

suddenly gone wild. Nor does the deepest concern for human rights preclude substantial development aid to authoritarian governments that are taking clear steps towards a free society.

Perhaps the most subtle argument against closer aid/rights linkage is that it would spawn human rights "distortions" throughout the trade and private investment spheres. Indeed, one can cite instances, such as South Africa and Afghanistan, where the Canadian government has already tightened or considered trade and investment restrictions aimed at human rights abuse. (The United States has gone much further — Cuba, Poland, Afghanistan, Nicaragua — amid far greater controversy.) But this, for the most part, is "crisis politics" sparked by flagrant rights violations in particular settings. It is not a matter of reshaping world trade or investment patterns to give a clearer reflection of favorable human rights performance.

Western governments know full well that they reap enormous economic gains from relatively unfettered trade and capital flows; that they cannot indefinitely override the market and productivity factors which typically determine the volume and direction of such flows; and that, in any event, the efficiency and retaliation costs of attempting to do so would be unacceptably high. On the trade/import side especially, the industrialized democracies, including Canada, do practise plenty of discrimination vis-à-vis the Third World — some of it positive (in the form of trade preferences), and much of it unfortunately negative (through quotas and an incredible variety of other devices). But these "distortions" are rooted in economic, not human rights problems. More important, there is growing international recognition of the mutuality of economic benefit deriving from less restricted flows of goods, services and private capital. A wide-ranging human rights constraint would be very costly in this context.

Foreign aid, by contrast, has its *raison d'être* in the large scale failure of market forces, and in their inability to achieve various social goals. There is not only income growth at stake, but broadly-based nation-building as well. Unlike trade and private capital flows, aid is inherently a transfer of resources from one country to another (whatever the eventual repayment might be). The donor is entitled to share in the process of seeking maximum effectiveness for the transfer. And if the recipient's respect for basic human rights is deemed a prime ingredient of nation-building, the aid giver is entitled to use the extent of such respect as a significant criterion for disbursing and allocating development assistance. Human rights thereby become a central objective of foreign aid. They can also be a major tool for promoting economic development. And they could help to breathe new life into the faltering Western commitment to Third World welfare.

The case for Canadian aid/rights linkage is all the more compelling in light of the near certainty that, given their specific mandates and their widely diverse memberships, few, if any, of the multilateral aid agencies will take up the human rights challenge. More on this later.

Some policy implications

Let me turn to some key implications of linkage for Canada's foreign policy through the 1980s and beyond.

First, and perhaps foremost, we need to move human rights out of the "aid shadows" by officially declaring that they will henceforth be an integral part of our development assistance effort. This means, among other things, that we no longer confine ourselves to cutting off or starting up economic aid because particularly gross violations of basic rights have been committed or stopped; and that continuing movement towards the enforcement of such rights becomes a critical factor in determining where Canadian aid goes, on what scale and along which lines. An unequivocal policy statement on linkage also means recognizing that the human rights test is by no means necessarily incompatible with other crucial tests such as Third World economic need and performance; and that where, in conflict situations, the latter receive greater weight, the reasons are made both explicit and cogent.

Aid/rights linkage implies, as well, a stronger rationale for very substantial assistance in bilateral form. The conventional arguments for large or increased bilateral aid have to do with political support in the donor country, its capacity for matching domestic skills with foreign needs, economic leverage on program results, and the management constraints on multilateral aid giving. These are serious arguments. The main point in the present context, however, is that the bilateral approach to aid policy draws added support from human rights concerns. By the same token, there is cause for Canadian assistance to focus even more sharply on the health and education sectors of Third World development: richer human capital is the handmaiden of greater human rights.

It is, of course, vital not to overstress the donor's role — notwithstanding the fact that so many writers seem unable to tolerate any donor input beyond making the aid transfer. If the aid giver is entitled to appraise the recipient country's potential and monitor its performance, the recipient is entitled to make the ultimate choices on the economic system and policy instruments required for rapid growth (presumably mindful of possible complementarities between private markets and personal freedom). If the aid giver can legitimately seek to influence both economic and human rights outcomes, the recipient can justifiably insist on a donor commitment to long-term development assistance that is commensurate with impact and consistent with the donor's trade and other related policies.

Both sides can benefit

Neither party to the bilateral aid relationship can expect perfection from the other. Each operates within a framework of political and socio-economic constraints, for example, the growing demand for domestic commercial benefit from Canadian aid; and the enduring Third World concerns over diluted sovereignty. These problems will not go away. But there is also no escape from the fact that two-sided judgment is likely to produce more effective development assistance. Nor can there be any doubt that donor countries such as Canada have much to gain from greater prosperity in the low income regions of our increasingly interdependent world economy. A rising awareness on these fronts — together with a deeper understanding of constraining factors on both sides — would (if they materialize) be the stuff of which real "duality" in aid-giving is made. And the closer we get to duality, the larger the scope