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Canada's Foreign Policy: Principles and Priorities for the Future  
A Report of the Special Joint Committee Reviewing Canadian Foreign Policy  
A Review and Analysis of the Report's Recommendations  
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**Canada's Foreign Policy: Principles and Priorities for the Future  
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**A Review and Analysis of the Report's Recommendations  
(Program Unit, CCIC, November 1994)**

**1. Introduction**

The release of the Report of the Special Joint Committee<sup>1</sup> on November 15 represents an important milestone in the Liberal government's commitment to review the principles, objectives, and priorities that should underlie its foreign policy. The review process itself, while limited by an immense task and short deadlines, was consistent with the government's commitment to openly consult Canadians in its foreign policy making. Indeed, NGOs in general and CCIC members specifically, can take pride in the strength and consistency of their contributions to the review. In no small measure, the Committee has taken account of these views at many points in its Report. There are some strong recommendations and accompanying analysis for NGOs and others to promote with government to develop further and implement.

At the same time, Canadian NGOs can only be deeply disappointed in the issues upon which the Report chooses to focus its attention, in its lack of a comprehensive framework for Canada's international relations, and in the paucity of concrete, bold recommendations in many key areas..

CCIC circulated a preliminary analysis of the Report on November 16. The analysis below takes a more in-depth look at the Report's approach to foreign policy, its strengths and weakness, and its recommendations. Our point of reference is the agenda and strategy outlined in CCIC's brief, *Building and Sustaining Global Justice*. We also propose some directions for ongoing consultations with government as it considers the Report and sets out its foreign policy agenda (in January 1995).

**2. The Context and Framework for Canadian Foreign Policy**

In its opening chapter, the Report quotes favourably the comment by CCIC's Executive Director, Betty Plewes, that "the national interest has a vast global dimension....We think this moment calls for us to be cooperative international citizens" (9). The Committee

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<sup>1</sup> All references to the Report of the Committee are references to the majority Report. We acknowledge that there are two minority Reports released simultaneous to this Report which may take up some of the points we make below. We provide some comments on these two Reports at the end of this analysis.

absent and presents a narrow Canadian-centric view of the forces of globalization. Globalization limits Canada's power as a nation to act effectively to achieve foreign policy goals.

## 2.1 Global Poverty and the Challenges Facing Canadian Foreign Policy

Remarkably, there is no substantial analysis of the growing and changing dimensions of poverty in the world. The fact that 1.3 billion people, or 1 in 3 people in the South continue to live in absolute poverty with incomes unable to support the most basic requirements of life receives no mention in a section which describes the key elements of the "changing global scene" and their influence on Canadian policy. CCIC and many of our members have argued that these inequities and injustices, and their link to economic, political and cultural globalization, were the fundamental challenge facing Canadian domestic and foreign policy. The Committee implies that we have missed the mark when it notes that "the divide between rich North and poor South is becoming less distinct and therefore less useful as a policy guide" (4). The only other reference to poverty (in this section) is a recognition that "the gap between rich and poor is as great within the South as it is between the North and South" (4). But the Committee draws no conclusions about the challenges this disparity presents for Canadian policy makers. In their words, "the whole notion of the Third World has become obsolete" (4).

## 2.2 A Coherent Values-Based Framework for Canadian Foreign Policy

The Committee properly acknowledges at several points that one of the strongest messages it received from Canadians is the importance of a clear values-based framework for an active Canadian foreign policy. The Report identifies many of the values commonly heard throughout its hearings and suggests that they "can serve as criteria for consistent policies, policies that should be principled but pragmatic, idealistic in concept but realistic in application" (8). But when it comes to articulating the "New Foreign Policy Agenda" the Committee seems to omit reference to values in its "guiding theme" for this agenda, where "the most important global requirements for the 90s and beyond are for shared security, shared prosperity, and shared custody for the environment" (9). The "moral imperative for responsible citizens" (9) is restricted to helping alleviate poverty and contributing to sustainable development for developing countries.

Based on many of these same values, CCIC had argued that the primary goal of Canadian foreign policy should be global justice and sustainability: Our brief stated that "global justice is achieved through the promotion of the full range of human rights and human-centred development that is sustainable over the long term and respectful of the planet's ecosystems". We had urged that this framework be used to address all areas of international policy, including trade and economic relations, official development assistance, and international security. A major failing of the Report is this absence of any integrating values-based framework for Canada's role in the world which would then be applied to all subsequent

discussions in the Report of foreign policy priorities. Yet at different points in the report the Committee refers to key goals for Canada. (see Figure 1) Properly ordered and applied, these goals might have provided the missing framework.

### **Figure 1: The Goals of Canadian Foreign Policy**

1. **Overarching Goals** "...[The most important global requirements for the 90s and beyond are for shared security, shared prosperity, and shared custody for the environment" (9). "The Committee recommends that Canadian policy be driven by the need to protect our vital interests: the preservation of Canadian sovereignty and independence, and the capacity to play the sort of active and independent role in the world that Canadians demand...." (77)
3. **International Economic Goals** "In the next century the key to Canada's involvement in the global economy will be its ability to build mutually rewarding trade and investment links with the new trading giants who will be our neighbours to the east, to the north and to the west. To do this we need a genuinely international orientation for Canadian business that can see the world beyond the confines of North America." (29)
4. **Sustainable Development** "The Committee is convinced that sustainable development is of key importance as an overarching foreign policy theme." (41) "Sustainable development is important to the well-being of individual Canadians, and to our national, regional and global security. It is fundamentally linked to our trade and economic relations. It is part of the identity that we project abroad. It is the basis for our development cooperation." (42)
5. **International Assistance** "The Committee affirms that the primary purpose of Canadian Official Development Assistance is to reduce poverty by providing effective assistance to the poorest people, in those countries that most need and can use our help." (48)
6. **Human Rights**: "The Committee affirms that human rights, good governance and democratic development are universal values that should find central expression in Canadian foreign policy, influencing and guiding other areas of policy. Canada should seek to promote the global respect of these values through a wide range of instruments, including dialogue and programs of cooperation." (54)
7. **Culture** (Chapter on Projecting Canadian Culture and Learning Abroad): "The projection of Canadian culture and learning abroad should be regarded as a fundamental dimension of Canadian foreign policy." (61) "The Committee strongly recommends that international cultural, scientific, and educational affairs should be treated as a fundamental dimension of Canadian foreign policy." (65)
8. **Multilateralism**: "The future thrust of Canadian foreign policy should be "directed multilateralism", targeted at the multilateral institutions best suited to Canadian requirements." (81) "It should ...be a primary objective of Canadian foreign policy to help develop [a multilateral] rules-based [international] system in areas of concern to Canadians." (2) "...[I]t is clearly in Canada's interests to do what it can to resist being marginalized in North America, to build as many bridges as possible between continents, and to prevent the formation of rival blocs." (81)

