REVIEW

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INSIDE

CDR 2000
A millennium challenge for Canada

By Rowena Beamish

At the end of 1999, Canadians, together with millions around the globe, celebrated the end of a century and a millennium. But amidst the celebration of a thousand years of progress and invention, Canada and the world faced some daunting challenges. One-third of the world's population—2 billion people—lived under repressive regimes, in countries with little respect for human rights; 20 percent of the world's population living in the highest income countries had 86 percent of global Gross Domestic Product (GDP), while more than half of humanity lived on less than $2 a day; and conflicts flared in some 40 hot spots around the globe, displacing some 30 million people from their homes, and forcing close to 12 million to seek refuge outside their countries.

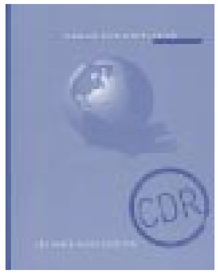
These sobering statistics reveal we have a long way to go to create a world where equity and security are not only guiding principles but a reality.

Canada took some steps along the road to a fairer world in the past year. As the *Canadian Development Report 2000 (CDR 2000)* shows, subtle shifts in Canadian foreign policy over the past year reflect the government's interest in human rights, judicial reform, fair trade, and global poverty. In its survey, the report shows how Canadian trade, human security, and official development assistance policies have been striving to put the rights and welfare of individuals above those of states.

Nowhere is this policy more evident than in the field of human security. But while Canada has been a leader in such areas as banning landmines and at the UN Security Council, its actions to date have been relatively cost free. Pursuing the human security policy further will entail some hard choices—as was evident in Kosovo—and putting money and lives on the line.

In trade, Canada has strongly advocated greater inclusion of developing countries in the world trading system and has championed their cause at the World Trade Organization. However, it still imposes barriers on products that they can make, such as clothing and agricultural products.

Debt relief initiatives moved to the forefront of aid agendas in 1999, propelled by the advocacy work of Jubilee 2000, among others. However, as *CDR 2000* notes, official development assistance as a percentage of Gross National Product is slipping around the globe. Canada's long



heralded target of 0.7 percent is a far cry away from its recorded 0.29 percent. Critics say this is a sign of Canada's lack of real commitment to reducing global poverty.

A challenge for Canada and the UN

"We've squandered a lot of our moral capital because of declining aid and a general tepid international performance," says Stephen Lewis, former Canadian ambassador to the UN. In a guest essay, Lewis exposes some tragic flaws in the UN structure that place political concerns over humanitarian needs. Nowhere is this more evident, he says, than in AIDS-ravaged Africa. Recent pledges of additional funds from multilateral organizations are too little, too late, for a continent devastated by 15 years of shredding economies, social structures, families, and human communities.

CDR 2000 is the fourth volume in the North-South Institute's annual series investigating Canada's dynamic relationships with the developing world. In addition to Mr Lewis' guest essay and the review of foreign policy in 1999, the report also contains more than 40 pages of statistics and analysis charting the movement of resources, goods, services, and people between Canada and the developing world.

See page 14 for ordering information.

Lewis also cautions the UN, and multilateralism in general, against embracing the private sector uncritically. Dazzled by the "crown jewels of the corporate establishment," he says, the UN has embarked on several private sector partnerships, some of which he labels as "mindless ententes" which augur ill for the UN and the poor.

He also urges member states to take UN appointments and policies more seriously. It is time, he says, to do away with the abysmal leadership tolerated for so many years in the United Nations family and to pursue high standards in monitoring, supervision, and participation.

Finally, Lewis declares that the consuming challenge for the UN is not peacekeeping and conflict but defeating poverty (see page 3). He challenges Canada to become the voice of the developing world, and "the unorthodox herald of a new world order which sees justice in dissent, equity in human rights, and economic progress in development without strings attached." Canada should become "the most valued friend of the full constellation of developing countries. It's not too late", he says. ■

REVIEW

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"It's not too late ..."

