Securing Canada’s Place in the Indo-Pacific Century

Kerry Lynn Nankivell

The Indo-Pacific is undergoing profound transformation, yet so far, Canada’s defence policy appears not to recognize that fact. This is so despite many emerging trends that Canada would be wise to heed. Canadians themselves are becoming increasingly Asian: nearly half of all immigrants to Canada come from Asia (Asia-Pacific Foundation 2017) and Vancouver is arguably the most Asian city in the world outside of the Indo-Pacific itself. Reciprocally, Canadian citizens, capital, and business interests are increasingly prominent in this region, because of both the strength of the Indo-Pacific’s emerging economies and the opportunities available to and through Canada’s resident diasporic communities.

Today, Asia is Canada’s fastest-growing export market, with exports to China leading the trend (Statistics Canada 2017). These growing markets still lag well behind the United States in volume of trade. However, because Canada’s resource economy is a nice complement to Asia’s resource needs and overall pattern of trade growth, Canada’s opportunities in these markets are likely to only expand over time. While Asian-run and Asia-invested Canadian companies are increasingly important domestically, thus far Canada has not developed a clear and objectives-led strategy for the Indo-Pacific. Instead, successive Canadian governments – both Conservative and Liberal – have been content to allow the status quo to guide policy with the world’s most dynamic region.

Of course, Canadian foreign and defence policy is, and should continue to be, founded on the priorities of trade maximization and US primacy, policy planks that are themselves tightly interlinked. But these enduring interests are arguably affected by Asia’s meteoric rise. Indo-Pacific transformation carries important but largely unacknowledged implications for Canadian security and prosperity.

The author of this document has worked independently and is solely responsible for the views presented here. The opinions are not necessarily those of the Macdonald-Laurier Institute, its Directors or Supporters.
Canada enjoys the luxury of an extremely favorable security environment, largely thanks to its longstanding prioritization of trade security and its alliance with the United States. As partners, Canada and the United States make the successful management of the world's longest and most profitable undefended land border look easy, despite being the product of decades of dedicated focus and hard work. Nothing less can explain the uninterrupted billions of dollars that cross the US-Canada border every day. Working from within this earned advantage, Canadian security and defence planners have had a relatively easy task in identifying Canada's security priorities: to defend Canada and Canadian sovereignty; to safeguard and defend North America, alongside the US; and to contribute to international coalitions in support of Canadian interests abroad. These priorities are enduring and unlikely to change – and this is wise.

In this context, the question is not what wholesale changes the ongoing transformation of the Indo-Pacific requires of Canadian defence policy, but how does this changing region fit within the existing paradigm? From that starting point, we can be specific about the implications of the changes in this region for Canadian security policy.

The Indo-Pacific is an important source of both security threats and opportunities for Canada. Moreover, as the United States finds itself increasingly engaged in this region's complex security situation, Canada's ability to offer credible contributions to the Asian theater will be helpful in our relationship with Washington as well.

### Priority One: Defending Canada and its sovereignty

Defence of Canada and Canadian sovereignty is the first priority of any Canadian government and its Armed Services. In its 150-year history, Canada has not had its sovereignty seriously challenged, perhaps with the exception of Germany's U-boat campaign against Canadian shipping in the two World Wars. Scholar John Mearsheimer's (2001) notion of the “stopping power of water” certainly applies in Canada's case.

But Canada's invulnerability to foreign threats has changed with the digitization of the Canadian economy. Today, Canada is one of the most cyber enabled economies in the world, ranked in the top 30 on the UN's Information Communications Technologies (ICT) Development Index (ITU 2014, 42). With a population of 36 million spread thinly over the world's second largest national territory, digitization has allowed Canada to thrive beyond its material base to become the world's 16th richest trading nation. But it has also made the country vulnerable to any number of non-traditional challenges, from cyber crime, identity fraud, and intellectual property theft to state-based cyber espionage, information operations, cyber terrorism, and even cyber war.

