
ECONOMIC RELATIONS WITH DEVELOPING COUNTRIES

THE CHANGING WORLD SCENE

Global development has been marked by diverging trends. From 1960 to 1990, average life expectancy increased from 47 to 63 years and under-five mortality rates were halved. In the 1980s alone, average incomes rose almost 50 per cent. Economic growth has been exceptionally strong in East and Southeast Asia. However, poverty remains a problem in many areas of the developing world, where almost a billion people in Africa and Asia face sub-standard living conditions.

Technological change, globalization of products and markets, and the growing influence of environmental considerations have affected both developing and developed countries. The success of many Asian countries in world trade shows that long-term investment in education and infrastructure and openness to innovation can dramatically raise productive capacity and standards of living. There are positive developments in Latin America as well, where increasing investment is pushing up growth rates and reducing the region's debt burden.

The least-developed countries, especially those in Africa, have not fully shared in this economic progress. The continent continues to suffer from declining terms of trade, dependence on basic commodities and heavy debt burdens.

CANADA AND DEVELOPING COUNTRIES

The fight against global poverty remains the central objective of Canada's development assistance. In absolute terms, Canada was the world's seventh largest donor in 1992. In 1993-94, Canada's development assistance budget will reach \$2.51 billion.

As a member of the United Nations, the Commonwealth, La Francophonie and the Organization of American States, Canada is in a unique position to discuss the concerns of developing countries at economic summits. Although the issues are varied and complex, all point to an increasing interdependence among developing and developed countries.

Canada has sought to encourage the growth of developing countries through trade liberalization. This policy has been reinforced through our membership in GATT and our negotiations with Mexico on the North American Free Trade Agreement.

ENVIRONMENT AND DEVELOPMENT

One year after the UN Conference on Environment and Development, much remains to be done to give meaning to our expressed desire to achieve sustainable development. Population pressures, resource depletion and environmental degradation are barriers to development, undermining the quality of life. Environmental issues have no borders. Developed and developing countries share a common interest in global environmental concerns. These concerns are a key component of Canadian bilateral development programs.

Canada contributes to multilateral environmental initiatives, such as the Montreal Protocol Multilateral Fund which helps developing countries combat ozone depletion, and to the Global Environment Facility. Canada has pressed to have protection of the environment made a criterion for funding by multilateral development banks.

GOOD GOVERNANCE

Good governance, respect for human rights and sound management of resources are essential if