By Stephen Lewis

The following is excerpted from "AIDS, conflict, poverty: The challenge for Canada and the UN," Chapter 1 of the Canadian Development Report 2000*.*

…to defeat poverty

I'm a complete patsy for multilateralism, and much as I feel achingly frustrated on occasion, I believe that the UN is the best we could possibly have, and I believe equally—even though I obviously have differences of opinion—that we're blessed by the current Secretary-General.

However, there is a caveat. It seems to me that the consuming challenge for the UN—and that includes both the member states and the secretariat—is not, as is widely held, peacekeeping and conflict. The challenge for the United Nations is to defeat poverty and to introduce a profoundly altered measure of equality into the agenda of this suffering planet. The Secretary-General has begun this process with his imaginative Millennium Proposal.

But on its own, it will never succeed. It needs protagonists, activists, articulate and courageous advocates. And one of those advocates must be Canada.

I sometimes feel like a sentimental romantic putting the case that Canada is special. But as the world knows we belong to the Commonwealth, the Francophonie, and the G-7: indeed, we're the one and only country that belongs to all three. We have the peacekeeping inheritance and we're a cherubic middle power. Curiously, our active participation in NATO seems not to weigh against us.

There was a time, with all these attributes, and enlightened foreign policy to boot, that we were *primus inter pares* in the eyes of the developing world. We've squandered a lot of our moral capital because of declining aid and a generally tepid international performance. We pride ourselves on the landmines treaty, on our critique of the trade in small arms and light weapons, on the seminal work in the diamond trade handled so ably by Robert Fowler, our UN Ambassador, and on our human security agenda before the Security Council. But there's something missing: it's all too easy. It requires very few dollars (something that does not go unnoticed), and it lacks the passionate advocacy for the South.

What Canada should be doing, through CIDA and the Department of Foreign Affairs, is to fashion a handful of interventions—immunization, AIDS orphans, the elimination of polio, girls' education, reproductive health, child labour—which, like our championing of vitamin A, saves or salvages huge numbers of lives. We should pursue all of it in single-minded frenzy. Our voice should be the voice of the developing world, taking on the World Bank when it's out of line, blasting the IMF when it oversteps the bounds, pressing our partners to mobilize around the crushing debt, energizing the United Nations when its spirit flags. Canada should become the unorthodox herald of a new world order which sees justice in dissent, equity in human rights, and economic progress in development without strings attached. We should taunt our former allies and prick their shabby complacency. We should make ourselves the most valued friend of the full constellation of developing countries.

It's not too late. We still have our reputation with which to start. ■

Toward a fair humanitarian interventions regime

By Jean Daudelin

On April 21, 1994, at the height of the genocide in Rwanda, the commander of the UN force, General Romeo Dallaire, declared he could stop the genocide with 5,000 men. The UN Security Council answered the same day by reducing his contingent from 2,548 to 270 men. Dallaire and his troops were thus condemned to absolute impotence: in three months, 800,000 men, women, and children were killed.

In the face of such disaster, a growing body of opinion feels that there are times when the international community has the responsibility to move in by force to stop massive human rights violations *as they occur.* To return to inspect the mass graves adds insult to injury. Worse, international irresponsibility provides a shield behind which retribution can more quietly take place.

An intervention regime

Military interventions justified on humanitarian grounds have multiplied in recent years, but the experience has not been conclusive: what were intended to be short-term interventions have turned into hurried retreats from countries left, at best, on the brink of chaos, or have stretched on with unclear mandates, growing unease, fast rising bills, and doubtful sustainability. As push comes to shove, in other words, the dream of an interventionist regime driven by humanitarian motives appears to be receding.

But humanitarian tragedies and massive human rights violations will recur, and apathy is not an option. A number of voices—the Canadian government among them—have been calling for the institutionalization of a regime of humanitarian intervention. The regime contemplated is centred on the Security Council and rich developed countries, as has been the case in recent interventions.

I contend that the current discussion in policy and academic circles is caught in a box, premised on three assumptions:

1. ***Humanitarian interventions are likely to involve large investments of resources and personnel, for long periods of time.*** Because humanitarian interventions are only contemplated in cases of massive human rights violations or total absence of a governance structure, they require a significant number of soldiers and administrators, as well as lots of money. And if they are to properly fulfill their mandates, these missions will generally last for decades rather than years, whether it be in Africa, the Balkans, or East Timor.

