

A crisis of conscience?

Canadian development has been in crisis since the 1990s. A lack of leadership and policy direction has impelled the development community to generate a series of studies calling for the reform of Canadian aid architecture.



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In October 2010, Canada failed to win election to a non-permanent seat on the Security Council for the first time since the creation of the United Nations. While the unsuccessful bid surprised some Canadians, those watching foreign affairs recognized it as a key marker of the country's declining international status. In the mid-20th century, Canada built a solid reputation for contributions to peacekeeping, international organizations, human rights and international development. However, over the past two decades Canada's reputation has suffered from inconsistent leadership and eroding commitments. Nowhere is this more true than in official development assistance (ODA), leading many commentators to wonder whether the country is experiencing a collective crisis of conscience.

The underlying debate is grounded in the enduring question of what is the principal rationale for international assistance and whose interests it should serve. Like many donors, Canada struggles to reconcile a humane internationalist approach based on an ethical obligation to help alleviate global poverty with a realist approach seeking to deliver aid that supports business and political interests.

The lack of leadership on key policy issues has led to persistent debate concerning aid architecture, partnerships, countries of concentration and Canada's role in Afghanistan. An uncertain sense of purpose has, in turn, hindered the Canadian International Development Agency's (CIDA) reputation and effectiveness.

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summary

- Canada's reputation for the quality and consistency of its international contributions has eroded over the past two decades.
- A lack of leadership and policy direction has compromised the capacity to deliver high-quality assistance, despite an increase in the quantity of aid since the start of the new millennium.
- Unstable priorities and a preoccupation with domestic accountability has deepened organizational weaknesses in the Canadian International Development Agency.
- In the face of the current government's abrupt changes of priorities and relative indifference to aid policy, the development constituency has generated an important series of studies and reports calling for the reform of Canadian aid architecture.

From policy to paralysis

Canada's aid programme originated in the 1950s when the country was a global 'middle power' without overseas colonies. As a charter member of the Western alliance, it was concerned with the political and developmental trajectory of the rapidly decolonizing countries of Africa and Asia.

Canada was also a committed member of the Commonwealth of Nations. It had both the incentive and opportunity to address conditions of poverty in the new member states of that organization.

Later, in the 1970s, as part of an effort to counter a growing nationalist movement in the French-speaking province of Quebec, Canada extended bilateral aid to former French colonies with whom it shared membership in *La Francophonie*, a network of 70 countries who share the humanist values of the French language and culture.

Aid grew steadily for the next couple of decades, reaching a peak of 0.53% of gross national income (GNI) in 1975-76. It levelled off thereafter, but was still 0.49% of GNI in 1991-92. The aid programme enjoyed broad public support and earned the government considerable goodwill in much of the 'Third World'.



Canada's former foreign affairs minister Maxime Bernier (l) and international cooperation minister Bev Oda in Afghanistan, October 2007

This support came despite criticism from the non-governmental and academic communities for its uneasy mix of commercial, security and developmental motives, and a comparatively high level of tied aid. CIDA was a trendsetter in a handful of issue areas, such as gender and 'responsive programming' through partnerships with NGOs.

The agency's decline in fortunes began in the early 1990s, particularly under Jean Chrétien's Liberal government elected in 1993. The government saw aid as a soft target for cuts as a result of a ballooning budgetary deficit. ODA declined by 33% in real terms between 1988-89 and 1997-98 – far greater than any other area of government expenditure – and the aid to GNI ratio plummeted to 0.25% by 2000.

Ironically, the Chrétien government spent its last years at the start of the new millennium leading the G8 charge for a renewal of interest in Africa, beginning with the Africa Action Plan adopted at the 2002 Kananaskis Summit in Alberta. The Chrétien administration also promised steady increases in foreign aid. However, these increases have failed to recoup the ground lost during the 1990s. The highly disruptive cuts of this decade had a deeply demoralizing effect on CIDA, demonstrating the shallowness of social and elite political support for aid.

When the minority Conservative Party government of Stephen Harper was elected in 2006, a new period of scepticism and uncertainty began. Unlike previous Canadian governments, the Harper conservatives had no discernible 'humane internationalist' element in their caucus or cabinet.

They were, on the whole, sceptical of the usefulness of aid and of multilateral entanglements. Their approach was more forthrightly 'realist' and instrumental, inclined to place aid at the service of security and commercial objectives.

They were also viscerally partisan and therefore anxious to distance themselves from policies they considered liberal. This meant distancing themselves from policies to do with human security and the re-engagement with Africa.

A period of drift

The result was a protracted period of drift in Canadian aid policy, as CIDA was left without clear policy direction or leadership. All that was left was an insistence on greater accountability and 'results', and vague indications that the government intended to chart a new course.

