AN HONOURABLE COMMITMENT
Policy Coherence in Canada's Relations with the Global South

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The poorest countries have not been, and will not be, able to secure significant benefits from increased trade opportunities without special measures to support economic and social development and institutional capacity building. Similarly, poorer regions and groups in all countries are at a disadvantage in the increasingly competitive world of economic and technological globalisation. Making globalisation work for the poor is a major challenge for the 21st century. (OECD DAC Secretariat, November 2000)[1]

Introduction

This paper is a contribution to current discussions within and outside of government concerning Canada's moral and political role in the world. Specifically, the paper reflects on Canada's relationship with the nations of the "global south"[2] in a concerted international project to eradicate global poverty and reduce the terrible vulnerability of the world's poor to chronic malnutrition, natural and unnatural disaster, tyranny, and civil violence.

The reflections in this paper emerge from Inter Pares' direct experience in international anti-poverty action for over twenty-five years, and discussions with our colleagues in the global south, as well as our involvement in policy dialogues in Canada and Europe, including our participation at the OECD DAC/POVNET Expert Consultation on Guidelines on Poverty Reduction in the Netherlands, in September 2000.[3] The paper has also been informed by policy discussions within the Canadian Council for International

[1] OECD DAC Secretariat, *Draft DAC Guidelines on Poverty Reduction* (November 24, 2000), submitted to the DAC Senior Level Meeting, December 12-13, 2000, Paris, paragraph 209; the finalized version of the text for these guidelines is scheduled to be available by April, 2001.

[2] This paper refers to the "global south" rather than "developing" nations, or simply "the south". While, for historical reasons, the people experiencing the most profound and intractable structural poverty are concentrated in the southern latitudes, they are not found exclusively in the southern hemisphere; nor are all southern nations, or those within these nations, impoverished and marginalized equally in the sense that this term is usually used. "Global south", a term introduced by Waldon Bello, among others, is used here as a metaphor for the phenomenon of pervasive entrenched deprivation, economic marginalization, and political disempowerment concentrated within an identifiable group of countries.

[3] See Brian K. Murphy, *Thinking in the Active Voice: Macro-Policy and the Individual*, an address to the Expert Consultation on Guidelines on Poverty Reduction DAC/POVNET (OECD), Callantsoog, Netherlands, September 12-14, 2000, in *Negotiating Poverty* (tentative title), forthcoming, Pluto Books, London.

Cooperation, and is supportive of CCIC's own recent paper on Canada's international assistance program[4].

Our paper takes advantage of important internal debates and change processes occurring at this time within the Canadian International Development Agency. At the same time, the paper does not examine CIDA in isolation. CIDA does not operate in isolation but rather very much as a junior partner in the foreign policy pantheon, and its impact on poverty eradication is undermined and even countermanded by other programs and activity of Canadians and of our government. Therefore, current change processes within CIDA are treated within the ideological and political context in which CIDA actually carries out its work. The paper proposes fundamental measures to strengthen Canada's lead role — including CIDA's lead role — in the mission to eradicate global poverty in this century.

The issue of how to achieve optimal policy coherence in Canada's relations with the global south, and in honouring Canada's commitment to global poverty eradication, is the axis around which other discussions in the paper revolve. Seven years ago, Inter Pares offered the following reflection to the parliamentary committee responsible for reviewing Canada's foreign policy:

> Many organizations and institutions have come to believe that regardless of reform at the rhetorical level, their interests cannot be served by a CIDA integrated within the foreign policy establishment. Many have given up on the ideal of a coherent and integrated foreign policy that respects the integrity and central role of ODA. They now want simply to secure a share of the resources and insulate those resources from what they see as the abuse of ODA's role and mandate.
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> This strategy is understandable. It is also misguided. It is evident...that development assistance for sustainable human development in isolation of, and in contradiction with, Canada's broader foreign policy, will have negligible effects.
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> CIDA is already too much at arms-length from government processes. It has too little influence. It should not be removed any further ...What is required is integration, a stronger CIDA, a CIDA that confidently and aggressively furthers the ethos and agenda of sustainable human development within government, a CIDA that influences and drives

[4] CCIC, *A Commentary on "Towards a Long-term Strategy for Canada's International Assistance Program, A Framework for Consultation (CIDA, October 19, 2000)"*, Ottawa, January 2001 (www.web.ca/ccic-ccci).

> foreign policy, a CIDA that is integral to the accountability process, not merely subject to it.[5]

Inter Pares recommended to the parliamentary committee that it should support a strong, clear and integrated Canadian International Development Agency, with an unambiguous, legislated mandate and role as a leader in formulating and implementing a foreign policy geared to the promotion of global justice, peace and sustainable human development.

Inter Pares has not altered its perspective on this fundamental issue of Canada's foreign policy and relationship with the global south. And seven years later, the issue of "policy coherence" is even more critical in governmental, intergovernmental and multilateral discussions. The central dilemma of national and international governance today is how to slow down and reverse the economic and social destruction worldwide brought about by technological change, the monopoly market, and the unprecedented concentration of unregulated and unaccountable corporate wealth and power, and the attendant erosion of the mediating effect of legitimate states.

Our paper has five sections. The first examines the "consensus" concerning the "comprehensive model of development" announced — without apparent irony — in CIDA's consultative framework on its Long-term Strategy.[6] The section challenges both the substance and the form of this consensus, and particularly explores the dilemmas embedded in the notion of "pro-poor" growth.

The second section presents the imperative of coherence within Canada's foreign policy, and among the federal departments responsible, if Canada is to develop relationships of enlightened mutuality with the nations of the global south, and at the same time fulfill its commitments and aspirations to lead in the struggle to eradicate global poverty. The section proposes a formal and legislated commitment on the part of Canada to the eradication of global poverty, with the goal to develop within Canada a genuine and functional political consensus upon which to build policy coherence and a more profound and integral role confronting and eradicating poverty in the world.

The third section turns to CIDA and explores its goals and priorities, identifying some of the issues raised by CIDA's strategy framework that should be the focus of a public review. The section supports the position that CIDA should be a strong policy-based organization with a direct lead responsibility in framing and monitoring Canada's

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[5] Inter Pares, *Submission to the Parliamentary Review of Canada's Foreign Policy*, Ottawa, 1994.

[6] CIDA, *Towards a Long-term Strategy for Canada's International Assistance Program, A Framework for Consultation* (October 19, 2000), Ottawa.

ongoing poverty eradication strategies and programs, across ministries and within ministries.

The fourth section examines the role of CIDA in relation to Canadian non-governmental organizations and institutions (NGOs/NGIs), and other elements of Canadian "civil society", in the context of a renewed commitment on the part of Canada to engage in the long-term goal of global poverty eradication.

The final section examines the dilemmas shared among all concerned with global poverty. How will we confront the deep, powerful, and often violent intransigence of those who resist efforts to bring about change in solidarity with the poor and the marginalized? What is our obligation, as promoters of justice, when those we accompany and support are confronted by tyranny and violence? Indeed, do we ourselves experience deep conflicts of interest that prevent us from acting to defend those promoting fundamental economic and political change in their communities, their nations, and the wider world? Are we willing to be humanitarian — by sharing a little of what we have to "help" the victims — but unwilling to also engage in the more political option of confronting the values and structures that create such uncountable legions of poor in the first place?

The paper concludes with a call for an unequivocable human rights rationale and ethos in Canada's relations with the global south, and in our commitment to eradicate global poverty in this century. This is the challenge we have been handed by history, and the goal that should guide our actions and the vision of the world we want to create by the turn of the next century. The Canadian government, voluntary agencies, and public and private institutions have an opportunity to engage with the Canadian people — as citizens of Canada and citizens of the world — to create an enduring national commitment in common cause with the people of the global south to eradicate poverty and build a healthy and secure world shared by all of us, and more particularly, by all of our children for centuries to come.

A word on "development"

When, in this paper, we speak of "development" we refer to the development of people and their communities. This is an historical process in which people act together, learn together, make political and economic choices together, and create the world for themselves. Development is a permanent, ongoing process of cultural invention, and of directed and dynamic social change.

This process usually takes place in the context of national development, but its essence is the free participation of citizens in the creation and expression of our communities and

our society. People are the agents of development and change. People develop themselves, their societies, and their nations. This is the essence of democracy, and democracy is the heart and engine of authentic development.

This vision of development sees the true national interest to include the interests of all people and their communities, including the poor. National development only benefits the poor when the goal is not simply the creation of wealth, but the equitable distribution of wealth. National development protects and assists poor people and their communities only when its goal is to nurture the local economies that sustain them.

In this context, effective international development assistance is not focused merely on nations and governments, but on people themselves. The best assistance is that assistance which helps people do what they are already trying to do with their own means. It recognizes that what people bring to their struggle against tyranny and poverty — their talent and their courage and their will to live — is far more important than the modest assistance that we offer. Effective assistance, therefore, recognizes and nurtures the qualities of people themselves, and their communities, and supports their strength and vision.