2. ***The choice and fate of the intervention depends on a few rich countries in the North.*** There is a growing concensus that the resources for these missions are unlikely to be available, and that only a few of the situations that legitimately call for them will see interventions. The "triage" problem is further complicated by the absolute prominence of the richest and most powerful countries—all from the North—in current interventions, which are concentrated in the South.

3. ***Intervention is best implemented by neutral parties.*** It is assumed that interested parties cannot be relied upon. A bureaucratic expression of that view is the UN peacekeeping system, which brings mixed contingents of

people from as diverse and faraway places as possible and the preference for international over multinational—let alone national—forces. But it is difficult to imagine significant support for a regime involving important expenses and potential loss of life without some kind of interest at stake.

These assumptions have important consequences for the ways in which humanitarian interventions are devised. The West, for its part, does not seem particularly keen on interventions and is incapable of sustaining them under the best political conditions—i.e. with massive press and TV coverage and in the "heart of Europe." Even with the current degree of Western commitment, continuing reliance on the United States and Europe further damages the prospects for an intervention regime as it inevitably would tie it to their interests, values, and media-driven humanitarian frenzies.

The marginalization of the South in the discussion is already leading to strong challenges to the legitimacy of these interventions. If the West continues to be responsible for the choice of cases worthy of intervention, the resulting regime would inevitably—and justifiably—be liable to accusations of inconsistency, bias, and unfairness, compromising its political sustainability. The massive investment in the Balkans and the refusal of the West to do something significant in Rwanda and now in Sudan, for example, have led to accusations of inconsistency in the application of universal humanitarian standards. Moreover, current commitments in Southeastern Europe are proving increasingly difficult to sustain, in addition to severely reducing the resources available to finance other interventions.

What then?

It is clear that doing nothing in the face of future Rwandas cannot be an option and that intervening without the required means ends up being little more than rhetoric. But the attitude of Western elites and electorates toward intervention, and that of Southern elites toward "challenges" to their national sovereignty, suggests that a fairer interventionist regime is either doomed—at least for a few decades—or that it needs to be conceived and implemented in a different way.

To identify fairer and more sustainable options, NSI recently initiated a research project that will assess the current regime, explore the role of large middle powers and regional institutions from the South, and identify alternatives. The project aims to explore the conditions under which a fair and sustainable interventionist regime could be established, one that would be guided by agreed principles and by the preoccupations of both North and South, and would have the means to sustain interventions for as long as they are needed. ■

For more information about this project and the NSI's work in the area of human security, contact Jean Daudelin, Senior Researcher, at jdaudelin@nsi-ins.ca

Conflict and intervention — some statistics

- At the end of 1999, 40 armed conflicts were being fought on the territories of 36 countries.
- Most states experiencing conflict are in the bottom half of the Human Development Index.
- 40% of all current wars are being fought in Africa.
- There were 21 UN peacekeeping/observer/enforcement missions underway in 1999.
- Seven major wars in the 1990s—not including Kosovo—cost the international community $199 billion.

Source: Armed Conflict Report 2000 *(Waterloo, ON: Project Ploughshares, 2000) at www.ploughshares.ca*

A new financial architecture: How and why?

The economic instability that surfaced in the wake of the financial crises that erupted in Asia in late 1997 and early 1998 shook currency markets around the world. As the global dimensions of the turmoil became apparent, leaders of the G-7 industrial powers and others called for a "new financial architecture" to oversee the workings of the global economy. Critics of globalization joined the chorus for reform of the international financial institutions (IFIs), targeting the World Bank and the International Monetary Fund (IMF).

*In 1997, the North-South Institute undertook to examine the role of states and markets in development and, in particular, to explore the role of the IFIs. This fall, NSI will publish a summary of the research carried out by NSI President Roy Culpeper and Dr Devesh Kapur of Harvard University (*Global Financial Reform: How? Why? When? *See page 14 for ordering information.) Excerpts from their papers follow.*

The Group of 20

During the crises of the last two years, Finance Ministers and Central Bank Governors of the G-7 finally realized something had to be done urgently to reform the "financial architecture." The G-7 created a "Financial Stability Forum," and in December 1999 assembled a new "Group of 20," chaired by Finance Minister Paul Martin. Judging from the scope of the so-called "reforms" being considered, these initiatives will not go very far toward tackling the fundamental sources of financial instability.

