

Canada's Commonwealth Century



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Why now the Commonwealth?

Canada is primed to seize the Commonwealth advantage. It has the ability to pivot from the traditional Atlantic and the Caribbean, whilst looking to the African continent, and then simultaneously turning to the Pacific. Therefore, Canada is uniquely placed to be the new centre point of the Commonwealth. However, this comes with the realisation and responsibility to capture this opportunity.

The Commonwealth in the 21st century should not be seen as just the official organs that act as its public face. In fact, it is rather more about the citizens that make up each small business, entrepreneurial venture, and wealth creator. It is the interactions and exchanges between these individuals that should come to define this new relationship: Online, global, dynamic, and trade focused. Young people play a fundamental part in this future Commonwealth story. Nations and organisations that harness this budding potential for these common ends will renew the Commonwealth and transform it into a healthy and vibrant body.

The economic potential of the whole Commonwealth is there to be recognised by those who are globalist in vision. Research from my book, *Common-Trade, Common-Growth, Common-Wealth* showed that a combined Commonwealth GDP stands at \$8.4 trillion and growing with a total annual growth forecast that averages 3.7%.¹ Its labour force is predicted

to grow 825 million by 2050 and it has seven nations in the top 25 of the World Bank's *Ease of Doing Business* rankings of which Canada is 13th.² The 54-nation club also spans every habitable continent with English its lingua franca, Common Law, and common accountancy practices its notable features.

It is a 2.2bn person network that never sleeps and can be described as the *network of networks*³ with strong relationships in all major economic and political associations. The Commonwealth is home to the international business language with 67% of businesses of the world using English and it also uses the language of the Internet with 84% of global users conversing in English.⁴ Consequently, harnessing the Commonwealth potential is beneficial for all and unwise to ignore any longer.

Canada in the world economy

Every viewer of the Canadian economy will acknowledge that it is anchored to the juggernaut that is the United States, but similarly like the UK current orientation to Europe, Canada must recognise that there is a world outside its biggest geographic neighbour. Canada's distinctive vantage point allows it to look to both the growing markets in Asia and Africa.

However, currently one could still call Canada's economy US dependent, but this crudely only paints half the picture. Pre-2008 figures were showing a \$70-80bn goods surplus with the US, while the latest 2012 stats show a \$32bn goods surplus; however, Canada has a \$28bn US services deficit leaving a \$4bn overall Canadian trade surplus.⁵ The volume of exports in goods to the US is also favourable for Canada increasing by nearly 50% in the last decade from \$230bn in 2000 to \$323bn in 2012.⁶ Despite the US being Canada's largest trading partner by a considerable margin, the UK was until recently Canada's second largest, and therefore biggest Commonwealth partner running a healthy CN\$11.5bn surplus of goods.⁷ Though, China has just overtaken the UK as Canada's second largest export destination.⁸

Canada's West leads to Far Eastern treasures

The world economy is in a state of flux with trade shifting West to East. Canada with its option to pivot from the Atlantic to the Pacific has the ability to diversify successfully with the help of Commonwealth partners. This can be demonstrated by Canada's International Trade Minister, Ed Fast's, nine-time visit to Asia in less than two years.⁹

The capacity of Asia-Pacific Economic Co-operation group (APEC), of which Canada is a member and includes seven Commonwealth nations, has led the way on how to focus on economic advancement over political harmonisation, while the EU pushed for the latter in the 90s. The negotiations to extend the Trans-Pacific Partnership (TPP) are also likely to bolster Canada's place in the East along with five other Commonwealth states. Therefore, Canada has increasing economic relations with key emerging Commonwealth countries. Although, it does not share any bilateral trade deals with Commonwealth nations it is currently conducting Free Trade Agreements (FTAs) with India, Singapore and the Caribbean.¹⁰

Canada: Africa's unexpected parallel

Despite the obvious rush to the Pacific, Canada should not forget its Atlantic view as Africa offers significant possibilities. In fact, Canada should be the world leader in African trade as it has the power to harness its Anglophone and Francophone roots. This bilingualism used for trade not aid purposes will help build greater freedom and prosperity.