One positive change was the announcement in April 2008 that Canada would phase out tied aid altogether by 2012-13. However, it was not until May 2009 that the direction of the new aid policy course began to emerge.

It was then that Bev Oda, the minister of international cooperation, finally announced three new thematic focuses:

- Increasing food security
- Stimulating sustainable economic growth
- Securing the future of children and youth

The new priorities were arrived at with minimal consultation. They are both broad and vague, and the brief strategy documents released later in 2009 and in 2010 for each new thematic focus did little to clarify how they would be enacted.

Whether they will alleviate the atmosphere of policy uncertainty that has pervaded the agency remains to be seen. They have already been used, however, to justify the termination of long-standing partnerships with Canadian civil society organizations whose programmes have been deemed to fall outside the new priorities.

The uncertainty over Canada's policy direction has sent mixed messages abroad. In some cases, Canadian development policies can seem relatively progressive, especially compared with the policies of its G8 peers. The government has shown leadership in G8 initiatives over the past decade, such as the Africa Action Plan in 2002, and most recently the Muskoka Initiative on maternal, newborn and under-5 child health at the G8 Summit it hosted in June 2010. The government has also supported G8 debt forgiveness efforts and extended tariff-free access to the goods of 48 Least Developed Countries.

But what are we to make of a country that celebrates peacekeeping but has sunk to 50th on the list of contributors to

UN peace operations? Or a country that claims to be concerned with the environment but has abandoned its Kyoto commitment and earned a reputation for recalcitrance at international meetings such as the 2009 climate conference in Copenhagen? The mixture of residual humane internationalist and hard-nosed realist policies has become increasingly jarring.

A weak institutional position

The ebbs and flows of ODA in Canada reflect in part CIDA's weak institutional position within the federal government. Three factors diminish CIDA's ability to define and defend consistent aid policies. First, while CIDA is a nominally autonomous agency, it falls under the legislative authority of the minister of foreign affairs and was only granted a cabinet-level junior ministry post in 1996. In the following 14-year period, the post was filled by a succession of eight low-profile politicians.

Second, the 'central agencies' of the federal government are extremely influential. In particular, the Treasury Board of Canada Secretariat acts as a key gatekeeper for CIDA, developing terms and conditions for international assistance. Finally, Canadian ODA is organized in an international assistance envelope that is divided across the following five issues:

- Development
- International financial institutions
- Peace and security
- Crisis
- Research and development

The responsibility for the issues are split among a number of government departments and agencies. In fact, CIDA managed only 68% of ODA spending in 2007-08. These divisions of authority undermine the coherence of Canadian aid and CIDA's capabilities as the principal provider of development assistance.

They also help to account for the limited impact of the government's intention to foster greater 'whole-of-government' coordination, notably in 'fragile' conflict-affected countries. Like other OECD governments, Ottawa has formally accepted the need to more systematically coordinate development with defence, diplomacy and related capacities in such challenging settings.

Research organizations contributing to debates on Canadian aid policy

- Asia Pacific Foundation, www.asiapacific.ca
- Canadian Defence and Foreign Affairs Institute, www.cdfai.org
- Canadian International Council, www.onlinecic.org
- C.D. Howe Institute, www.cdhowe.org
- Centre for International Governance Innovation, www.cigionline.org
- Centre for International Studies and Cooperation, www.ceci.ca
- FOCAL: Canadian Foundation for the Americas, www.focal.ca
- International Development Research Centre, www.idrc.ca
- North-South Institute, www.nsi-ins.ca
- Rights and Democracy, www.dd-rd.ca
- Walter and Duncan Gordon Foundation, www.gordonfn.org

Although a Stabilization and Reconstruction Task Force has been established within the department of foreign affairs with the stated aim of leading these efforts, in practice intra-governmental coordination continues to be pursued in a relatively ad hoc manner through discrete task forces, such as those for Afghanistan and Sudan. Moreover, given its political weakness and limited policy capacity, CIDA cannot advance the sort of robust 'development voice' that should be present in a truly whole-of-government effort.

Shaky partnerships

Policy drift has led to uncertainty among many of CIDA's traditional partners. Other donors find it difficult to coordinate activities, recipients complain about the unpredictability of Canadian aid, and non-governmental organizations (NGOs) worry about their funding.

Meanwhile, the growing distance between the agency and the development NGO community in Canada has sparked controversy at home. In a number of cases, bureaucratic delays and policy confusion ultimately ended with deep (or complete) funding cuts to some long-standing and well-respected partners, including the umbrella Canadian Council for International Cooperation (CCIC).

The Harper government has remained characteristically quiet in the face of these controversies, leading many in the development community to speculate on their motivations. One clear implication of the new domestic partnership policy announced in mid-2010 is a more instrumental approach favouring NGOs that focus on service provision in line with the government's new priorities, at the expense of those engaged in advocacy and policy work.

