\_in\\_Canada](https://en.wikipedia.org/wiki/List_of_the_largest_population_centres_in_Canada)

<sup>56</sup> <https://www.theglobeandmail.com/news/national/ads-reflect-militarys-changing-character/article18172315/>

## RETENTION

Retention is an issue that defies simple answers. Though there are recurring themes, there are also significant differences in causes for departure, for example, costs and familial employment in Cold Lake will be different from issues affecting folks posted to CFB Halifax. However, there are some detectable themes surrounding home, family, financial well-being, and quality of life.<sup>57</sup>

Housing is a common theme and as people spend more than 60% of their lives at home, this is a central issue which in turn has a definite impact on family finances and quality of life. The value of a decent home in a service member's life increases exponentially on bases that are considered remote. Given that most bases housing most service members are indeed remote, it would seem that housing would be one of the principal issues the CAF would want to address.

The Canadian Armed Forces and the government made an error years ago in creating the Canadian Forces Housing Agency on the premise that it would function partially as a market entity where housing would reflect market conditions and price. That might have been fine, had the Post Living Differential (PLD) been applied in a more rational fashion, however there are too many stories of exceptions in how it has not.<sup>58</sup>

The issues surrounding the PLD are important given the widely varying cost for equal or similar housing units across the country applied to a fixed salary by rank which the PLD may or may not compensate for. In short, service members could easily see their salary eroded as a greater percentage goes to housing costs, reducing actual disposable income.

*In some locations “average cost to purchase or rent housing now exceeds incomes of several CAF working rank levels,” from a June 14, 2023, briefing by*

*Brig.-Gen. Virginia Tattersall.*

If civilian accommodations are prioritized, then cost of living and PLD calculations should be based on figures that provide for what is considered acceptable housing where costs to a member should not exceed 30% of salary (which is a commonly used financial planning standard). If actual costs exceed 30% then that forms the basis of the housing allowance.

With respect to military-provided accommodations, there is a shortage of military housing with estimates being that the inventory is well over 1,600 units short of demand out of a total inventory of 11,654 units meaning that the inventory would have to be increased by some 14% to meet present demand in a Forces already some 16,000 people short of establishment. Worse, of the current inventory 2148 or 18.5% of housing units are considered below average (2022 data).<sup>59</sup>

That is understandable, as most housing units were built in the 1950s and 1960s. The age of the housing is one thing, certainly requiring more maintenance, and having been built under different

<sup>57</sup> <https://nationalpost.com/news/canada/job-dissatisfaction-and-repeated-moves-across-country-causing-canadian-soldiers-to-quit-report-says>

<sup>58</sup> <https://www.cbc.ca/news/canada/edmonton/canadian-forces-ombudsman-flags-unequal-housing-allowances-1.2802308>

<sup>59</sup> <https://www.canada.ca/content/dam/dnd-mdn/documents/housing/annual-report-cfha-2021-2022.pdf>

codes of the time with respect to insulation and other standards. Not all is bad, there is a program to re-clad homes, update doors and windows and modernize Heating, Ventilation, and Air Conditioning (HVAC) systems. The only issue is the snail's pace at which this work is done.

Most units across the country lack amenities like a “garage” considered almost standard in any new build presently. It induces a hidden depreciation to things like vehicles parked outside all year long. Equally, the so called “PMQ patches” lack a sense of community compared to sub-divisions in the civilian world. No curbs, no sidewalks, and poor street lighting. And for remote bases the quality of services provided by CANEX increases in importance as well. In general, CANEX falls far short of facilities provided by its AAFES brethren in the United States.

Ironically, government policy is a major obstacle to improvements or the sense that the obligations incurred with service should combine with certain advantages. As the auditor-general's report from 2014 revealed, “Government policy requires that Crown-owned housing be provided **only** when there's a direct operational requirement, or when suitable housing is not available in the private housing market.”<sup>60</sup>

While more could be said, simply put our service members, and their families can easily compare their home standard, which influence perspectives on quality of life as well, to how others live. The Forces, to reiterate again, are in a very competitive employment landscape and in their case, have to somehow compensate for the expected multiple postings, the familial dislocation and financial impacts that other employers do not have to consider.

We did mention family and partially alluded to familial effects surrounding the housing question. However, the frequent postings with many to remote locations almost inevitably create a situation where a spouse's career aspirations become subordinate to the service members career. There is no easy solution due to the exigencies of the service which must take primacy and therefore may be impossible to square. However, they can be mitigated.

The burdens and administration of a move, other than the physical aspects of moving furniture and effects, rest on families. These include registration to provincial health systems, vehicle licensing and registration, and school transfers. One reason we suggested the re-invigoration of the National Defence medical system is to expand military-provided primary health care to military families. That one step would preclude the anxieties of finding a family doctor when clearly, they are in short supply around the country. There are a host of other measures that could be considered using other militaries and even NATO as a template.

Pay in the Forces, when compared to entry level positions in the civilian market seems to be within the range of what the market bears, particularly for skilled trades, however we would note that after a few years there were greater compensation options available on the civilian market. We did not factor in potential bonuses for enlistment or re-enlistment only to note that faced with similar issues in the U.S., the DoD has increased its bonus structures to maintain critical skills within the military.

In short, anything that would ease postings and improve housing would reduce the antipathy for them especially if coupled with a flat bonus for every posting beyond a certain number during a career. If the Forces doesn't alter the current paradigms of service, then attrition will remain an

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<sup>60</sup> <https://www.cbc.ca/news/politics/auditor-general-military-houses-1.3430151>

issue. For every person the Forces loses, represents a loss of sunk costs and additional investments to recruit replacements. Improving the lot of service members is not a cost, but an investment.



*Figure 40 - Surrey BC Veterans Village – a partnership of the Royal Canadian Legion, a local developer and the City.*

### **IF THE GOVERNMENT, THE FORCES AND VETERANS AFFAIRS WERE CLEVER**

In Vancouver, thanks to the Royal Canadian Legion there has been constructed a two-tower condominium complex, with one tower dedicated to housing and serving veterans and first responders. The ground floor has a clinic and rehabilitation centre. The entire complex is known as the “Veterans Village.” A very clever government would replicate this village, providing housing and health services for veterans and active-duty members alike in several locations across Canada.