The seeming absence (and partial presence) of a framework is key to understanding much of our concerns regarding the wide range of recommendations which the Committee puts forward. The statements are positive but lack integration. To grasp the reason for this absence one must search through the report for other rationales for the Committee's approach to Canada's international relations. The most comprehensive outline of the Committee's approach is in Chapter 7, "Where Canada Fits In". Here it becomes clear that this approach is rooted in a more traditional "vital interests" orientation to Canada's external policies. "The Committee recommends that Canadian policy be driven by the need to protect our vital interests: the preservation of Canadian sovereignty and independence, and the capacity to play the sort of active and independent role in the world that Canadians demand...."<sup>2</sup> (77)

The assessment of these vital interests is regionally based: "*looking from one region to another...Canada's vital interests emerge as distinct policy objectives: strengthening shared security, promoting trade and building shared prosperity, sharing sustainable development, alleviating poverty, and projecting Canadian culture abroad*" [emphasis added] (80-1). In Africa our interests are primarily "development aid, humanitarian and social justice issues", while in Latin America "trade and investment aid (sic.), and to an increasing extent security" define our interests.<sup>3</sup> For Asia, "Canada is interested not only in the economic progress of the region but also in its political stability and its security" (79-80) to support expanded trade and investment links. With differing interests in different regions of the world and multilateral fora (and with a strong emphasis on managing our traditional relationships with the United States and with Europe), it is not surprising that Canada's key goals manifest themselves under different thematic chapters rather than as an overarching policy framework within which our various interests are analyzed and realized. This latter alternative would have required a transformation in Canada's approach to international relations based on the concept of shared interests and global citizenship rather than more narrow national interests.

### 2.3 Policy Integration: Security and Sustainable Development

At various points, the Report mentions the need to integrate more effectively the multiple strands of Canada's international policies. At one point it refers to the adoption of a broader concept of security ("encompassing both military and non-military factors". It then focuses on traditional security issues. There are similar references to sustainable development as an integrating concept. On a positive note, throughout the Report, there is a recognition that "the ability to mobilize resources [for foreign policy] depends on a country's human and physical

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<sup>2</sup> While the recommendation appears in a section devoted to Canada-US relations, it is applied in the next section reviewing Canada's regional interests. The commendable goal here to preserve Canadian sovereignty and independence is not reconciled with earlier concerns about the impact of globalization upon sovereignty.

<sup>3</sup> Apparently we have no interests in the Caribbean as this part of the Americas warrants no comment.

attributes but beyond that on a sense of purpose that comes from a successful combination of national goals and international responsibilities" (3). Foreign policy is domestic policy and domestic policy is foreign policy. The Committee has a commendable chapter on "Sharing Sustainable Development", where they assert that

"sustainable development is important to the well being of individual Canadians, and our national, regional and global security. It is fundamentally linked to our trade and economic relations. It is part of the identity we project abroad. It is the basis for our development cooperation." (42)

It is disappointing that the Committee was not able to go beyond such broad statements of intent to an in-depth and practical discussion of these linkages.

At the policy making level, the discussion of implementation mechanisms for a broader notion of security is confusing. The Report notes that "policies on the environment, trade and development assistance relate directly to our security" but at the same time, "they are sufficiently distinct ... to warrant specific treatment rather than lumping them indiscriminately in the security basket"(11). In the same section, however, the Committee has a positive recommendation for "the establishment of a high-level government mechanism, such as a Cabinet Committee" and "a restructuring of the relevant Standing Committees of Parliament, in order to ensure that the various elements of security are addressed in an integrated manner" (13). There is no details on how this goal might be achieved. There is no analysis of current coordinating mechanisms (or their absence). There are no explanations of how different Canadian policies often work at cross-purposes or in isolation from each other. In fact, the lack of real coordination between the Foreign Policy and Defence Policy reviews is a case in point. The absence of a defining framework for foreign policy in the Committee's Report itself limits the potential for real policy integration.

### **3. The Promotion of Human Rights**

The Council and many of those appearing before the Committee suggested that the achievement of sustainable human development in domestic and international affairs is predicated on the promotion of the full range of internationally recognized economic, social, cultural and political human rights which have both an individual and collective dimension. The Report acknowledged this debate (53) and does recognize the importance of human rights issues "as legitimate subjects for international concern, and even international intervention" (6). It suggests that "Canada should seek to promote the global respect of these values through a wide range of instruments, including dialogue and programs of cooperation" (53). But there is no focused discussion of this "wide range of instruments" and their application to Canada's foreign policy goals. How might they be brought into play in a proactive agenda for Canada internationally (and domestically) on human rights? How do these instruments interact with and affect the conduct of foreign policy by government and civil society?

The question of labour rights is raised in the context of trade policy. The Committee's

approach is a multilateral one but focuses exclusively on the role of the World Trade Organization (an organization in which the G-7 will dominate) to formalize rules in this area. The Committee's preoccupation with the imposition of sanctions in extreme situations of human rights abuse is important. But the absence of a more complete discussion of human rights policy leaves the impression that the Committee thinks other Canadian interests (primarily trade and investment) should prevail.