SECTION ONE
Consensus Revealed, or Consensus Imposed?

Much has been made of the new "consensus" whose circle was apparently completed with the September 2000 release of the World Bank's *World Development Report (WDR) 2000/01,*[7] and its "Comprehensive Development Strategy" (CDF). Officials of the industrialized donor nations (including Canada) that form the Development Assistance Committee (DAC) of the Organization for Development and Economic Cooperation (OECD), present this declared consensus as a victory for the vision defined by the DAC five years ago in a landmark rethinking of the role of development cooperation among its members.[8] It is also seen as a vindication of the process of ODA reform that has begun among OECD nations, and of which the present long-term strategy review within CIDA is, in part, a direct result.

More than a moral victory, however, this façade of a new consensus is a profound relief for the DAC countries. For several years, fault lines have run through the international development edifice, with increasing challenges from all quarters to the original "Washington Consensus", as well as open dissent building within agencies as diverse as the UNDP and the World Bank. Civil society campaigns such as the "50 Years is Enough!" critique of the Bretton Woods regime, and the world-wide Jubilee 2000 Campaign on Debt, have focused intense public attention in the north and the south on the failed strategies of the international economic regime, as has the ruckus on the streets and in the conference halls of the WTO and other international fora.

For the moment, the surface of these fault lines has been covered over with ambiguity and a rhetoric that attempts to unify the fundamentally flawed and contradictory priorities and policies within and among the OECD nations themselves, the United Nations agencies, and the international Bretton Woods financial institutions — the World Bank and the International Monetary Fund — that lead, and impede, the project to reduce global poverty in the 21st century.

This reframed consensus is celebrated in CIDA's consultative framework on its Long-term Strategy. In it, CIDA announces "a comprehensive model of development which enjoys consensus support within the development community", and asserts that this consensus is "now embraced by donor and recipient countries."[9]

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[7] World Bank, *Attacking Poverty, World Development Report 2000/2001*, Washington, September 2000.

[8] OECD, *Shaping the 21st Century, The Contribution of Development Cooperation*, Paris, 1996.

[9] *Towards a Long-term Strategy for Canada's International Assistance Program*, p.14.

But of course, no authentic consensus exists in fact. It does not exist in the elected caucus of the governing party of Canada. It does not exist within CIDA (anyone close to CIDA can hear the intense and very healthy internal debate), or among CIDA and its sister departments of the Canadian public service (where the debate is perhaps more muted, and less healthy). It does not exist among the governments that convene the OECD. It does not exist within or among the IMF and the World Bank nor between these and the key UN agencies, especially the UNDP. Even to achieve internal "consensus", the World Bank had to force out first Joseph Stiglitz, its Chief Economist and Senior Vice-President in 1999, and then Ravi Kanbur, the Senior Economist originally responsible for drafting the 2000/01 World Development Report.[10]

And consensus certainly does not exist among or between donor and recipient governments, nor between civil society and their representative governments in countries around the world — including Canada.

Development economist, Gerald Helleiner, of the Munk Centre for International Studies at the University of Toronto, puts it bluntly in a recent paper in which he explores prevailing policies within the Bretton Woods regime, and specifically, the International Monetary Fund (IMF):

> There are also, of course, continuing controversies as to the appropriateness of the programmes in which the IMF is involved. Among the informed, such controversies do not relate to the overall need for effective macroeconomic management — the maintenance of both internal and external macroeconomic balance. Developing country policymaker's (and others') *important* disagreements with the IMF relate to such matters as: the pace of change, the sequencing of policy reforms, the degree of reliance upon the market, the distributional impact of changes, and political feasibility...[11]

The consensus triumphantly heralded by the donor governments is an imposed consensus, imposed by those with power on those without. It suppresses and obscures internal debate and attempts to marginalize dissent and opposing viewpoints.

In the final analysis, however, while it is possible to impose policies in the short and medium term, it is not possible to impose consensus — even in the short-term —

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[10] See Humberto Campodónico, "Economists and Power at the World Bank", in *Reality Check 2001*, Reality of Aid, January 2001 (www.realityofaid.org).

[11] Helleiner, Gerry, "Towards Balance in Aid Relationships: External Conditionality, Local Ownership and Development" (emphasis in the original), in *Reality Check 2001*, Reality of Aid, January 2001 (www.realityofaid.org).

regardless of how dissent itself is stifled to create the illusion of consensus. And without real consensus, the policies promoted within the official "development community" cannot and will not work, now or ever.

Yao Graham, our colleague from the Ghana-based Third World Network-Africa, recently referred to this forced consensus as "development monoculture".[12] The metaphor is apt, and prophetic. For all of its rhetoric about "ownership", participation and self-determination, the prevailing consensus resists — indeed opposes and countermands — diversity, whether diversity of opinion in the present, or diverse options for the future. As such, the fruit of this consensus can only be coarse, bitter, and sterile.

In its *Commentary* on CIDA's Long-term Strategy, CCIC has this to say about the "consensus":

> A Canadian rationale for aid based on our "enlightened self-interests", when combined with false assumptions about "consensus" on globalization and development models flies in the face of a stated commitment to base our aid priorities on self-determination [and] poverty in the south. Rather, the values of justice, fairness, and solidarity — widely shared by Canadians and people around the world — offer a much more profound foundation for understanding aid interventions that are rooted in a changed North/South relationship — one that contributes to poverty eradication by shifting power, resources, decision-making and accountability to the South, to enable those who are marginalized to take control of their own development.[13]

And, to be clear, this dissent, this lack of consensus, has nothing at all to do with a stubborn resistance to the fact of economic and technological "globalization", as many within the Canadian government, and the mainstream press, have caricatured opposition. As Susan George expresses it:

> The media in some countries still try hard to treat the genus *protester* as a marginal curiosity rather than a political animal...Actually, I refuse the term "anti-globalization" that the media have lumbered us with. This combat is really with those who want inclusive

[12] Yao Graham, in conversation during CCIC Policy dialogue, January 22, 2001.

[13] CCIC, "Whose Consensus? Whose Development Model?" in *A Commentary on CIDA's Long-term Strategy*, p. 6-7.

> globalization based on cooperation and solidarity, and those who want the market to make all the decisions.[14]

The world as we find it

CIDA's framework for consultation makes clear that central to this new-found "consensus" is the assessment that, even accounting for its failures, the net effect of 50 years of "development" in the global south has been overwhelmingly positive.[15] This declaration, however, is an ideological assertion rather an empirical conclusion. The donor countries believe that the "comprehensive development model" that is at the heart of the "consensus" is not only the *best* model, but the *only* model possible. Therefore, they have no choice but to assert that it also is a model that works. This in spite of the incontestable fact, affirmed in the CIDA framework itself, that "the absolute number of poor is rising" and "the gap between the rich and the poor has also grown."[16]

This is much more than an argument about whether the glass is half empty or half full. It is about whether the "comprehensive model" — that is, "free"-market capitalism — works for the majority of the world's poor. The starting point for such a debate, by any rational measure, can only be that *it does not work nearly well enough*, and *it must be changed*, rather than triumphantly acclaimed. The basis for this starting point lies in the summation of the OECD itself:

> [E]xtreme poverty still ravages the lives of one out of every four persons (or 1.2 billion people) in the developing world (2.8 billion, six of every ten persons, using the standard of $2/day). Poverty continues to be pervasive, intractable, inexcusable. In the last ten years alone, the number of poor people in Sub-Saharan Africa rose by more than a third. One in every three children in developing countries still does not complete five years of education — the minimum required for basic literacy. One out of every twelve children born this year will die of disease or malnutrition before her or his fifth birthday...Strong and decisive actions are needed to improve these statistics, particularly in view of the additional challenges posed by the two billion additional people — 97 percent of the expected increase in the world's

[14] George, Susan, "Another World is Possible", in *Dissent*, Winter 2001, pp. 5-8.
[15] See "The developing world since 1945", in *Towards a Long-term Strategy for Canada's International Assistance Program,* pp. 12-14.

[16] Ibid, p.14.

> population — projected to be born in developing countries over the next twenty-five years.[17]

At the heart of the debate about whether the world, let alone the global south, is better off today than 50 years ago is the definition of poverty itself, and indeed, implicitly, what it is to be human, and free. Yet in moving this debate further we are impeded by the reductionist practice of relying on projections of daily income to measure poverty, with the baseline "consensus" definition of absolute poverty being an income of the equivalent to one American dollar per day, regardless of country or context.

Whatever can this arbitrary measure mean? Even while adhering to this definition operationally, the OECD is clear about the limitations of this approach:

> The concept of poverty includes different dimensions of deprivation. It denotes the lack of capability of people to meet adequate standards of human well-being in terms of economic, social and human security levels. This understanding of the multidimensional nature of poverty is now widely accepted and is solidly based on research that includes major participatory studies of what poor people themselves mean by poverty. (21)

In moving the discourse on poverty eradication forward, and in formulating an appropriate role for Canada in poverty alleviation, we have to be much more clear about what poverty is, and what the world would look like if global poverty were actually to be eradicated. Certainly no one believes that this goal would be achieved if every family that languishes on a daily income of US$1 in the year 2001 were to find themselves ten years from now languishing on an income of $2 each day.

