

## B. Setting Canadian goals and guiding principles

- We believe that Canadian policies towards developing countries on issues of debt and structural adjustment must reflect Canadian values of social justice, respect for human rights, and democratic participation. Our policies must be coherent, ethically as well as economically responsible. This means that conditions must be applied to Canadian actions to assist debtor countries. (p. 24)
  
- In light of what we have heard and learned, we recommend the following as a framework of guiding principles for Canadian policy:
  - The primary long-term goal of action on Third World debt must be sustainable human development in the debtor countries.
  
  - To the extent that adjustment programs are deemed necessary, they should be supported by adequate, reliable resource flows from the IFIs and donor governments. But first, every means should be explored to reduce the debt service burden of old debt, including allowing debt repayments to be made in local currencies for investment in human development projects in the debtor country.
  
  - Poverty and debt are the enemies of development, not structural adjustment per se. But adjustment is a major political, social, and environmental challenge, as well as a technical and economic one. Adjustment needs to be accomplished with, not just a “human face,” but a transformed human body. Adjustment can only be successful, and should only be supported, as part of a holistic developmental approach in cooperation with the debtor country.
  
  - Canada should work to incorporate into existing and future structural adjustment programs economic policies explicitly designed to benefit the poor, to increase the productivity and incomes of small-scale producers, and to achieve basic food self-sufficiency. Reforms must be the product of responsible dialogue with the debtor government and consultation with affected groups, not simply an external imposition from above. The social impacts of adjustment programs must also be assessed, as part of an open, accountable evaluation process, so that basic social minimums are preserved. We agree with the brief of the Taskforce on the Churches and Corporate Responsibility that: “a country should not be so constrained, either by its debt servicing, or by a structural adjustment program, that it cannot maintain its basic social programs. A structural adjustment program should protect such programs, and not rely on outside aid to compensate for its severity.”