The *Canada-Africa Relations: Looking Back, Looking Ahead* is a major and acclaimed work highlighting this current dynamic. It shows that Canadian miners added \$1bn into African capital projects in 2011 alone; however, outside of this industry there has been little involvement in wider African trade. One author argues that there is a parallel between Canada's advancement last century and Africa's in the next – a huge landmass with a generally sparse population and lots of rich resources.¹¹ A further point made is that Canada has been left playing catch up and that this comes at a huge cost. Anglophone Africa has been shown to be developing quicker economically than other languages in Africa and this means Commonwealth nations are in prime position to assist Africa's rise.

One example shows that Canada is focusing on two Commonwealth nations in particular - Nigeria and Ghana. For example, 100 Canadian businesses operate in Ghana and bilateral trade has increased 61% since 2010-11, while Canadian-Nigerian trade has risen 44% to \$2.7bn since 2010. There is now even a Nigerian-Canadian Business Association.

The *Globe and Mail* has also shown that what has once the purview of mining companies Africa is home to many smaller Canadian businesses. Last year, out of the 400 Canadian companies in Africa that *Export Development Canada* assisted, 80% of them were SMEs.¹² However, getting goods to market can be impeded by poor transportation costs that is why Canadian management consultancies, software developers, and educational providers are making the most ground. Meanwhile, fears around stability are rapidly reducing as one only has to look at the *Doing Business* rankings or the *Corruption Perception Index* to see Commonwealth Africa making strides. For instance, Rwanda, Mauritius, Botswana, Namibia and South Africa are all ranked ahead of China and Russia for open commerce.

The Internet is also a huge game changer. With over 80% of the internet spoken in English and the numbers of Africans who have access to the web increasing it is becoming quicker and easier to expand the Commonwealth economically and socially. My research highlighted work from Portland PR, which showed that Twitter usage was far more advanced in Anglophone Africa than in the Francophone.¹³ This should be welcome news to Commonwealth advertisers and businesses looking to gain a foothold in the African market. The same can be said of Internet mobile usage in Africa. Apple is making a cheap iPhone for the Asian market, but shouldn't Canadian RIM be making a cheap blackberry for Africa and increase its market share?

Recommendations: My recipe from Common-Trade

There are also other options open to Canada to pursue stronger Commonwealth ties. One of the recommendations that I have made previously is the creation of a Commonwealth Business Visa – similar to the one used in APEC. Although Canada is an APEC member it is not signed up to the travel card scheme. However, such a visa would allow businessmen looking to set up overseas premises or broker new deals more easily and with lower costs than the current visa process. It is my understanding that this recommendation is being put to the Commonwealth at the 2013 CHOGM in Sri Lanka.

A similar idea is a Commonwealth Realm airport queue that has been muted by Andrew Rosindell, a Conservative MP in the UK. After the London 2012 Olympics and now specifically with the Glasgow 2014 Commonwealth Games it makes for strange viewing to

see EU nations having their own queue, while Commonwealth nations are stuck in a slow moving International queue as if they were alien and completely foreign. With Canada's growing diaspora of Commonwealth citizens similar to the UK's *Commonwealth from within* it would make for positive public policy to recognise this Commonwealth connection. For instance, an India-Canadian venture was launched in 2011 – *A Year of India in Canada* with the aim of acknowledging the importance of the million Canadians of Indian descent.¹⁴

The idea of a Commonwealth *within* specific nations is growing in importance. A rather humorously written account from the UK Spectator magazine showed how leading Commonwealth citizens, such as the new Governor of the Bank of England, Canada's Mark Carney, are excelling in the UK. On a more serious note, given Canada's freedom to compete for FTAs, any change in the UK's relationship with the EU would allow the UK once more to participate independently in such free trade deals. A UK-Canadian FTA might be possible if the British vote to leave the EU in the prospective 2017 referendum. However, the UK lacks the technical expertise to draft FTAs after 40 years in the EU. One solution would be to rely on market oriented Commonwealth partners, such as Australia, New Zealand, Singapore and Canada that are regularly completing these deals.

Another recommendation is a feasibility study into a Commonwealth stock exchange. A linked stock exchange would create a \$10.6 trillion market of African, Asian, European, North American, and Australasian companies. Despite its ambitious nature there was a precedent with a proposed merger of the Toronto Stock Exchange (TSX) with the London Stock Exchange (LSE) in 2011. However, with the growth of African and Asian exchanges in recent years allowing smaller companies to joint list on their national exchanges and also look to pool funds on a Commonwealth-wide exchange would help raise capital should there be a market demand. From a Canadian perspective more work is needed to assess how TSX would react to such an entity.