Pro-poor growth

The critical issue in all of this revolves around the construct of economic growth and whether growth, in and of itself, reduces poverty and ultimately can eradicate it. The unequivocal conclusion is that economic growth is not sufficient to reduce poverty, and often contributes to it. A corollary conclusion is that poverty itself inhibits growth. These are not controversial conclusions, but confirmed within mainstream economics, and affirmed in the World Bank's WDR, and in the documents of the OECD, as well as within CIDA itself.[18]

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[17] OECD DAC Secretariat, *Draft DAC Guidelines on Poverty Reduction* (November 24, 2000), paragraph 3; in all further references to this draft document, a paragraph number will be placed in parentheses, without footnote. Note that the final version of the text for these guidelines is scheduled to be available in April, 2001, and some of these references may well change in the drafting process.

[18] See, for example, the *Poverty Reduction Operational Framework* produced by the Strategic Planning and Policy Division of CIDA Asia Branch (April 2000), among others.

If the governments of the world together intend to seriously engage in a program to promote progressive and equitable economic growth in the global south to eradicate poverty, the process of capitalist economic development simply has to be transformed. This is not polemic, it is logic, and it is something that everybody knows, from Davos to Dhaka. Although implicit in the background documents of the donors and the multilateral institutions — and *explicit* in the keynote addresses to the just-completed 2001 "Economic Summit" in Davos — this inescapable conclusion is not yet an explicit pillar of the new development model because the announced consensus is merely a rhetorical consensus, rather than a political consensus. There remains profound resistance within the centres of economic power, and particularly U.S. corporate power and its political proxies, to the public admission that free-market capitalism is in crisis and must be transformed.

The fault line of this issue, and the area where there is a very real potential for a political breakdown in the consensus model of development, is the emerging discourse around "pro-poor" growth. There is, of course, a major debate globally about the growth model itself, and whether growth can at all be the dominant focus of attention in transforming societies so that they become more inclusive, just and humane.[19] Yet even within the mainstream "comprehensive model" there is no authentic consensus about the policies and programs that can both promote optimal economic growth and at the same time reduce, if not eradicate, poverty by assuring that the poor benefit from the opportunities and wealth that flow from economic growth. Within the OECD donor nations there are deep divisions and tensions on this theme, rooted in profound differences among their own domestic social and economic policies, and ideological divisions concerning the efficacy, and even morality, of neo-liberal prescriptions and the role of the state in promoting equity and social welfare.[20]

Equity and equality

[19] We will not go into that debate here, although ultimately, this is a debate that must be joined: history is not ended.

[20] In this regard, see the series of excellent papers published by the Norway-based Comparative Research Program on Poverty (CROP), analysing the new international development consensus and, in particular, the assumptions and conclusions of the World Bank's *World Development Report 2000/2001*. These papers and other background material are available at www.crop.org/wdrcom.htm. Of particular note, see: Else Øyen, *Six Questions to the World Bank on WDR 2000/2001*; Knut G. Nustad, *On the Theoretical Framework of the World Development Report*; and Gunnar Skirbekk and Asuncion St. Clair, *A Philosophical Analysis of the World Bank's Conception of Poverty* (among other things, this paper critically assesses the extent to which the WDR is consistent with Amartya Sen's "capability" approach, most recently elaborated in *Development as Freedom* [Knopf, NY 1999], adapted from seminars conducted in the World Bank during 1997; and the recent *Freedom, Social Choice and Responsibility* [Oxford, 2000] which includes the Arrow Lecture and other essays).

In the evolving international discourse, this all comes together in the concepts of "equity" and "equitable growth". While ambiguous at best — and certainly the IMF and the World Bank have again come down squarely on the side of the "market" — the recently repackaged consensus opens the door for fundamental debate on the nature of policies to promote equitable distribution of the benefits and opportunities that flow from economic growth, and by extension, the policies that are necessary to promote social equality itself. This of courses implies debate on the role of the state, and the role of citizens in determining the role of the state and the policies through which the state defines and promotes equity and equality.

Prominent Canadian economists have increasingly been bringing these issues to the forefront of Canadian public policy debates, most recently in a conference organized by the Institute for Research and Public Policy (IRPP) on the links between economic growth and equality, held in Ottawa on January 26-27 of this year.[21]

For the purposes of the present policy debate, we can take our starting point and baseline assumptions from the deliberations on poverty reduction within the OECD/DAC, in which Canada has been quite influential, as well as influenced. The OECD Draft Guidelines on poverty reduction make clear that:

> ...While the links between economic growth and poverty reduction are close and significant on average, *they are partial and not very strong*. About half of the income changes of the poorest households correspond to changes in GDP per capita. Economic growth creates opportunities for poor people. *But poverty will fall rapidly only if conditions are in place for them to take advantage of those opportunities.* (60, emphasis added)[22]

The document concludes:

> High levels of income inequality limit the poverty reducing effects of growth. Higher growth and pro-poor policies will improve poverty reduction prospects in both high and low-inequality countries, but high

[21] See Pierre Fortin, Andrew Sharpe, and France St. Hilaire, "The Great Divide, Reducing the wage gap isn't just moral — its economically efficient", in *The Globe and Mail*, January 25, 2001.

[22] Draft Paragraph 66 elaborates: "Asset and income inequality — whether measured by gender or other category (ethnic, social, regional etc.) — is a major impediment to poverty reduction. Inequality has a multiple negative impact on poverty by tending to lower both the pace and quality of GDP growth and the effect of growth on poverty. Moreover, sharp and rising inequalities reduce the voice of the poor in policy and increase the risks of conflict and violence. Public policy aimed at reducing inequalities requires tactful political coalition building to overcome vested interests. Development agencies can facilitate reforms by policy dialogue as well as by financial and technical support for pro-poor structural change like land tenure reform."

> inequality countries will need to grow on average twice as fast as low inequality countries to halve income poverty by 2015. *This is not feasible, and thus more equitable growth is a necessary condition* for reaching the income poverty goal of the International Development Goals. (67, emphasis added).

The dilemma we all face is how to achieve this goal in the current global economic and political environment. As Yao Graham from Third World Network-Africa expressed it in recent discussions with Canadian NGOs, "market access" is not development, nor does increased market access, in and of itself, ensure, or even necessarily promote, development.[23] The imposed neo-liberal policy prescriptions have not and, as they exist, cannot privilege the poor, nor promote "pro-poor" growth.

Something has to change, or *nothing* will change.

This is the imperative of policy coherence, within the Canadian government, among all donors, and within the countries of the global south.

[23] Yao Graham, in conversation during CCIC Policy dialogue, January 22, 2001.

SECTION TWO
Coherent Politics, and Policy Coherence

Although coming only at the end of its framework for consultation on its Long-term Strategy, [24] the issue of policy coherence in Canada's relations with the global south and its commitment to global poverty eradication is at the heart of discussions about reform of CIDA and Canada's development assistance program. *Towards a Long-term Strategy for Canada's International Assistance Program* argues for a clear and much-enhanced leadership role for CIDA in foreign policy processes, both to influence public policy, and to monitor and ensure coherence among federal government policies with development implications:

> The first observation that can be made is that the environment, trade and development agendas are increasingly converging. Developed countries — and the multilateral trade and environmental institutions they have helped establish — may prefer a clear demarcation among these agendas, if only to make them more manageable. There is little evidence that this perspective is shared by the developing world, and indeed abundant evidence to the contrary. In short, development issues are now and will increasingly intrude on discussions of trade and the environment, whether the North likes it or not ...
>
> ...the challenge of integrating trade, environment and development agendas will require that CIDA engage more forcefully in the development of Canadian policy positions on trade and the environment. The view of CIDA is that it has a responsibility to ensure that the decisions of the government respecting the major institutions of global governance are informed by an adequate appreciation of the development context. To this end, the Agency will need to continue to invest in the development of its policy capability, and be prepared to intervene more forcefully in providing advice on policy issues which have, in the past, been driven largely by domestic interests. In doing so, CIDA will seek to work more effectively with other government departments that also share some responsibility for development issues or that are becoming increasingly involved in the international dimensions of their mandates.[25]

[24] See Section H. "Development Cooperation as an element of foreign policy", in *Towards a Long-term Strategy for Canada's International Assistance Program*, pp. 34-36.

[25] CIDA, *Towards a Long-term Strategy for Canada's International Assistance Program, A Framework for Consultation* (October 19, 2000), Ottawa, pp. 29-30

Inter Pares, among others, has long argued this perspective.[26] Of all the reforms presently being discussed, this is the most critical. Policy coherence is the foundation of the entire project of increased effectiveness and impact in Canada's contribution to poverty eradication in the global south. It is a direction that should be forcefully supported by Canadians.

