The Hon. Kevin Rudd MP

Global Challenges, Global Responses and Global Governance

Address to the Canadian Department of Foreign Affairs and International Trade

Lester B. Pearson Building, Ottawa

Wednesday, 25 July 2012

My good friend Canadian Foreign Minister John Baird.

Distinguished members of the Canadian Government.

Distinguished members of the Diplomatic Corps.

Distinguished representatives of the Canadian Foreign Service.

Merci beaucoup tout le monde.

Merci pour cette aimable présentation.

Je veux vous remercier également de me recevoir ici aujourd'hui au Ministère des Affaires étrangères et du Commerce international.

C'est un vrai plaisir d'être ici à Ottawa avec vous aujourd'hui.

Je suis particulièrement heureux de retrouver mon ancien collègue John Baird, un ami que je connais depuis bien longtemps. En tant que Ministres d'Affaires étrangères, nous avons souvent collaboré en matière de dossiers communs. Au fil des années, j'ai fortement apprécié ses perspectives et conseils.

Comme vous le savez peut-être, j'ai commencé ma carrière en tant que fonctionnaire au Ministère des Affaires Étrangères australien – donc je me sens à l'aise ici parmi vous.

It is an honour to be invited to address this gathering here at the home of Canadian diplomacy.

Canada has had a distinguished voice in the councils of the world for more than a century.

Canada's voice is listened to with respect in every continent.

That is because Canada has been and continues to be an overwhelming force for good in an otherwise troubled world.
It is also because of the long-standing professionalism of the Canadian Foreign Service.

And I wish to formally recognise that here in Ottawa and in the presence of distinguished diplomats from around the world.

International Cooperation Between Canada and Australia

Canada and Australia go back a long, long time.

The common bonds, common values and common interests that our two countries share do not require repetition today.

It is the product of more than a century of the closest collaboration between the successive Australian and Canadian governments.

We are both proud founding members of the United Nations and we are active together in every single multilateral agency across the UN system.

We have worked closely together particularly in arms control, disarmament, nuclear non-proliferation, development and of course in the Canadian International Commission on Humanitarian Intervention – co-chaired by my distinguished predecessor, former Foreign Minister Gareth Evans.

In my address on Monday to the Munk School of Global Affairs at the University of Toronto, I also indicated that Canada and Australia would be working more closely together in the twenty-first century than ever before.

I spoke of two reasons for this. The first is the gravitational pull of the dynamics driving the unfolding century of Asia and the Pacific, led by (but not limited to) the rise of China.

As the locus of global geo-strategic, geo-political and geo-economic activity increasingly moves to the Asia-Pacific and Asia-Indian Ocean regions, Canada and Australia will inevitably find themselves more directly engaged than ever before.

Both Canada and Australia are by definition Pacific powers.

And we will therefore share common challenges, common opportunities and common responsibilities in helping shape the contours of the Pacific century.

This will require great intellectual effort, creative policy, innovative diplomacy and unprecedented statesmanship if all the countries of this great region are to indeed craft a new, what I have called, Pax-Pacifica.

The truth is that the region is driven by dynamic, emerging economies of the twenty-first century but against a background of a decidedly nineteenth century set of security policy realities – with multiple unresolved territorial disputes and fragile and often brittle security policy relationships.

The core foreign policy challenge is therefore clear: to embrace the rise of China in particular, in a manner which preserves the common peace, prosperity and stability of the entire region and in a manner that is consistent with the principles of a global and regional rules-based system.

This therefore means that countries like Canada and Australia will be working together on these great challenges more closely than ever before.

There is a second reason why countries like Canada and Australia will be more intimately engaged than ever before – and that is through the dynamics of globalisation itself.

All diplomats gathered together in this great building understand the implications of globalisation implicitly. Globalisation in all its forms requires global action, whether it is the globalisation of security through trans-national terrorism, trans-national organised crime and new challenges such as cyber security; the globalisation of our economies as the external factors driving our various national economic destinies now fundamentally impinge on national economic sovereignty; as well as the globalisation of the great environmental challenges which now confront us all and which by definition require not just national but planetary responses.