## **RESERVES**

For decades, successive governments of different political orientations and Canadian Armed Forces leadership have failed to formulate, fund, and develop an effective military Reserve force capable of significantly complementing the nation’s defence. Notwithstanding studies, commissions, or internal transformation initiatives the underlying foundation of a strictly voluntary, community-based structure without contractual obligation, originally inherited as a mobilization base, has ever been challenged. Today, that anachronistic view of the Reserves, maintains an institution that offers little cogent operational effect compared to the unrealized value its size and national breadth could produce.

Consequently, there are few issues in the realm of defence that generate as much frustration between the Canadian Forces and various stakeholders. The complexities especially related to terms of service, but also roles, tasks, recruitment, retention, locales, history, and costs contribute to the intractability of the problem, all exacerbated by the diverse requirements of land, air, and naval forces meaning that any enduring solution will be hybrid at best.

However, Vice-Admiral Robert "Bob" Auchterlonie’s observations regarding the increasing demand on the Canadian Armed Forces for domestic operations, characterised mainly of short duration disaster scenarios which require a heavy response such as wildfires affecting the inflexibility of the managed readiness system, have a re-oriented and revitalized reserve as an answer staring the CAF in the face. A more functional reserve, if properly designed and enabled, could significantly enhance the nation's defence and the new realities of military personnel demand.

Challenges surrounding roles, recruitment, retention, deployment locations, historical context, and financial considerations contribute to the complexity of this enduring problem. Moreover, the diverse and divergent requirements of land, air, and naval forces further complicate the issue as the solution resists simple one size fits all templates.

How we arrived at this point requires a historical review best recounted elsewhere.<sup>61</sup> However, during the Cold War era, as the concept of warfare shifted towards standing forces, Reserves began to be viewed as a financial burden rather than a strategic asset. Unlike the United States, which equipped and trained its Reserve units extensively with a prime focus of aid to the civil power under control of State governments, Canada's Reserves remained largely underutilized, despite their demonstrated capabilities during domestic crises, such as the ice storm of 1998, yet institutionalizing their contributions has proven impossible. The latter example is mostly relevant to the land reserve, but Canada hasn't seriously examined how value could be wrested from the Air and Naval Reserves.

It is especially confounding as 100 kilometres from the Canadian border near Montreal, the U.S. operates an Air National Guard squadron equipped with F-35s. Surely Canadians could operate reserve squadrons with lesser aircraft for domestic missions to be defined.

In fact, the preponderance of U.S. continental air defence missions is assigned to Reserve Air National Guard squadrons, let alone military air transport, and on the naval side, wartime, or emergency capabilities are brought online through naval reservists such as the hospital ships USNS Comfort and Mercy as but examples.

The narrow discussion on specific roles and tasks are an argumentative façade clouding conversations with respect to utility as they are founded on an existing baseline of employment, already past its time. What matters most, is a completely fresh approach which reconstructs the reserve employment baseline by coupling enrolment with a modest liability to serve both annually and in the case of emergency activation.

At present, military planners discount the Reserves in their planning as there is no “obligation” to serve either at a defined benchmark annually, or when the nation calls at a time of emergency. Without that surety, the Reserves will never figure in operational planning as no plan will be formulated around an unpredictable variable. Therefore, the enabler for effectiveness is to formulate a structure that contracts reservists for 56 days of training per year, on three-year renewable contracts that also require the obligation for emergency call-up limited to 30 days continuous service at least once in a three-year contract.

To borrow from the U.S., and other allies, this would require a complete harmonization in pay scales and benefits between the regular and reserve components of the Forces but most importantly enabling legislation for terms of service, job protection, benefits, pay, and pensions. If the Forces cannot attempt a bona-fide and transformative effort to wrest value from its approximately 17,000 Reservists, it should simply stop grumbling about its tasking shortfalls.

## **PROCUREMENT**

Procurement in the Canadian Armed Forces just does not seem to be going well, regardless of the good news this year that several procurements moved into the acquisition stage.

One of the issues is trying to leverage every procurement into an industrial policy, something the MND confirmed after delaying yet again, the defence policy update by saying that after speaking to

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<sup>61</sup> [https://www.cgai.ca/reserve\\_options](https://www.cgai.ca/reserve_options)

industry in Canada, “We really got to — as we now recraft and refine the defence policy update, it has to be an industry policy as well.”

To craft defence procurement into an industrial strategy involves expanding the number of ministries involved in any individual procurement which inevitably introduces longer acquisition times as competing interests are resolved, and often wholly new domestic production infrastructure has to be built to enable domestic procurements vice buying from existing production lines and sources of supply.

There is nothing wrong, and in fact an expectation that any defence acquisition should provide technology gains and jobs within Canada. Where this policy goes off the rails is when the procurement is situated to acquire a capability because it has more Canadian content or is selected because it is built in Canada as the primary selection criteria rather than what best addresses the needs of the Canadian Armed Forces.

As a consequence, there are a number of undesirable outcomes that accrue.

- a) Many, if not most procurements end up being over budget and far behind schedule.
- b) Some procurements feature deliveries of equipment unable to meet their initial or full operating capabilities
- c) Procurements seem to be rarely considered from a holistically joint perspective across services. In other words, what can the Navy do to better accommodate or support land forces ashore. How can the RCAF better assist both the Army and Navy concurrently by the type of aircraft platform selected.

Shipbuilding is continuing along, but the plans for naval shipbuilding never anticipated the world we live in at present. Shipbuilding aimed to achieve a steady state of building to avoid so-called boom and bust cycles, something that only works on the presumption of a relatively stable peacetime. As such, the program aimed to direct work to only two yards, Irving in Halifax and Seaspan in Vancouver.

Yet as the conversion of the Asterix by Davie yards in Quebec proved, the nicely laid plans must be adjusted in the face of realities. In the latter case, with the departure from service of Canada’s auxiliary oiler replenishments (AORs), the gap had to be filled as Canada could not just rely on the Spain, Chile, and United States to loan our navy ships for such a fundamental role as sea-borne logistics.