The Committee's approach to democracy and good governance as the institutional strengthening of government and the formal electoral process further narrows the Committee's purview and integration of human rights issues. They largely miss the roles played by organizations in civil society in building democratic societies. Canadian NGOs, human rights organizations, and research centres have set out a range of sophisticated and mutually reinforcing instruments at both a multilateral and bilateral levels which the government could implement to strengthen the participation of people in decisions which affect their lives. Without a fuller discussion of these policies and practices through which human rights would "find central expression in Canadian foreign policy (54), the Committee's commendable references to increasing democracy, transparency, and peoples' participation in structures and policy implementation throughout the Report ring require much further consideration.

#### **4. Reform International Assistance**

The Report offers an important defence of the role of official development assistance (ODA) in changing conditions for the many millions of people who continue to live in conditions of appalling poverty, particularly in the poorest countries and regions, many of which are in Africa. At the same time it recognizes the criticisms which have been directed at CIDA, the multilateral aid institutions, and NGOs and sets out six important steps which we also consider critical for the successful reform of Canadian ODA.

The Committee focuses its attention on a legislated mandate, the separation of trade and aid, the reform of conditionality, the targeting of assistance, the focus on results, and aid volume. These policy areas closely correspond to those raised by CCIC's members throughout the hearing process. Our concern is that the elaboration of each of these areas remains too undeveloped (and at times confusing). Both a clarity of purpose and direction for ODA and a moral imperative that places global equity at the centre of Canada's foreign policy are required if fundamental reforms are to have political urgency in the face of institutional inertia and competing foreign policy agendas.

##### **4.1 Mandate**

The Council has supported the notion of a legislated mandate for ODA since it was first raised by the Winegard Committee in 1987. Support for this recommendation from the Committee is strong and commendable. The Council concurs with the Committee that the mandate

should "consist of a combination of fundamental principles and well defined priorities" (48); but we are concerned that the Committee failed to clearly set out the principles it sees as important to include. The Report affirms that "the primary purpose of Canadian ODA is to reduce poverty by providing effective assistance to the poorest people, in those countries that most need and can use our help" (48). This is indeed an important goal, but requires clarification through accompanying principles and defined priorities. The status of these latter principles and priorities in relation to the mandate as proposed by the Committee is not clear. Principles relating to partnership, self-reliance and people-centred development are found in the current Development Charter.

Based on earlier references to the centrality of sustainable development in the Report, consideration might have been given to a goal statement which follows CCIC's proposal that "the main goal of Canadian ODA should be sustainable human development: eradicating poverty and its causes and empowering people". The Committee does give strong support to sustainable development with an emphasis on human capacity as a framework for ODA when it recommends "that the Canadian aid program apply sustainable development as its basic policy framework, with a primary focus on the development of human capacity" (48).

No targets for aid volume are set for this framework and the definition of sustainable development is a vague and incomplete list of ingredients (49). These components miss the important role of empowerment in realizing sustainable development. The strengthening of autonomous community organizations, of women's groups, rural and urban peoples movements, is central to increasing the capacity of the poor to represent their own interests for greater equality and to participate directly and effectively in social, political and economic life of their country.

The approach of the Committee to development itself is never spelled out; it seems (by extrapolation) to be understood as a series of mutually reinforcing social, economic and institutional policies leading to economic growth, policies in which the poor receive special attention as a target population. This has been the approach of the major donor institutions and governments, and many NGOs as well, to development for the past three decades. Indeed, as the Committee notes, during this last decade there has evolved "an unprecedented degree of consensus on what makes good development policy" (48). However, that consensus, largely donor driven, has not been shared by Southern participants in the development process and by many NGOs. The latter have questioned the focus on economic growth, economic liberalization and the "project-oriented" approach to poverty alleviation.

Southern and Northern NGOs have called for major reform of current donor policies towards the South. In their view, these reforms should clearly address the urgent need for greater global equity and justice for the increasing numbers of people living in poverty. In this context, the Council called for a reform of Canada's multilateral and bilateral policies to promote these goals. Key to effective development programming for poverty reduction is a strong policy link between an overall framework which deals with the macro-issues of



equality in North South relations and development cooperation initiatives for sustainable human development as a societal process of change for the poor. The Committee has addressed (sometimes in passing) some of these macro issues relevant to the South (e.g. debt reduction), but the absence of the broader policy framework has restricted concern for social justice to ODA policies and programs. Moreover the Committee does not acknowledge the wide-ranging discussions by Northern donors and in the South on the failures of ODA and its need for fundamental reform.

The six program priority areas identified in the Report<sup>4</sup> are essential for an effective approach in ODA to sustainable human development. With the commendable addition of public participation these are CIDA's five current interim program priority areas. Unfortunately the Report does not give much direction to CIDA on the agency's prevailing approach nor suggest how they converge into a reform agenda for ODA:

- a) The target of 25% of ODA for basic needs follows the Liberal's Red Book recommendation, while accepting CIDA's own calculation that 20% is now allocated to basic needs.<sup>5</sup> The 1994 UNDP Human Development Report places Canada's bilateral contributions to human development priorities at 9%. The North South Institute has calculated that only 5% of bilateral aid to the 10 recipient countries with the largest number of poor people goes to human development priority areas.
- b) The narrow focus in government institutional programming for good governance and democratic development fails to address the role of civil society.
- c) The Committee's approach to the participation of women is quite traditional. Most people living in poverty are women. Policies are required that not only assure that women are equal participants in development but also take account of the specific reality of women and the need to change gender-based relationships of power affecting women's interests in all programs and foreign policy initiatives. There is also no reference to policies which promote women in senior leadership positions in national and international bodies (e.g. the United Nations).
- d) Environmental sustainability here is rather narrowly conceived as a sectoral focus on natural resources and indeed the government's own policies on environmental impact for all government programs go beyond this orientation.

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<sup>4</sup> Basic human needs (to rise to a minimum of 25% of ODA); human rights, good governance and democratic development; participation of women; environmental sustainability; private sector development; and public participation.