The common denominator with all these drivers is that they fundamentally challenge the classical notions of national foreign policies as practiced through much of the twentieth century.

The core principle is this: effective responses to these great globalisation challenges of our age now make international collaboration not optional but mandatory.

Any nation-state that in the twenty-first century believes that their foreign policies are totally autonomous is not being honest with itself – or for that matter, with its people.

In many respects, this goes to the heart of the dilemma faced by many democracies today – namely that increasingly the levers that are necessary to deliver real policy outcomes for problems within nation-states, now lie beyond the power of individual nation-states to effectively control.

We now see this in practically every policy domain - most recently and dramatically of course with the rolling global financial crisis and subsequent economic crisis that has challenged us all over the last five years.

Of course international relations theorists have been predicting this for some time in what they call “the collapse of the great divide” between the classical divisions of the foreign and the domestic, the internal and the external and the national and international.

In fact it’s perhaps ironic that international relations theorists, less than a century since their discipline formally came into being with the Department of International Relations at the University of Aberystwyth in 1919 under the legendary E. H. Carr, are now predicting the demise of their own classical discipline in the face of the globalisation onslaught.

Globalisation is, therefore, one of the three great change-drivers of our age – together with the great global challenge of sustainable development and the rise of China.

My overall point, however, is this: globalisation means that significant countries and economies such as Canada and Australia will now find themselves comprehensively engaged with new forms of global governance that will challenge much of our traditional thinking and conventional approaches to foreign policy.

We already see this writ large through the councils of the G20 of which Canada and Australia are members.

The truth is the global jury is still out on the long-term effectiveness of the G20.

It is generally accepted that the G20 performed critical, emergency surgery and immediate response to the Global Financial Economic Crisis between 2008 and 2010.

In particular we prevented a global collapse and a global depression through the critical decisions taken at the London Summit of March, 2009.

But as Paul Krugmann notes in his most recent book, as of November this year, the crisis will be of five years duration and with mass unemployment levels and bleak economic growth prospects afflicting nearly half of the global economy today. We in Australia and you here in Canada continue to watch developments and policy responses both in Europe and the United States.

For example, the current state of Spanish bond yields indicates that international financial markets as yet do not conclude that European public policy responses have been sufficient.

This makes the stakes for the entire global economy therefore very high. And behind the scenes, Canadian and Australian policy makers and regulators are engaged in unprecedented levels of common engagement across the entire apparatus of the G20, the Financial Stability Board and the Basel Committee and on a rolling basis between our respective central banks.

The truth is the global economy is not out of the woods yet and I believe we face a difficult six months ahead.

Economic globalisation and the unprecedented volatility of global financial markets and the worst economic crisis since the Great Depression are but one example of the growing challenge of global governance which all countries, all governments and in particular all foreign ministries around the world now confront.

Australia's Foreign Policy Approach

Australia, as the twelfth largest economy in the world and the fourth largest in Asia, sees itself as a middle power, animated by enduring and universal values and activated by both global and regional interests.

The globalisation of security, the economy, and environmental challenges leaves us with no option but to be globally engaged – as one of my distinguished predecessor's Gareth Evans described, "in the tradition of good international citizenship".

Just as the dynamics of the Asia Pacific century require us to be comprehensively engaged in the affairs of Asia.

For Australia, these are not alternatives.

Current global and regional realities require us to do both.

Globally, we are active in the G20, the UN, the Bretton-Woods institutions, and now with new treaty relationships with the European Union, new military cooperation agreements with NATO and new institutional engagements with the African Union, the Gulf states, the Indian Ocean states, and MERCOSUR, SICA and CARICOM in Southern and Central America and the Caribbean.

Australia is also increasing its international development assistance with a 0.5 of GNI by 2016 and at five billion US per annum we are among the top ten aid donors in the world.

As current Chair of the Commonwealth, we are also seeking to enhance its global effectiveness as well.

Within Asia, we are now fully engaged with APEC, the ARF, the East Asia Summit, a Free Trade Agreement with ASEAN, the Trans-Pacific Partnership – together with our long standing central role in the Pacific Island Forum.

