INTERNATIONAL DEVELOPMENT CHALLENGES

Notes for Remarks by

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Launching of "Friends of IDRC"

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(ABBREVIATED ON DELIVERY)

I can't tell you how deeply moved and privileged I feel to join you this evening in marking the 25th Anniversary of the International Development Research Centre and to join you in launching the "Friends of IDRC". It is hard to resist the temptation to be overwhelmed with nostalgia as I see in this distinguished audience tonight some of the key people who helped to shape the initial concept of IDRC — Geoffrey Oldham among them, and David Hopper who as its first President set the course for IDRC and led it through its formative years with the indispensable guidance and support of the Board of Governors and Ruth Hopper who made an important and distinctive contribution in her own right.

Several of the first members are happily with us here this evening: Fred Bentley, Louis Berlinguet, Lila Engberg, Paul Gérin-Lajoie and Ralph Medjuck. We remember, too, with profound gratitude those others not with us tonight who made such seminal contributions to the Centre — Wynn Plumptree, its primary architect, former Prime Minister Pearson, its first Chairman, (we are fortunate to have Mr. Pearson's son, Geoffrey here tonight) Lady Barbara Ward, and many more. It is gratifying to see the Honourable Donald McDonald, Janet Wordlaw, and currently the Honourable Flora MacDonald, each of whom have brought immense experience and distinction to the Chairmanship of IDRC, together with Lou Rasminskey who has not been able to join us.

Let me also recognize with profound gratitude the enlightened leadership of the Right Honourable Pierre Elliot Trudeau, as Prime Minister of Canada at that time, and the Honourable Mitchell Sharp as Secretary of State for External Affairs, who initiated the legislation that created IDRC and gave it its distinctive mandate and the resources required to carry it out.

I am pleased to recall, too, the important mark left on IDRC by its second President, Ivan Head. There are so many more who deserve mention and I join you in
paying homage to all of them for their indispensable contributions to making IDRC during this past quarter century one of the finest and most effective organizations of its kind in the world and one of the very best investments that Canada has ever made.

And I want to pay a special tribute to President Keith Bezanson who has led IDRC through one of its most difficult and challenging periods and established the foundations for the new IDRC that is now emerging.

One of the reasons we are gathered here this evening is to launch a new initiative of the IDRC in celebration of its 25th anniversary: in an effort to maintain and enhance contact with individuals who no longer have a formal association with the Centre but who have been, at one time or another, a vital part of the organization, the Centre is establishing a network of "Friends of the IDRC". By doing so, it is hoped that a wider understanding of and support for research and sustainable development will be promoted. Indeed, it is important and timely to draw on the knowledge and ideas of those who know the Centre well and have worked with it in order to advance its contribution to development, and facilitate exchange of information on development-research related issues.

Over the past 25 years, the IDRC has improved the life of millions of people in this world through the intellectual contributions made by almost 100 leaders from all parts of the world who have served as governors, and by the thousands of researchers in partner institutions with whom the staff of IDRC has worked. These exceptionally talented people have been the backbone of the IDRC and the driving force behind the reputation it enjoys.

But we must not tarry long in nostalgia. For the primary purpose of our gathering here is to focus on the future and how this unique and precious organization can help to shape a better future for Canada and the human community as we move into the
21st century. As the government White Paper on Foreign Policy made clear: "Successful promotion of our values — respect for human rights, democracy, the rule of law and the environment — will make an important contribution to international security in the face of new threats to stability ---- Canada is not an island able to resist the community that de-values beliefs central to our identify."

This is not a time for false modesty in reflecting on what IDRC has accomplished over the past twenty-five years and the uniquely valuable asset it now represents. It is, in my opinion, Canada's single most distinctive and influential contribution to economic and social development, particularly in the developing world. This is a strong statement, but I believe I can be objective in my appraisal as it is many years now since I was active in the affairs of IDRC and can claim no credit for its remarkable success. By any standard, IDRC has been remarkably successful.

