



To participate in global flows of trade, investment and communications, developing countries need to generate new capacities, incentives, regulations, organizations, and institutions. The aim is towards the enhancement of competitiveness, economic diversity, economic depth and economic linkages.

Howard Stein

Canadian Professor of Economics at Roosevelt University, Chicago
(Toronto, January 25, 2002)

on how Canada can improve ODA effectiveness. The overwhelming majority expressed a need to severely limit or eliminate conditionality in all forms of development assistance. Others noted that if there are conditions, Canada should promote a peer review approach where African states would monitor each other's progress in meeting the prescribed conditions.

Some participants argued that aid programs should be targeted to disadvantaged socio-economic groups, such as women and children. Others maintained that aid should be channelled to specific country groups. Two conflicting views were put forth: focussing aid on strategically important states capable of facilitating regional economic growth and development (the most promising); or directing aid toward countries with fewer resources and capacity (the poorest of the poor).

Promoting Trade and Investment

Forum participants advocated eliminating trade barriers to promote investment and economic development in African states. In order to further this goal, most participants called for Canada to take measures to improve market access for African goods while pressing other developed countries to do the same. However, others argued that Canada should

introduce preferred tariff treatment as an alternative to market access, while granting developing countries greater flexibility.

Another alternative proposed was that Canada should not press African states to adopt trade liberalization. Rather, African states should be allowed to retain "strategic trade policy options" including protectionism.

Promoting African exports also figured prominently in discussions, with disagreement over whether Canada should continue to support such programs. While the majority argued in favour of export promotion for African products, others questioned the necessity to support such programs without an evaluation of their distributional impact on the poor and other socio-economically disadvantaged groups.

Furthermore, while continuing to encourage Canadian investment in Africa, many advocated that Canada assume a leadership role in promoting corporate social responsibility. This could be done, they said, by developing enforceable codes of conduct for Canadian companies and ensuring the independent monitoring of corporate activities. On the international level, Canada should set an example by taking a lead role in establishing progressive trade policy guidelines in the World Trade Organization (WTO) and other multilateral bodies.