The almost-completed OECD process to elaborate common guidelines on poverty reduction has emphasized that, "[e]radicating poverty will call for sustained, adequately resourced and co-ordinated actions across the full spectrum of government policies and development cooperation activities." (4) The document elaborates:

> Policy coherence across DAC Member governments (for example, trade, agriculture, and environmental policies) is crucial to (i) ensure that Members' efforts to reduce poverty are not undermined by the policies and actions of other parts of government and (ii) enhance Member country policy interactions with developing countries. (8)

So critical is this element within the OECD framework that the draft guidelines on poverty reduction include an entire section on "policy coherence for poverty reduction"[27] which comprehensively outlines why a strong and integral lead role for CIDA in government policy processes is indispensable. The document states:

> Policy co-ordination is required to address conflicting interests and objectives, which are reinforced by the compartmentalisation of politics and public administration. Policy co-ordination is thus a political as well as an administrative process. Development agencies are often in a fairly weak position politically compared with most other government departments and public and private interests associated with areas such as trade, investment, agriculture, and national security. (221)

The document continues:

> The effects on developing countries of improving the degree of policy coherence in OECD countries could be overwhelming. Estimates in staff papers by the secretariats of OECD and the World Bank indicate that OECD tariffs and subsidies for agriculture and manufactured goods may cause annual losses to the developing countries in the same order of magnitude as ODA. Adding the impact of non-tariff barriers,

[26] See, for example, Peter Gillespie's "Development Prospects in Bangladesh: Critical Options for Canadian Aid", in the *Canadian Journal of Development Studies*, Vol. XII, No. 1, 1991.

[27] *Draft DAC Guidelines on Poverty Reduction* (November 24, 2000), Section Four, paragraphs 218-255.

> protection of services and intellectual property rights, the total static cost impact of OECD protection on developing countries may be over 3 times the amount of ODA. (222)
>
> ODA has declined to less than 28 per cent of the total net financial flows to developing countries on average for 1996-98, while private flows rose to 65 per cent and went mainly to middle-income countries and for mineral extraction from low-income countries. Net resource transfers to heavily indebted poor countries (HIPC) also declined, from $10 billion per year in the mid-1990s to about $6 billion in 1998, as a result of a decrease in gross flows that exceeded the decline in debt service payments resulting from debt relief. This raises issues of development policy coherence with international financial policies. (223)

The document concludes:

> It is crucial for achieving the International Development Goals that Members make further progress to ensure policy coherence. In adopting the strategic policy document Shaping the 21st Century the DAC stated that "we should aim for nothing less than to assure that the entire range of relevant industrialised country policies are consistent with and do not undermine development objectives." (224)

The OECD defines broad areas that should be included in policy coordination and coherence. These include:

- *International Trade and Direct Investment*: international trade regime for goods and services; multilateral versus regional preferential trade; export finance; foreign direct investment; the transfer of technology; information technology (IT) and the "digital divide";
- *Agriculture and Food Security*: trade in food and domestic agricultural policy; food aid and food security; biotechnology and agriculture;
- *Global Capital Movements*: international financial architecture; portfolio investment; and debt relief;
- *Natural Resources and the Environment*: sustainable use of renewable resources; exporting pollution; global climate change; and international fisheries;
- *Social Issues*: labour; migration; global public health; and illegal drugs;
- *Governance and Conflict*: human rights; participatory democracy and good governance; conflict prevention and resolution; and arms exports.

Many within the Canadian foreign affairs, trade and finance policy bureaucracy are sceptical, if not overtly hostile, to proposals to seek such extensive policy coherence. At the same time, several donor governments have built considerable experience in enhancing policy coherence related to poverty reduction. These experiences confirm that coherent policies substantially enhance the effectiveness of efforts to reduce poverty, and promote legitimacy of donor governments in their relationships with countries in the south.

The OECD concludes that:

> Policy coherence requires effective consultation with public agencies and private interests. The choice of a lead agency depends on the particular area of expertise at issue. There are many agencies that are not particularly concerned with reducing poverty, it is necessary to appoint some kind of authority, preferably high in the executive branch of government, whose particular remit it would be. Recent G-8 summits have shown that the poverty reduction message must be heard from the top. Once this message is enunciated clearly, channels for forging coherent policies are much more easily strengthened in relation to the centrifugal forces of sector and special interests. (240)

Finland recently emphasized poverty reduction and collective security in its Comprehensive Policy on Relations with Developing Countries. Sweden has appointed a Parliamentary Commission on enhanced policy coherence for poverty reduction in the era of globalization. Switzerland's North-South Guidelines place particular emphasis on the need for coherence among the various policies with an impact on developing partner countries. In Germany, regulations established in 2000 ensure the routine examination of all new legislation by the Ministry for Development Co-operation (BMZ) for development policy coherence, and BMZ has a seat on the Federal Security Council to facilitate the integration of crisis prevention and conflict settlement with development policies. The New Zealand government is explicitly committed to assuring that the policies it formulates are consistent and coherent.

The example that the OECD/DAC network on poverty (POVNET) promotes most prominently is the United Kingdom, which published a *White Paper on Eliminating World Poverty* establishing principles for partnership and for consistent policies concerning a wide range of policy areas. The U.K. government followed up on the White Paper by establishing formal procedures and structures to ensure the coordination required to promote policy coherence. In this process, senior Cabinet status was granted to the UK Secretary for International Development in recognition of the critical role of DFID in the policy process.

Inter Pares recommends:

- **that the government support its senior managers in developing a strong and central policy leadership role for CIDA within the conduct of Canadian foreign policy, particularly in regard to Canada's relations with the nations of the global south and the eradication of global poverty;**

- **that, as the starting point for creating such coherence, the government carry out a formal public parliamentary review of Canada's relations with the global south, and its commitment to global poverty eradication, with the goal to develop within Canada, at the political level, a genuine and functional consensus upon which to build policy coherence and a more profound and integral role confronting and eradicating poverty in the world.**

The imperative of policy coherence is not new, and indeed was at the core of the landmark work done 15 years ago by the Winegard Committee's review of Canada's overseas assistance program.[28] The central message of the report of the Parliamentary Committee chaired by William Winegard in 1986-7, was two-fold: first, it asserted the primacy of the moral and ethical basis for international development assistance, reflected most clearly in its uncompromising approach to the question of human rights, and the independence of the aims of ODA from Canada's commercial, trade and geo-political interests; and second, the autonomy and authority that CIDA must have as a lead actor within the foreign policy regime. In the intervening 15 years, neither of these critical elements has been respected. To the contrary, ODA and CIDA itself have remained subordinate instruments of the dominant actors in the foreign policy regime, especially the Department of Foreign Affairs and International Trade, and the Department of Finance.

Inter Pares reiterates, as we did during the 1994 Parliamentary Foreign Policy Review, our strong support for the fundamental proposals made by the Winegard Committee:

- **that the government adopt a Development Assistance Charter with the elements recommended by the Winegard Committee, and which firmly roots a "pro-poor" framework within all elements of Canada's foreign policy, including trade promotion;**

[28] *For Whose Benefit?,* A Report on Canada's Official Development Assistance Policies and Programs, presented by the Standing Committee on External Affairs and International Trade, House of Commons/Queen's Printer, Ottawa, May 1987.

- **that the Development Charter be an explicit and integral element of the mandate of Canada's development assistance program and broader foreign policies, explicitly legislated by, and protected by, an Act of Parliament;**

- **that the government establish an International Development Advisory Council to monitor, examine and advise on Canada's ODA program and its substantial integration as a policy leader within Canada's foreign policy regime;**

- **that the government affirm its commitment to the principles and criteria recommended by the Winegard Committee concerning the primacy of human rights in implementing international development assistance and other elements of our relations with other nations;**

- **that the government accede to an open and public annual Parliamentary review of its performance in regard to the promotion of global poverty reduction, human rights, and equitable relations with the nations of the global south.**

Finally, Inter Pares recommends that:

- **The ministerial position responsible for international cooperation be formally upgraded and installed at the senior cabinet level as an equal to the Minister of Finance and the Minister for Foreign Affairs and International Trade, independent of any subordinate reporting relationship.**

SECTION THREE
The Renewal of CIDA

The process of renewal within Canada's development assistance program has as its impulse a broader revitalization within Canada's public service to shift federal government departments to a more knowledge-based, policy-oriented approach to programming. The goal is to enhance the capacity and capability of the Government of Canada, through its various departments, to respond to the challenges and exploit the opportunities of the complex technological, economic and political transitions captured, or obscured, within the generic label of "globalization". This process is being driven at the senior levels by what have come to be known — affectionately or not — as *fonctionnaires sans frontières*,[29] generalist managers whose strength is seen not in their topical expertise, but in their commitment to knowledge-based, policy-driven programming, and bureaucratic innovation.

