

MAKING CHOICES¹

**A McLeod Group Presentation to the CCIC Policy Conference
CANADIAN LEADERSHIP FOR A BETTER WORLD
A Policy Agenda for International Cooperation in 2015 and Beyond
November 21-22, 2013**

A DARK PLACE

The theme of this conference is Canadian leadership for a better world, but we begin with a caveat. The world is changing. In two short decades we have moved from a bipolar to a multipolar world. Emerging economic and political powers are challenging and changing the status quo. Environmental concerns and resource constraints are testing our unquestioned faith in economic growth and a petroleum-based economy. And old ideas about international cooperation and development assistance are changing.

From the perspective of the McLeod Group, Canada is not in a strong position to assert leadership on global issues. Internationally we have lost our lead on gender issues, we have abandoned multilateralism, we are absent from UN peacekeeping, our role as a trusted international mediator has been thrown to the wind, and in anything relating to climate change and the environment we have become little more than an international spoiler. As Joe Clark puts it in his new book, *How We Lead*, 'Canada has become a denier and an outlier.'¹

Where Canadian development assistance and the wider ideas of development cooperation are concerned, the last few years have been deeply troubling. Even if the CIDA-DFAIT merger achieves increased foreign policy coherence, it is likely to result in months of paralysis. And policy coherence will likely increase Canadian irrelevance in the run-up to 2015 and the post-MDG era if those policies ignore the ODA Accountability Act's formal insistence on pro-poor development spending.

Many Canadian CSOs have lost their funding, and the context in which the survivors work is extremely uncertain. The Harper government sees civil society organizations as little more than service providers and humanitarian delivery agencies.

The Canadian role can be rebuilt, but it will require considerable work on the part of all Canadian development actors.

¹ This paper was commissioned from the McLeod Group to stimulate discussion at the CCIC conference entitled "Canadian Leadership for a Better World: A Policy Agenda for International Co-operation in 2015 and Beyond" and held in Ottawa on November 21-22, 2013. The paper does not, however, necessarily represent the views of the CCIC or of its members.

Broadly, then, there are three messages in what follows:

- **The outside world** has changed, and will continue to change. It's tougher and more selfish. It's full of increasingly powerful and competitive Southern economies that don't plan to defer to the North, including to Canada;
- **The space for Northern CSOs** is changing. Space is diminishing and many are headed for irrelevance if they fail to coalesce and partner across sectors and borders. Southern CSOs have their own problems, but they will increasingly set the pace, including the ground rules by which Northern CSOs will operate on their turf;
- **The domestic role for Northern CSOs is also changing.** Canadian CSOs working across sectors and with Southern partners will need to do much more at home to alter both political thinking and the popular mindset about aid and development.

CHOICES FOR CSOs

The McLeod Group was asked for its thoughts on the potential content of a CSO strategy leading up to 2015 and beyond—top issues that will lead to a 'better world', where we see the potential for Canadian leadership in this, how to engage the Canadian public on the issues and what sort of political strategy might bring political parties into the discussion.

Let us be clear and frank. The top issues that will lead to a better world have been articulated many times, from the United Nations Charter and the Geneva Conventions to the Millennium Development Goals and the 'social and planetary boundaries for development'. We could tell you that food or biodiversity loss or education are the top issues. And they may well be for your organization.

But we think the more fundamental choice for many Canadian development CSOs has to do with whether they can take on *any* of these issues; whether they will continue to be CSOs as we understand the term, or whether they will be what the government wants them to be: helping-hand charities and public service contractors bidding on government-designed projects and programs. (More on that below.)

We do think that there are some 'content' issues that cannot be ignored. These may seem somewhat parochial in relation to the rainbow of big-ticket items that make up the (growing) list of post-MDG objectives and 'planetary boundaries', but they are important nonetheless, in part because of the inherent danger in the way they being managed by the current government:

Poverty and Inequality

Despite progress, poverty in developing countries remains unacceptably high and deeply entrenched. This is true not only in very poor countries, but in many middle-income countries as well. Inequality is an additional issue. Poverty is a product of, and a contributor to, disease, ignorance, discrimination, mass migration and conflict. Poverty and its impact do not respect borders; Canada is not immune. It is likely that poverty and vulnerability will increase as a consequence of the impact of climate change on developing countries.

