



Canada

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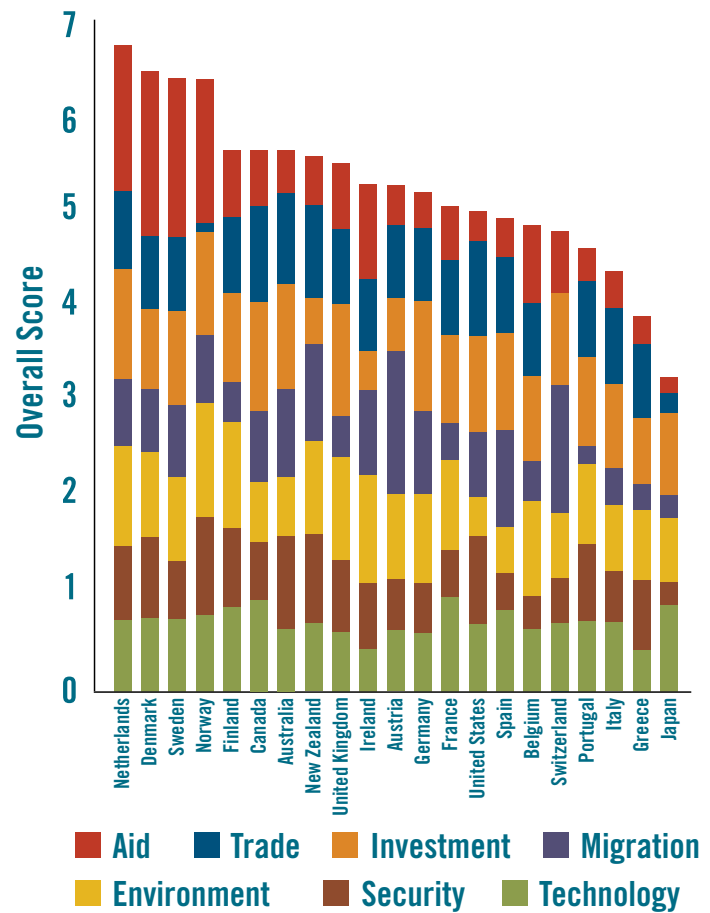
The Commitment to Development Index (CDI) ranks 21 of the world's richest countries based on their dedication to policies that benefit poor nations. Looking beyond standard comparisons of foreign aid flows, the CDI measures national effort in seven policy areas that are important to developing countries: aid, trade, investment, migration, environment, security and technology. This report reviews Canada's performance on the 2007 CDI.

Canada's 2007 CDI Performance

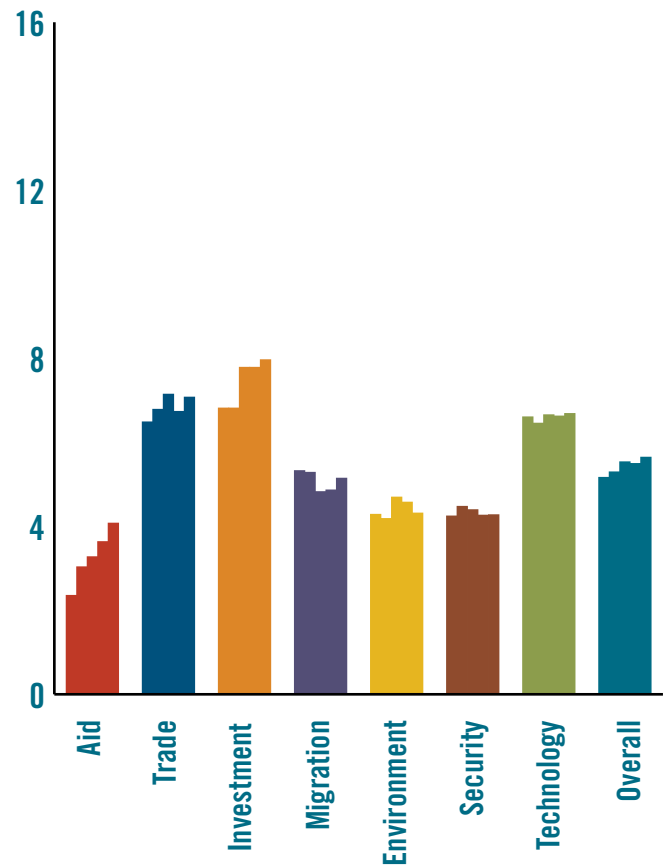
- Overall rank 2007: 5
- Overall score 2007: 5.6
- Change since 2003: +0.4
(using 2007 methodology)