<sup>5</sup> This 20% is a calculation based solely on allocations within bilateral assistance programs and not for ODA as a whole.

e) The attention to cooperatives, micro-enterprise programs, and accessible credit in the private sector program is commendable. Questions remain regarding the impact on the poor of other aspects of the Report's emphasis on private sector roles in the areas of trade, the free movement of capital, and structural adjustment.

f) Finally, the section on public participation takes no note of development education, an area in which Canadian NGOs have had a strong 25 year record, with many innovative programming initiatives in linking Canadians in their community to global issues. While scholarships and exchange programs make an important contribution, they don't often engage the broader Canadian public as do NGO programs.

Overall there is little attempt to relate these priorities to other foreign policy goals, neither in economic policy nor through a broad and common security agenda. But the Committee's significant recommendation that Standing Committee on Foreign Affairs and International Trade hold regular reviews of Canadian ODA and involve maximum participation by Canadians will provide an important opportunity for the clarification and elaboration of new directions in ODA.

#### 4.2 Trade and Aid

Significantly, the Committee supports the removal of trade promotion from CIDA's mandate, and affirms that "the purpose of the Canadian aid program is *not* to promote Canadian trade (emphasis in the Report). Yet in the next breath, it says that "it is entirely appropriate for the CIDA private sector development program...to encourage trading relations with Canada". This recommendation is highly confusing. The recommendation to strip CIDA of all responsibility for trade promotion is all the more suspect in light of the Report's focus on trade promotion of Canadian business as a key component of foreign policy. What criteria does the Committee propose to distinguish the use of ODA as trade promotion from the use of ODA as an encouragement of trade relations?

CCIC continues to recommend that all activities now funded through CIDA windows whose primary goal is the extension and promotion of Canadian trade and investment be consolidated outside of the ODA program in the Department of Foreign Affairs and/or in the Export Development Corporation. In the Committee's own framework for ODA, the objective of the private sector development program is *not* "to encourage trading relations with Canada", but rather, sustainable human development aimed at poverty reduction.

#### 4.3 Reforming Conditionality

Again, there is much for which to commend the Committee in its recommendations on

the reform of aid conditionality at both the bilateral and multilateral levels. This is indeed an area where NGOs and their partners in the South have made their strongest critique of the current consensus on development. These critiques are acknowledged in the Committee's Report, and some recommendations are made to address them.

Committee proposes a target of 20% tied aid by the year 2000. However, it does so only in the context of an agreement at the OECD among donors. While recognizing the increased costs to recipients in tied aid, there are no initiatives for further untying of Canadian aid in the Report.

The Committee seems to recognize the impact of structural adjustment programs (SAPs) on Southern people, particularly women and those living in poverty. It suggests that CIDA "pay special attention to their effects on the poor and the provision of assistance to protect vulnerable groups" (53). At the same time, it accepts a recommendation by the North South Institute "that the reduction of poverty should be a central objective of structural adjustment programs, not just a compensatory concern...." (52). The emphasis on the poor is indeed commendable; however, further work is required regarding specific conditionalities to realize this goal. The Committee's only reference is to the reduction of excessive military expenditures and the increased transparency of government operation. While important, these are hardly sufficient for effective poverty-oriented SAPs. It is also regrettable that the Committee's discussion of the International Financial Institutions is not linked directly to these recommendations on conditionality.

The Report suggests agreement with CCIC's proposal for Development Pacts, "that structural adjustment policy reforms cannot be simply a one-way street coming from the donors and imposing prescriptions from above and outside without the participation of groups within civil society affected by these policies" (53). In doing so, the Committee recognizes the importance of placing development assistance within a framework of more equitable and reciprocal relations between Canada and southern countries. While significant in the text, no recommendation made on these issues. The implications of this new approach seems to have had no impact on other issues arising from ODA, nor on security, the international projection of culture, nor economic relations.

#### 4.4 Targeting Aid

CCIC is encouraged by the Committee's call to "maintain the current high share of assistance to Africa [45%]" (54) and the recognition that "it is possible to see another Africa – an Africa of change and transition" (54). This appreciation of the role of aid for poverty alleviation and African recovery is not complemented by a similar understanding of the development needs of the poor in the other regions of the South. This section ignores its own comment that "most of the world's poorest people do not reside in countries classified as least-developed" (48). There is also no attempt to apply the earlier criteria that choices be made on the basis of a focus on the poorest people, the selection

of countries based on need reflecting "broader measures than simple per capita GNP", and a minimum absorptive capacity for Canadian assistance (48). Simple geographic targeting does not respect more substantive criteria (witness earlier decisions by the Conservative government to reallocate funds in Africa away from some of the poorest countries by the Conservative government) nor the range of policy options that can be brought to bear on the eradication of poverty around the globe. The Committee does suggest, however, that the Former Soviet Union should receive the attention of a broad range of foreign policy instruments to promote Canada's interest in peace and security.

#### 4.5 NGOs and Results

Despite the many briefs submitted to the Committee from NGOs, attention to the roles of Canadian NGOs in Canada's foreign policy in general and in our relations with Southern countries and partners receives only passing attention. The greatest concern is about the number of NGOs; but at the same time, the Committee recommends "that the share of allocations to partnership programs be maintained, and even increased, where partners have a clearly demonstrated record for effectiveness and efficiency...."<sup>6</sup> (56-57). It is nevertheless disappointing that the Committee does not analyze and make recommendations about the roles of Canadian NGOs within the broader framework of foreign policy. For example, NGOs can be important sources of information and channels of assistance in situations of human rights abuse. The one exception to this comment is the recommendation of support for consolidating the roles of NGOs at United Nations fora, building on the experience of UNCED. (82).

#### 4.6 Aid Volume

The Committee recommends that ODA volume be stabilized at the current 0.4% of GNP and that the government "seek to make progress towards the 0.7% target when Canada's fiscal situation permits" (58). This is a recognition of the current fiscal targets of the government (which could lead to significant additional cuts to ODA in the February 1995 budget) and the downward trend in ODA volume in recent years. Projections for the 1994/95 ODA/GNP ratio is 0.38% and further cuts (some projecting 15% - 20% over three years) could reduce it to 0.30% by 1997, well below the OECD average. Equally important is progress on reform to make ODA more transparent in its goal to support the world's poorest through sustainable human development.