This is the context of the review that is taking place within CIDA at this time. In a recent address, Mel Cappe — the Privy Council mentor of all of this productive foment — elaborated on the critical importance to Canada of this fundamental renewal of its public service, explaining that if in the era of globalization the government is genuinely to act in the public interest, "we have to be acutely aware of the marginal value of time and make sure we optimize it." At the same time, Mr. Cappe acknowledged that it is critical to "think things through", and always to be seeking the "one piece of crucial advice" that can make all the difference in the success of innovations being proposed.[30]

One of the limits, as well as strengths, of the *fonctionnaires sans frontières* approach, is that the senior leaders of the change process are expressly not experts in the departments being transformed. It is the *form* that is their specialty, not the substance; and, borrowing from McLuhan, they often even will insist — with some validity — that the form *is* the substance. But the substance is also very important, especially in the case of development assistance where the "consensus", to say the least, is contentious.

A public review of Canada's relations with the global south and its commitment to global poverty eradication will allow the government to "think things through", and to seek the "crucial advice" that is required to meet the incredible challenge that poverty manifests in the world.

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[29] Voluntary-sector observers may be delighted, or dismayed, to see this high-level adaptation of a construct invented and made famous within the NGO movement itself.

[30] Mr. Cappe's observations were offered in a keynote to the 2000 National Policy Research Conference, *canada@theworld.ca*, organized by the federal Policy Research Secretariat in November 2000, and reported in the newsletter of the PRS, *Horizons*, Vol. 3, No. 5, November 30, 2000.

In this context, it is important to acknowledge that — potent metaphor aside — government departments like CIDA, or the Privy Council itself, are not *actually* "silos" as Mr. Cappe and others sometimes refer to them; they merely have some ancillary characteristics that can make them *appear* to be a bit like silos when we are trying to introduce some "fresh air" into the bureaucracy. As happens to most good metaphors, this one has become a cliché, and the connotations of a once-useful image now obscure much deeper and important qualities of CIDA that need to be tapped and enhanced if the project of poverty eradication is to be real, and enduring.

Specifically, this process of reform and revitalization within CIDA has to respect, acknowledge and exploit the experience and the knowledge of CIDA staff, and the wisdom that has been acquired over 40 years about what has worked and what has not. This does not mean accepting the lowest common denominator of jaded opinion about what is or is not possible; to the contrary, it means promoting inside and outside CIDA an open debate about the most important learnings that have emerged from a long history of pro-active programming.

Issues for Debate

This paper makes no pretense to offer final resolutions to the many issues at play in regard to Canada's future relations with the global south, and our commitment to global poverty eradication. We can only outline some of the issues that emerge from the policy discussions of which Inter Pares has been part, and from CIDA's own framework for consultation on its Long-term Strategy.

i) Eradicating Poverty

Implicit within present policy discussions is a distinction between the goal of poverty *reduction*, and poverty *eradication*. The CCIC, in its *in common* campaign, has been explicit in its call for an intensive program to eradicate global poverty. Inter Pares endorses this goal. Nothing less is sufficient if we are to honour our humanity in the global commons.

No one imagines that this can be anything but a long and incremental process. The eradication of global poverty will be a challenge unlike any that humankind has undertaken in history. In this context, it is acknowledged by advocates for the eradication of global poverty that the short-term poverty reduction targets announced in the past five years by donor governments are one step to begin to achieve progress. The endorsement of such goals is a symbolic advance toward authentically engaging in the profound moral and political undertaking that eradicating global poverty entails. At the same time, there has also been a strong critique that these targets are superficial,

inadequate and arbitrary, largely imposed by the donor governments rather than derived in collaboration with governments and civil sectors in the global south. And already it is acknowledged on all sides that even these modest and very limited targets will not be achieved by the year 2015 as proposed.[31]

Temporary poverty reduction targets aside, it is clear that to reduce poverty in any significant measure, we must implement policies and programs that are focused on eradicating it permanently and absolutely, everywhere on the planet.

Poverty is not "the poor". Poverty is the conditions that the poor live, and the experience that forms their lives. Poor people are born, they live and they die, and others take their place in the enclaves of poverty. There are some, of course, who due to personal or external calamity are impoverished in the course of their lives. And some who, by their own resources, or with external assistance, escape the conditions that mire the majority. But even as the actual people who are poor change, poverty as a phenomenon remains entrenched and structurally reinforced in our societies. Poverty everywhere is embedded within economic, political and social structures that determine that many — often the majority — will be poor, and that the poor will be with us always.

The project to eradicate poverty has to have as its aim, ultimately, to transform the structures that ensure that some will always be poor, and that the wealth of some is dependent upon the scarcity of others. The means to achieve this have not yet been invented, although there are experiences and models to learn from, both in the negative and in the positive. It is an historical project to create the universal will to achieve this goal, and to invent the means to achieve it.

In this context, **a public review of Canada's relations with the global south should make explicit that Canada's ultimate goal is the eradication of global poverty in this century, and debate precisely how this can be achieved.**

ii) Promoting equality

The principle of human equality as a goal of global development is the foundation of the United Nations and its conventions, and a principle to which the Canadian government, and Canadians in general, have ascribed for half a century. In the context of the present policy dialogue, this principle is translated into the critical function of promoting equity in economic growth, in the distribution of national wealth and "global public goods", and in broadening the base of economic and social opportunity.

[31] The most recent analysis in this regard comes from the International Fund for Agricultural Development (IFAD), in its *The Challenge of Ending Rural Poverty: Rural Poverty Report 2001,* IFAD and Oxford University Press, Oxford and New York, February, 2001.

At the heart of this issue are the concrete policies and programs required to reduce and ultimately eradicate poverty and, in this context, the imperative to introduce equality and equity as integral to all development strategies predicated on promoting economic growth.

All evidence is that this is far more easily said than done. **Current debates will have to focus very practically on how Canadian foreign policies on development assistance, trade, and multilateral financial governance, promote or undermine equitable distribution of the benefits of global economic growth.**

Equally important, these debates will need to address underlying dilemmas concerning the relative weight and emphasis of economic (that is, "growth-oriented") versus non-economic, strategies and interventions. Relying solely on economic growth will not resolve the present crisis of global poverty, nor can it eradicate poverty in the long-term. This implies that ongoing policy debates must focus on some very complex questions:

- What are the other political and social strategies that are critical to the structural transformations required to eradicate global poverty in this century?
- How does the Canadian government intend to promote these strategies through its own programs and policies?
- How does the Canadian government intend to integrate internal policy processes to ensure that policies and programs implemented by one department of government do not erode, and even negate, the benefits promoted by the policies and programs of other arms?

iii) Long-term interests

In its framework for consultation on a long-term strategy,[32] CIDA attempts to clarify and deepen the integral rationale for international cooperation (of which — we must always keep in mind — development assistance is an important, but neither the sole nor most important, element). The CIDA document argues for an evolving rationale for international cooperation,

> that would build on the existing value-based support for aid but also be more firmly rooted in the long-term interests Canada shares with other countries, particularly around issues related to trade, the environment, migration, security and health. This rationale would recognize that, ultimately, Canadians will benefit from a more prosperous, secure and

[32] See "An Evolving Rationale for Aid", in *Towards a Long-term Strategy for Canada's International Assistance Program*, pp. 8-12.

> equitable world. Conversely, Canadians will be less and less secure in a world characterized by poverty and unsustainable development.[33]

These themes are indeed critical, and certainly not new. Inter Pares and many other organizations, including the CCIC, made clear and explicit proposals regarding these issues during the last foreign policy review in 1994. A review of Canada's future relations with the global south and our commitment to global poverty eradication will need to augment, elaborate, and refine the definition of the "interests", issues and options at play. It will be an opportunity to clarify the goals and policies that Canada is developing to address these issues, through CIDA, and through other departments.

iv) Influencing foreign policy

CIDA's framework for consultation states that "constructive engagement with the developing world...is a necessary condition to achieve vital Canadian objectives in trade, environment, health, social justice and peace and security."[34] If this is a view that the Canadian government intends to operationalize programmatically, it is inescapable that CIDA must have a much more critical and central role in the evolution, implementation and monitoring of Canadian foreign policy in regard to our relations with the global south and the eradication of global poverty. If foreign policy is to be dynamic, timely, coherent and knowledge-based, the experience and analysis of CIDA is indispensable. If other departments are to be held accountable for the development impact of their own policies and programs, empowered input from CIDA is essential.

Of course, this perspective will not be shared by all within government, or outside. Many will say that such a scheme is unworkable; others will argue that it is undesirable. Some might say it is neither workable *nor* desirable. The debate should be heard publicly, and the options explored. **The perspectives of other departments that presently enjoy an uncontested sway in Canada's "real" foreign policy should be tested concerning the issue of policy coherence. They need to be called on to defend their monopoly of influence in a sphere that is so critical to the future of Canada and our role in the world.**

v) Promoting international cooperation in Canada

If we are to build a genuine and broad-based consensus and political will on the part of Canadians to do what is required over several generations to eradicate global poverty, then this ethos must be promoted more actively by the Canadian government and, with assistance from the Canadian government, by organizations and associations within Canadian civil society. Promoting international cooperation has to be central to the

[33] Ibid, p 10.
[34] Ibid.

mission of CIDA as a core activity, rather than an ancillary exercise in public relations for the government — or minister — of the day, or for the Agency itself. Canadians can be excused for being cynical about "foreign aid" so long as those of us engaged in development assistance are cynical and manipulative in how aid is explained, rationalized and defended.