Canada has responded to this vulnerability by becoming one of only a few states to lead global initiatives to combat identity-related crime, mainly through its support of UN-based research and working groups (Maurer 2011). But the cyber challenge to Canada goes beyond criminal threats. The reliance of the modern military on
space and cyber infrastructure means that enemies seeking to disrupt or destroy Canada’s critical infrastructure or conventional military capability are trying to do so through non-lethal means via cyber space. Moreover, as the ongoing saga of Russia’s alleged interference in elections worldwide attests, disinformation campaigns launched from abroad can have a deleterious impact on all open societies, Canada’s included. The most active state-based agents operating in cyber space are believed to be in Russia, North Korea, and China.

As a result, cyber security has become important to the Indo-Pacific’s regional security – and remains much contested. Canada, the United States, Japan, Australia, and others have sought to establish international definitions and standards governing state practice in the cyber domain, building defences against state-based cyber attacks while also preserving individual internet freedoms. These efforts continue to be frustrated or delayed by opposing views on cyber space coming from many of Asia’s authoritarian states, including Russia and China (Grigsby 2015).

Defending Canada and Canadian sovereignty in this new age must include deepening Canada’s engagement with like-minded partners in the Indo-Pacific. These alliances will help to counter apologists for state-based malicious activity in cyber space. Defending Canada may also require that Canadian personnel stationed abroad be beefed up, along with their supporting units at national headquarters, while building consensus for sensible standards for cyber governance, monitoring compliance, and countering malicious activity where necessary. This may affect a range of government agencies. It certainly could include an increased focus by Canada’s intelligence agencies on known centers of illicit cyber activity, as well as contributions to protect physical networks and assets located outside of Canadian territory. On the diplomatic side, defending Canada also means taking a more active role in the socialization, establishment, and codification of new rules of the road for cyber space in Asia as a pivotal site of emerging norms on cyber governance (Saalman 2017).

Unfortunately, working with traditional allies in Europe and the United States will not result in the same amount of influence in the next century as it did in the past. Being engaged in the Indo-Pacific is the best way for Canada to ensure that its security needs, including defence, economic, and trade security, are appropriately reflected in the way states behave in cyber space in the 21st century.

**Allied defence of North America**

Canada’s contribution to the defence of North America requires that it recalibrate its relationship with the Indo-Pacific region. Canada maintains a comparative advantage in space research, and Canadian space capabilities are a strong pillar of North American defence (Fergusson 2015). Canada’s strategic industries deliver a unique satellite capability that has long supported the mutual defence of North America through the North American Aerospace Defence Command (NORAD) agreement. Moreover, Canada’s contribution to NORAD will deepen with the deployment of the RADARSAT Constellation Mission in 2018 (Canadian Space Agency 2014, 6). Developments in Asia, particularly the nuclearization of North Korea and the rise of China, should prompt Canada to consider new applications of that capability, and to resurrect old ones.

Speaking to the first, the Democratic People’s Republic of Korea (DPRK) has conducted an unprecedented 37 missile tests in the last twelve months, including a successful submarine-based ballistic missile launch in September 2016 and failed (possibly disrupted) test of a new ballistic missile in April 2017 that, according to US officials, can target ships at sea (Panda 2017). Moreover, Pyongyang has announced its intention to develop an intercontinental ballistic missile that can reach North America.
This goal is likely too ambitious for North Korea’s current capabilities. Yet satellite coverage of the maritime approaches to North America, which could be used to detect incoming missiles from North Korea (and elsewhere), will be placed at new premium. Should Ottawa decide to capitalize on Canada’s advantages in space for the defence of North America and deepen its bilateral partnership with Washington, it would have a variety of policy options. Those options might include increasing the number of satellites dedicated to providing security services (from three to six, as originally recommended), or expanding the diplomacy, training, and exercises of the Royal Canadian Navy and Air Force so that Canadian-provided data is shared with like-minded partners, such as South Korea and Japan.

Such initiatives would build on Canada’s standing cooperative agreements with its traditional “Five-Eye” partners - the United States, the United Kingdom, Australia, and New Zealand (CBC News 2014). It may even include re-visiting the ballistic missile defence (BMD) debate in Canada. While previous public debates have yielded only lukewarm support for BMD, the recent and increased threats suggest that the issue warrants re-examination. Much has changed since the Conservative government re-introduced the BMD discussion in 2014, when Prime Minister Harper noted the possibility of reconsidering Canadian participation. Just three years later, available systems boast diminishing costs, increased accuracy, and wider international support than ever before, including among like-minded states such as Japan and South Korea. A government interested in modernizing Canada’s approach to continental defence has a range of options at its disposal.