Canadian CSOs have an important ongoing role to play here, not so much in terms of the quantum of their effort, but in its quality and in its ability to teach. Pilots, models and one-off efforts are only useful if lessons are learned and if the positive ones can be taken to scale by others. This will require greater collaboration of all kinds and across all sectors. Small, isolated efforts are not intrinsically bad, but in a world of tight resources and great need, they are increasingly difficult—some might say almost impossible—to justify.

The Quality and Quantity of Aid

In 43 countries official development assistance (ODA) remained the largest source of international finance in 2011. Despite progress, or lack thereof, flows of development finance to poor countries remain unpredictable across all channels, including ODA, other official flows (i.e., export finance), foreign direct investment (FDI) and remittances. Export earnings for developing countries are also volatile as natural resource prices shift, and demand moves up and down, with major consequences for government revenues. FDI is fickle and can impose unfair conditions on the receiving country.

ODA is the channel of development finance most likely to take account of the needs of the poorest populations, even in middle-income countries. To be effective, however, ODA has to be aligned with recipient country priorities. And it has to be predictable and results-based, as the international community—including Canada—agreed in Monterrey, Paris, Accra and Busan.

Canada is heading towards historic lows in its aid volume as a percentage of GNI. Civil society has an important and essential role to play in reversing this and in pressing for improved quality. Canadian civil society organizations cannot be passive observers. They have a major responsibility in holding government accountable for the quality, as well as the quantity of Canadian ODA. *Poverty reduction, the core of the ODA Accountability Act, must be front and centre.*

Foreign Direct Investment

Of late there has been much heat generated over the role of Canadian extractives abroad. Instead of imitating China with an aid program aimed at greasing the skids for its own transnational investment, Canada could be a leader in advancing good corporate behaviour abroad. Expanding resource nationalism in the South, real-time communications and well

informed communities mean that the days of *Dig, Take and Go* are over. Responsible companies know this and look for organizations that can assist, not as handmaidens, but as true partners.

By and large, however, responsible companies are not the problem. The problem lies with under-regulated bottom feeders and the governments that serve as their apologists and benefactors. In both cases and at many levels, there are huge possibilities for a more sophisticated civil society role. Examples can be found in the Publish What You Pay and Tax Justice Networks, and in the ICGLR-OECD-UN Group of Experts Joint Forum on Responsible Mineral Supply Chains,² which brings companies, governments, civil society and multilateral institutions together around conflict and minerals in Central Africa.

Civil Society

Civil society ‘came of age’ in the 1990s with the end of the Cold War. Civil society was praised as a supplement and complement to the state, as watchdog and advocate, and as carrier of the democracy gene. Sadly, the blush has faded from that rose, and the wunderkind *du jour* is the private sector. Despite the significant pendulum shift, the importance of civil society has not changed. It can be seen in all aspects of international action—from innovations in health, education and microfinance, to the camps on the Syrian border, and in the voices of human rights and environmental campaigners, and brave individuals like Malala Yousafzai.

The CSO landscape in the North is changing, however, with the emergence of new organizations and new approaches. The landmine and Jubilee 2000 campaigns are examples; so too are the work of the Enough Project on the U.S. Dodd-Frank Act and its global impact on gold, tin, tungsten and tantalum mining in the war-torn areas of Africa’s Great Lakes region. In Canada, ‘Me to We’ is galvanizing young people, while virtual organizations like Avaaz and Kiva are giving power and substance to an often self-absorbed social networking scene.

Where Southern civil society is concerned, many effective organizations have emerged, such as the Third World Network, BRAC, SEND West Africa and ACORD. Generally speaking, however, civil society’s record over the past 20 years falls far short of expectations. Canadian CSOs have talked for a generation about capacity-building with Southern partners. But too often, capacity-building has meant little more than training; an effort to make Southern CSOs look more like ours. And ‘partnership’ can mean little more than an unpredictable and lopsided subcontracting arrangement, not unlike the *modus operandi* that the Canadian government now imposes on Canadian CSOs. This must change.

Gender Equality

Once a leader in this field, Canada is now a laggard. Yet the world must address its unfinished business on gender equality. Canadian CSOs can find entry points and gaps at all levels, and notably, perhaps, within maternal and child health projects to tackle the inequality that puts women and girls at risk. CSOs need to be braver about the unmet need for a full range of family

planning programs and tools, and in working with partners to move the prevention of 'early and forced marriage' from a paragraph in a minister's speech to something owned by communities themselves. Women are more than victims; they are agents in their own lives, communities and economies, with strong aspirations for human welfare, equality and justice.