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<sup>6</sup> They go on to suggest that "CIDA should be guided by the strength and depth of the Canadian support base as measured by such things as the commitment of volunteers to the organization and the ability to generate matching contributions" (57). While these are important, it should be pointed out that CIDA, with its NGO partners, has developed and implemented more sophisticated tools to review institutional effectiveness and has begun to make choices based on these reviews.

## **5. Building Shared Prosperity: An Overview of Economic (Justice) Issues**

The Committee pays considerable attention to the economic forces of globalization and their impact on Canada's domestic prosperity and role in the world. Much of the focus on Canada's "vital interests" relates to trade and investment concerns and opportunities in Asia and Latin America and responds to developments within and between the major economic powers (the United States, the European Union and Japan). Trade and investment is seen as the major engine of global change and progress.

Global interdependence was indeed a theme of many of the presentations which the Committee heard during its hearings. At the beginning of its chapter on "Building Shared Prosperity", the Committee appreciates that "the wealth, prosperity and well-being of Canadians depend also on the well-being of others, in particular those who are the least advantaged and whose welfare is most threatened by poverty" (27). Interdependence through global trade and investment does have a major impact on the lives of Canadians as they do on the lives of those in the non-industrial countries of the South. But the Committee's narrow focus on the economic and practical dimensions of Canadian trade promotion throughout the Report does not respond adequately to the more global dimensions of these impacts.

In situating economic policies within a framework of sustainable human development, CCIC in its brief stressed that "economic policy must serve explicitly human objectives" and that "the market, when integrated within wider social goals, has demonstrated its utility and power to organize production efficiently and to serve human needs". We questioned the impact of current trends in the global marketplace and in the unregulated activities by transnational corporations (TNCs) to achieve these goals. In this respect, the Committee's approach of looking at economic policy options solely through an inward-looking economic 'cost/benefit' prism for Canadian prosperity is deeply disappointing.

The Report assumes that trade liberalization and the unfettered market will reap incalculable benefits for those who embrace growth as the engine for development. It largely ignores the known adverse consequences of trade and market liberalization in the South — the social and environmental costs of unrestrained exploitation of natural resources for export, the distortion of food security requirements for the poor when rich agricultural land is turned over to export crop production, and the resulting fall in commodity prices for many highly dependent developing countries, among others. The Committee's enthusiasm for growth in some Asian economies, and the related explosion of internal markets and manufactures exports, cannot be isolated from the well documented costs in human and environmental terms. While Canada looks to these countries for trade and investment opportunities (and the Report makes a range of detailed recommendations to expand these initiatives), it fails to bring its concomitant concerns for the poor, for environmental integrity and sustainability, and the protection

of culture to bear on its analysis of these opportunities.

The Council and many presenters to the Committee suggested that this development model based solely on economic growth is not viable for the South or the North. Canadians, along with their Southern counterparts, have a common and vital interest in an integrated, comprehensive and fundamental reform of current trade and investment practices if we are to avoid ecological catastrophes and the marginalization of millions of poor. This interest require a political will to initiate policy dialogue and the transitional for such change (for example, in the area of energy consumption and production). The Report offers little support for the creation of this political will.

### 5.1 A Multilateral Economic Order and the World Trade Organization

The Report correctly identifies Canada's long term interest in "a multilateral rules based economic order" (33). The approach to such an order is largely pragmatic and narrowly focused upon recent and important trade conflicts with the United States. In the Committee's words, "the strategy should be to "multilateralize" Canada/US relations as much as possible by forming ad hoc coalitions with like-minded countries and bolstering multilateral institutions, in the hope of reinforcing the constraints on unilateral actions." (77).

A broader policy framework for economic reform and fair trade practices is reduced to questions of normative trade conditionality: "there is an urgent need to develop common rules on trade and environment, in order to moderate the natural "race to the bottom"... and to protect Canada against the tendency to use the environment as a pretext for erecting protectionist trade barriers." (42) The institutional focus for this regulation of the global economy is the about-to-be-created World Trade Organization (WTO). But such concerns are not even mentioned when the Committee sets out its views on the expansion of NAFTA into the Americas, or Canada's interests in the expansion of trade opportunities in Asia/Pacific. Seemingly human rights, labour standards or environmental issues have little bearing directly on these initiatives.

The Committee acknowledges the important debate on environment and labour standards in terms of "trade linkages" (37). As the Report suggests, the WTO will be an important forum for discussing the relationship between sustainable development and a new multilateral trade and investment order.<sup>7</sup> But the WTO is not the only forum for these debates, nor does it provide a broad enough framework to discuss standards within the context of sustainable development. Moreover, recent discussions on its structure seem to indicate a lack of political will to establish open and democratic processes for the

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<sup>7</sup> It will take place within the context of the recently completed GATT agreement about which the Committee has little to say.

resolution of these issues.

A sustainable development framework suggests that employment standards and practices should be linked to policies for more equitable distribution of incomes, land reform, and national industrial and agricultural policies that emphasize small and medium size enterprises. Northern countries must address falling terms of trade and negative capital flows for many developing countries, Northern protectionist practices, the absence of an enforceable code of ethics and practices for TNCs (transnational corporations), and Northern control of technology, all of which reduce employment prospects for Southern workers and affect the environment. Many Southern governments and NGOs suggest that the United Nations has a broader mandate and is a more democratic forum in which to discuss and ultimately create a multilateral regulatory framework. It is also the place to secure commitment to a new economic, social and political order to support sustainable development. References to more equal and reciprocal North South relations in the chapter on reforming development assistance might have more impact if brought to bear on these economic issues.

