

rights, and private organizations. We should try to ensure that these reforms are done at the same time.”<sup>(19)</sup> Minister Monique Landry, in the address cited earlier, declared: “The last thing we want to see is democracy smothered by structural adjustment.”

Nevertheless, there is skepticism that the rhetorical acceptance of a more humane definition of adjustment has as yet been too little borne out in practice. While the economic model is being repackaged, its negative social impacts are still treated with palliatives instead of fundamental changes. The NGO Working Group on the World Bank recently concluded:

On the issue of mollifying opposition to adjustment policies, the genuine concern of many within the Bank about the social impact of these measures has unfortunately been largely translated into compensatory or social-action programs targeted at specific population groups. While Bank efforts to alleviate poverty should be encouraged, such schemes as the Emergency Social Fund in Bolivia and PAMSCAD in Ghana do not address the root causes of the current economic crisis and deepening poverty. The theory that people need only suffer transitional hardship on the road to economic recovery and growth has yet to be borne out in a decade of experience with adjustment programs. In fact, the negative effects of adjustment, once thought to be temporary, now appear to be at best symptoms and at worst the long-term fallout of dysfunctional policies.<sup>(20)</sup>

Many witnesses before our Committee urged Canada to adopt a more critical stance in relation to IFI adjustment conditionality. Marjorie Ross of the Taskforce on the Churches and Corporate Responsibility argued that, by tying debt relief to structural adjustment programs, industrialized countries “are creating enormous hardship in the debtor countries.” Chris Bryant of CUSO warned that: “The developed countries, including Canada, are forcing poor countries to do things Canada could never accept for its own people. For example, closing large numbers of hospitals and schools, or ending agricultural subsidies on which so many of our farmers depend.” Dr. Marcia Burdette of the North-South Institute called on Canada to encourage new thinking within the IFIs, instead of just being “part of the gang.”

**The Sub-Committee does not endorse any single diagnosis of, or prescription for, all of the ills of debtor countries in the developing world. Probably elements of more than one approach will be needed, adapted to the particular situation of each country. But we have heard enough to be convinced that the status quo is not acceptable. And we believe that despite, or perhaps because of, the complexities of the cases, there ought to be some strong common principles guiding Canadian policy.**

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(19) *Minutes of Proceedings and Evidence*, Issue No. 3, 22 February 1990, p. 14-15.

(20) “Position Paper of the NGO Working Group on the World Bank,” October 1989, p. 14. See also the testimony before the Sub-Committee of Tim Draimin of the Canadian Council for International Cooperation, *Minutes of Proceedings and Evidence*, Issue No. 6, 13 March 1990.