

# Achieving the Development Objectives of Canada's International Policy Statement

The Canadian government always says it wants to boost foreign aid; however, it lacks a strategy to meet its own target, argues **Stephen Brown**.



In April 2005, while the public was preoccupied with the Gomery Inquiry and the possible dissolution of parliament, the Canadian government released its long-awaited *International Policy Statement (IPS)*.<sup>1</sup> Though media interest faded after a few days and the document failed to live up to its much-touted initial promise of a policy review, its four chapters—on diplomacy, defence, development and commerce—indicate the direction the government intends to take and therefore deserve further scrutiny.

Reflecting its downgrading from a “review” to a “statement”, the government did not present the IPS as a radical departure from previous practices. The chapter on development in fact presents very few innovations. Two related shifts in foreign aid policy which are revealed in the statement. The first is in motives: a move to greater focus on Canadian self-interest framed in nationalist terms. The second is in means: the high-profile increase in the aid budgets, which upon closer examination does not even restore aid to its 1970-1994 levels. For lack of resources, the government will not be able to achieve the ambitious objectives it sets in the IPS.

#### FROM INTERNATIONALISM TO NATIONALISM

Since the beginning of the Cold War, a debate has been waged on whether foreign aid should be primarily an instrument of foreign policy, alongside diplomacy and armed combat, or whether it is a response to the moral imperative to help those in need. On one hand, Hans Morgenthau, a founder of the “realist” paradigm of international relations, unsurprisingly espoused the former position. He describes as “weapons” in a country’s “political armoury” all areas of policy,

including foreign aid, diplomatic relations and security—even propaganda.<sup>2</sup> This view is often embraced by government departments such as Foreign Affairs, National Defence and International Trade, though not normally government development agencies. On the other hand, David Halloran Lumsdaine and others believe that, though donors’ economic and political interests certainly influence some decisions on foreign aid, the latter are mainly driven by “humanitarian and egalitarian principles.”<sup>3</sup> The normative case has been favoured by almost all government and nongovernmental organizations (NGOs) working in the area of international development.

This most recent policy statement embodies many elements of the decades-old debate, initially arguing both sides without reconciling them. This is apparent from the Minister of International Cooperation’s foreword to the IPS chapter on development, in which she invokes extreme poverty as “offend[ing] our most basic values of decency and fairness,” constituting “a moral affront to all of us;” she states that “this reason alone compels our response.” She then presents readers with the competing argument: “Increasingly, however, such poverty also poses a direct risk to Canada and our allies. We understand that there are links between acute poverty and state failure, and between state failure and global security.”<sup>4</sup> Through this (flawed) syllogism, Canadian readers are left with the message that their own safety depends on foreign aid, conflating the “war on terror” with a war on poverty.

The document’s introduction pursues this line of thought. Readers are told that “Canadians cannot be safe in an unstable

world, or healthy in a sick world, nor can we expect to remain prosperous in a poor world... Security and development are inextricably linked.”<sup>5</sup> SARS and terrorism are invoked to make Canadians feel they have a personal stake in development. That self-interest trumps internationalism is made clear in the affirmation that “Canada’s role in development cooperation cannot be defined *exclusively* on the basis of self-interest” (emphasis added).<sup>6</sup> Throughout the report, numerous references are made to “our interests” and “Canadian interests,” whereas the moral case is dropped after page one.<sup>7</sup>

In the IPS chapter on development, the Pearsonian ideal of internationalism is replaced with a justification based in large part on nationalism. The very subtitle of the IPS, “A Role of Pride and Influence in the World”, suggests that Canadians want to feel good about themselves and what their government does—and that they currently do not. It moreover appears to respond directly to the accusation summarized by the title of Andrew Cohen’s recent book, *While Canada Slept: How We Lost Our Place in the World*.<sup>8</sup> Appealing to Canadians’ pride (if not vanity), the Minister states that “our task is nothing less than creating the world’s best development agency.”<sup>9</sup> The repeated references to “Canadian values” further reinforce the idea of a moral superiority inherent to Canada, that the world needs more Canada. The conclusion implies that Canadians should renounce their shame, announcing that “Canada is poised to reclaim its rightful place in the world.”<sup>10</sup> In sum, the IPS chapter on development builds on the earlier ascendancy, documented by Cranford Pratt, of Canada’s own interests in foreign aid policy

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Opposite: South African President Thabo Mbeki is engaged in discussion with Prime Minister Paul Martin during a break in talks at the G8 Summit in Gleneagles. Photo: Chris Young/Crown Copyright - H.M. Government Handout Photo.