The mission of IDRC, now aptly defined as "empowerment through knowledge" is as valid today as it was when IDRC was created by Parliament in 1970. To those who designed IDRC, and some of them, as I mentioned, are here this evening, it was clear that science and technology would become the principal source of economic well-being and comparative advantage, and that developing countries that did not build that comparative advantage would suffer. Let us remember that in 1970 this was a bold new idea. IDRC undertook this mission with a boldness and a vitality that put it out front of the new wave of development thinking and action that was then emerging.

No organization anywhere has done more to help develop the scientific and technological capabilities of developing countries. And they will need this support even more in the period ahead. At the same time, developing countries also need help in identifying and anticipating major changes in science and technology which will impact on their own economies and, in some cases, radically change the markets for some of their principal exports. This will be particularly true in respect of genetic technologies which
will enable some of their agricultural products to be produced more cost-effectively by others. It, as you will know, has already happened in respect of vanilla, an important export commodity for Madagascar and the Comoros.

As Flora MacDonald mentioned, over the last twenty-five years, IDRC has funded some 5,000 projects in the South, helping their researchers to develop new technologies to treat local grains, to improve land yields and agriculture production, to prepare sound economic policies appropriate to local and national needs, and to find their own original solutions to land degradation and transmission of communicable diseases. In doing so it earned, to an unprecedented degree, the confidence and the trust of its partners in the developing world and inspired other development agencies to emulate it — though I have to say none has equalled it.

One of the reasons for this is that IDRC was designed from inception to be international in character and this has been reflected in the composition of its Board and staff as well as in the nature of its program and partnerships.

In the course of its experience it has pioneered many important and innovative initiatives as, for example, in the development of CD-ROM technology and WETV in the communications field. It has built up a reservoir of knowledge, experience and an unparalleled network of cooperating institutions and exceptional individuals of inestimable value. I am certain that it could not be duplicated today at any cost. Yet in a period of severe austerity, it has to be recognized that this investment is now at risk. Some may well ask "Is there any real reason why IDRC should be exempt from the risk that all government agencies and programs face today?" Well, let it first of all be acknowledged that IDRC has indeed shared in the deep cuts that have already taken place in Canada’s development assistance budget; in real terms, IDRC now receives some 35% less from the Parliament of Canada than it received four years ago. But it would not, I submit, be in Canada’s interest to effect any further reductions in support to IDRC in ways
that could jeopardize the major investment Canada has made in both financial and human terms in creating this unique world resource, particularly when it is entirely feasible to ensure the continued viability and renewed vitality of IDRC while weaning it over a reasonable time from dependence on continuing government support.

What is the case for this? As I have already said, IDRC’s original mission is as valid today as it was twenty-five years ago and the experiences it gained during this twenty-five years endows it with the unique capacity to pursue this vision in the very different world we now face. It is a world in which interdependence is no longer a rhetorical concept but a here-and-now reality. The forces that are shaping our common future are global in scale and systemic in nature. No nation, however large, can opt out of our technological civilization or go it alone in ensuring that it meets the needs and serves the interests of its people.

We are now reaching the limits of government. A global civil society is emerging in which a host of new actors is undertaking functions and taking initiatives once the primary prerogative of governments. To be sure, governments are not going away, but increasingly their activities and influence are being supplemented and, in some cases, transcended by civil society actors.

In a thoughtful article in the summer 1994 issue of Foreign Affairs, Lester M. Salmon compared the growth in the numbers and influence of voluntary, non-governmental organizations in the last half of this century with the emergence of the nation state system in the 18th century. Some of the traditional non-governmental organizations will accommodate to these profound changes and rise to the new opportunities they present. Others will fall by the wayside. In the non-governmental sector we will see a series of mergers, consolidations, and the rise of new actors, including new kinds of organizations and private-public partnerships.
In the field of environment and sustainable development, the most exciting and promising post-Rio developments are occurring outside of governments, where there has been a virtual explosion of activities and initiatives on the part of grass-roots organizations, citizen groups and other key sectors of society including, of course, business. The Earth Council, headquartered in San José, Costa Rica, is a unique product of this process — a new kind of global, non-governmental organization, designed to act as a catalyst to facilitate and support implementation and follow-up of the results of Rio. In doing so, it consults with a network of some 30,000 organizations, most of them of a grass-roots nature and partners with a number of other leading organizations, notably, I am pleased to say, IDRC.