Canada ranks 5th overall in 2007. Canada's main contributions to the development of poor countries come through its strong support of technological innovation and dissemination, its low barriers against developing country exports, and its policies that promote productive investment in poor countries. But Canada's positive impact is reduced by its large share of tied foreign aid, its arms exports to undemocratic governments, and its poor environmental record from the standpoint of developing countries.

Commitment to Development Index 2007



Canada's CDI Performance, 2003-2007



Aid

Aid quality is just as important as aid quantity, so the CDI measures gross aid as a share of GDP adjusted for various quality factors: it subtracts debt service, penalizes “tied” aid that makes recipients spend aid only on donor goods and services, rewards aid to poor but relatively uncorrupt recipients, and penalizes overloading poor governments with many small projects.

■ **Score: 4.1**

■ **Rank: 10**

Strengths

- Large amount of private charitable giving attributable to tax policy (rank by share of GDP: 4)
- Prevents project proliferation; large average project size (rank: 9)

Weaknesses

- Large share of tied or partially tied aid (27%; rank: 16)

Trade

International trade has been a force for economic development for centuries. The CDI measures trade barriers in rich countries against exports from developing countries.

■ **Score: 7.1**

■ **Rank: 1**

Strengths

- Low tariffs on agricultural products (12.8% of the value of imports; rank: 4)
- Low agricultural subsidies (equivalent to 7.2% tariff; rank: 3)

Weaknesses

- High barriers against textiles (10.3% of the value of imports; rank: 20)
- High barriers against apparel (13.5% of the value of imports; rank: 20)

Investment

Rich-country investment in poorer countries can transfer technologies, upgrade management and create jobs. The CDI includes a checklist of policies that support healthy investment in developing countries.

■ **Score: 8.0**

■ **Rank: 2**

Strengths

- Provides insurance against political risk for both domestic and foreign firms
- Employs tax-sparing arrangements to prevent double taxation of corporate profits earned abroad
- Particularly active in the G-8 Anti-Corruption and Transparency Action Plan and in the Kimberley Initiative on blood diamonds
- Provides support for design of securities regulations and institutions in developing countries
- Allows pension fund investments in emerging markets

Weaknesses

- Political risk insurance also given to inefficient, import-substituting projects

Migration

The movement of people from poor to rich countries provides unskilled immigrants with jobs, income and knowledge. This increases the flow of money sent home by migrants abroad and the transfer of skills when the migrants return.

■ **Score: 5.1**

■ **Rank: 9**

Strengths

- Large number of immigrants from developing countries entering Canada (rank by share of population: 5)

Weaknesses

- Only a small increase during the 1990s in the number of unskilled immigrants from developing countries living in Canada (rank by share of population: 11)
- Tuition for foreign students higher than for nationals



Environment

Rich countries use a disproportionate amount of scarce resources, and poor countries are most vulnerable to global warming and ecological deterioration, so the CDI measures the impact of policies on the global climate, fisheries, and biodiversity.

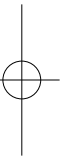
■ **Score: 4.3**

■ **Rank: 18**

Weaknesses

- Low gas taxes (\$0.28 per liter; rank: 20)
- High fishing subsidies (\$8.10 per person; rank: 20)
- High greenhouse gas emissions rate per capita (25.7 tons of carbon dioxide equivalent; rank: 20)

Security



Since security is a prerequisite for development, the CDI rewards contributions to internationally sanctioned peacekeeping operations and forcible humanitarian interventions, rewards military protection of global sea lanes, and penalizes arms exports to poor and undemocratic governments.