## 5.2 A New Agenda for Economic Justice

From the point of view of Southern and NGO concerns for a more just economic order, the Report has two useful but isolated proposals. The Committee recognizes that Canada's own protectionist measures against exports of developing countries "does nothing to further [trade liberalization]" and recommends that "the government seek opportunities to open Canadian markets further to developing countries, particularly the least developed" (33). At the same time there are no proposals on how this policy might be put into place (as there were around export promotion) and the recommendation has little to add to similar statements by previous governments over the past two decades.

Positively, the Committee also recognizes that the debt crisis is far from over "for some low income countries, notably Sub-Saharan Africa". It suggests that Canada build on past practice and consider "further measures, bilateral and multilateral, to alleviate the continuing debt crisis of the poorest countries" (emphasis added). It goes on to say that "such measures should not be at the expense of funds to long term development". (40) While the Committee is to be commended, particularly for its seeming acknowledgment of the need for action on multilateral debt, the Report offers no accompanying analysis of the complex issues of debt relief nor its importance in the context of resource flows. It appears to be an after-thought.

It is disappointing that the Report does not deal with the implications for sustainable development of South North capital flows. To what degree have SAPs in encouraging primary commodity exports been responsible for accentuating terms of trade decline for many developing countries? Are private investment flows into the stock markets of Latin America and Asia a guarantee of future stability in capital flows and investment in

sustainable development?

### 5.3 Reform of the International Financial Institutions

The Committee had heard the wide ranging critique of International Financial Institutions (IFIs) and agrees that "this is a matter that needs to be addressed as a priority" (37). Its recommendation to review the operations of the IFIs is very consistent with one proposed by the CCIC and others. It calls on the government to table in Parliament a strategy document on the question of reform of the Bretton Woods system in the run-up to the July 1995 Halifax Summit of the G-7. "Involving the World Trade Organization and the OECD as well as the international financial institutions<sup>8</sup>, [this strategy should be] designed to maintain a proactive Canadian role in working towards a rules-based global economy." With respect to the World Bank and the International Monetary Fund, the review "should focus particular attention on making their operations more efficient, transparent, accountable and responsive to issues of human rights, social equity, environmental sustainability and public input" (39). The Committee also makes passing but positive reference to the Tobin tax on foreign exchange transactions (being promoted by the UNDP) as one element of increased "international supervision" of international financial and capital markets.(39) On the occasion of the 50 year anniversary of these institutions, NGOs and others from around the world have been calling for a reform of the IFIs along these lines.

The Report goes on to make strong recommendations about the re-orientation of the Fund and supports a suggestion for Canada to regain the initiative in the G-7 regarding a comprehensive security agenda (aid, environment, trade/investment, defence and economic policy coordination). It is very constructive that the Committee is prepared to suggest that Canada undertake a proactive strategy for global reform in the United Nations (81-82) and in the IFIs based on a broad policy framework.<sup>9</sup> Canadian NGOs and others will be eager to contribute to this framework for the proposed review with proposals for reform of the IFIs and the United Nations.

### 6. Strengthening Shared Security

Despite acknowledgement of non-traditional, non-military security issues, the Committee seems to adopt in its analysis a more limited and traditional framework for Canada's security interests, "involving the use or threat of force", rather than the common security approach proposed by many witnesses who appeared before the Committee. (41) In its

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Unfortunately all Northern dominated institutions.

<sup>9</sup> It would have been equally constructive if a similar framework was articulated and applied to the coordination of Canada's bilateral and multilateral economic, security and development assistance policies.



review of trends affecting Canadian foreign policy, the Committee laments that "regrettably the smaller wars and ethnic conflicts that persist have not only caused human suffering but have also ruined business, squandered past development aid and created huge demands for emergency relief". (6) Referring to Rwanda, the Committee excuses international inaction in its comment that "it is a moot question whether timely military intervention by the international community could have prevented the civil war" (12). NGOs suggest that the international community bears a significant and heavy responsibility for its lack of an effective and timely response.<sup>10</sup>

The Committee's approach is not too surprising. In elaborating its understanding of Canada's "shared security" interests, the Committee describes global security problems as "threats". Thus the Report states that "rapidly emerging global problems such as population, poverty, pollution and the proliferation of weapons constitute growing threats to Canada's security" (emphasis added) (11). These interrelated problems "threaten our security, our health, our economic prospects" (41). By contrast a common security agenda stresses global collaboration between peoples, equity within and between societies, and the resolution of the underlying causes of poverty and conflict. The result would be an integrated peacebuilding agenda.

In this Report the task of addressing the root causes of conflict is relegated to CIDA's humanitarian assistance program. On the other hand, this role for CIDA is not clear as the Committee designates the Department of Foreign Affairs and the Department of Defence to coordinate the management of peacebuilding activities. (56) While recognizing the important Canadian contributions to peacekeeping *per se*, the Committee focuses much of its attention in the chapter on "Strengthening Shared Security" on new roles for NATO, NORAD, and ASEAN as instruments for assuring Canadian security interests.

## 6.1 Security Alliances

Having narrowed its concerns to appropriate responses to the use or threat of force, the Committee places its attention on relevant security roles for NATO, NORAD and ASEAN and Canadian commitments. Thus NATO "is the only international institution in existence with an integrated command structure, standardized operating procedures and standing forces available to support preventive diplomacy and peacemaking". It then proposes that the Conference on Security and Cooperation in Europe (CSCE), "with its moral force, can act as a regional organization under the UN charter and as a legitimizing agency for the use of military measures, if necessary, to implement UN decisions affecting European security." (20) This emphasis on Canada's traditional alliances among northern allies seems to belie its strong recommendations to ensure that the United Nations itself

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<sup>10</sup> See the response of OXFAM-Canada to the Report of the Committee in its press release of November 15, 1994.

is strengthened through greater democracy, increased coordination, and effective implementation of decisions (81-82).