Let me spell out what is right and what is wrong with these initiatives. The G-7 countries have made an obvious attempt to include other countries of the world in their deliberations. This is most apparent in the formation of the G-20, a body that includes (in addition to the G-7) Argentina, Brazil, China, India, Indonesia, Korea, Mexico, Russia, Saudi Arabia, South Africa, and Turkey.

On the negative side, you have to wonder whether the G-7 countries are really prepared to cede any power. Why for example, did they create two new bodies (the Forum and the G-20) instead of one? Why indeed has the G-7 not decided to dissolve and be replaced by the G-20? You get a strong suspicion that the G-7 wishes to keep control of the agenda while attempting to co-opt other countries on a selective basis.

Both these bodies have a very narrow, technocratic agenda. The G-20 has decided to focus on transparency and standards in the financial sector policies of developing countries and emerging markets. The Forum has undertaken a review of hedge funds, capital market volatility, and offshore banking centres.

What is missing from this agenda? First it focuses largely on the victims of crisis (through reducing their vulnerability) rather than on the causes, or the perpetrators of crisis. To rectify the imbalance, we must contemplate measures that affect the behaviour and transparency of the industrial countries and private investors as much as, or more than, the developing countries.

Second, if we truly want to reform global financial governance, the policies of every country should be open to scrutiny and to change in the interest of the global community.

What Canada can do

Canada can play an important role in reforming global governance. We have already taken a leading position on standstills, against the resistance of others in the G-7 and the private sector. The poorer and smaller developing countries need more voice in the world's highest councils and they need champions among the developed countries to advance their cause. The G-20 represents a start on which Canada can build, to help ensure that global governance becomes more inclusive and globalization more equitable.

— Roy Culpeper

Reforming the IMF: Key issues

The 1990s gave rise to a series of issues meriting greater attention, among them the deepening "democratic deficit" in the institutions of global financial governance and the need to reform the International Monetary Fund.

The G-7 countries, plus the rest of the European Union, represent a mere 14 percent of the world's population. Yet these countries hold 56 percent of the votes on the IMF Board. The "democratic deficit" in such key global institutions is an issue raised by a variety of state and nonstate actors. More democratic decisionnmaking would presumably lead to greater legitimacy and accountability.

Recent attempts toward building a broader global dialogue have included the US initiative in 1997-98 to set up a Group of 22 "systemically significant economies," and the more recently formed Group of 20 established in 1999 at the behest of the G-7. Although this is an improvement over existing groupings, it still leaves the poorest countries without a voice.

Moreover, the rules of global finance are changing, and increasingly being set, not by the international financial institutions or intergovernmental groupings such as the G-7 or the G-20, but by private actors acting collectively (the International Accounting Standards Committee) or groupings of national regulatory authorities (the International Organization of Securities Commissions). Representation of poorer countries in these institutional arrangements is either nonexistent, or typically much lower than in the Bretton Woods organizations.

Reforming the IMF

The lessons of the financial turmoil of the 1990s point to the need to reform the IMF. Over the past two decades, the IMF has broadened and deepened its involvement in borrowing-country issues, while becoming ever more restrained on systemic and global issues. The critical change ahead for the IMF is to reverse this trend, and address more substantially and forcefully systemic issues while playing a less intrusive role in borrower countries. Such a change would reduce the growing moral hazard with regard to the Fund's major shareholders and the IMF's staff since the political, economic, and financial risks of IMF programs are asymmetrically borne by the borrowing countries. A relative shift in the IMF's energies—from intra-country to systemic issues—would enhance its bureaucratic effectiveness by making it less vulnerable to politicization, thus improving the credibility of its prescriptions. ■

— Devesh Kapur

Through the debt pipeline

A study carried out by the North-South Institute on the debt of the poorest countries has concluded that debt relief through the World Bank/ International Monetary Fund (IMF) Highly Indebted Poor Country (HIPC) initiative can only be a partial solution to poor countries' debt problems. And while it may bring some much-needed relief, without additional measures such as freer trade it could simply provide a respite between crises.