Furthermore, many in the NGO community believe that the cuts send a clear signal that those who speak out against government policies will lose funding.

Countries of concentration

Policy uncertainty has made it difficult for CIDA to deal with the perennial issue of reining in the number of aid recipients. Canadian bilateral aid in 2004-05 was dispersed among 142 countries. In 2005, the then-Liberal government announced that it would concentrate two-thirds of bilateral aid in 25 core development partners, 14 of them in Africa. The exercise turned out to have a negligible effect in reducing the overall pattern of diffusion.

Then in 2006, the new Conservative government put these priorities on hold, while announcing that it intended to refocus Canadian priorities from Africa to the Americas. Finally, in February 2009 minister Oda announced that CIDA would focus 80% of its bilateral resources on 20 countries – only six of them African.

Downgrading Canada's links with African countries provoked a furor, as did the complete absence of prior consultation, either with the Canadian development community or with affected governments. Indeed, many suspect that a loss of support from African countries contributed to Canada's defeat in the October 2010 Security Council election.

REBUILDING AFGHANISTAN



Reuters / Chris Wattle

Canada's Prime Minister Stephen Harper listens to an explanation of the details of the development aid being provided to Afghanistan, Kabul, Afghanistan, May 2007

Afghanistan

The one programme in which there has been a decisive shift in approach is Afghanistan. Canadian ODA ballooned from roughly C\$10-20 million in humanitarian aid prior to 2001, to C\$280 million in 2008-09 – the largest bilateral programme in Canadian history.

The agency's massive Afghanistan effort was reflected internally by the creation of a discrete Afghanistan Task Force as part of a broader 'whole-of-government' effort. The task force was led by a CIDA vice-president – the first time in history that a country programme has been led by such a high-ranking official.

The context for this effort is, of course, Canada's military commitment to the NATO operation in Afghanistan. Initiated under the previous Liberal government, it was decisively embraced by the Conservatives and has now become Canada's largest combat operation since the Korean War.

Clearly then, the Afghan programme has been driven by the instrumental imperatives of Canada's military commitment – reflecting the broader trend toward the securitization of development. Even here, however, the agency has been sharply criticized for the slow pace of its efforts, and thus its limited impact in 'winning hearts and minds'.

The extent to which this effort will be carried forward following the announced ending of Canada's combat role in 2011 is one of the many sobering questions that lie ahead as Canadians take stock of this costly decade-long commitment.

Revitalizing Canadian aid?

The good news is that widespread concerns over CIDA's organizational maladies have stimulated a flurry of studies,

proposals and publications. The discussions encompass Canada's wider foreign policy performance and the structure of overseas development assistance.

Among the prominent voices engaged in this discussion is Robert Fowler, a distinguished career diplomat and 'Sherpa' to Jean Chrétien at the 2002 G8 summit in Kananaskis, and African Personal Representative during the negotiations for the Africa Action Plan. More recently, he was taken hostage by an Al-Qaeda cell in Niger for five months in 2008-09. He delivered a powerful speech in March 2010 criticizing the Liberal and Conservative parties for squandering Canada's international reputation by taking short-sighted positions based on domestic political gains.

The main debates on revitalizing Canadian aid swirl around the question of whether CIDA be abolished in its current form. The proposed remedies for the agency generally fall into four categories: fixing the existing organization, folding CIDA into the Department of Foreign Affairs and International Trade, creating a stand-alone department, much like the UK Department for International Development, or (more defensively) concentrating aid efforts in an arm's-length Crown corporation.

The Canadian development community tends to support the third or fourth options in the hopes of making CIDA a more robust organization with a stronger independent mandate. Recommendations for improving CIDA can be found in a number of policy papers, including the Macleod Group's proposal to fix foreign aid, the Walter and Gordon Duncan Foundation's project on re-imaging Canadian aid, the Canadian Defence and Foreign Affairs Institute's working paper 'Reinventing CIDA', the C.D. Howe Institute's commentary on improving Canadian aid, and the Canadian International Council's proposal for a global positioning strategy.

The civil society umbrella organization CCIC has also been advocating a transparent mandate for overseas development assistance. In 2008, CCIC campaigned for the passage of the ODA Accountability Act. The act states that the purpose of ODA is to reduce poverty, incorporate the perspectives of the poor and uphold human rights. It was supposed to strengthen the aid agenda but has had limited traction within government. Two years later, CCIC reports that the government 'technically meets the reporting requirements of the Act, but ... fails to fulfil the Act's spirit and intention'.

Canadian development efforts are in a period of uncertainty concerning purpose, direction and structure. The most hopeful feature of this 'crisis of conscience' is the groundswell of studies and proposals demonstrating the depth of concern that exists for revitalizing Canada's aid programme. Many Canadians, it turns out, remain committed to an active and constructive role in the politics of international aid. ■

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