Defence – Common ties in an age of uncertainty

A military and defensive component of the Commonwealth is now growing in relevance. The recent wars in Iraq and Afghanistan have seen leading Commonwealth nations participate from the UK and Australia in the former with the additions of Canada and New Zealand in the latter. Furthermore, Canada also recently restored the Royal Title to its Air Force and Navy. In an increasingly uncertain world having military alliances with nations one can trust is of the utmost importance. Intelligence sharing is fundamental in an age of global terror. Elite partnerships such as the *Five Eyes* and *ABCA Armies* programmes convey these enduring ties. A recent Canadian Defence & Foreign Affairs Institute paper said:

Canada will need more intelligence products from the Five Eyes intelligence community, not less, and vice versa. Canadians remain generally unaware of the extent to which Canada's national security relies on Five Eyes intelligence cooperation.¹⁵

Linkages with emerging Commonwealth nations should be made a priority. The British Army already has relationships with its Kenyan counterpart and newer developments in the Middle East,¹⁶ but deeper ties with India, South Africa, Singapore, and Malaysia are the prizes for the 21st Century. Canada should not be afraid to explore this too as part of a Commonwealth core. Its cooperation with other Commonwealth nations - Jamaica and Belize - in the war on narcotics trade is one such regional affiliation.¹⁷ Conversely, the UK's latest policy has been muddled. On the one hand, soldiers from Commonwealth countries have been disqualified from joining Britain's Armed Forces unless they have lived in the UK for five years. Typically, 500 Commonwealth soldiers are among the 7,000 new recruits each year.¹⁸ This is a considerable shame and does little for Commonwealth relations. On the other hand, the UK has agreed embassy sharing with Canada and has discussed a similar proposal with Australia

and New Zealand.¹⁹ What the Commonwealth needs is a detailed exploration into what their respective militaries want from a closer partnership.

Education – the tool of Commonwealth prosperity

For the Commonwealth to remain relevant in the present and importantly in the future then young people must grasp the potential of the Commonwealth at the earliest occasion. If the Commonwealth has minimal value and adds little to their life chances then it will drift off and be discarded. That is why exchanges in culture, class room lessons, travel, and university must all be encouraged.

The University of Cambridge runs a Commonwealth Scholarship²⁰ that is warmly welcome, while the Association of Commonwealth Universities²¹ provides a loose alliance of higher education institutions. However, it has been over 100 years since the world renowned Rhodes Scholarship was established.²² A new 21st century legacy must be created for a new Scholarship that encompasses the business and entrepreneurial spirit of the Commonwealth.

In schools, the Commonwealth should not be taught as a bygone era of history. Instead references should be made where possible in business, economics, geography, and politics to underline the pervasiveness of the Commonwealth. Ideas such as online Commonwealth pen pals to the reintroduction of exchange programmes should become the norm. Over time, young people will grow up to understand that Commonwealth nations are not foreign, but friendly and welcoming places to travel and do business.

There is also a warning that if Commonwealth nations remain inert on this issue then China with its political and educational customs will gain hegemony, which may lead to the undermining of the Commonwealth's soft power. This ranges from the Rule of Law, democratic institutions, a free press, Common Law, and even the teaching of the English language could be under threat if countries fail to respond to the challenge.

Canada's next brave step towards the Commonwealth frontier

Canada has a latent power yet also a clear vantage point to utilise the Commonwealth for the benefit of millions of people globally. It has its own Commonwealth envoy, Senator Hugh Segal, to advocate for such an augmentation in economic and foreign policy. Its ties in Asia, Africa, and India both home and abroad can be better understood through a Commonwealth lens bringing with it greater harmony and prosperity.

To that end, this is why I set up Commonwealth Exchange (CX), a new foundation established to forward the Commonwealth with a particular focus on trade, educational, and defensive connections. I am a firm believer that trade should flow as fluently as the English language between its members and our motto is that *technology advances people and progress*. CX recognises that the Commonwealth must be in the minds of every businessman and the hearts of every young man or woman. The Commonwealth's longevity resides in younger people finding value in it and interacting with the world on this basis. Canada has a vital part to play in this future journey and with the Commonwealth in short supply of recruits from industry, business, and education it is time for Canada to answer the call.

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