The Heavily Indebted Poor Country (HIPC) Initiative was introduced by the World Bank and IMF in 1996. In November 1999 an "enhanced HIPC" was adopted, offering the possibility of more generous debt relief, faster. However, it made debt relief conditional on an explicit commitment to allocate the savings realized to poverty reduction through an approved strategy.

OF THE MORE THAN 36 POTENTIALLY ELIGIBLE COUNTRIES, ONLY 10 HAVE RECEIVED DEBT RELIEF COMMITMENTS UNDER THE ENHANCED HIPC.

The first year of the enhanced HIPC has produced less than stellar results. Of the more than 36 potentially eligible countries, only 10 have received debt relief commitments under the enhanced HIPC; funding for the initiative remains inadequate and uncertain; and not all potential participating institutions have agreed to do so. Moreover, issues of adequacy, efficacy, and procedural efficiency that dogged earlier versions have not been laid to rest. The enhanced HIPC's insistence on an explicit link between debt relief and poverty reduction has also added new procedural and ethical dimensions, widely objected to by both civil society and donor governments. Nevertheless, this initiative remains by far the most broad-based attempt to address the debt problems of the poorest countries and only two countries—Ghana and Laos—have refused to participate.

To identify some of lessons to be learned from debt relief initiatives to date, in 1999 the NSI undertook a study of five debtor countries at various stages of the process—in the pipeline, so to speak: Bolivia, Ethiopia, Mali, Nicaragua, and Uganda. All five are at the bottom of the income ladder and face urgent poverty reduction challenges. While their experiences cannot be generalized, they help show the range of experiences likely to occur during the debt relief process and some likely outcomes.

Some experiences

The countries studied received differing amount of debt relief under HIPC: US$1,302 million for Bolivia, $2,507 million in Nicaragua, and $1,003 million in Uganda. But as the researchers point out, forgiving impaired loans and other nonperforming assets does not produce more funds that can be directed to meeting other needs, since the loans were not being serviced in any case.

For example, Bolivia's debt reduction of US$1,302 million in net present value (NPV) terms, represents a reduction of about 30 percent of the country's debt after traditional debt relief. But while Bolivia has historically serviced all its multilateral debt, it has not serviced all its bilateral and commercial debts, withholding an average of 17.1 percent ($57.8) of debt service due between 1990 and 1997. Moving to full debt servicing—an implicit condition of debt relief—would mean sacrificing that flow in favour of higher average flow from debt relief. The difference is US$47.6 million, equivalent to 2.1 percent of the Bolivian government's 1998 total expenditure and 3.7 percent of its social spending.

Similarly in Nicaragua, the addition to retained flows of HIPC debt relief would be US$72.9 million, adding a modest 11.2 percent to government spending and 30.5 percent to social spending. In Uganda, the budgetary impact would be US$22 million, the equivalent of 2.2 and 7.5 percent of government total and social expenditure, respectively in 1998-99. And as the researchers note, the amount will be significantly higher in the early years of debt relief, and fall rapidly thereafter.

Benefits and disadvantages

If HIPC will do less in terms of increasing budgetary space than the numbers suggest at first glance, it will nevertheless significantly reduce debt service obligations, particularly for the first few years. For Bolivia and Uganda—the study countries for which estimates of debt flows are available—the average reduction in scheduled debt flows from 2001 to 2005 is 42 percent. That figure is expected to drop to 14.9 percent in 2011-2015. In fact, after a large drop in 2001, debt service payments are expected to increase at an average rate of 10.7 percent to 2015 and beyond. Both output and exports will have to increase rapidly in these countries to avoid a return to unsustainable debt levels.

The focus on poverty reduction demanded by the HIPC debt reduction process has had welcome effects on the countries studied and has led to more precise, better articulated, more ambitious poverty reduction programs, more quickly than would have been the case otherwise. Budgets for social programs are also likely to exceed current and past levels. But, say the researchers, because the programs are based on needs rather than available funding—and given the limited savings on actual debt service payments—funds may not be sufficient to fully implement these programs.

