

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.

As the Committee recognized in its 1987 report on ODA, policy-based interventions inevitably raise sensitive sovereignty questions. The debt crisis presents similar dilemmas. The political problem was put well in a thoughtful submission to the Sub-Committee by R. Keith Jamieson of Toronto:

In many cases, the Third World debts have been negotiated by oppressive and corrupt receiving governments—autocratic regimes or dictatorships. The common people rarely had anything to do with the negotiations and yet they are the ones that are now suffering under the debts. Moreover, it is a known fact that billions of dollars have been robbed and reinvested abroad by corrupt leaders, an action normally referred to as “Capital Flight.” There can be no viable solution as long as such leaders are in power. Has the outside world any right to intervene?

Even if Canada can do little by itself to right political wrongs in other countries, we must ensure that our international policies contribute as much as possible to the promotion of the values stated above. This is as a matter of principle, not unilateral “neocolonial” imposition, as SCEAIT’s report *For Whose Benefit?* was careful to point out in a chapter on aid and policy dialogue. That chapter also recommended guidelines for Canadian funding of structural adjustment that are to some extent reflected in CIDA’s *Sharing Our Future* strategy. The government should now build on that established consensus so that a truly defensible Canadian approach to adjustment and debtor assistance can be put into practice.

The issue, as we see it, is not conditionality or no conditionality, but what kind of conditionality? Adjustment is necessary, but what kind of adjustment is the goal? How can we help countries to adjust in ways that benefit the poor? George Cram of the Inter-Church Fund on International Development observed: “We have conditionality now. We impose and we insist on certain conditions before we make a good economic decision to make money available.” Going beyond that to integrate into negotiations on debt and adjustment social and political objectives that are at least as important will often be very difficult. Yet it must be recognized that human factors, and their environmental contexts, can deny the possibility of real economic success. We agree with Cram that, “even in the name of good economic decision-making, the social needs to be taken far more into account than has been the case until now.”⁽²¹⁾

(21) Sub-Committee on International Debt, *Minutes of Proceedings and Evidence*, Issue No. 3, 22 February 1990, p. 18.