With the realities of today’s tensions and shifts towards the Pacific it can be foreseen that within the current event horizon, Canada will need to acquire submarines, additional frigates or destroyers, and we would argue amphibious ships (with the aircraft needed for those).

We would strongly urge the government to deeply reflect on the creation of an entirely separate agency, independent of the Canadian Forces, Industry Canada, Regional Development Canada and other interlocutors, based on the Dutch or Australian Defence Materials Organizations or the French Director General Armaments.

In Canada, with lead up to procurements, requests for information, requests for proposals and other intermediate steps can take years. In those years, there is a revolving door of strategists, Project

### **Four procurements we would recommend**

We have purposefully not delved into capability architecture in this Strategic Outlook but there are four capabilities we believe the CAF should consider based on the world the Outlook describes.

1. Amphibious ships – The global environment argues in favour of a platform that inherently delivers configurable joint effect. Acting as a hospital ship in one instance, an aircraft or helicopter platform, and troop delivery mechanism in another. The flexibility offered to a medium-weight armed forces like ours is incalculable. Every CAF mission across services overseas would benefit greatly.

2. Tanks – The Ukraine War, and Gaza demonstrate there is still room for tanks or as an academic noted, there is still a requirement of Industrial Age capabilities in technologically focused armies. Wars of position and attrition still occur, and tanks are an enabler to wars of manoeuvre.

3. Air Defence ships – The new frigates may have enough fleet air defence capability but Ukrainian success on the Black Sea, and Houthi tactics in the Red Sea widen the threat base to ships and Canada's initial inclination to have Fleet Air Defence vessels as part of the future fleet seem to be validated by current events. Without doubt they would be useful if Canada turns its effort towards the Pacific.

4. Other fighter type aircraft – A modest acquisition of aircraft capable of both aerial interdiction and air to ground capability to equip a limited number of Air Reserve squadrons would help in pilot training, transition to the F-35, and provide Canada some additional depth between domestic and overseas missions.

Management leaders and staffs, financial analysts meaning there is very little continuity (and hence responsibility) in the spectrum of acquisition, from inception to delivery and along the way, course corrected based on external factors like industrial policy, provincial interventions, and other lobbying.

Canada should buy equipment based on its strategic needs as articulated in a Defence Policy that also abets Foreign Policy objectives in a fashion that is the most efficient and capable when introduced, with careful consideration for its maintenance and sustainment and most compatible with our key allies. All other considerations should be secondary.

### **FOREIGN INTELLIGENCE**

#### **Maturing from Infancy: A Canadian foreign intelligence service**

Recently, the Director of the FBI revealed that Chinese cyber attacks had exceeded in scale all previous efforts, literally circumventing the American defence and protection mechanisms which, in this area, are far from rudimentary.

Western countries are facing an increasingly serious situation in terms of cybersecurity in all its forms. We are in an undeclared state of war both in terms of direct attacks against our essential infrastructure and in terms of disinformation. Many countries, including our closest allies, have equipped themselves with offensive systems in addition to strengthening their defensive mechanisms. Hostile offensive systems are of three types: instruments and capabilities for espionage in foreign countries, real instruments of cybernetic attacks, or systematic disinformation which has become an omnipresent phenomenon.

A Canadian external or foreign intelligence service, if we are finally step-up to create one, would firstly consist of an agency which would clandestinely collect intelligence in foreign countries from human sources, summarized under the term “HUMINT.” It is a subject that we raise with infinite caution in Canada, as if we were going to start the Third World War while the majority of large (and even some smaller) countries from all horizons, both Western and hostile to Western interests, possess this capability.

However, in Canada, the Gouzenko affair clearly revealed that our enemies were having an unchecked field day on Canadian soil. Over the years, we realized that diplomatic functions of embassies were also a cover for espionage activities, even between allies.

The foreign intelligence function formerly rested with the RCMP but linked in large part to a domestic police intelligence context. However, RCMP officers today are stationed in Canadian embassies in a context of police cooperation with local authorities. But with operational excesses having taken place, the McDonald Royal Commission concluded that the amalgamation of criminal intelligence and security intelligence was not working. The Commission recommended a separate agency, one outside of the RCMP for domestic counterintelligence, and a foreign intelligence service.

The question gave rise to endless debates over the years without a definitive decision. The Canadian Ministry of Foreign Affairs (nowadays, Global Affairs Canada or GAC) for a certain period, assumed a certain responsibility in this matter, training so-called expert agents in the matter. In many respects, this turned out to be ridiculous, with the agents taking on the appearance and so-called language of secret agents without having any real training.

What is more ridiculous, in a sense, is that the government approves the interception of communications from other countries or foreign agencies, identified by the acronym SIGINT. Today, according to Alistair Hensler, this type of capture extends to National Defense, Global Affairs Canada, the Communications Security Establishment, and the Canadian Security Intelligence Service. The reason GAC is involved is because the ministry has ties to foreign intelligence agencies.

The term “five eyes,” which brings together the United States, Canada, the United Kingdom, Australia and New Zealand, is well known. But this group, however essential it may be, has limits on intelligence of specific Canadian interest. The outside world has become so dangerous that limiting ourselves to five interlocutors, although very useful, excludes agencies which could offer much more regionally, such as the Israeli Mossad, or, much closer to us, the French Directorate General of External Security (DGSE). That said, communications exist on a case-by-case basis.

Very often, security issues transcend different policies, precisely because of the increasingly profound risks on the international scene. Sometimes, “à la carte” consultations with very distant agencies are necessary, as in the case of Egypt at the time of the Daesh crisis, or even on the Israeli-Palestinian conflict. Furthermore, cooperation in intelligence matters should not be dependent on internal debates in countries, such as the case of the American threat to cut intelligence bridges with any country that associates with Huawei, as in substance, any association with this company represents a real risk.