Canada and the Multilateral System

While Canadian CSOs have traditionally viewed the World Bank and the International Monetary Fund with suspicion bordering on hostility, these institutions have an important role to play in the global dialogue on development finance and development cooperation. Two aspects of their work may allow for greater receptivity and influence for civil society than has been the case in the past. First, there is now a much larger role in policy-making and institutional governance for countries such as China, Brazil, India, South Korea and South Africa. Second, major debates about reform in the World Bank offer real windows of opportunity for a strong civil society voice.

Some UN agencies have been relatively open to civil society views, and there is a role for CSOs in their consultative processes. Success in influencing these agencies on major issues, however, can only come through coordinated and concerted effort by CSOs on a strategically selected list of topics. Individual CSOs pursuing their own particular issues will get lost in the background noise and will have little if any impact.

Canada has a seat on the governing boards of various international financial institutions and multilateral organizations. In the past we have exercised influence well above our ranking on the basis of our financial contribution. The challenge for Canadian CSOs is to persuade the Canadian government to advocate policies and programs that support sustainable, equitable, inclusive growth, and that help reduce the vulnerability of developing countries, particularly their poorest populations, to the consequences of climate change.

Other opportunities will arise. The post-2015 Development Agenda offers many promising possibilities. It is more holistic than its predecessor, and inclusion is a core feature. Crafting paragraphs and making promises, however, are inadequate. Civil society will have a major role to play in holding governments, institutions and companies to their commitments.

But we don't have to wait for 2015:

- The collapse of the Rana Plaza in Bangladesh offers a vivid cross-sectoral opportunity for work right now on the issue of textiles, development, gender equality, and responsible FDI;
- The Harper government's positive statements about lesbian, gay and transgendered human rights open a wide range of other possibilities;

- Canada's recent refusal to sign the important UN small arms treaty that it actually helped to negotiate—apparently out of deference to Canadian gun owners—raises issues of conflict prevention, human rights, safety and Canada's approach to multilateralism.

Some will say that areas like these are risky because they are too close to home—let's move on to 'top issues' like ocean acidification or ozone depletion. Others will say that advocacy is restricted by Canadian charities legislation, or that there is no money for such activity. Let's take these one by one:

- Risky, perhaps, but the higher the risk, the higher the potential gain. You might lose some government funding in the short run, but most NGOs have already lost plenty and there isn't a lot on the horizon.
- The Canada Revenue Agency does not disallow advocacy as long as it is not politically partisan and as long as it relates to a CSO's charitable purpose. Amnesty International is a charitable organization; so are the North-South Institute, the Fraser Institute and the Conference of Defence Associations Institute, whose mission, *inter alia*, is 'to promote informed public debate on national security and defence issues.'³
- No money? Tell that to Greenpeace, the Enough Project and Global Witness. Too many Canadian CSOs have been on project treadmills, addicted to government funding and the portrayal of world full of helpless victims and pathetic children. The McLeod Group won't even begin to pretend that there is an easy answer to income diversification, but income *maximization* is no guarantee of program effectiveness. Smaller, if it is necessary, may not be the end of the world; waiting for government, however, may well be.

CANADIAN ACTORS

THE POTENTIAL FOR LEADERSHIP AND THE (NEXT) GOVERNMENT

The Canadian government stands accused not just of benign neglect, but of an almost systematic destruction of Canada's profile as an effective global development actor. The challenge of eliminating poverty must be a central part of Canada's foreign policy, not an afterthought. We need a very different type of government development agenda, one focussed on inclusiveness and equity as key prerequisites for poverty reduction. This inclusiveness needs to apply to the weakest of developing countries, including conflict-torn fragile states, and to the most vulnerable of citizens in middle-income countries.

This more inclusive development must include things that CIDA and many Canadian CSOs have neglected. It requires Canada to support preferential access to Western markets, tougher international rules about financial transparency and better corporate governance for foreign investment, especially in the resources sector the government favours so much today. It is about supporting, not blocking, measures focussed on the survival of our planet, protecting the

low-lying areas of developing countries from rising oceans and Sahelian Africa from encroaching deserts. Not least, for far too many poor countries, it is about peace and basic human security.