Beyond North Korea, increased Russian activity in the Arctic, and likely increased Chinese presence there, too, revives the prospect that NORAD’s past focus on monitoring, surveillance, and control of ballistic missile submarine (SSBN) activity near the pole will once again become a key mission. While Russia’s persistent presence in the Arctic Ocean is well known, China’s emerging sea-based leg of its own nuclear “triad” is less noted by Canadian policy. In the last decade, China has developed four Jin-class ballistic missile submarines (SSBN), which probably conducted nuclear deterrence patrols in 2016 (Office of the US Secretary of Defense 2016). Due to the difficulty of detecting, tracking, and destroying submarines, especially once deployed to the open ocean, Chinese SSBNs will provide a relatively secure means to respond to a nuclear strike with a nuclear retaliatory response; in other words, a nuclear “second-strike” capability at sea.

The fitting of nuclear warheads on at least two of the four available Jin-class vessels will fundamentally alter the calculus of Sino-American deterrence dynamics, due not least to China’s growing and increasingly secure capability to hold targets in North America at risk. This is a concern for US allies in the region, which rely on US extended deterrence guarantees to safeguard their own territory – and might not place so much faith in a security guarantor that is so obviously vulnerable to attack. But it is also a concern for Canada, owing to its close relationship with the US, contiguous position, and vulnerability to ballistic missile strikes – to say nothing about the prospect of China placing such submarines in the Arctic, much as the Soviet Union had done during the Cold War.

“Should Ottawa decide to capitalize on Canada’s advantages in space for the defence of North America and deepen its bilateral partnership with Washington, it would have a variety of policy options.”
From this position of strength, China can use the Arctic Ocean to hold both the United States and Japan at considerable nuclear risk, which has obvious implications for NORAD. Canada, for its part, would be wise to revive its anti-submarine warfare (ASW) capability both in the Arctic and, more importantly, in its northern Pacific approaches, as well as its aerial and space-based monitoring capabilities to provide early maritime warning. To adapt to contemporary realities, Canada must soberly assess the long-term viability of the Victoria-class submarines and update its ASW policy (including having a genuine debate about the merits of stationing Canadian ASW assets abroad to support existing partners). For example, the Royal Canadian Navy could extend its ASW capability either by building on its existing bilateral logistics agreement with Japan, or by working with the United States to offer a standing contribution of assets to US forces at 7th Fleet, Guam, or even Singapore (McDonough 2013). The threats that NORAD must be aware of have broadened as a result of changes taking place in Asia. There’s little doubt that, in the future, Asia-focused policy, operations, and defence diplomacy will become increasingly valuable to Canada.

The threats that NORAD must be aware of have broadened as a result of changes taking place in Asia. There’s little doubt that, in the future, Asia-focused policy, operations, and defence diplomacy will become increasingly valuable to Canada.”

International coalitions in defence of Canadian interests abroad

Although the defence of Canada and North America are key priorities, the Canadian public is probably more enthusiastic about the country’s participation in international coalitions in support of its interests abroad. This is for good reason. As a geographically isolated country with economic and institutional interests that span the globe, Canada has historically made contributions to global order a visible hallmark of its diplomacy. This includes Prime Minister Pearson’s well-known institutionalization of international peacekeeping, and includes more foundational contributions as well: founding the United Nations, negotiating the Bretton Woods institutions (the World Bank and the International Monetary Fund), establishing the North Atlantic Treaty Organization (NATO), and playing a prominent role in the UN Convention on the Law of the Sea (UNCLOS) negotiations. Together, these institutions created the post-war order, making the necessary space within which Canadian economic, political, and defence interests could be successfully and efficiently pursued.