The context described in our Text document illustrates fundamental facts: the rules of the game have changed; the threats are real; intelligence is essential as proven by the precise announcement by

the United States of the start of the invasion of Ukraine. It is not because Canada is a member of the G7 that we must have an intelligence agency. There are clear, national interest-based reasons:

- we are a neighbouring country to the United States with whom we share a defence system;
- we occupy a geographical space that is difficult to protect given our size, our small civilian footprint on this vast territory;
- we have hostile neighbours to the north with easier access to our waters due to global warming; we are an immense reservoir of natural resources that have become targets of acquisition;
- we have reached a level of industrial development that can be penetrated and used as an access point to allied information and because so much North American infrastructure is inter-connected (pipelines, electricity, rail, telecommunications) a threat to one nation is a threat to both;
- we depend on international trade and any disruption can do us great harm;
- finally, the protection of the three seas that we mentioned at the beginning of this document can be reduced as the cybernetic capabilities of our enemies increase.

We must accept that collecting intelligence from our enemies is neither immoral nor reprehensible. It is essential to our security.

What is to be determined is the extent of the scope of such an agency. Any activity at this international level, should be clandestine and that we will have to give ourselves the means to do so, taking into account the defence capabilities of our adversaries. The scope of action must also be linked to the vital interests of Canada and therefore limited to essential operations carried out with all the prudence and efficiency required in a foreign territory. Amateurism is not only unacceptable, but it would be very dangerous for the entire system as instances of using GAC employees in a secondary intelligence role.

The field can also extend to anti-terrorism when the host state is not already openly committed to cooperation with Canada. In a competitive world, economic intelligence is also an objective, but it can only be achieved when all possibilities of public access have been exhausted. The point to be constantly reminded is that of Canada's vital interest which must be at stake. We must remember that what we do, our adversaries and even our friends do as well.

Added to this for some time now is the startling phenomenon of disinformation, of which the fictional deep fake video of Obama mentioned above reminds us in terms of the strength and capacity for influence.

Elections are a key entry point from the perspective of interference, disinformation, and require enhanced defence measures. The next national election in Canada is not expected to take place before 2025, although there will be pressure on the Prime Minister to call it as early as 2024. The planet itself is on the eve of a phenomenal series of electoral consultations. These significant events for democracies and even for the legitimization of dictatorships raise the fundamental question of interference in all its forms in all societal processes, including political, social, or scientific activities.

Disinformation is one tool among others for interference. The more open a society is, as is the case with most Western countries and certainly Canada, the more vulnerable they are to interference.

The insidious attacks during the American elections in 2016 clearly proved that the threat is real when they are financed by hostile states or those keen to influence the results of an election, a manoeuvre from which Trump certainly benefited as he was seen to be more amenable to desired Russian outcomes than Clinton was. The consequences of this type of attack, in multiple forms, range from intimidation to knowledge transfers and loss of confidence, particularly towards foreign researchers. The danger in terms of reaction is obviously to harm research through excessive control.

There are real ecosystems of disinformation, as we saw with COVID-19 or even the truckers' crisis –aka freedom convo – in Canada. These ecosystems tend to accentuate divisions between groups and trigger a polarization of minds. Populism is often the result of interference which usually benefits from hidden financing. In the “immaterial field” of disinformation, at the base, there are always real elements, on which the fictional but credible elements are attached.

Each state, and more particularly open and democratic societies, like Canada, must equip themselves with defence mechanisms, such as an information crisis management capacity, which presupposes a selective dissemination of knowledge to a larger public than what would otherwise be expected by national intelligence agencies.

The analytical challenges are no less considerable given the intentional porosity between truth and lies. At the electoral level, interference results in measures affecting confidence in the systems in place and discrediting candidates.

The response to interference at the state level begins with strengthening coordination mechanisms between intelligence agencies and other state services and thus eliminating the unavoidable silos due to the withholding of information. Ultimately, the key lies in human resources, awareness, and training across government. This means taking risks by communicating more not only within the public service, first federal, but eventually provincial. This requires the establishment of a common language on the subject and the development of real skills to generate societal resilience.

## **DIRECT CANADIAN INTERESTS**

### **The United States**

Canada's relationship with the United States remains as its utmost priority, surpassing any other connection. The significance of this bond permeates every facet of Canadian life, with trade being a cornerstone. Approximately two-thirds of Canada's trade is attributed to the United States, and constituting over 20% of U.S. trade, establishing the relationship as the most crucial bilateral trade alliance globally.

Beyond trade, the profound impact of the relationship extends to most aspects of Canadian life, including values, culture, telecommunications, and media. More Canadians visit the United States than any other country, and a significant Canadian diaspora resides in the U.S. The emphasis is particularly on maintaining a free and open border, to people, trade in goods and services, and of course defence relationships.

The immediate challenge Canada faces, in the face of America First tendencies is to maintain a continentalist view of North America with our neighbour. We start from a very favourable position where most Americans rank Canada at the top of their favourability ranking but truth is that most Americans and their leaders know little of Canada and except for defence, there are few major irritants between the two nations that have not been solved in one way or another. Border security does raise its head from time to time, but the 10,000 illegal migrant crossings are insignificant compared to the millions on the U.S. Southern border.

To maintain this relatively positive relationship, the intense lobbying and outreach efforts that were conducted during the NAFTA re-negotiations, and after President Trump slapped tariffs on Canadian steel and aluminium using a national security rationale, need to be the prime focus of Canadian influence efforts for the coming year, irrespective of who wins the White House, but being more urgent if indeed Trump is en route to becoming President again. This effort cannot be simply diplomatic, it must be a national and whole of government and include political-level connections –for example greater outreach within the Eastern Provincial Premiers and Governors forum, and the Great Lakes and St. Lawrence Governors and Premiers forum. The border states are as important a target as the U.S. Federal Government, as the border states generally benefit more from shared industry than most other states. There are 12 states with a land border with Canada – that’s 12 governors and more importantly 24 Senators.

The economic value of Canadian business, of tourism, and winter residency needs to be articulated and all these buttressed by advertising particularly on television. The reasons are simple and plain – any alteration to U.S. tariffs and other border issues will affect Canada disproportionately because of our levels of trade with the U.S. The fact that we have a “favourable” balance of trade with the U.S. will inevitably be used against us. Our perceived role as “freeloaders” on defence may very well be tied to some unknown quid pro quo trade-off. There is simply no issue as important in our international relations than protecting our relationship with the United States from political disruption.