# FALLING SHORT



at the expense of an ethical concern based on “humane internationalism.”<sup>11</sup> By repackaging self-interest in nationalist terms, the government presents it as a virtue.

## INSUFFICIENT MEANS

The IPS chapter on development makes a firm commitment to increasing Canada’s aid budget. Indeed, this is a *sine qua non* on achieving the Minister’s ambitious objective of transforming the Canadian International Development Agency (CIDA) into “the world’s best development agency.” The IPS’s promises of increased funding came as no surprise, since the figures had already been released in the February 2005 federal budget, including doubling aid by 2010 compared with 2001.<sup>12</sup> Though the dollar figures are impressive—spending at least \$5 billion annually by 2010<sup>13</sup>—and indeed constitute a significant boost to CIDA’s budget, two important facts detract significantly from these announcements: i) that the govern-

ment had previously slashed the aid budget and ii) that it still refuses to live up to a key long-standing commitment in the foreseeable future. The latter point received much attention from development NGOs, opposition politicians and the media.

First, the increases follow more than a decade of rapidly declining foreign aid budgets, roughly corresponding to current Prime Minister Paul Martin’s tenure as Minister of Finance. When measured as a percentage of gross national product, the government had actually halved foreign aid during this period. According to CIDA’s own figures, Canada provided less aid in 2003 than in any other year since 1965.<sup>14</sup> The proposed increases in aid over the coming decade, according to projections by the Canadian Council for International Cooperation, would bring Canadian official development assistance (ODA) to 0.33% of GNP in 2010 and 0.37% in 2015, which would still be lower than 1994 levels.<sup>15</sup> It is worth mentioning that the IPS

chapter on development promises that these figures are a minimum and that they could increase further if “our fiscal position continues to improve.”<sup>16</sup> Moreover, the revised federal budget—amended to ensure the support of the New Democratic Party—contains one-off additional resources for development assistance. Nonetheless, the fact remains that Canada will take decades to restore aid to the levels provided 30 years ago.

Second, national and international attention has highlighted that, despite reaffirming “Canada’s long-term commitment to the internationally agreed target of devoting 0.7 percent of gross national income to ODA,” the IPS sets no date for achieving this goal.<sup>17</sup> Numerous Canadian NGOs and some international celebrities, such as economist Jeffrey Sachs and musician/activist Bono, have pressured the Canadian government to set a timetable to reach the 0.7% goal, to which it committed itself a generation ago in 1970 and reiterated ever since. This requires

quadrupling the aid budget, rather than merely doubling it. Ironically, as had been often pointed out, it was former Canadian Prime Minister Lester B. Pearson who had proposed the target at the United Nations. Moreover, current Finance Minister Ralph Goodale himself endorsed much more significant and rapid increases as a member of Tony Blair's Commission for Africa, but did not include such measures in the budget he tabled in Parliament.<sup>18</sup>

Much of the IPS chapter on development focuses on the United Nations Millennium Development Goals (MDGs), set in 2000, placing them at the centre of Canada's aid strategy. Yet without the additional resources that would come from Canada and other donors, notably the United States, reaching the financial commitments they made 35 years ago, it is clear that most of the goals cannot be met on a global level, least of all in Africa.<sup>19</sup> A fundamental flaw of the IPS is that it does not provide CIDA with the means to meet the laudable objectives it has set.

## CURRENT PROJECTIONS DO NOT EVEN RESTORE CANADIAN AID LEVELS TO WHERE THEY WERE IN THE 1980S, LET ALONE REACH THE TARGET TO WHICH THE GOVERNMENT COMMITTED ITSELF IN 1970.