Historically, Canada often punched above its weight internationally; now we tend to 'lecture and leave', as Joe Clark so aptly puts it. We used to understand that a middle power rarely succeeds alone. We learned to work in partnerships. One of the worst setbacks of the Harper years has been our massive loss of credibility as a supportive multilateral actor.

POLITICAL STRATEGY

The McLeod Group could give you a long treatise on Canadian politics, how to win friends and influence political people, but in our view, the answers are fairly simple: *focus, engagement, perseverance* and *alliances*. Messages need to be clear and sustained. Politicians and their staff need regular contact, and *their* needs have to be appreciated if you want your own message to be heard. Effectiveness will almost certainly depend on the alliances that CSOs make within and across sectors. Dozens of CSOs, each with their own agenda, pressing a handful of politicians, for example, could make things worse rather than better. We'll come back to this point in a moment.

Most of the energy should be directed towards the two main opposition parties. While there are sympathetic voices in the Conservative caucus, the McLeod Group sees little mileage in attempting to influence the Harper government. The opposition parties appear, however, receptive to sound policy advice; they are open to suggestions. The time for engagement with them is *now*, while pre-election policies are being developed, and before there is a change of government.

This is not a politically partisan recommendation. It's about engaging with those most receptive to change.

We see two specific opportunities for CCIC:

- The first is to take advantage of the CIDA-DFAIT merger and create a framework for 'mainstreaming' development in Canadian foreign policy. This could be urged on all political parties for their 2015 election platforms;
- The second is the creation of an accountability process to ensure that Canada lives up to the requirements of the ODA Accountability Act, to its other international development commitments, and to the post-2015 Development Agenda.

ENGAGING CANADIANS

Changing the Message

Canadian CSOs engage the Canadian public in numerous ways, but many fail to build on the four most important lessons drawn from their own successes. First, the dominant message—that *they* are essential for improving the lives of millions of children and other ‘helpless’ people in developing countries—connects emotionally with millions of Canadians and fills coffers. But it has dumbed down the complexity of development and shaped Canadian consciousness in paternalistic ways. The story line has to change.

Many in the South hate with a passion the paternalistic ‘charity’ message purveyed in CSO fundraising. Say what you will about her development thesis, Dambisa Moyo makes this point in spades. And a question arises: Beyond fundraising, what does it accomplish? A recent report from the Muttart Foundation showed that Canadians have less trust in international development charities than almost any other kind.⁴

Defensiveness won’t fix this, nor will complacency. Some hard-nosed CSO introspection is required. In the view of the McLeod Group, an adult message based on solidarity and common cause could do more for improved public awareness than any other single action.

Collaboration

Second, the most successful Canadian engagement campaigns—against landmines and blood diamonds, for girls’ education, in favour of fair trade—have not been carried out by individual CSOs, or even groups of CSOs. They have resulted from broad collaboration among CSOs, celebrities, media, trade unions, faith-based organizations and other groups. Working together is more challenging than working alone, but the dividends are greater and there is strength in numbers.

New Media

Third, the growing number of new media opportunities will trump TV ads and old media, just as ‘clever’ will trump old-fashioned, stale messaging. The ‘No Woman, No Drive’ YouTube video⁵ was viewed by ten million people in under two weeks, and it was shown on BBC, CBC and CNN. It did more in four minutes to publicize and support the struggle of Saudi women than a hundred earnest documentaries.

Audience Segmentation

Fourth, effective public education is not always about sending the message to the largest possible audience. Instead it requires careful targeting of who needs to be convinced. It means leveraging and *narrow-casting*—targeting influential points of leverage.

A Role for CCIC

There is an important role here for CCIC. Liberated from government funding, it has more potential now than ever before to become a powerful voice on issues that matter. It would be a tragedy if its members were to restrain it out of fear that government disapproval might blow back on them. This is not a time for timidity, caution and fear.

THE FUNDAMENTAL QUESTION FOR YOUR ORGANIZATION

Canada's diminished role in the world and the crisis in Canadian development assistance—along with the concomitant challenges for Canadian CSOs—come at an opportune moment. Southern voices and Southern capacities are changing and growing; the objects of our attention are not helpless and voiceless, and with changes in communications technology, they are no longer willing to be packaged and commoditized as flyblown children.

We know that shorn of politics, bureaucracy and hubris, development assistance can be effective in changing the lives of poor people. We also know that the challenge is wider than that, encompassing questions of trade, investment, economic growth, justice, immigration, the environment and good government.

