

# Challenging the Economic Council's view of the new world order

by Jeffrey S. Steeves

If the 1960s represented a period of growing awareness within Third World nations of the complexities of development programs and directions promoted by the West, the 1970s have marked the growth of cynicism and disillusionment with those same policies. During the 1970s, Third World countries have become increasingly frustrated in their attempts to "develop" and have begun to perceive their condition of "underdevelopment" as emerging from the current structuring of the international economy. The collective efforts of OPEC countries in 1973 to determine a common price structure for oil stimulated the political leadership within the Third World to speak in unison on economic issues which clearly work to the advantage of the rich, developed North while systematically weakening the poor, underdeveloped South. Efforts by the Group of 77 to secure changes in the conditions of trade, monetary reform, agreements on commodity prices and on the transfer of technology have proved to be difficult, despite a whole array of international conferences established to work towards a more equitable international economic system. Meanwhile, the gap between the developed and the underdeveloped countries continues to widen. Of far greater significance, there is even less appreciation of the deteriorating condition of poor people — the near-landless, landless, under-employed and unemployed — who constitute the majority of the population in Third World countries.

Canada and the other industrialized countries of the North face a changing international environment, one in which a new policy framework must be developed to meet new international conditions. As one study has suggested, "We are entering an era in international relations during which political conflicts are widely perceived to be centred in economic relations."

Despite statements of intent and concern expressed intermittently by our political leaders, the Canadian response to North-South issues has been tempered by domestic concerns. Two major preoccupations — a persistently poor economic performance with high unemployment, inflation and a slow growth in productivity and the national unity question — have distracted concerted attention from the need for

a fundamental reorientation of assumptions and aspirations. Two important effects of our preoccupations can be perceived, both of which bear directly on the policy process at the federal level. Firstly, public awareness of and debate on the difficult choices which Canada will have to face over the next several decades have been inadequate. In part, this represents a failure of political leadership to alert Canadians to the important and continuing changes in our external environment and their potential impact on the country. Secondly, since the priorities of politicians and senior public servants lie elsewhere, little hard analysis of complex North-South issues has been undertaken or thought given to the alternative courses of action available, much less to the formulation of an appropriate policy to guide our relations with underdeveloped countries. As a result, the Canadian position is one of "suspended animation".

Last year, however, one institution at the periphery of the policy process in Ottawa, the Economic Council of Canada, released a major study entitled, *For A Common Future: A Study of Canada's Relations with Developing Countries*. The prestige of the Economic Council and its ability to draw upon both official and academic expertise raises the expectation that finally we will have a basis for informed debate and thereby an awakening of political and public concern.

A critical precondition to the development of a broad policy framework for Canada is the requirement for a sound and careful analysis of current reality and the identification of future trends which will be important to our relation with Third World countries. Unfortunately such an analysis has not been presented in *For A Common Future*. The authors of the Council's report have been captured by assumptions and attitudes which may have been relevant to an earlier period but which are clearly outdated now. In part, the explanation can be traced to the dom-

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