If the mission of IDRC is as relevant today as it was twenty-five years ago, the context in which it pursues this mission is very different. Today the rapidly developing countries of Asia and Latin America are leading the resurgence of world economic growth. Yet the benefits of this growth are bypassing most of the poor and disadvantaged so that these same countries continue to be home to most of the world’s poverty. And the least developed countries, especially those of Sub-Saharan Africa, have also been largely left out of the new round of growth. The rapid changes occurring in the developing world are deepening the disparities between rich and poor and are creating a new generation of environmental risks which could be decisive for the human future.

At the same time the nations of Eastern Europe and the former Soviet Union are struggling to re-build their societies devastated by decades of economic mismanagement, social repression and some of the world’s worst environmental degradation. It is in our common interest to ensure that this rebuilding take place on a sustainable basis. The environmental impacts generated by the re-development of these societies and the growth of developing countries, more particularly if they follow the same growth pathway taken by the more mature industrialized societies, are likely to move us beyond the thresholds of safety and sustainability.
Our global environmental future will be largely determined by what happens in the developing world. Yet those of us in the richer countries who have largely created these risks, and benefitted most from the processes of industrialization that have given rise to them, can scarcely deny the right of developing countries to grow. What we must do is set them an example in reducing our own environmental impacts and leaving space for them to grow. And we have a compelling self-interest in helping to ensure that they have access to the resources and technologies they require to develop their economies on an environmentally sound and sustainable basis.

Developing countries cannot be expected to opt for sustainable development merely in response to our own concerns and exhortations. They will be far more influenced by concrete evidence that it is in their interest to develop sustainably and to the example we set in changing our own mode of development, particularly our patterns of production and consumption, and in the tangible support we can provided to them.

Foreign aid is in decline and private investment now accounts for the principal flows of financial resources to developing countries. And in any event developing countries prefer to earn their way through improved access to the markets of the more industrialized countries. We have made significant progress in this direction, but their access to markets in some of the products in which they have a comparative advantage is still constrained. In the meantime, they must also take advantage of the extensive opportunities that exist for making better use of their own resources. Developing countries, like industrialized countries, spend vast amounts of money on subsidies for practices that are environmentally unsound and impose substantial costs on consumers and taxpayers. A recent World Bank report indicates that developing countries subsidize their electric power sector by an amount which, in the aggregate, is some three times the total funds they receive through official development assistance.
Private investment now accounts for the principal flows of financial resources to developing countries. It follows that if private capital is not responsive to environmental and social considerations, it will not be possible to make the transition to sustainable development provided for in Rio's Agenda 21. Both industrialized and developing countries must develop the incentives and innovative financial mechanisms required to ensure that private capital becomes an instrument for sustainable development rather than a means of subverting it. Such new financial mechanisms as tradeable emission permits can utilize markets to channel funds available for environmental improvement to the places where they can be employed on the most cost-effective basis.

The continued existence of extreme poverty with its attendant depravation and suffering affecting some 1.3 billion of the world's people is an affront to the moral basis of our civilization. All the more so in that the means to eradicate it clearly exists. What is needed at this point in our history is the assertion of a new political and moral will and some innovative new thinking that will in turn produce the ideas and the social and economic innovation required to devise the means to deal effectively with it. Democratic, market capitalism must find ways of dealing with these emerging dilemmas or risk becoming the victim of its own success. It must become just as effective at meeting society's environmental and social needs as it is in generating economic growth — or it will not be sustainable.

The two primary development challenges we face, then, are the need to ensure that the growth of the rapidly developing countries will take place on a basis that is sustainable in environmental and social, as well as economic terms, and to make the eradication of poverty a primary goal of the world community.