### CONCLUSION

The International Policy Statement chapter on development recognizes that Canadians are dissatisfied with foreign aid and that it is not having the impact that it should have. Though aid is initially framed in part as a moral imperative to assist those in need, the document presents a fundamentally nationalistic case, based on Canada deserving

greater international prestige and influence. The pressing needs of billions of poor people are presented as being as important as “ensur[ing] that Canada has a world-class development cooperation program.”<sup>20</sup>

A multiplication of resources is necessary to achieve the objectives outlined in the IPS, regardless of motivation. After more than a decade of drastic cuts, from 0.49% of GNP in 1991 to 0.23% in 2003, the government's plans fall far short of what is needed. Current projections do not even restore Canadian aid levels to where they were in the 1980s, let alone reach in the foreseeable future the target to which the government committed itself in 1970. This failure saddles the Canadian government with a lack of credibility at the national and international level and limits CIDA's ability to make a difference. In other words, the IPS—at least in the area of development—has prescribed a remedy that is incapable of doing what its very title promises to do, giving Canada “a role of pride and influence in the world.” 🇨🇦

## NOTES

- Canadian International Development Agency, *Canada's International Policy Statement: A Role of Pride and Influence in the World, Development* (Gatineau: CIDA, 2005), henceforth referred to as IPS.
- Hans Morgenthau, “A Political Theory of Foreign Aid,” *American Political Science Review* 56, no. 2 (June 1962), 309.
- David Halloran Lumsdaine, *Moral Vision in International Politics: The Foreign Aid Regime, 1949-89* (Princeton: Princeton University Press, 1993), 30.
- “Message from the Minister”, IPS, n.p.
- IPS, 1.
- Ibid.
- Ibid., 1, 2, 24-27 and 31.
- Andrew Cohen, *While Canada Slept: How We Lost Our Place in the World* (Toronto: McClelland and Stewart, 2004).
- “Message from the Minister”, IPS, n.p.
- IPS, 31.
- Cranford Pratt, “Alleviating Global Poverty or Enhancing Security: Competing Rationales for Canadian Development Assistance,” in *Transforming Development: Foreign Aid for a Changing World*, Jim Freedman, ed., (Toronto: University of Toronto Press, 2000), 37-59.
- The choice of 2001 as baseline might be related to the fact that aid in that year, as measured by percentage of GNP, was its lowest since 1965, making the target easier to achieve.
- IPS, 7.
- All figures on Canadian ODA are taken from Canadian International Development Agency, *Statistical Report on Official Development Assistance – Fiscal Year 2003-2004* (Gatineau: CIDA, 2004), Table A, 1.
- The projections are taken from the CCIC commentary on the IPS (April 2005), 2, available online : [http://www.ccic.ca/e/docs/002\\_ipr\\_2005-04\\_ips\\_key\\_messages.pdf](http://www.ccic.ca/e/docs/002_ipr_2005-04_ips_key_messages.pdf), accessed 11 June 2005. It is important to remember that government commitments, presented increases in dollar terms or percentages, do not take into account inflation or economic growth. If the aid budget increases by 8% a year and the GNP grows by 3%, the annual increase in the ODA/GNP ratio is about 4.85%.
- IPS, 7.
- Ibid. Five countries (Denmark, Luxembourg, Netherlands, Norway and Sweden) have already met or exceeded the 0.7% goal and six others (Belgium, Finland, France, Ireland, Spain and the United Kingdom) have committed themselves to doing so by 2015. This makes Canada the only G-7 country with a budget surplus to refuse to commit to the target. UN Millennium Project, *Investing in Development: A Practical Plan to Achieve the Millennium Development Goals* (New York: UNDP, 2005), 252.
- Among other things, the commission's recommended doubling aid in three to five years. See Commission for Africa, *Our Common Interest: Report of the Commission for Africa* (March 2005), available online: [http://www.commissionforafrica.org/english/report/thereport/english/11-03-05\\_cr\\_report.pdf](http://www.commissionforafrica.org/english/report/thereport/english/11-03-05_cr_report.pdf), accessed 11 June 2005.
- UN Millennium Project, 252. The IPS chapter on development similarly recognizes that “the prospects for achieving the MDGs are not good” (p. 5).