## Europe

Canada’s engagement with Europe rested on three pillars. The first was expressed through Canada’s decade’s long immigration connection, its collective security connection through NATO and the CETA agreement, over and above already well-established trade links. With the probable election of Trump as president, Europe’s concerns mirror those of Canada making a European trade and defence discussion as a hedge against possible America First trade actions and a defence option in the case the U.S. proceeds to alter its relationship to NATO.

While all of government efforts directed towards the U.S. is the priority, the second is our relationship with Europe. On trade we have a bit of a head start, in that the three largest investments made in Canada in 2023 are all from European-based firms namely Stellantis, Volkswagen, and Northvolt. These investments were made to address the U.S. market for batteries but the investments themselves are an opening to other investments in Canada to address European markets. In turn, we would have to divert some of our imports from the U.S. towards European sourcing, including some future defence acquisitions. Trade diversion/diversification will be difficult but worth it in the long run. Our two major exports, crude oil (17%) and auto-related trade (6%) is 97% and 91% respectively, destined for the U.S. Even wood is 83% destined for the US underlining how vulnerable our exports are.

Hence another opportunity, if Canada can ever overcome provincial objections to transnational/interprovincial pipelines, Canada may be a viable alternate supplier of natural gas to Europe. In the short to medium term this may seem antithetical to Canada's plans to eventually reduce reliance on fossil fuels, this supply arrangement is a bridging arrangement as Europe itself seeks to de-carbonize. It helps Canada and helps Europe.

Finally, as concerns defence Canada should maintain or increase its participation in the NATO command structure while equally engaging with European Defence Community (EDC) if that finally emerges as a practical entity. Our defence relationship with the U.S. will never disappear as we share the same continent and share in the continent's defence issues, but increasing participation with both NATO and Europe is a hedge against becoming the North American NATO orphan if the U.S. ever inexplicably seeks to distance itself from NATO. There are two areas where defence cooperation exists where mutual interests could be expanded upon, one being the Arctic and the other being the North Atlantic Ocean itself.

### **The Asia–Pacific Region**

Aside from trade and relations with the United States, the Asia-Pacific region has emerged as Canada's most important trading region. Globally, China is now the second largest trading partner for Canada, with Japan and South Korea consistently being included in the top ten of Canada's trading partners. However global undercurrents particularly strained relations between the U.S. and China, let alone Canada's frictions with China, will inevitably affect trade in ways that are difficult to forecast. Canada's tenuous relationship is not likely to improve with a change in government as the areas of dispute with China such as potential meddling in Canadian elections, the existence of police stations on Canadian soil, or Canada's alignment with the U.S. in the South China Sea are not partisan issues.

The Port of Vancouver is Canada's largest port, and by tonnage the 4th largest in North America, with the bulk of its trade directed towards Asia with some 3,000 vessels calling on the port each year. (This port also has a significant effect on U.S. trade) The full potential of Canada's west coast to move crude oil and other trade has not yet been fully realized as the Pacific is not the ocean that divides Canada from the Asia-Pacific region but the ocean that binds us to it. Having that resource, as a third priority our attention should focus on increasing non-Chinese trade specifically on building trade with Japan and South Korea.

The first three regions described represent what we must do, unable to do everything the regions below will be areas where our efforts will be necessarily limited to what we can do. That doesn't mean that Canadian business won't be present, but it does mean that there will be limitations to how much our government will be able to do.

### **South America, Latin America, and the Caribbean**

While geographically the U.S. "barrier" between Canada and the Southern hemisphere could appear unhelpful to our interests in the region, Canada has developed a range of economic, trade, and political relations with every country south of the Rio Grande. People to people ties reflect a common history of European colonization, reflected in the region's importance as a tourism destination, Mexico being the favourite destination for Canadians, second only to the United States. Canada joined the Organization of American States in 1990 and has since been very involved in its

actions and initiatives, including strengthening member states' democracy, rule of law, peace, and justice, as evidenced by our continued engagement regarding, among others, Venezuela's political evolution.

Given the growing uncertainties in the broader world, as well as supply chain challenges from COVID-19, there is an increasing interest on the part of Canada to further diversify its export markets and thus further develop economic and trade opportunities in the region. Two-way trade in merchandise and services totalled \$45 billion in 2020, excluding Mexico which accounts for over \$40 billion within the USCMA, former NAFTA. Six of ten existing free trade agreements have been signed with each of Mexico, Honduras, Chile, Costa Rica, Colombia, and Peru. These are backed by Foreign Investment Promotion and Protection Agreements with Argentina, Barbados, Costa Rica, Panama, Peru, Trinidad and Tobago, Uruguay and even Venezuela, as well as 30 air transport agreements. In the Caribbean, interests are driven by the banking sector, tourism, and the desire for stability, most notably with aid commitments to Haiti, defence training relationships with several nations, and counter-narcotics operations. Over the horizon, Canada is engaged in negotiations with the Mercosur bloc, including South America's giant, Brazil, which is already Canada's top trading partner in South America.

While in the coming year we won't be able to do much to add to our efforts, given other competing priorities, budgets, and personnel constraints we hopefully will be able to maintain some linkages and participation such as the anti-narcotics efforts in the Caribbean. Though narcotics efforts as a function of national security and defence have not been a discussion point in this Outlook, nevertheless the impacts of the narcotics trade on Canada remain. The trade also affects domestic stability in many nations of the region, begging solutions witness in El Salvador's more muscular approach.

One issue that may affect our overall relationships in the region are the growing demands to re-institute visa requirements for visitors to Canada given the surge in migrants using Canadian airports as entry points and then requesting asylum, or moving through Canada to enter the United States, which in turn creates issues for Canada with Americans vis-à-vis our all-important border. In comparison, American perceptions of their border security with Canada is more important than the offence we might cause with entry visa requirements.

## **Africa**

In 2021, the Prime Minister of Canada commissioned his Minister of International Trade, Export Promotion, Small Business and Economic Development to devise a strategy to stimulate economic cooperation across African countries to support the African Continental Free Trade Area (AfCFTA), promote infrastructure investment, and expand collaborations in research and innovation between Canada and African countries. This initiative was consonant with the Minister's mandate to strengthen and secure critical supply chains and advance Canada's export diversification strategy. This led to the formulation of a Canada-Africa Economic Cooperation Strategy which, in addition, seeks to reinforce the rules-based international trading system, of benefit to both Canada and African countries. Such an initiative reflects deep concerns about the international trade and payment system at a time of disintegration of the consensus which prevailed until significant events occurred, such as COVID-19 and the invasion of Ukraine.