What, then, do I see as the role of IDRC in this context?
First and foremost, it must be more and more of the centre of ideas, innovative thinking and creative partnerships with other institutions in Canada and throughout the world. Having built a special capital stock that no other organization can match, IDRC can now add value more through its intellectual and policy capacities than through the mere transfer of funds. It must retain its basic character as an organization that is both distinctively Canadian and intrinsically international. Within Canada, it could become a "virtual" centre linking with and drawing upon other key centres of excellence and expertise and helping to focus, channel and lever their capacities in cooperative interaction with their counterparts throughout the world. The network of relationships that IDRC as already established is one of the best in the world. It provides the foundation on which developing countries will continue to build their confidence in Canada as an objective and trustworthy partner in developing their own knowledge institutions.

Let us remember, too, that Canada's role in the world is changing. The immense amount of capital Canada built up in the international community during World War II and through its enlightened leadership in the post-World War II period is still a valuable asset — but one we can no longer take for granted.

In the period ahead, Canada will no longer have a place amongst the 15 leading economies, let alone the 7, and we will more and more have to earn our place in the world. The future security and prosperity of Canadians depends on our ability to continue to command respect and practical influence in the community of nations. As a source of official development assistance, our role will clearly be a diminishing one and we will not, in global terms, be a leading source of private investment. Accordingly, we will need to earn our way through our intellectual and policy leadership. In this regard, it would be grossly unwise and imprudent for us to put at risk the principal institution which gives us an important comparative advantage in this field on which to build. I speak, of course, of IDRC.
Under the dynamic and resourceful leadership of President Keith Bezanson, IDRC has already moved to accommodate to the new fiscal realities with some painful reductions in staff and programs. More importantly, IDRC is proving again to be ahead of other international development organizations in moving to the kind of strategic reorientation that I have tried to outline, — a reorientation that is essential if we are to meet the new challenges we confront. And I am impressed with IDRC's innovative approach to seeking new sources of funding outside of government.

Thus, IDRC is again on the leading edge of the changes that I have been describing.

If in today's context I were suggesting a re-design for IDRC, I would build on the changes that Keith Bezanson and the Board of Governors have already initiated to make IDRC into the kind of "virtual centre" I described. Its Ottawa headquarters would be the hub of a Canadian network linked with a network of international partners with IDRC acting as knowledge broker and catalyst in mobilizing and focusing the experience, talents and capacities of a broad spectrum of organizations to address cooperatively those issues which none can effectively address alone and which will determine the future of humankind.

I would also suggest to the government that it translate its current budgetary grants to IDRC to support on a diminishing scale for the establishment of an endowment that would fund the core activities of the new virtual IDRC enabling it to develop new sources of funding that will relieve the government of the need to continue annual funding after an appropriate level of endowment has been achieved. This would enable the government to realize a permanent advantage for Canada from the investment it has already made in IDRC while allowing it to phase out its support over a reasonable period.
Canada cannot, I submit, afford to lose IDRC. No other organization can do what it can do to keep Canada on the leading edge of the wave of change which is reshaping our global society. It is a resource that is absolutely unique and irreplaceable and provides a sound foundation on which to build a new and constructive role of influence and invaluable partnerships for Canada in the complex, competitive new world of the 21st century. I see in this room evidence of the vitality, the spirit, the resourcefulness and the determination which have made IDRC in its first quarter century the premier institution of its kind in the world. And to our friends who lead the government of this country, I say the following: With your leadership and support, all of us and countless others throughout this globe are eager to help realize this new vision of IDRC for Canada and for the world. It is a vision that neither Canada nor this world can afford to do without.

Finally, as we approach a decisive point in our own history as a nation, it would be well to heed the experience of other successful societies that have been largely responsible for their own decline. In her history of Rome, Elizabeth Hamilton wrote in 1932:

"What Rome was capable of, the achievement of her empire shows. The Roman character had great qualities, great potential strength. If the people had held together, realizing their interdependence and working for a common good, their problems, completely strange and enormously difficult though they were, would not, it may well be believed, have proved too much for them. But they were split into sharpest oppositions, extremes that ever grew more extreme and so more irresponsible. A narrow selfishness kept men blind when their own self-preservation demanded a world-wide outlook."

What was true of Rome then is true of Canada today as we confront the need to reshape our society and its institutions to meet the challenges of a changing world.