The liberal order built in the immediate decades after the Second World War is under intense pressure from many quarters. Liberalized trade has fallen out of favour in key countries, including the US and UK. NATO expanded faster and farther than perhaps geo-political conditions commended, opening it up to both external pressure from a resurgent Russia and internal disunity. The United Nations, while active and productive in many ways, finds itself unable to mitigate major security concerns, the never-ending crisis in Syria being a tragic case in point. Meanwhile, the Law of the Sea regime, which governs how nations will use the world’s oceans, particularly the environment and management of marine natural resources, is threatened by the ambivalence of the world’s two most consequential maritime powers: the United States, which abides by its primary provisions as a matter of custom but remains unwilling to formally accede to the treaty; and China, which ratified the treaty in 1992 but displays no intention to abide by its rules or submit to its dispute resolution procedures. It is
premature to start the autopsy on post-war, small ‘l’ liberalism, but Canadian leaders need to acknowledge that the enterprise is suffering some very serious setbacks.

As a state with a small population, but a large, globally integrated economy, Canada has benefited immeasurably from a rules-based international order that privileges free markets and normative limitations on the use of force. In this context, Canada should seek to engage more deeply and meaningfully with partners, new and old, that share a similar national interest in defending the rules-based order. Ottawa’s natural instinct is to redouble Canadian investments in NATO and the United States. Yet this may not be where to find the highest return on investment. NATO is hopelessly caught up in political battles internal to the alliance and to the domestic politics of key member states. The United States is deeply ambivalent about multilateral arrangements, including NATO, UNCLOS, and free trade. For these reasons, Canada’s traditional engagement across the Atlantic may have achieved everything it is likely to achieve in the near term. But across the Pacific, a diplomatic contest to rewrite the rules of international order is vigorously under way. In this arena, Canada could seek new partnerships and engagements, not as a substitute for old ones, but as a needed additional investment in internationalism, to ensure that the next century is as favourable to Canada’s prosperity and security as was the last.

The Indo-Pacific offers promising opportunities in this regard. Despite the announcement by the United States that it plans to abandon the Trans-Pacific Partnership (TPP), many of Asia’s most important trading states, including Japan, Republic of Korea (ROK), Singapore, and Malaysia, remain committed to establishing a rules-based, open trading regime in Asia. China, a trading nation par excellence, is also a source of opportunity for Canada. If Canada wishes to hold China to a Canadian standard of trade in terms of intellectual property rights, environmental sustainability, and transparency in investor markets, doing so will require help from the like-minded states that were part of the TPP negotiations. Asia is the center of gravity of the current global economy and posts the most promising growth trends for the future. This is why all countries, not just the United States, have “rebalanced” their focus to the Indo-Pacific in the last decade. A modernization of Canada’s foreign policy would similarly prioritize these opportunities as good for Canada in the parochial short-term, as well as for the longer-term dividends they will pay to continued international liberalism more generally.

In the more conventional security realm, Canada could seek similar opportunities to work with new partners in new ways to bolster the rule of law generally (including the norm of non-intervention and peaceful resolution of disputes), and the UN Convention on the Law of the Sea specifically. An engagement strategy that looks for new coalitions to achieve those aims suggests that Canada look beyond its traditional allies. Canada can and should identify opportunities to train, exercise, and operate with partners like Japan, the ROK, Singapore, Malaysia, Australia, New Zealand, or India. Canada can coordinate with the United States as it engages these countries, but it need not. In fact, as a means of providing support to the rule of law and Canada’s commitment to international peace and stability, it may at times be best for Canada to operate independently of its traditional US ally. In (re-) establishing norms of non-intervention and peaceful resolution of disputes in the East and South China Seas, for example, Canada needs to be seen as a stand-alone supporter of the rule, not a material contributor to US-defined policy.

“Canada should seek to engage more deeply and meaningfully with partners, new and old, that share a similar national interest in defending the rules-based order.”
Canada has a place in Asia. Modernization of Canada's defence policy will not likely change its long-standing security priorities. But carrying out that policy at a time when the Indo-Pacific region is becoming more self-assured and powerful requires that Canada creatively re-appraise its international engagement, with careful and thoughtful attention to the region. Canada needs to make some adaptations to guarantee that it will be as successful in the next century as it was in the last.
About the Author

Kerry Lynn S. Nankivell joined the Daniel K. Inouye Asia-Pacific Center for Security Studies as a professor in 2008. She is a maritime security specialist with broad expertise in the Asian littoral. She has published on maritime issues including the South China Sea disputes, naval modernization, piracy and other non-traditional challenges. She takes a leading role in DKI APCSS’ maritime programming, in Honolulu and around Asia from Vladivostok to Mumbai.