In North America, the Committee recommends a recommitment to American military structures through NORAD with “a shift in emphasis from air defence to global space surveillance” (22). But there is no reason why Canada might want to take up this task in collaboration with the United States nor any explanation of what traditional or common security interests NORAD might serve. Africa escapes any mention whatsoever, while Asia deserves “a more visible naval presence” to demonstrate Canada’s commitment to protect the Pacific. To protect the region from what is not clear. Similarly the recommendation to support a “cooperative security dialogue” through the ASEAN regional forum has an ominous tone given the history of ethnic conflict and the current of human rights abuses in parts of the region.( 24)

## 6.2 Peacekeeping Operations

With passing reference to the need for a continuum of policies to address conflict, the Report places greatest attention to detail on the terms and conditions for engagement by Canadians in peacekeeping missions. In an earlier chapter the Report discusses Canadian mediation skills, suggesting a special contribution Canadians could make to preventive work. In a dramatic graph (12) it demonstrates the relative costs of aid and peacekeeping activities for Somalia. But the Report makes no contribution to these other policy areas in the continuum — preventive diplomacy, material assistance to vulnerable populations, confronting human rights abuses, support for community / indigenous processes for conflict resolution involving NGOs and community leaders, the arms trade, among others. Rather the focus is peacekeeping operations. Here the Committee provides a substantial and useful discussion of the rules under which Canada should commit troops and the question of resources. The Committee gives support for CARE's call for clear divisions of labour and closer cooperation between the UN headquarters, multilateral organizations and executing agencies. A significant gap in these recommendations is the absence of any reference to the role of Parliament in the decision to commit troops to a UN mission.

The Committee was presented with several elaborate scenarios for both significant savings and a more effective and focused peacekeeping role for Canadian military forces. But despite an allusion to a specialization in peacekeeping, the Committee suggests no dramatic changes for the Canadian military which, it says, should continue as a multi-purpose force. The Committee goes on to suggest that minor budget cuts in defence spending may be possible, but any significant “peace dividend” would “effectively restrict the forces to their domestic responsibilities” (25).

## 6.3 Arms Control

Many submissions stressed the importance of building upon Canada’s good record in

multilateral fora on arms control and nuclear disarmament policy. The Report, with little discussion of the underlying issues, signals its support for the extension of the Nuclear Non Proliferation Treaty which comes due for renewal next year. There are no proposals for what role Canada might play as a non-nuclear power in the debate on this important treaty. Surprisingly, there are no recommendations on the control of Canadian arms exports nor any discussion of their contribution to militarization. Given Canada's significant arms exports to Southern countries, the reduction of military spending suggested by the Committee as a condition for access to our aid program seems somewhat hypocritical. The Committee makes an important recommendation for controls on the production and import/export of land mines. But there is no discussion of its implications of such measures nor how they might be effectively implemented. With the importance given to militarization and the increased potential for "unconventional" conflicts throughout the world, many people would have expected the Committee to give more attention to arms control measures.

## **7. Projecting Canadian Culture and Learning Abroad**

The Report sets out an important rationale for its assertion that "the projection of Canadian culture and learning abroad should be regarded as a fundamental dimension of Canadian foreign policy" (61). Strengthening all aspects of Canadian culture within North America is indeed an important goal for Canadian policy. This is one of the few instances where the Committee recognizes the impact of "the emergence of large vertically and horizontally integrated TNCs that control production and distribution networks". It goes on to point out that "we are witnessing an enormous concentration of power in the hands of fewer and fewer individuals" through cultural TNCs. (66-67) Unfortunately the Report does not take this analysis further when analyzing the impact of multilateral economic policies that support the expansion of TNC interests throughout the South to the detriment of many southern people and their enterprises.

The emphasis in this chapter is on the material benefits for Canada from cultural and learning exchanges. While cross cultural experience is essential if we are to realize cooperative international citizenship, the one dimensional nature of these recommendations is disturbing and short sighted. Where is the understanding of Southern concerns about the penetration of Northern values and cultures into their own societies? Where is the discussion of cultural values and sustainable development as a concept which is rooted in diversity and cultural appropriateness? Where is the discussion of the rights of indigenous peoples and the protection of their cultural values and ways of life? What about issues relating to the transfer of appropriate technologies for southern development? What is the impact of the new provisions in GATT and NAFTA relating to the protection of "intellectual property rights" for northern TNCs in the face of the free appropriation of indigenous knowledge and plant resources in the South.? These are all issues which deserved some attention by the Committee if Canadian culture and learning is to contribute to global citizenship.

## **8. Democratizing the Policy Making Process**

Throughout the Report, the Committee makes some important recommendations for greater involvement of Parliament and its Committees in setting Canadian foreign policy directions. The Report refers to the growing democratization of foreign policy and the wide range of foreign policy actors, including the private sector, academic institutions and NGOs, who "are contributing increasingly to both policy development and program delivery" (6). Canadians care and wish to be involved in foreign policy making. In this regard the Committee sets out some important opportunities for democratization.

There is a recommendation that Parliament review annually Canada's Executive Directors' role at the World Bank and at the International Monetary Fund.

There is a proposal to review a government strategy document on the reform of the IFIs leading up to the Halifax G-7 meeting in July 1995.

There is also a recommendation that the Standing Committee on Foreign Affairs and International Trade hold regular reviews of Canadian ODA "including CIDA's performance and that every effort be made to engage as many Canadians as possible in these reviews." (51) The Committee also recommended "the establishment of broader based consultations on development cooperation, including the participation of Parliamentarians" (59).

The Committee suggests that if the government decides to make the National Forum an annual event, "we believe it would have been more useful if a broader public participation were sought, if a limited number of key issues were identified as the main focus for discussion, and if the procedure allowed for more debate on the conclusions" (87). International development assistance has been suggested by others as a possible theme for a 1995 National Forum.

The Committee endorses a suggestion in the Liberal Party's Red Book for a Centre for Foreign Policy Development (or a remodelled Canadian Institute for International Peace and Security) which "would identify priorities for analysis and contribute to the public debate" (87). The goal of such an institution would be "to promote dialogue among government, business, academic, professional and NGOs...", including Parliamentarians and representatives from government departments (87).