A public review should clarify the role and methods of CIDA in promoting public education and citizen engagement in international cooperation, and consider how to place this role at the centre of CIDA's mission.

vi) Refining operations within CIDA's revised mandate

There are a host of related issues raised in the current review of CIDA's operational mandate that also bear more open and extensive discussion. Such discussion will ensure that the government receives the best counsel possible, and will increase the probability of an authentic consensus among all actors, and a broad-based commitment to make this consensus work.

As a general observation, the CIDA framework for consultation has cut some key issues in ways that force distinctions that are not as harsh in the practical day-to-day work of CIDA and its counterparts as is presented in the document. The framework tends to present dichotomies that are not real, or absolute; it thereby forces a choice among options that are artificial and which obscure more dynamic and integrative possibilities. In this way, the document begins to read as a *post hoc* rationale for a set of conclusions reached independently of the rationale itself, and imposed as inevitable conclusions from a logic that is beyond question.

This general tendency is manifest in each of the three issues that emerge most clearly for us in the CIDA Long-term Strategy framework.

(a) Project vs policy. The framework makes a distinction, almost a contradiction, between a "project" approach to CIDA activity, and a "policy-oriented" approach. Of course, CIDA should free itself from a limited project mentality, and we are sure that most folks at CIDA would welcome the liberation. To be fair, this is a mentality that comes not specifically from within the agency itself, but has been imposed over decades and across the spectrum of social development agencies of government at all levels. One function of this device has been to maintain a façade of accountability, while diffusing accountability to the lowest levels possible. To complain now, as some senior officials do, that too much power over spending priorities lies at the project officer level is to obscure the fact that generations of senior bureaucrats and politicians have nurtured this

institutional culture to insulate themselves from the pressures of competing political priorities, and the fallout from decisions gone wrong.

It is also critical to remember that, negative implications aside, there are very good reasons why allocation decisions should be largely located at the operational levels of a funding institution — especially one that aspires to be knowledge-based and policy-led. The operational level of CIDA is where the knowledge and experience lie. It is where the policies and priorities of the institution — in this case CIDA — meet the actual world.

The direction that needs to be explored is the transition from a project approach to a *program* approach that integrates the policy process — and long-term policy goals — within a program comprised of similarly *integrated* activities. These activities might accurately be called "projects", although their nature and function are quite different than stand-alone projects.

The choice is not between policy and projects. The way forward is in a program approach that integrates both elements.

Central to this approach is the fact that policy goals should be based in long-term aims and objectives, and derived from practical on-the-ground knowledge and experience. Applied programming such as that carried out and supported by CIDA should be seen not only as an application of these goals, but as application that informs and refines them. This is a cybernetic, but also synergistic, process.

A knowledge-based, policy-oriented department is more like an intelligent organism than a machine. It is not mechanical; it is an open system that relies on a synergy among elements and has the capacity to process feedback quickly and creatively to modify its own behaviour. CIDA has to be careful not to become a brain without a nervous system, insulated from its own environment and the feedback it receives on its activity.

(b) Geographical focus. The issue of concentration of efforts geographically has arisen time and again in discussions about Canada's foreign policy and international development assistance. The question often posed is whether limited resources should dictate a more strategic focus and concentration in areas where Canadian ODA can realize its objectives most effectively or, put more crudely, where we can have the most "impact". A corollary question concerns the criteria that would apply if development assistance were focused in a more concentrated fashion. Should Canada focus on the poorest people? The poorest countries? Or should more nuanced guidelines be developed, using thematic and sectoral focuses?

These questions can best be resolved within a energetic review of Canada's overall relations with the global south, including all of the mechanisms and instruments through which we relate to the international community. In carrying out such a review we have to remember that while development assistance is only one element in Canada's relationship with the nations of the global south, to the extent that we restrict its application geographically we remove an important resource from Canada's broader diplomatic efforts.

In this context, **Inter Pares counsels strongly against the conclusion that CIDA should limit the scale and scope of its interventions to concentrate resources geographically in a few countries where CIDA can have maximum "impact".**

The temptation to concentrate resources in this way is seductive, but naive and simplistic in its interpretation of the complex processes of national development, and the role and effects of development assistance in these processes. All of CIDA's resources concentrated in one country would not have the impact to justify such a concentration, and even less so if the concentration were more diffused to three or four select countries.

In any case, examined more closely, the issue of geographic concentration is a false conundrum. The essential and operational product of development assistance is not "impact" — an obsession that is fortunately passing out of fashion in more innovative sectors simply from the sheer folly of the tunnel vision it enforces. Nor can the effect of development assistance exclusively, or very meaningfully, be measured in quantitative terms — the hubris of relying exclusively on Strategic Framework Analysis and RBM approaches to decision-making.

Rather, the essential operational product of development assistance is *influence*, an insight that is implicit within the policy-oriented and "recipient-led" approach that is the axis of CIDA's consultative framework for a long-term strategy. The flaw in the present thinking is the conviction that influence can be *bought* — indeed *has* to be bought — and that if Canada wants to have influence, our limited resources have to be concentrated in one or two places. There is a bit of *machismo* at play here: if we want to play with the big boys, we have to put up an ante that will give us weight and "respect" at the table.

This assumption has to be challenged, and the experience of 30 years of development assistance programming through CIDA — and through Canadian NGOs and NGIs — provides the evidence. The degree of influence afforded Canada by its development assistance and other forms of international cooperation is not primarily a function of the *quantity* of aid offered to a specific country, but its quality, and *qualities* — that is, not

merely our material generosity, but especially our *generosity of spirit* and solidarity, and our willingness to take risks and share in the tentative venture of re-inventing society.

Integral to this generosity and solidarity are humility and mutuality, whereby influence is a mutual process in which both parties influence, and are influenced; where the parties learn together from the cooperation in which they have engaged. This is what it really means for CIDA to be a "learning" and knowledge-based institution, and a policy-based institution. It is also the best strategy to achieve the influence that CIDA's consultative framework places at the heart of CIDA's long-term mission and strategy.

Aside from the fact that this is the best and most effective strategy to achieve influence, there is the reality that no matter how much money in absolute terms Canada brings to the table — in one country or in all countries together — it will not significantly alter our "influence". Canada's influence is determined by history, by the size of our economy, and by geopolitics — especially our inextricable proximity and relationship with the United States. What deepens the extent and effectiveness of our influence is not the specific amount of money we share with other countries and multilateral institutions, but how we behave, and how we use modest resources to build and maintain relationships to influence policy and social and political processes.

A final consideration concerning geographical concentration relates to the issue of CIDA's leadership and influence within Canada's foreign policy establishment. If CIDA is to have integral leadership in establishing and monitoring Canada's broader policies concerning our relationship with the global south and the eradication of global poverty, then it has to be present precisely where poverty is deepest and most intransigent, and it must be an integral part of the relationships that Canada forms with the nations and the people in the global south who most profoundly seek our solidarity in the struggle to eradicate poverty.

The implication of this is that **Canadian ODA should not be focused in a way that restricts all but a few countries to access to development assistance, especially on some notion of the potential for impact. Rather we should diversify and extend our relationships, and our approaches. We should focus intensely on the qualities of our relationships — on process and methodology — and the mutual influence that will flow from these relationships.**

(c) Sector-wide approaches. In our brief to the parliamentary committee reviewing Canada's foreign policy in 1994, Inter Pares recommended that CIDA's priorities ultimately be set on a thematic and sectoral basis, a direction toward which CIDA has moved, as affirmed in the present consultative framework on a long-term strategy.

However, we also suggested that decisions about the concrete application of these priorities — who, what, where, and how — need to be made on the basis of an analysis of the potential of Canadian support to nurture and influence long-term, progressive developmental change sustained by the capacities and efforts of the people in whose interest development assistance is given.

All development actors would agree that CIDA has to continue to move away from support to short-term goals and effects — including *ad hoc* political responses to the flavour-of-the-day issue — and shift its emphasis to promoting, nurturing, and reinforcing approaches that have the potential for long-term effects at local, national, regional and global levels. This shift has been taking place for several years, and has brought with it a welcome emphasis on supporting the fundamental capacity of people and institutions to participate in the long-term development of their own communities and nations.

But the proposal that new comprehensive Sector-wide Approaches (known in ODA circles as SWAPs) should become the lead programmatic strategy in Canada's development assistance program is another matter entirely. The SWAP approach emphasizes concerted bilateral aid programs focused on selected "sectors" within a few countries where there is judged to be a high potential for impact. SWAPs are attractive to donors because they allow the maximum amount of dollar outflow with a reduction in bureaucratic hassle and oversight, as well as lower cost for each dollar delivered; and they presume "policy dialogue" with the recipient governments, which provides a formal structure for the influence on domestic policies that the donors seek.