While not huge compared to trade within our hemisphere, Canada's trade relations with African countries have witnessed not inconsequential growth, tripling in about 15 years to reach more than

\$3 billion in 2022. Key partners include Algeria, Morocco, and Nigeria. Our 2022 imports from Africa exceed \$5 billion, mainly from South Africa, Morocco, and Nigeria for some \$2.5 billion. While these figures indicate progress, there is no question that there is a significant disparity in trade volumes compared with other continents. For comparison's sake, in 2022, the total export value of goods from Canada to the top three Asian countries was \$55.3 billion.

This underscores the underexplored potential for Canada to further enhance its trade relations with African countries. We have noted earlier that Africa possesses 60% of the world's arable land and 30% of its mineral deposits and a huge developing human capital as well as the nascent advantage of the AfCFTA single market. Were there to be a nexus between our countries' human capital, associated with our vaunted expertise in mineral exploration, the areas of trade advancement of interest to a long-term Canada-Africa partnership could cover a wide range of areas, including agriculture, renewable energy, and technology. There will be competition but our long-standing networks in Africa, whether through the Commonwealth or Francophonie, we should be able to hold our ground.

## RECOMMENDATIONS

For 2024, our recommendations are fairly modest. There are a number of factors for this restraint, as follows:

- a) The financial wherewithal of the nation, which dictates that we cannot do everything and strategic choices will have to be made. It is in essence a division of the things we must do against things we would wish to do. That focus is necessary to avoid trying to do everything not very well at all, a form of lip service, or doing very well in the things that we must do.
- b) For the first time in a very long while, Canada is on the margins of four potentially immense international crises. Ukraine, Gaza, Taiwan, and even greater political-economic questions surrounding our relationship with the United States. The outcomes of each lead to a range possible aftermaths, few very good, at a time when the principal instruments in Canada's international toolkit are somewhat damaged and need to be repaired.
- c) Ordinarily we would reiterate the need for clear and broad policy direction from government with respect to our foreign policy and initiatives that policy would guide whether they be aid, alliances, trade relations, our position in a multi-polar world, and peace and security. With those initiatives in mind, the means by which we would achieve those aims considering our financial resources and the balance with other concerns. The same applies for defence. It would be simple to echo Pollyannaish positions of pushing for a 2% of GDP goal and listing all the capabilities and systems we'd like Canada to possess, but that would be irresponsible at a time when the Armed Forces are in such personnel straits. Make no mistake, we do believe in at least 2% GDP spending on defence especially on the issues we have outlined. But major redesign and equipment/capabilities expansion is reliant on an improved personnel issue coming first.
- d) Ultimately, notwithstanding our recommendation for an immediate foreign policy review, we question the value of both Foreign and Defence Policy statements in the context that they are already well delayed and overdue, with a prospect of the next Federal election occurring not later than October 2025. It may be better to wait until after the next election, unless (and

this would be unfortunate in our view) policy statements become election platforms. We perhaps hold an old-fashioned view that foreign policy and defence issues should for the most part be non-partisan and that policies should transcend individual government terms, realizing realistically that key policies must be put the electorate, as the Avro Arrow was in its day. None of this relieves our concerns that Canada, with no systemic policy (foreign and defence) making results in the linkages between policy and action being absent. Because of a dearth of concomitant strategy there is no forward strategic conceptualization or planning either nationally or in defence. All international (and domestic) issues involving defence and security become reactionary.

- e) Finally, our recommendations take into account the underlying domestic crises that are and will be in competition for financial means such as housing, migrants, health care, and national infrastructure especially in a context of greatly increased competition for resources between the provinces and the federal government. In that context too, we wonder what Canada wishes to be.

## **The World around us**

Canada cannot be everywhere. It is simply beyond our means, diplomatically and militarily. This does not mean that we do not have interests everywhere and so our recommendations are based on priorities and or areas where we may achieve results. In some cases, these efforts will be uniquely diplomatic, in others, military, and in the best of cases, the application of both military and diplomatic influence.

## **Canada**

### **Global Affairs Canada (GAC)**

Recommendation 1 – In line with recent efforts of renewing our Asia-Pacific policy as well as our commercial links with Africa, we recommend that an in-depth review of our foreign policy be initiated and carried out before the end of 2024. The fact that the last foreign policy review dates back to 2005 makes a policy review ever more pertinent.

Given the significant re-alignments between nations and institutions on the international scene, this review must question the relevance and sustainability of the themes and values that have underpinned Canadian policy in the past and the partnerships, relationships, and alliances that have since changed.

To ensure that Canada's foreign policy is not only dictated by domestic policy and communications, this review must be based on a holistic conception of Canada's physical and intangible national security. The definition of Canada's national interests should be seen through the prism of the rapidly evolving international system and the dangers and opportunities that challenge our country.

On this basis, the mechanisms, instruments, and resources devoted to the conduct and execution of our foreign policy may well need to be adjusted. The foreign policy review **MUST** be synchronized with the Defence Policy Update. The Canadian Armed Forces international roles, and often the fashion it equips itself is drawn from the Forces abilities to support the foreign policy aims of the country.

Recommendation 2 – The government with a GAC lead, must push forward aggressively for a whole of government and pan-Canadian (including provinces) effort to affirm and educate wide swaths of U.S. federal and state governments as well as the voters and their representatives particularly in border states, or states which benefit from their Canadian connections. This should be the prime effort of all governments for the following months building on existing consular frameworks as well.