The views expressed in this article are the author’s alone. They do not represent the official policy of US Pacific Command, the Department of Defense or the Government of the United States.
References


Critically Acclaimed, Award-Winning Institute

The Macdonald-Laurier Institute fills a gap in Canada’s democratic infrastructure by focusing our work on the full range of issues that fall under Ottawa’s jurisdiction.

• The Macdonald-Laurier Institute fills a gap in Canada’s democratic infrastructure by focusing our work on the full range of issues that fall under Ottawa’s jurisdiction.

• One of the top three new think tanks in the world according to the University of Pennsylvania.

• Cited by five present and former Canadian Prime Ministers, as well as by David Cameron, the British Prime Minister.

• First book, The Canadian Century: Moving out of America’s Shadow, won the Sir Antony Fisher International Memorial Award in 2011.

• Hill Times says Brian Lee Crowley is one of the 100 most influential people in Ottawa.

• The Wall Street Journal, the Economist, the Globe and Mail, the National Post and many other leading national and international publications have quoted the Institute’s work.

“The study by Brian Lee Crowley and Ken Coates is a ‘home run’. The analysis by Douglas Bland will make many uncomfortable but it is a wake up call that must be read.”

FORMER CANADIAN PRIME MINISTER PAUL MARTIN ON MLI’S PROJECT ON ABORIGINAL PEOPLE AND THE NATURAL RESOURCE ECONOMY.

Ideas Change the World

Independent and non-partisan, the Macdonald-Laurier Institute is increasingly recognized as the thought leader on national issues in Canada, prodding governments, opinion leaders and the general public to accept nothing but the very best public policy solutions for the challenges Canada faces.

For more information visit: www.MacdonaldLaurier.ca
What Do We Do?

When you change how people think, you change what they want and how they act. That is why thought leadership is essential in every field. At MLI, we strip away the complexity that makes policy issues unintelligible and present them in a way that leads to action, to better quality policy decisions, to more effective government, and to a more focused pursuit of the national interest of all Canadians. MLI is the only non-partisan, independent national public policy think tank based in Ottawa that focuses on the full range of issues that fall under the jurisdiction of the federal government.

What Is in a Name?

The Macdonald-Laurier Institute exists not merely to burnish the splendid legacy of two towering figures in Canadian history – Sir John A. Macdonald and Sir Wilfrid Laurier – but to renew that legacy. A Tory and a Grit, an English speaker and a French speaker – these two men represent the very best of Canada’s fine political tradition. As prime minister, each championed the values that led to Canada assuming her place as one of the world’s leading democracies. We will continue to vigorously uphold these values, the cornerstones of our nation.

Working for a Better Canada

Good policy doesn’t just happen; it requires good ideas, hard work, and being in the right place at the right time. In other words, it requires MLI. We pride ourselves on independence, and accept no funding from the government for our research. If you value our work and if you believe in the possibility of a better Canada, consider making a tax-deductible donation. The Macdonald-Laurier Institute is a registered charity.
What people are saying about the Macdonald-Laurier Institute

In five short years, the institute has established itself as a steady source of high-quality research and thoughtful policy analysis here in our nation’s capital. Inspired by Canada’s deep-rooted intellectual tradition of ordered liberty – as exemplified by Macdonald and Laurier – the institute is making unique contributions to federal public policy and discourse. Please accept my best wishes for a memorable anniversary celebration and continued success.

THE RIGHT HONOURABLE STEPHEN HARPER

The Macdonald-Laurier Institute is an important source of fact and opinion for so many, including me. Everything they tackle is accomplished in great depth and furthers the public policy debate in Canada. Happy Anniversary, this is but the beginning.

THE RIGHT HONOURABLE PAUL MARTIN

Intelligent and informed debate contributes to a stronger, healthier and more competitive Canadian society. In five short years the Macdonald-Laurier Institute has emerged as a significant and respected voice in the shaping of public policy. On a wide range of issues important to our country’s future, Brian Lee Crowley and his team are making a difference.

JOHN MANLEY, CEO COUNCIL