Surveys carried out in the course of the study showed that residents of these countries are aware of the limitations of debt relief with respect to long-term economic growth and poverty reduction. Many, in fact, pointed out that greater access to industrialized country markets for their products would hold great potential for reducing poverty and stimulating growth. ■

This article is excerpted from a report of the "Debt of the poorest countries" project, to be published by NSI later in 2000 and posted on the Institute's website. For more information about this project, contact Senior Researcher John Serieux at jserieux@nsi-ins.ca

Debt relief: rhetoric and reality

It's easy to forgive debts that aren't being paid. The problem is, while "forgiveness" of unpaid and unpayable debts makes the creditor look good and appears to give the debtor a big break, nothing much changes.The creditor isn't losing anything, since he wasn't getting any payments; and the debtor isn't gaining anything, since he wasn't making any. The only difference is that both sides are finally recognizing that the original debt will not be repaid in full.

Consider Nicaragua, an impoverished developing country that owes around US$500 million in annual debt service payments (interest plus principal), but is only paying just under 50 percent, say $245 million. Thanks to the current debt relief initiative, Nicaragua's creditors have decided to forgive a large portion of the debt owing. Debt forgiveness has reduced the total amount payable every year by $330 million, from $500 million to $170 million a year. This looks very generous, as if the creditors have forgiven two-thirds of the debt.

In reality, however, the actual relief amounts only to $75 million—the difference between what it was paying before ($245 million) and what it is paying now ($170 million). The leeway provided by $75 million in real debt relief represents a boost of only 11 percent of total government spending and 30 percent of social spending.

— Roy Culpeper

VIEWPOINT

Priorities for the next federal budget

By Roy Culpeper

Now that the federal government is generating significant fiscal surpluses, we have the luxury we only dreamed about a couple of years ago of increased spending on vital national objectives. But I appreciate the difficulties facing parliamentarians and the Cabinet in deciding how to allocate funds when the total amount available, surpluses and all, is limited.

We have heard often enough recently about the challenges of globalization. These challenges cannot be met simply by ensuring that Canada remains a major player in the new economy, by providing all Canadians with equal opportunities to succeed, or by creating the best social and economic environment for Canadians, important as all those objectives are. If as a nation we ignore the larger challenges posed by global poverty, widespread conflict, and issues such as climate change, our best efforts to promote the interests of Canada and Canadians will be to little avail.

IF AS A NATION WE IGNORE THE LARGER CHALLENGES POSED BY GLOBAL POVERTY, WIDESPREAD CONFLICT, AND ISSUES SUCH AS CLIMATE CHANGE, OUR BEST EFFORTS TO PROMOTE THE INTERESTS OF CANADA AND CANADIANS WILL BE TO LITTLE AVAIL.

These larger global challenges demand that our policy objectives include attention to issues such as world poverty, financial instability, regional conflict, sustainable development, and climate change. Indeed, inadequate attention to these issues will only serve to limit the possibilities for Canada and Canadians to those found in "fortress North America" or in the 20 percent of the world comprising the rich countries of the OECD. Meanwhile, much of the globe could become increasingly wracked with conflict, mired in poverty, and visited by climatic disasters: there is no way Canada could insulate itself from the consequences. A particularly vivid illustration of how such global problems pay no regard to national boundaries is the recent spread of West Nile Virus to North America.

Of course, Canada can hardly resolve any of these formidable problems by itself. Rather, it is our responsibility to work with other countries to ensure that the world is collectively producing at least a minimal quantum of "global public goods" such as public health, and protecting the world's climate from catastrophic change. I can assure you that liberalized trade and unfettered markets will contribute little by themselves to such objectives. Instead, forward-looking governments and public authorities must take leadership.

Roy Culpeper

Most of these global challenges also present themselves at a national level, but national governments must plan to act at a global level as well. For example, we would urge the government, when contemplating the requirements of the Canadian health sector in the next budget, to include global needs in expenditure plans. It surely falls to the federal government, on behalf of all Canadians in all provinces and territories, to allocate some portion of our health sector resources to international objectives, through CIDA, WHO, UNICEF, and other such agencies.