■ **Score: 4.3**

■ **Rank: 12**

Weaknesses

- No protection of global sea lanes

Technology

Rich countries contribute to development through the creation and dissemination of new technologies. The CDI captures this by measuring government support for R&D and penalizing strong intellectual property rights regimes that limit the dissemination of new technologies to poor countries.

■ **Score: 6.7**

■ **Rank: 2**

Strengths

- No attempt to incorporate into bilateral free trade agreements “TRIPS-Plus” measures that would restrict the flow of innovations to developing countries
- High tax subsidy rate to businesses for R&D (rank: 3)
- Does not give patents on plant and animal varieties

Background Papers and Contributors

See “The Commitment to Development Index: 2007 Edition” by David Roodman, available at www.cgdev.org/cdi. The website also has background papers for each policy area: David Roodman on foreign aid, William R. Cline on trade, Theodore H. Moran on investment, Elizabeth Grieco and Kimberly A. Hamilton on migration, Amy Cassara and Daniel Prager on environment, Michael E. O’Hanlon and Adriana Lins de Albuquerque on security, and Keith Maskus on technology.



Commitment to Development Index 2007

Country	Rank	Aid	Trade	Investment	Migration	Environment	Security	Technology	Overall Score	Change since 2003
Netherlands	1	10.7	5.7	8.0	4.8	7.3	5.4	5.2	6.7	-0.1
Denmark	2	12.0	5.4	5.8	4.6	6.1	5.9	5.4	6.5	-0.4
Sweden	3	11.6	5.4	6.9	5.2	6.1	4.2	5.3	6.4	+0.3
Norway	3	10.5	0.7	7.5	4.9	8.4	7.1	5.6	6.4	+0.4
Finland	5	4.9	5.5	6.5	2.9	7.7	5.7	6.2	5.6	+0.5
Canada	5	4.1	7.1	8.0	5.1	4.0	4.3	6.7	5.6	+0.4
Australia	5	3.1	6.7	7.6	6.5	3.8	6.8	4.6	5.6	-0.3
New Zealand	5	3.6	6.7	3.4	7.1	6.8	6.5	5.0	5.6	-0.3
United Kingdom	9	4.8	5.5	8.1	3.0	7.5	5.2	4.3	5.5	+0.3
Ireland	10	6.9	5.3	2.8	6.2	7.9	4.8	3.1	5.3	+0.6
Austria	10	2.9	5.4	3.9	10.4	6.2	3.8	4.4	5.3	0.0
Germany	12	2.6	5.4	8.0	6.0	6.5	3.6	4.3	5.2	-0.1
France	13	4.0	5.4	6.5	2.7	6.5	3.4	6.9	5.1	+0.2
United States	14	2.2	7.0	7.0	4.7	2.9	6.4	4.9	5.0	+0.3
Spain	15	2.9	5.5	7.1	7.1	3.3	2.7	6.0	4.9	+1.1
Belgium	15	5.7	5.4	6.2	2.9	7.0	2.4	4.5	4.9	+0.2
Switzerland	17	4.5	0.0	6.7	9.3	4.8	3.3	4.9	4.8	-0.6
Portugal	18	2.4	5.5	6.5	1.3	5.8	5.6	5.2	4.6	+0.2
Italy	19	2.7	5.6	6.1	2.7	4.8	3.8	5.0	4.4	+0.3
Greece	20	2.0	5.4	4.9	1.9	5.1	5.1	3.0	3.9	+0.2
Japan	21	1.2	1.5	5.9	1.7	4.7	1.7	6.3	3.3	+0.7

This table ranks the 21 countries in the CDI, showing their scores in seven policy areas. A country's overall score is the average of its seven policy scores. The final column shows the change in each country's overall score since the CDI began in 2003, using 2007 methodology.

The CGD website (www.cgdev.org/cdi) has reports on each of the 21 countries in the CDI, as well as graphs, maps, spreadsheets and background papers.

The Commitment to Development Index is designed by the Center for Global Development, an independent think tank that works to reduce global poverty and inequality by encouraging policy change in the United States and other rich countries through rigorous research and active engagement with the policy community.

David Roodman, the architect of the Commitment to Development Index, is a research fellow at the Center for Global Development.

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