

An Emerging Commitment to Common Values

The values of democracy and the respect for human rights have triumphed not only in the revolutionary transformation of Central and Eastern Europe, but also in the more evolutionary process of democratic change in much of the developing world.

The increasing acceptance of these values by people around the globe is a strong endorsement of the fundamental Canadian values which have driven Canada's foreign policy for the past 50 years. The entrenchment of democratic values and stable, effective democratic institutions remains, however, shallowly rooted in many parts of the world and needs to be nurtured and supported.

This emerging commitment to common, universal values based on respect for the individual and the environment could become the crowning achievement of the late 20th century. Conversely, if the commitment cannot be maintained, a failure to develop a consensus around democratic ideals and concern for sustainable development could profoundly shake the world order. We have already seen, in the USSR and Yugoslavia, the kind of violence and instability which can result if a commitment to pursuing democratic solutions cannot be solidified.

The New Global Economy

Globalized competition and renewed regionalism characterize the trade and financial regime of the future. Technology and investment – particularly in services and knowledge-based industries – will continue to be the force behind growth in world trade and global integration.

Global market forces compel governments to coordinate and harmonize domestic economic, industrial and trade policies to an unprecedented degree. What was once regarded as strictly the preserve of sovereign states is now becoming a proper subject of international concern, scrutiny, and even direction. The international trade policy agenda is becoming more intrusive. Environmental and industrial standards, subsidies, preferential access to natural resources, investment incentives, intellectual property protection, competition policy, exclusionary marketing arrangements and supply management structures, have all become the focus of the international economic agenda.

The leading role of technology in economic growth and prosperity in OECD countries will increase the importance of advanced infrastructures and sophisticated and skilled human capital. As the national affiliation of transnational companies continues to decrease in importance, decisions on where to locate plants and research establishments will increasingly