The CCIC explores the strengths and limitations of this approach in its own *Commentary,*[35] and in an earlier background document prepared for internal policy discussions. [36] We can only augment the CCIC analysis with some reflections of our own.

The sector-wide approach is based in a rhetoric that emphasizes the authority and priorities of the recipient government. It is a rhetoric to which we can easily subscribe, and is the basis for some of the support for this approach from within the NGO sector. In practice, however, SWAPs assume conditionalities that mitigate real authority or options on the part of recipient governments. At the same time, the process of negotiating

[35] CCIC, "Piloting Canadian participation in Sector-wide Approaches (SWAPs)" in *A Commentary on CIDA's Long-term Strategy*, p. 18-19.

[36] CCIC, "Sector Wide Approaches (SWAPs) to Development Cooperation: What are the issues?", November 2000 (as with all CCIC papers, this is available at www.web.ca/ccic-ccci).

SWAPs makes these national governments even more impervious to the efforts of civil society actors, and even local governments, to influence national government policies and programs.

SWAPs are also premised on concerted harmony and coherence among donor nations, so that the priorities — and economic prescriptions — of the donors are assured. There are, in fact, few real options for recipient governments. The parameters of choice are so narrow as to obviate authentic choice, other than to say, "No, thank you."

Anti-poverty sector-wide approaches assume that recipient governments priorize pro-poor policies and programs and have the will and the capacity to implement them. SWAPs can only be a factor in reducing poverty where these conditions exist; unfortunately, these conditions rarely exist. In any case, many of the prescriptions from the donors themselves do not promote development or structural reforms that will benefit the poor in the short- or mid-term — that is, in their own lifetimes.

Our conclusion from these considerations is that **decisions about direct government-to-government assistance, and especially about the role of donor-coordinated sector-based programs in such assistance, should be based on the qualities of the recipient government in terms of its commitment and at-least-incipient capacity to implement programs for extensive poverty reduction, and for the promotion and protection of human rights and broad public participation in governance.**

Beyond fundamental concerns about the approach, there are also questions of simple efficacy. The OECD draft guidelines on poverty reduction, while generally supportive of sector-wide approaches, admit that "even in the social sectors it is often not easy to reconcile sector approaches with a strong focus on reducing poverty per se." (187). The document continues:

> A major rationale behind sector programmes is to overcome the fragmentation of unco-ordinated investments, in particular of donor-supported (and often donor-managed) projects, by bringing together all sector activities within a common framework. This is leading to considerable progress in co-ordination around country-owned sector strategies. But concentrating on a single sector may also mean that opportunities for co-ordination and synergies with other sector policies may be missed. This is particularly important in relation to reducing poverty since poor people do not live in sectors. Poverty cuts across sectors and needs to be tackled in an integrated manner. (196)

In its summary concerning sector programming, the draft guidelines warn that "the multiple concerns with building institutional capacity, involving local government, forging public-private partnerships, and strengthening ownership and accountability may initially divert attention away from the primary objective of reducing poverty." (194)

The OECD reports that, augmenting a sector approach, there is a renewal of interest in more integrated approaches limited to specific areas or regions, explaining that,"[b]ehind the renewal of interest in area-based approaches is also the desire of agencies to tackle the multidimensionality of poverty and to focus on sustainable livelihoods by cutting across sectors." (196)

The draft guidelines elaborate:

> Often focused on rural production (crops, livestock, fishery, forestry, conservation), area-based approaches support basic services like health, education and water supply as well as infrastructure (for example, rural roads) and small-scale off-farm employment. The starting point is to take a holistic approach and consider the diversity of factors which affect the income and well-being of the poor. This assumes a good understanding of the social, institutional and policy contexts of poor people's livelihood, including the dynamics of gender relations, and the use of participatory approaches to gather information. Many programmes focus on building capacities in both communities and local administrations, in some cases creating space for participatory negotiation where the voices of poor people or their representatives can be heard. (197)

The point is that CIDA cannot afford to buy into a panacea approach to development assistance programming, which the emphasis on SWAPs in the long-term strategy framework implies it might. As many at the direct program level within CIDA know, SWAPs are not a "magic bullet". There is no magic, and if there were it would not be as simple as a SWAP. SWAPs may well be an effective approach in certain contexts, but they can be only one tactic in what must be a much more multiplex overall programming strategy for CIDA.

Therefore, while focusing some of its program activity on a thematic and sectoral basis is an entirely appropriate direction for CIDA, **an exclusive and technical sector-wide approach — in the sense that emphasizing SWAPs might imply — is not the right direction for Canada's bilateral development assistance program. CIDA has to deepen, not restrict, its repertoire of methods and approaches, and develop the internal processes to deploy its resources with agility, flexibility, and subtlety.**

As the OECD warns in its introduction to its draft guidelines on poverty reduction,

> ...in many respects — such as in promoting empowerment, better governance, participation and institution-building — development practitioners are at the incipient stage of knowing how best to act and to interact to reduce poverty. Further, each partner country is different and unique, defying a "one size fits all" approach to poverty. There is still much to learn about good practice in this evolving area of development cooperation, including from listening to — and heeding — the voices of the poor themselves. (17)

SECTION FOUR
CIDA's Partnership Relationship with Canadian Civil Society

CIDA Partnership Branch is sometimes represented as marginal to the "real" mission and internal policy processes of CIDA, needing to be integrated as a more direct servant of CIDA bilateral policies, priorities and programs. Non-government actors supported by Partnership Branch often themselves are disparaged, somewhat oxymoronically, as "special interests" by those who find NGO/NGI priorities a diversion, and their policy advocacy an inconvenient challenge. Inevitably then, some within CIDA would like to see relations with non-governmental actors integrated within the priorities of operational bilateral programs where the "real action" is, and largely as contractors and project executing agents rather than as counterparts.

This paper will not make the case for an integral and independent role for Canadian civil society in Canada's relations with the global south, and in the project to eradicate global poverty. The case has been made many times, most recently in the *Commentary* on CIDA's long-term strategy prepared by the CCIC. It will be made again by leaders in the sphere of international development action. Most importantly, the case is made every day in the activities in Canada and around the world by Canadian civil society actors — a broad range of faith-based institutions, labour unions, public and third sector institutions and associations, community-based organizations, as well as NGOs — and will continue to be made in the profound common cause relationships among these organizations and their colleagues and counterparts of the global south. These relationships are long-standing, and durable; they have survived many transitions, and will survive many more.

At the same time, in the context of a review of Canada's relationship with the global south, it is essential to consider and assess the relationship of CIDA with Canadian civil society organizations, and its support for these Canadian organizations and institutions in their relationship with people's organizations, NGOs and NGIs around the world.

It can be argued that in some senses the single most important contribution to anti-poverty action on the part of CIDA over 30 years has been in its partnership programming, and its promotion of citizen activism in the field of international cooperation and global social justice. The result of the human and financial investment by Partnership Branch — which represents only a small proportion of the total resources expended by CIDA over the years — is a broad, dynamic, and effective Canadian movement for international cooperation in the cause of peace, economic justice and human dignity. It is a movement that is deeply and profoundly connected with sister civil society organizations in the global south. The development of such a strong civil society movement for international cooperation was one of the original goals behind the creation

of the responsive mechanisms of CIDA. Partnership Branch is achieving what it was established to achieve, a claim that perhaps would be difficult to make as soundly for other branches within CIDA.

The effects of this success are fundamental to CIDA, and to Canada's reach in the world. When Canadian officials and government ministers sit down with their counterparts in other countries — present-day Mexican, or South African, or Chilean officials represent excellent examples — often the deepest and warmest historical links these officials have had with Canada and Canadians are with actors from Canadian non-government organizations and institutions, who have supported them for a generation in the struggle for justice, democracy and human rights. And it has been Partnership Branch that has had the vision and fortitude to support and defend these relationships when others may have found them politically embarrassing or uncomfortable.

Similarly, many of the issues and "lessons" that presently frame the discourse on global poverty eradication come from the experience, formulations and challenges of the non-government sector. The CIDA framework for consultation celebrates the learning that has happened over the long history of development assistance. Much of this learning was promoted by the non-government sector, and the lessons brought into CIDA directly through Partnership Branch. Again, Partnership Branch had the vision and fortitude to support the experimentation of Canadian NGOs, NGIs and their counterparts, and to support their questioning and critique, even while some inside government reacted defensively to the challenge. And commonly the validity of the challenge prevailed and became conventional wisdom within CIDA, and the government.