Some of these international objectives may be met through Canada's ODA program. The present government still officially supports increasing the ODA:GNP ratio to the UN target of 0.7 percent, established in the

IT IS OUR RESPONSIBILITY TO WORK WITH OTHER COUNTRIES TO ENSURE THAT THE WORLD IS COLLECTIVELY PRODUCING AT LEAST A MINIMAL QUANTUM OF "GLOBAL PUBLIC GOODS" SUCH AS PUBLIC HEALTH, AND PROTECTING THE WORLD'S CLIMATE FROM CATASTROPHIC CHANGE.

1960s by a commission chaired by former Prime Minister Lester B. Pearson. Through the spending cuts of the last decade Canada has retreated so far from this target (we are presently around 0.28 percent) that it would take dramatic annual increases sustained over more than a decade to reach it. Instead, to indicate our earnestness in moving back toward the target, the North-South Institute has advocated moving the ratio up to 0.35 in the next five years. This would require spending increases of $250-300 million a year. Thereafter, we can once again aspire to reach 0.7 percent.

Nor is our aid program the only instrument at our disposal. Trade policies, for example, are vital to underpin the growth potential of developing countries. We need to open our markets far more to these countries, particularly the poorest among them. We applaud the measures recently announced to permit duty-free access on a wide range of products, but our understanding is that the list excludes nearly all textiles and garments, the sectors with greatest potential for growth-enhancing trade. At the Institute we have calculated it would only cost Canada some $27 million a year in foregone tariff revenues if we permitted duty-free access to all the products of least-developed countries such as Bangladesh.

Conflict and humanitarian emergencies (for example, in Bosnia and Kosovo) are other areas in which we are stretching our limited resources for both "national defence" and ODA. We hope Canada will continue to deploy its armed forces and be involved in maintaining the peace and restoring civil authority in failed states. But we should recognize the tremendous expense of such interventions, which often last long periods of time, and allocate the required resources rather than raiding the already-decimated aid program, which has different objectives, to cover their costs. Whether Canada continues to participate in humanitarian interventions on a bilateral basis, or participates in multilateral initiatives being discussed at the UN (for example, a rapid-deployment force), we need to allocate more resources to do our part properly.

Finally, the challenges of the new global environment demand that we make other efforts and sacrifices, which go far beyond budgetary allocations and choices. Humanitarian intervention is a good case in point. The lives of Canadian personnel are increasingly going to be at stake in countries where lawlessness and violence are the order of the day. And we can no longer separate business from human security. If other nations engage in abhorrent practices, and contravene basic rights recognized by the UN and its agencies, the Government of Canada has a duty to request its corporate citizens not to do business with such countries. Firms that do not comply should be denied government funding and other such privileges enjoyed by Canadian companies operating abroad. ■

Adapted from a Brief submitted to the House of Commons Standing Committee on Finance, August 28, 2000.

INSIDE NSI staff and board

New staff

The North-South Institute welcomed three additions to its research staff in recent months.

Cathy Blacklock, Senior Researcher, Gender Equality: Before joining the Institute, Cathy Blacklock was an Assistant Professor at Huron College, University of Western Ontario and has lectured at Brock and Trent Universities. Dr Blacklock has also carried out extensive research and written widely about women's political organizations, democratization, human rights, and citizenship.

Chantal Blouin, Researcher, Trade and Development: Chantal Blouin was most recently the MCI-Worldcom Fellow in Washington, DC with the American Political Science Association's Congressional Fellowship Program. She is currently completing her PhD in political science at the University of Toronto. Her research and publications have focused on the WTO agreement on telecommunications services and issues related to electronic commerce and trade policy.

Rudy Robinson, Senior Researcher, Development Cooperation: Rudy Robinson was Economic Advisor to the European Union Development Fund, European Union/Caribbean Development Cooperation Program, of the Ministry of Finance, Commonwealth of Dominica. He has also held senior positions with the United Nations Development Programme in Barbados, and the United States Agency for International Development in Jamaica. Dr Robinson has also taught economics at universities in the Caribbean and the US.