In advancing our engagement both globally and regionally, we seek to do so through what I have called creative middle power diplomacy for a range of current challenges.

Canada, of course, has a rich tradition in this respect.

We have sought to apply these principles - including the work of the G20, the expansion of the EAS to include the United States, leading global advocacy for a no-fly zone in Libya when that country's future was in the balance and, through early foreign ministerial engagement with Burma in our efforts to help bring that country in from the cold.

Current Challenges of Global Governance

As we confront the significant global challenges of our time, however, I believe we are also facing an increasing crisis of the effectiveness of global governance.

I believe UN Secretary-General Ban Ki-moon has been seeking to provide strong, global leadership on how we make the institutions of global governance more responsive and more effective in dealing with the challenges of the day.

Nonetheless the UN Secretary-General has at best had variable support from UN member states.

The UN Security Council remains deadlocked over Syria – a humanitarian crisis unfolding before the eyes of the international community.

The World Trade Organisation has failed to deliver the new Doha Round.

Many states are walking away from their MDG commitments.

Progress at Rio+20 was at best marginal.

The UNFCCC has yet to deliver a binding treaty on climate change.

That is not to say that the multilateral system is failing on the ground in many of the humanitarian challenges we currently face. Were it not for agencies such as WFP, UNOCHA and UNICEF, together with the daily acts of bravery by UN peacekeepers in multiple theatres around the world, we would be witnesses to humanitarian disasters the world over.

It is for these reasons that I have always been a resolute defender, supporter and advocate of the UN system.

As Churchill once famously remarked on democracies: “it is the worst system of government anywhere in the world, except for all the others”. So too for the United Nations: the worst system of international governance in the world, except for all the others.

There is therefore, a responsibility that confronts all governments and all peoples of good heart, good mind and good will, to work to make this so-called “parliament of man”, and the international rules-based system in general, more effective in responding to the challenges of our time.

Within this framework, I believe there is an increasing necessity for the middle powers of the world increasingly to form coalitions of the policy-willing to try to broker the compromises necessary to make the system work more effectively than it has in the past.

Hence my repeated statements in support of creative middle power diplomacy on Australia’s part in responding to a range of global and regional challenges.

Of course creative diplomacy is not reserved for middle powers alone.

The UN P5 are engaged in these challenges on a daily basis in New York.

So are other groupings of states around the UN system, including small states as well.

We are all familiar with the concepts of MPI's (middle power initiatives) and CPI's (constructive power initiatives) around the debates concerning the enhancement of the current international system.

In fact, when I was in Waterloo yesterday with the Canadian Centre for International Governance Innovation (CIGI) I was briefed on its recent work on the constructive powers initiative of managing regional and global security.

However, my overall point is this: small and middle powers have a combined and fundamental interest in making the international rules-based system work.

Ultimately, small and middle powers rely upon the integrity of the international rules-based system.

The difference with great powers is that by definition they have greater capacity to act independently in protection of their own interests.

This was one of the reasons for the distribution of powers within the UN Security Council and between the Security Council and the General Assembly when the UN charter was debated and determined in San Francisco two thirds of a century ago.

Again one of my distinguished predecessors, Foreign Minister Evatt, helped lead the charge on this on behalf of the small and middle powers so assembled and to the considerable aggravation to the great powers of the time.

Therefore, my argument is this: whereas all states have an interest in the system working effectively, small and middle powers have an acute interest in it working effectively.

And it follows from that that our collective diplomacy must be equally acute.

There is a further piece of logic to this as well: namely that creative middle power diplomacy or constructive power diplomacy, for it to be effective, must not simply be an exercise in the prosecution of our respective national interests.

It may be that we have to throw our combined diplomatic resources behind an initiative which has no direct bearing on any of our national interests as such.

But if such an initiative is in defence of the integrity of the international system itself then it also has an indirect value – the logic being that none of us know the day nor the hour when we may require the integrity of the international system to be brought to bear on a challenge which does directly effect our national interests.