While Canada's relationships at the institutional and diplomatic level are constantly in transition, the on-the-ground presence of Canadian NGOs and NGIs — including their alliances and their knowledge of local history and conditions — represents a constant in Canada's relationship with the global south, upon which both CIDA and DFAIT rely when global events force them to focus on specific countries or regions. Within CIDA, it is Partnership Branch that best understands these dynamics, that works with the NGO/NGI sector to support and nurture it, and which manages the relationship between CIDA and Canada's international cooperation community. In this context, **just as a more powerful and integral leadership role for CIDA is essential within Canada's foreign policy processes, so too Partnership Branch has to be incorporated more centrally within the policy and programming processes of CIDA itself.**

This is not to say that there is no scope for learning and renewal within the non-governmental sectors, and within CIDA Partnership Branch itself. NGOs, NGIs and other civil society actors have to be more open to constructive criticism, and less

defensive to challenges to their experience and received wisdom. CIDA Partnership Branch, for its part, has to become much more assertive and authoritative within CIDA. The Branch also needs to re-emphasize substance over form in its application of CIDA systems — especially SFA and RBM — with its Canadian counterparts, who find the Branch's processes and demands increasingly, and needlessly, onerous (a sentiment, to be fair, not reserved for Partnership Branch but rather generalized to CIDA as a whole).

Such revitalization and renewal are critical within both civil society and CIDA, and in the relationship between CIDA and civil society organizations. If we are to engage together in a project to eradicate poverty and its devastating human effects, we will have to give breath and heart to innovative ideas for developing and conserving creative, vibrant, tolerant, caring and dynamic societies and communities. CIDA needs to be on the cutting edge of social knowledge and the testing of development ideas and strategies, seeking out and supporting innovation and experimentation, and bringing into the light new trends, issues and approaches that are yet only marginal to the mainstream debates. It is a role of surfacing the most profound problems embedded in current practices, and the radical critiques of current approaches and assumptions.

Partnership Branch has been the leader in this element of CIDA's mission, through its relationship with Canadian civil society organizations, and with their activity in Canada and around the world. Indeed, in some fashion, it has been CIDA's "early warning system" and development "laboratory". As such, **Partnership Branch fulfils a critical role within the knowledge-based institution, and it should be incorporated integrally and centrally within the policy processes that drive CIDA, and within those processes that will be driven by CIDA in the future as it gains more authority and influence in the wider foreign policy debates within government.**

CONCLUSION
Dilemmas Experienced, Opportunities Shared

There is a critical point where the interests of Canadian civil society and our government converge, and that is at the intersection of our concrete activities to bring about change in the world. This is the ground where our dilemmas are experienced and opportunities shared.

In our relationship with the nations of the global south, and our commitment to the eradication of global poverty, the way forward for Canadians and our government is neither unambiguous, nor simple. The imperatives are far more clear than the means. To engage meaningfully in the mission discussed in this paper, and in CIDA's own framework for consultation, implies not only changing the world, but accepting the implications of these changes for ourselves. Building the political will for such a project will be a significant challenge, requiring an authentic and broad-based national consensus. Even then, eradicating global poverty will not be easy; but it will perhaps have begun to be possible.

Resistance to change

We know that to eradicate poverty, or even to reduce it significantly, will mean to confront the power and privilege of entrenched interests that will not surrender their privilege easily. There is deep and violent resistance to the struggle for justice and equality, and as serious progress actually is made in promoting these values in societies around the world, we can anticipate that the resistance will become stronger and more forceful. That is, as we commit ourselves to the eradication of poverty, we can expect increased and intensified conflict where we work, and where we are engaged with government and citizen actors promoting fundamental change.

If we are to seriously embark on this challenge, we have to do so with the awareness that it will require resolute courage and conviction in our solidarity and accompaniment of those with whom we have engaged.

Commitment to counterparts

The ones who experience the brunt of the violent resistance to social change are not those from afar who support change processes with their money and their rhetoric. The violence is experienced by local organizations themselves, by the poor who resist their oppression and mobilize for change, and by public officials who dare to take sides with the poor and who advocate economic and social measures in the interest of the poor.

Engaging in the commitment to eradicate poverty also means making a commitment to protect and defend those whose actions and activities we are supporting, whether in national or local governments, or in citizens' organizations and institutions. This means being *present*; it means participating in common cause in the processes we have endorsed and supported. It means being clear that we have taken sides with those who have embraced the struggle against poverty.

Human rights, not charity

Justice, and the eradication of poverty, are a matter of basic universal human rights, not of charity, nor of mere humanitarian impulse. The implication is that the political and ethical axis of Canada's relationship with the global south, including Canada's development assistance program, has to be human rights, rather than charity and humanitarianism, or some vague commitment to "neutral" development. This implies an "activist" role for Canadians and the Canadian government, in promoting justice and in protecting and defending rights. This element needs to be explicit in the goals and guidelines for the various departments of the Government of Canada, and become a measure of progress or failure in implementing governmental programs.

Conflicts of interest

There are many difficult challenges for Canadians and our government in launching a new era of international cooperation focused on the eradication of global poverty. Of all the challenges that we face together, the most immediate, and perhaps the most difficult, will be confronting the deep conflicts of interest that Canada experiences in contemplating a program of profound common cause with the global poor.[37] This is where issues such as trade, migration, health, the environment, and security — the "long-term interests" that CIDA states Canada "shares" with other countries[38] — become two-edged. That these interests can be said, in some sense, to be "shared" generically, does not at all mean that our interests are "common". To the contrary.

For example, one of the shared interests that CIDA identifies is trade. The CIDA long-term strategy framework document talks about "trade" as the engine of development and poverty reduction, a contingency which is central to many of its other assumptions. But we use this term "trade" uncritically, as though "trade" were an unqualified good, as benign as mom's apple pie, or vitamins. It is useful to remember that trade originally assumed an exchange of goods of roughly equal value, in which the traders broke more-

[37] This is not a new theme, but rather integral to the historic realities of Canadian national development and foreign policy; see for example, Jamie Swift and Brian Tomlinson, *Conflicts of Interest, Canada and the Third World*, Between the Lines, Toronto, 1991.

[38] See "An Evolving Rationale for Aid", in *Towards a Long-term Strategy for Canada's International Assistance Program*, p. 10.

or-less even according to their own values, wants and needs. What is called "trade" today — as in "Canada's trade interests" — is not trade at all, but *commerce* (things are bought and sold, not "traded"); and it is aggressively unequal and extractive commerce at that.

International trade has little positive developmental benefit to a poor country where the balance of "trade" is wildly negative — that is, when the country imports much more than it sells externally, and the greatest proportion of private capital is kept in foreign-owned banks. The result is a recurring and cumulative net loss of wealth, and usually of human capital as well. This is doubly and terminally so if export production and commerce are emphasized at the expense of the local economy and market — noting that the successful examples of significant and permanent national economic "development" in this century, including Japan, have been built on developing and serving the local consumer market as a first priority.[39]

Canada's interests in trade are not necessarily the same as the interests of the countries of the global south. Indeed, there is usually a mighty conflict of interest, conflict which overlaps with other spheres as well. In the area of "security", for example, Canada rhetorically promotes peace while continuing to nurture and protect a significant industry manufacturing and exporting military arms and equipment. In the area of health, Canada aggressively defends and protects the patent protection of the pharmaceutical giants to the detriment of the capacity of countries in the global south to develop their own generic pharmaceutical capacity for domestic and regional markets.

In regard to the environment, where Canada's *per capita* consumption of energy and other resources outstrips all nations of the global south, we advocate global controls on energy consumption in other countries. In regard to migration, Canada's immigration policies proactively seek out and siphon off the very best-trained and dynamic professionals of other countries, yet we collaborate with other industrialized nations to put in place severe impediments to immigration and refugee flows, and militarize our borders to restrict access for the poorest and most desperate.

These are just a few obvious examples of conflicts of interest that need to be addressed and reconciled if Canada is to seriously engage in a renewed and just relationship with the global south, and honour its commitment to the task of global poverty eradication. There are other examples, and new issues are certain to arise. It is our common challenge to courageously confront these issues so that the choices and options are scrutinized

[39] See Oscar Ugarteche, *The False Dilemma: Globalization, Opportunity or Threat*, translated by Mark Fried, ZED Books and Inter Pares, London, 2000.

openly, and the government and its various departments are held accountable to processes of internal consistency and coherence.

Engaging Canadian citizens

The degree to which Canada and Canadians will be able to fulfil a commitment to the eradication of global poverty, and a renewed engagement with the nations of the global south, will depend on whether the Canadian government and organizations within civil society can mobilize a consensus among a broad base of Canadians that this long-term mission is necessary, and possible. Only then will there be the political support for the policy reform within Canada, and in the international arena, that this commitment implies.

A public review of Canada's relations with the global south and the challenge of global poverty eradication can be a major impulse to initiate this process. Momentum can be built and sustained by charging CIDA with the task of supporting concerted action by the government, by local and national citizen organizations, and by Canadian NGOs and NGIs, that will be required to create this kind of political consensus among Canadians.

Ultimately, it is political leadership that will determine the future of Canada's relationship with the global south, and our contribution to the historic mission to reduce and ultimately to eradicate global poverty. If Canadians, and our government, can today embrace this opportunity, future generations will honour us, and celebrate our wisdom, our foresight and our courage. If we do not, the legacy we leave to future generations quite likely will be nothing at all to celebrate.