Recommendation 3 – The Department of Global Affairs Canada deserves an in-depth review of its structures and methods of operation. It has become a heavy and complex machine when the trademark of a Ministry of Foreign Affairs should be its agility, its ability to respond to crises of all kinds in a minimum of time, with competent agents empowered to make rapid decisions with a state-of-the-art confidential network and premium unclassified links. It is not a simple question of cumbersome headquarters and slow decision making for fear of risk, but also of accountability of the (civilian) troops in our missions abroad. It is also a question of real language training for agents in positions with complex languages where all agents should have reached level three. Decision-making levels must be shortened. Furthermore, consultations with countries of focus should be systematized with firm timetables, particularly for policy planning sections. More profoundly, an external study should be carried out on how to integrate the "three solitudes," Foreign Affairs, foreign aid, and trade, even if this leads to a) tighter integration; b) a stronger presence in missions abroad; and c) less sharp distinctions between the functions of agents abroad who should be in a mode of permanent cooperation because these three functions interrelate. The main thing is the development of real skills that make a difference for Canada.

Recommendation 4 – As a consequence of Recommendation 3, there are a number of specific initiatives that GAC must undertake in order to rebuild, as follows:

- a) Deliberate thought is needed on how to develop and train the next generation of Canadian diplomatic leadership.
- b) In order to compensate for foreign service officers' insufficient knowledge of how other Canadian government departments work, especially those that shape Canada's wider international policies, more assignments in Canada outside of Global Affairs headquarters should become a standard component for our foreign service.
- c) Canada should pick up the British mantra for its own foreign service: "More foreign, less office."
- d) Restructuring of GAC should recognize that foreign policy is a shared responsibility of many departments that have expertise on issues like immigration, the environment, agriculture, finance, fisheries, and forestry, but leadership abroad must remain within the foreign service.
- e) GAC is an antiquated bureaucratic system marked by risk-averse decision making, limited empowerment to those on the ground, ineffective and counterproductive human resource policies, and insufficient understanding on the part of senior management with short shelf-life.

- f) Given the number of crises in the world, more nimbleness in staffing is required to ensure expertise in crisis areas but thinness on the ground is a serious issue which needs to be taken into account.
- g) Online is no substitute to people on the ground.
- h) Foreign language training is the single most important qualification at post where neither English nor French is spoken. It should be taken seriously.
- i) To complement its operational imperatives, GAC needs a strong policy planning function with the necessary tools to do its job, with facilities, networks, publication rights, systematic liaison with comparative foreign service networks, the ability to publish, to bring experts from the “non-secure” world. It needs the capacity to look over the horizon, to integrate across issues, to distill signals from noise. It needs to generate new ideas and solutions, and some additional expertise such as international economics. It needs people who can work across government, build relations with Canadian stakeholders, and engage and support ministers and parliamentarians. In short, it should work independently as a separate unit, not as an ADM ship.
- j) In cooperation with Defence and other principal government departments, the lessons learned process must be an integral component of continual improvement within the government. The withdrawal from Afghanistan, and what we learned about how we might adjust for the future, should serve as a case in point.

Recommendation 5 – As we noted in the Ukraine War section, the ubiquitous nature of small publicly available drones has dramatically impacted the “way of war” in Ukraine, with copycat techniques seen during the Gaza War. There have also been assassination attempts of world leaders through the use of grenade or explosive laden drones. The widespread commercial availability makes this a difficult market and technology to regulate, nevertheless many nations have imposed restrictions on flight or more stringent requirements for registration. It is an issue that begs international discussion. Like in past, when Canada played a key role on the ozone and landmine treaties, GAC might lead an international effort to how that technology might be controlled, made alteration resistant, or kept out of malign hands.

## **National Defence**

Recommendation 6 – Direct efforts, including assigning some of the best problem-solving service members, towards repairing recruitment and retention with the awareness that this will require significant monetary and human resource investment. Priority should be directed to retention as losing trained service members, especially those in occupations that are difficult to source or take years to train, represents an investment loss. Improving retention, paradoxically assists in recruitment as the life we are selling; improves. But both must be addressed concurrently.

Recommendation 7 – The Forces should prepare to re-establish a permanent forward base in Europe as it once had with CFB Baden-Soellingen years ago. Circumstances that range from a U.S. retrenchment or the Ukraine War ending unfavourably would heighten the requirement for closer ties with Europe and NATO. The Forces should actively plan for this possibility so as to provide options to government. Ideally, this presence should be joint.

Recommendation 8 – In conjunction with recommendation 4, the Forces should increase the recruiting centre footprint across Canada to establish offices in all cities over 45,000 population. As the Outlook indicates, if we recruited proportionally to the U.S., our recruiting presence would feature 161 centres producing also proportionally an intake of 14,000 recruits a year. Our training system, at present cannot handle that level of intake, so some creative allocation of resources would be required.

Recommendation 9 – The government must direct the Forces to develop a completely different structure and employment model for the Reserves modelled in part on the U.S. National Guard. This will have to be a “directive” from government to National Defence and through to the Canadian Armed Forces. In past efforts there has been a Potemkin village of seeming progress, but at its core, progress has been an illusion. The potential gains to the nation are no greater today than they were 30 years ago and so, National Defence needs to be told what to do, instead of being asked.

Recommendation 10 – Though not discussed in the Outlook, the modernization of the Northern Warning System, which is a necessity, will also be a key arbiter of Canadian commitment for the Americans. Especially so, at a time of divided government and more so if the U.S. presidency changes hands as the issue can easily be used against Canada through existing perceptions as a “freeloader.” The possible impacts are broad. We strongly recommend that the government ensures that there are clearly visible signs of progress on the project and these are clearly and publicly communicated, including as part of the “Team Canada” approach to the U.S. in the coming year.

Recommendation 11 – A very rapid way to increase international effectiveness is through more careful selection of Canadian Defence Attachés, while instituting a re-orientation of their activities. Attachés should be more holistically engaged in achieving Canadian aims at various embassies over and above their current roles. For example, attachés in conjunction with Trade Commissioners could be playing a much more effective role in the promotion of Canadian defence-related firms in the international market. Allied defence attachés play pivotal roles in this regard, helping secure millions if not billions of dollars’ worth of contracts for their nations. France with a reinforced attaché presence from within their Director General Armaments is particularly good in this regard. Canada must emulate this, and it is a no-cost initiative to implement.

Recommendation 12 – With the present tempo and level of operations with foreseeable demand increases, given the global context the Outlook describes, the present authorized strength will need to increase from the current 71,000. The upcoming Defence and Foreign Policy reviews must account for that demand increase, and concurrently equipment holdings by the three services will need to be augmented by acquisition if we are to play any meaningful role going forward.