In other words, the international rules-based system in all its dimensions very much represents a global public good in which we must all continue to collectively invest.

If we fail to invest in this public good, then ultimately it degenerates, as do public goods within our own national systems when they are starved of sustained investment.

Therefore the time has well and truly come for middle powers and/or constructive powers, armed with this mission statement, but also presenting the political, economic and diplomatic networks necessary to also make things happen in the international community, to apply their collective shoulders to the wheel.

I am not here talking about another series of worthy conferences on UN reform.

I am sufficient a realist to know where those conferences ultimately end up as they confront the deeply entrenched power realities of the current international system.

No, I am not talking about structural reforms.

I am primarily talking about the convening of a coalition of the policy-willing drawn from different geographic groupings, to work creatively and constructively on the major issues that are currently before the international system.

In contemporary management literature, many problems before the international system could be described as “truly wicked”.

In other words they are multidimensional in nature and involve multiple parties (governmental and non-governmental).

These problems require intelligent people as well as politically literate people, to brainstorm their way through the detail of the individual problems of the day.

As we are all too aware in this room, many of our international institutions seem to exist for the primary purpose of simply recording our national positions, often without anybody taking responsibility to drive these national positions to an international conclusion.

However this requires genuine diplomacy and creativity on the part of individuals and states to wrestle these problems to the ground.

Take for example the particular challenge of what the international community often refers to as fragile states or fragile situations. The World Bank concludes that against most measures of security and economic vulnerability, fragile states or fragile situations cover about 1.5 billion people around the world across more than a quarter of UN member states.

Creative approaches to responding to the problems of fragile states would necessarily embrace conflict prevention, conflict stabilisation, peace-keeping, humanitarian assistance, economic development, together with peace and reconciliation processes among the conflicting parties.

Absent the effective and integrated application of these approaches, the World Development Report tells us that based on their analysis of post-1945 inter and intra-national conflict, the repeat cycle for this conflict is about every seven years.

Of course, we cannot apply a simple, universal template to each and every crisis.

What is required however is for constructive powers within the UN system to devise a menu of template responses which can then be tailored to individual national circumstances.

Otherwise, we find ourselves in the continuing process of reinventing the wheel, or the wheels falling off altogether.

The World Economic Forum recently invited me to chair their Global Governing Council on Fragile States with a view to reporting the great and the good (and sometimes the not-so-great and the not-so-good) when they gather in Davos next January.

This work is of course outside the formal structure of the UN system.

The purpose, however, is to add value to the UN system, and to obtain the support of constructive powers around the world in enhancing the effectiveness of the multilateral system in at least one area of some importance.

My overall challenge, however, is this: we need coalitions of the policy-willing formed around the various fracture points, and the current intractable issues that currently confront the international system.

If such coalitions of the policy-willing are capable of devising creative diplomatic solutions to long-standing problems, then of course they still have to be socialised into the formal multilateral system and then legitimised by appropriate multilateral decision.

My fear however is this: for those of us who are mindful of the bloody, destructive and often wretched pages of global history, for those of us who therefore believe in the intrinsic importance of the integrity of the international rules-based system in helping build a different future, unless middle powers and constructive powers act together to preserve and enhance this global public good, then the current international system may well die the death of a thousand cuts.

Implications for Foreign Policy and for Foreign Ministries

To conclude, let us ask ourselves the question how our respective national foreign ministries are best equipped to deal with these challenges of the future.

As foreign ministries and as diplomats, one of our principal responsibilities is to interpret what is going on in the world and our respective regions to our domestic policy processes.

This is an increasingly complex task when many other agencies of state are also actively engaged internationally.

Historically, this was rarely the case when foreign ministries were by-and-large the singular international actors.

Nonetheless my argument is this: foreign ministries have a singular responsibility to analyse and aggregate global developments as they will impact on the whole of our national governments.

Not just security implications.

Not just economic implications.

Not just environmental implications.

Not just the immigration implications. And not just the consular implications.

Our job within our respective national systems is to analyse and integrate the totality of our global engagements and to chart an integrated national response.

I believe the current international system is suffering from an increasing failure of integrated analysis.