Also joining the Institute on a 10-month internship from the Department of National Defence is Lee Seymour who will work with Senior Researcher Jean Daudelin on humanitarian intervention questions. Lee has recently completed a MA at Dalhousie University on the political economy of civil wars in Africa.

Departures: It is with regret that we announce the departure of Anne Chevalier, Publication Production Coordinator, after 17 years at the Institute; Michelle Hibler, Director of Communications; Alison Van Rooy, Senior Researcher, Civil Society and Good Governance; and Jonathan Wade, Social Marketing and Development Officer. We wish them luck in their new challenges.

Board appointments

John Loxley, a Professor in the Department of Economics at the University of Manitoba, is the new Chairman of the Board of Directors of the North-South Institute (NSI). Elected at the May 17, 2000 meeting of the NSI Board, he succeeds Norman Webster.

A member of the NSI Board since 1996, Loxley specializes in economic development, community economic development, and international finance. He has taught at the University of Manitoba since 1978 and was head of the Department of Economics from 1985 to 1998.

In other Board elections, John McCallum, Senior Vice President and Chief Economist at the Royal Bank of Canada, was elected Vice-chair. ■

INSIDE NSI projects

The project pipeline

In addition to the work described in the articles in this *Review*, the Institute has launched a number of new projects in recent months. These include:

- *Workshop on Core Labour Rights and Poverty Elimination: International Strategies and CIDA's Role*. Co-sponsored by the Canadian International Development Agency, the North-South Institute, and the Labour International Development Committee (LIDC). In December 2000, this workshop will explore issues concerning the role of core labour standards and the International Labour Organization (ILO) in poverty reduction, and how development cooperation agencies can integrate core labour standards in their policies and practices. Background papers will be available on NSI's website. Contact: Heather Gibb at hgibb@nsi-ins.ca
- *Civil Society in Global Finance.* As part of a larger project on the role of civil society organizations within the processes and institutions of global finance. NSI researcher Alison Van Rooy is writing a chapter on the future of civil society activism around the IFIs.
- *Toward a Fair and Sustainable Humanitarian Interventions Regime: The North, the South, and the New Humanitarianism*. See article on page 4. Contact Jean Daudelin at jdaudelin@nsi-ins.ca
- *Dollarization in the Western Hemisphere: Critical Perspectives*. NSI and the Canadian Centre for Policy Alternatives are hosting a conference in Ottawa, October 3-4, that will bring together policy analysts from Latin America, the US, Canada, and elsewhere to discuss the challenges and pitfalls posed by formal and "creeping" dollarization. A report will be published early in 2001. Contact Roy Culpeper at rculpeper@nsi-ins.ca
- *Globalization and Migrant Worker Rights: Canada's Seasonal Agricultural Workers Program and Best Practices*. The NSI will carry out the first-ever comprehensive study and assessment of Canada's Seasonal Agricultural Workers Program, and provide recommendations for improving the services offered to both employers and migrant workers, as well as for maximizing the program's poverty reduction potential in home countries. Contact Rudy Robinson at rrobinson@nsi-ins.ca ■

New on NSI's website (www.nsi-ins.ca):

- *Review/Revue:* NSI's newsletter is available online on our website. Please let us know if you would prefer to "receive" the electronic version by joining our listserv (see page 14) and we will inform you when it's posted. And please let us know if you want us to stop sending you a copy by sending an email to dshadid@nsi-ins.ca.
- *Systemic Reform at a Standstill: A Flock of "Gs" in Search of Global Financial Stability*, Roy Culpeper
- *Reducing the Debt of the Poorest: Challenges and Opportunities*, John E. Serieux
- *A Common Thread; Issues for Women Workers in the Garment Sector*, Julie Delahanty
- *Changing Liaisons: Hot Topics in Canadian NGOs' Relationships with CIDA, the Private Sector, Each Other, and their Southern Counterparts,* Alison Van Rooy

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Report of the Regional Meeting of the Gender and Economic Reforms in Africa Program, April 1999. Available on request from the NSI. Or download from the NSI website at www.nsi-ins.ca/

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