## **United States**

Recommendation 13 – Additional recommendations with respect to the U.S. pale against the primary mission of approaching Americans in a whole of government and pan-Canadian effort to inform U.S. legislators, agency heads, state governments, major media, and others of Canada’s all-important trade, defence, cultural, economic, and infrastructure links with the U.S. We should dispel any notion that Canada represents a threat at the border, or that we “freeload,” and are anything other than America’s most important ally. Showing progress on the Northern Warning System would be a part of this effort.

## India

Recommendation 14 – However we ended up in our present situation, the fact remains that we do not have the warmest of relationships with the country that is about to become the most populous in the world, with some very highly advanced sectors in its economy which also happens to be the largest source of immigration to Canada. Diplomatically and at the Head of Government level, we need to repair this relationship as aside from the interests described above India also forms the core of another emerging defence relationship in the Asia-Pacific region, from which we are presently frozen out.

## Europe and the EU

Recommendation 15 – Given the evolution of the international situation, with Russian aggression against Ukraine leading to a yet unknown outcome, Canada must strengthen its individual relationships with certain EU nations. We have mentioned Germany in the context of contributing to its energy security, if we in Canada can find ways to get Canadian energy to Europe. Other nations could include France, Poland, and/or the Scandinavians with which we share Arctic interests. The Baltic states would be a natural extension of building on our current forward presence mission. Irrespective, we believe tighter bonds are required, and will be influenced by where Canada might consider a permanent forward presence. The increased individual links would also pay dividends with respect to future immigration and also defence options given the overseas territories governed by EU member states.

Recommendation 16 – Canada, as part of CETA and other initiatives has managed to open certain lanes of communication and trade with the EU and its various institutions, but they are not as widely developed as the promise of CETA once held out. We recommend that as a foreign policy priority, second only to the whole of government efforts with the US, political and military bonds with the EU should be next most priority. If there are options for strengthening CETA, we should not hesitate in pursuing them. Furthermore, despite our quasi reliance on the U.S. from a defence perspective, we should not shy away from reinforcing our link, strategically and commercially with EU defence concerns. If both the EU and Canada are subject to across the board tariffs by an incoming U.S. administration, having options for trade and alliances would be in Canada's interest.

Recommendation 17 – Engage with the EU/EDC and potential host governments in planning the location of a permanent Canadian Forces Base in Europe. There are several options we would prioritize for options analysis including Latvia, Romania, Germany, and Scandinavia.

## Asia-Pacific

Recommendation 18 – Start fresh relations with India at a favourable time, particularly after the Indian elections, by establishing a framework of mutual interests allowing rebuilding relations on diversified foundations, in particular inter-university cooperation.

Recommendation 19 – Given the growing importance of ASEAN in the region, both economically and politically, give greater attention and additional resources to our relations with member countries, particularly Indonesia, called to become an essential interlocutor.

Recommendation 20 – From a trade standpoint, Canada should promote the existing Free Trade agreements with South Korea and Japan, and increase trade missions and head of government visits

as a hedge against possible impacts on trade with both the U.S. and China. From a defence standpoint, Canada should, within means, increase its naval presence in support of freedom of the sea patrols and continue naval visits to South Korea and Japan. Also from a defence standpoint, interchanges with New Zealand and Australia must be preserved, especially in the context of “Five Eyes” and with France as a consequence of increased EU linkages previously described.

### **South America, Latin America, and the Caribbean**

Recommendation 21 – Given the importance of migration issues for the United States and the role played by Latin American states, Canada should enter into a trilateral dialogue with them to determine what measures to take to manage immigration irregular and strengthening the framework for legitimate migration. In the near term, Canada should proceed with visa restrictions for Mexican visitors unless bi- and trilateral negotiations bear fruit.

### **Africa**

Recommendation 22 – Based on the consultations with main stakeholders which concluded in the summer of 2023, the Government of Canada should implement the key components of the Canada-Africa Economic Cooperation Strategy, aimed at amplifying and diversifying trade and investment relations with African partners. Canada should also engage systematically with its European partners to devise common approaches on managing the democratic challenges in a number of African countries as well as on related migration issues. While Canada will not be able to do more on the continent, we must always remember that it is a stage of great power competition and our existing relationship must be maintained inasmuch as circumstances permit.

### **Ukraine**

Recommendation 23 – The government must consider its position in the case that Ukraine’s fate is decided at the negotiating table. This will play out in the context of whomever wins the U.S. election as well and influence our position with NATO. Canada is unlikely to have sufficient military equipment to continue military assistance only. Training could and should resume. However the best aid Canada can provide, in addition to funding, is expertise in rebuilding elements of Ukrainian infrastructure damaged by the war.

### **Gaza**

Recommendation 24 – Canada will not play any significant role in the negotiations leading to post-conflict resolution other than support for primarily U.S. led initiatives or leveraging existing relationships with the Gulf Cooperation Council (GCC). However, as in the past, certain nations will come off the fence when it comes to participating in Gazan transitional governance and reconstruction. Reconstruction will be a phased effort, starting with addressing immediate needs like shelter, while transitioning to actual housing. Canada has experience in both government and the industrial sector to be able to meaningfully contribute. With a GAC planning lead, Canada should be amongst the first to announce what it can substantively do. This is not a time for messaging over substance.

Recommendation 25 – Canada must work through its international voice and influence towards the creation of a Palestinian state, in support of American efforts and in concert with the GCC

countries. The PM should seize the initiative to resume and contribute to dialogue once the military situation has stabilized, and the future form of the Israeli government becomes clear.

## **Israel**

Recommendation 26 – Canada should signal its support of U.S. efforts to develop a ceasefire and its policies towards a two-state solution and issues affecting the West Bank. Clearly the U.S. is leading these efforts, and our support to the US should be unequivocal. As part of that approach, Canada should indicate its clear disapproval of Netanyahu’s unwillingness to negotiate and should also follow the U.S. lead in imposing sanctions on certain West Bank settlers. It appears that key Arab states are prepared to make offers to Israel that they never had in the past, particularly the Saudis and while Canada won’t be a player but in conjunction with Recommendation 24, use all means at its disposal to morally support U.S. efforts.