Our national political leaders are now required to wrestle with challenges of increasing global complexity where it is often difficult to distinguish the wood for the trees.

To define what is strategically important with what always presents itself as tactically urgent.

To be driven by the political headline of the day rather than the policy needs of tomorrow.

If we are honest about it, this is a problem for all of us.

So what then is to be done?

Let me make seven broad reflections rather than recommendations.

First, foreign ministers around the world must see their responsibility as interpreting and interpolating global developments into the domestic policy debate. If foreign ministers don't do that, no one else will. And that's a problem.

Second, foreign ministries must have an institutional capacity to think laterally across global problems not just in their analysis but also in their solution. Historically, many of us have had policy planning staffs for this purpose. However, my experiences with these staffs have become depleted over the years.

That must stop.

These staffs must be radically enhanced and integrated into the mainstream work of policy divisions within our ministries.

Third, and consistent with the second, our ministries must create a new premium on creative policy problem solving. Too often, our ministries are completely pre-occupied with the political issue management of the day. I fully understand and accept the need for that having been a Minister myself. But if our ministries are exclusively pre-occupied with issue management and the mechanical aspects of bilateral and multilateral relations, we are losing sight of our ultimate purpose.

Fourth, we need to instil in our respective ministries a culture of establishing coaltions of the policy-willing across the international community to deal with individual challenges. This should build on the work already done around middle power initiatives and constructive power initiatives. A number of governments are already taking a lead in this respect including Norway, Turkey and Singapore. I commend them for their efforts.

Fifth, our ministries must once again intelligently engage in long-term planning around the major strategic challenges of our time. I've referred already to the need to enhance planning staffs. But here I speak of two particular remits: not only creative problem solving for the issues of the day, but also working out where we need to be in the international community in a decades' time (for example on the critical questions of global sustainable development and agreement on sustainable development goals).

Six, foreign ministries both in their analysis and their diplomacy must engage in the fundamental importance of social media around the world. Not only is social media reflecting change, it is driving change. Furthermore, both around the world and within our own countries, social media is also critical in explaining global complexity and possible response to complex global problems.

Seven, neither governments nor foreign ministries can afford to conclude that they are the repository of all good ideas. Civil society now has not just an increasing voice but also an increasing policy contribution to make in how we deal with the real challenges of globalisation.

In Canada, you have a number of important and constructive think tanks.

Increasingly we do in Australia as well.

As in many parts of the world.

Within the G20 framework, not only have we developed a B20, bringing together the business community of the world's leading economies, but also a T20 (a think twenty) as we begin to bring together the most policy literate think tanks in the world as well.

And once again, this should not be limited to the G20 but to all states with think tanks with a policy contribution to make.

There is today something of a mismatch between what government bureaucracies do on the one hand and what academics do on the other.

Policy advisors and policy makers are routinely described as too short-term and political in their policy engagement.

The academy, by contrast, is equally criticised for being too abstract, too detached and in some cases too unwilling to engage in the political cut-and-thrust of robust policy debate.

While both these criticisms are clearly in the extreme, the truth is that professional, disciplined quality think tanks can occupy a constructive middle ground between policy makers on the one hand and the academy on the other.

And given the truly “wicked” problems we confront today, we need all the help we can get.

I remain an optimist about our capacity as nation-states to continue to reinvent the international system in a manner which does respond to the challenges we face in the future. It will, however, require great political will and professional resolve on the part of us all.

Aujourd’hui j’ai évoqué les défis de la gouvernance mondiale auxquels nous devons faire face. J’ai aussi présenté des pistes de solution pour augmenter l’efficacité d’une gouvernance mondiale.

J’ai ainsi discuté des mesures par lesquelles nos ministères d’affaires étrangères peuvent respectivement contribuer à cette gouvernance.

Mais, en fait, c’est un défi qui nous concerne tous.

Nous ne pouvons pas nous attendre à ce que quelqu’un d’autre prenne charge.

En effet, c’est l’avenir à long terme du système sur lequel nous reposons qui est en jeu.

Je vous remercie de votre attention.