Canadian CSOs have made important contributions to development thinking, action and innovation over the last 50 years. If those working in this field are to do more than simply weather the current storm, however, they will be obliged to challenge the forces that are reducing Canada's international ambition to narrow commercial self-interest, and they will have to engage much more with the wider problems faced by developing countries and their people.

So here is a question: Is the ultimate purpose of your organization simply to survive? More to the point, is your purpose simply to 'do projects with poor people'? Or is it to end poverty? If it is the latter, scale, clout and knowledge will be essential in the days ahead. Engagement on a wider front, with others, is where opportunity now lies. A candle may light the darkness, but candles fail in a storm. Projects alone may help individuals in the short term, but they ignore larger and more enduring problems; they ignore and can even squander opportunity.

THE PROPOSITION

Development is a multifaceted phenomenon; it requires many of the things that are bread and butter for CSOs: education, health, access to credit and income-earning opportunities. But it also requires good governance, attention to environmental issues, human rights, and awareness of issues such as trade, access to international markets, and responsible foreign direct investment.

In the North, hedges, if not walls, have grown up between development, environment and human rights organizations. The division is self-made, arbitrary and artificial. It's clearer today than ever before that *people* are at the centre of each type of endeavour and to engage one issue without attention to the others makes little sense. There are crossovers to be sure, but in the North they are nothing like the much more holistic approach that Southern CSOs take to these issues. Even in the North, new and energetic CSOs are successfully tackling issues across these generic lines in ways that makes the standard development CSO look stodgy and stale.

Canadian development CSOs can no longer afford to work in isolation from one another, from environmental and human rights organizations, or from Southern organizations. They must work across, and they must work to erase, the artificial borders that have in the past been defined as 'development', 'human rights' and 'environment'.

WHAT NEXT?

In Canada, we are seeing the end of an era. Assumptions and relationships that have shaped CSOs and their work since the 1960s have been badly shaken. The partnership with the Canadian government has ended and along with it the funding patterns of the last 50 years. New realities are forcing civil society to think deeply about how to retain what has been learned and how to build new organizational forms and relationships over the next decade.

The day of the isolated, disconnected project is ending. The time when two or three or four hundred Canadian CSOs (or the 1,357 reported in a recent CCIC study⁶) could thrive in splendid isolation from one another is certainly ending. The emptiness in the claim that each is unique and special, worthy of independent funding from government and an increasingly confused public, is becoming apparent. Coalitions, alliances and mergers will be important, not only in the months and years ahead; they will be essential for both survival and relevance. Institutional egos will have to be reinvested in a much wider development enterprise. And the idea favoured by the Harper government, that CSOs should be seen and not heard, cannot be allowed to stand.

Choosing large-scale collaboration to end poverty and adding thoughtful education and advocacy at home to development efforts overseas is a serious and difficult choice. Some Canadian CSOs may continue on a path of quiet, uncontroversial charity. Others may transition to the role of public service contractor. Both routes can result in contributions to development and justice.

But the more exciting, the more energizing, and by far the most wide-reaching choice is for civil society organizations to join forces, combine their formidable capacities, achieve greater scale and reach, renew their engagement with the Canadian public, and take the fight against global poverty to an entirely new level.

It is time to choose. And it is time to act.

NOTES

¹ Clark, Joe. *How We Lead: Canada in a Century of Change*. Toronto, Random House Canada, 2013. p. 87.

² See OECD, 'Forum on implementing due diligence for responsible mineral supply chains', <http://www.oecd.org/daf/inv/mne/icglr-oecd-un-forum-kigali-2013.htm>.

³ See Conference of Defence Associations Institute, <http://www.cdainstitute.ca/en/about-us>.

⁴ Muttart Foundation, *Talking about Charities 2013*, <http://www.muttart.org/sites/default/files/survey/3.Talking%20About%20Charities%202013.pdf>. The report found that hospitals were the most trusted charities in Canada (a lot: 53%; some: 33%), while international development charities ranked second from the bottom (a lot: 10%; some: 40%).

⁵ See YouTube satire on Saudi Arabia's banning of women from driving, <http://www.youtube.com/watch?v=aZMbTFNp4wI>

⁶ CCIC, 'Strength in Numbers', http://www.ccic.ca/files/en/what_we_do/2013_11_01_CCIC_Report_on_Metrics_Executive_Summary.pdf