These are all recommendations which would democratize the policy making process and make it more conducive to citizen participation in foreign policy issues. Many who contributed to the foreign policy review have suggested that the reforms being contemplated for Canadian ODA and for the IFIs should make these institutions more accessible and transparent not only to Canadians but also to the citizens and governments

of developing countries. In an important endorsement of this idea, the Committee supports the Canadian government's current efforts to assure that the United Nations is more open to citizen participation through NGOs from around the world.

## **9. Next Steps**

The Committee's Report outlines some important directions for foreign policy in some important areas of international development cooperation, reform of international financial institutions and the United Nations, in peacekeeping operations, and in aspects of Canada's international economic policies. But many of these proposals are undeveloped and in some cases contradictory. The analysis above highlighted some of these strengths and weaknesses. Several steps to address these weaknesses and build on the strengths of the Report are suggested for consideration:

a) The House of Commons Standing Committee on Foreign Affairs and International Trade should develop a multi-year workplan to follow up the issues identified in the Report in a more systematic and in depth manner that focuses on implementation. It should call upon academics, NGOs, the private sector, government officials and interested citizens to work with them on this agenda. The government should make available sufficient staffing capacity for the Committee to assist it to develop and carry out this workplan.

b) The key missing ingredient for an effective, principled and pragmatic Canadian foreign policy is the integrated comprehensive framework governing Canada's role in the world. To what extent do the principles expressed throughout the Report constitute such a framework? If they do, how might they be applied by the Standing Committee as it pursues its agenda for policy study and implementation? As a first step the Committee should construct such a framework.

c) The government has indicated that it will respond to the Special Joint Committee's Report within three months. This response should combine a detailed response to the Committee's recommendation with a comprehensive framework which is now missing from the Report. CCIC and its members should offer their advice to the government on the content of this framework and how to apply it to the issues of common security and peacebuilding, ODA reform, the reform of the multilateral system including the United Nations, the IFIs and the World Trade Organization, and the construction of a multilateral economic order which brings equity and justice to global economic relations.

d) CCIC and its members should continue to press for an ongoing democratization of foreign policy as recommended in Council's brief. As part of this process, NGOs need to strengthen their policy development and policy dialogue skills so that they can make more effective contributions to Canadian foreign policy reform.

## APPENDIX

### **Dissenting Reports from the Bloc québécois and Reform**

It is significant that perhaps for the first time in the history of Parliamentary committee report-making, a major report on foreign policy has failed to achieve all party support, although it should be noted that dissenting reports have been issued with most other Committee reports this Parliament. Both the Bloc québécois and the Reform party issued minority reports which, although supporting a large portion of the majority reports, lay out some fundamental differences in approaches to foreign policy.

Both of the dissenting reports express strong regret at the separation of the defence review from the foreign policy review and the lack of any coordination in reporting to Government. It is also of interest that both express concern at the weakened version of a legislated mandate for CIDA in the majority report and call for something much stronger to ensure CIDA meets its goal of poverty alleviation. Notably, neither party disassociates itself from the recommendations in the chapter on democratizing foreign policy, including the call for something equivalent to a Centre for Foreign Development in Canada.

### **Bloc québécois report**

The lengthier of the two dissenting reports, this report also expresses the most dissatisfaction with the majority report. While its outlook is at times more progressive than the majority report, much of the Bloc's report is political and the recommendations catered to achieve what is best for Québec, not the world. The report provides recommendations on the areas:

- international education and culture, which seem to be the strongest reason behind the report - they condemn the majority report's approach to promoting education and culture abroad and provide a lengthy assertion of Québec's jurisdiction in these areas and in international relations more generally;
- the need to place more emphasis on the centrality of human rights and democratic development in Canada's foreign policy, including the development of guidelines. Other recommendations include a stronger link between human rights and trade (and argues for bilateral sanctions, cutting of bilateral aid and leadership at multilateral fora such as the UN where grave human rights abuses occur), support to emerging democracies (with particular reference to the former Soviet Union) and the need for a more positive view of nationalism and new states (with obvious reference to Québec);
- the emergence of new international actors, with a particular focus on provinces and the role of cities (citing Montréal) and local authorities;
- in the area of security, a rethinking of our military alliances with NATO and NORAD "so that their strategic missions reflect the UN's needs", setting a ceiling on peacekeeping commitments and submitting decisions to Parliament on peacekeeping missions;
- on international assistance, the Bloc says recommendations have been too tame and suggests legislation for CIDA linked to the mandate and power of the organisation, as well as policy direction, calls for more assistance to the poorest countries, especially in Africa and suggests at least 50% of ODA for sustainable human development;



- significantly, for a party which has frequently quoted NGOs and their work in the House and in Committee, there is little discussion of NGOs in their dissenting report, except to applaud the work of NGOs in developments education;
- in the area of trade, the Bloc believes the majority report undervalued our relations with the United States and failed to "accept our geography" (and the fact that different regions of Canada will have different trading priorities), going on to explain that for Québec, the U.S. and Europe will remain the most important trading partners.

There is no mention of developing countries outside of the assistance chapter, including on areas related to economic justice or security, although the Report does end with confirming "Québec's humanitarian concern for equity among nations".

### **Reform report**

The Reform party acknowledges it is generally in favour of most of the majority report but takes issue with the following areas:

- the absence of fiscal responsibility as the report calls for no cuts to spending and in fact suggests an increase in support to foreign affairs - the Reform calls for cuts to bilateral (government to government aid), international grants and non-mandatory contributions and dropping our membership from non-essential organisations. They also express concern at the chapter on culture in the sense that it is "a recipe for increased spending and big government";
- in addition to calling for a true legislated mandate to CIDA to avoid the continued use of the organisation as a "slushfund for the Minister", they call for an independent audit of the International Development Research Centre and the move of CIDA Inc. to the Department of Foreign Affairs and International Trade;
- concern is expressed at the foreign policy review process (the Committee and the National Forum) having had over-representation of special interest groups and academics and the "under-representation of grassroots Canadians", going on to say that "ordinary Canadians are rarely asked for their opinions".