

# CANADA *and the* WORLD

## B A C K G R O U N D E R



**INTERNATIONAL DEVELOPMENT**  
SEPTEMBER 2003

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## CANADA and the WORLD

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# Generous Spirits

*In a less-than-perfect international aid system, there are some shining lights*

**M**any experts agree that the system for dispensing international aid has a lot of flaws. Huge amounts of money go to developing countries, but some of it doesn't make it to the intended recipients, and there are too many starving and sick people in the world. Simply giving the hungry food isn't enough, although it's essential in the many crises that hit the desperately poor; what they need is help in building their own food sources, their own economic prosperity. They need tools as well as money, and they need more generous trading partners in the world's developed nations.

But, amidst all this complexity, are thousands of generous people who give much of their lives to help ease the suffering of others. Members of Doctors Without Borders/Medecins Sans Frontieres (MSF) are among these volunteers. MSF is an international humanitarian aid organization that has been setting up emergency medical aid programs around the world since 1971. It provides assistance to people in danger in more than 80 countries, travelling to places many people have never heard of to help victims of natural and man-made disasters, risking their own safety and health. The organization also works in the rehabilitation of hospitals and dispensaries, vaccination programs, and water and sanitation projects.

One of MSF's most recent ventures is the Drugs for Neglected Diseases Initiative (DNDi), a not-for-profit drug research organization that will develop medicines for diseases afflicting the world's poorest people. Established in July 2003, DNDi combines the expertise of health and research institutes from Brazil, France, India, Kenya, and Malaysia with MSF workers.

Doctors for Global Health (DGH) is another private, not-for-profit organization promoting health, education, art, and other human rights

throughout the world. Since its founding in 1995, DGH has attracted more than 500 active supporters, including doctors and other health care workers, students, educators, attorneys, and engineers. Most of these volunteers work within their own communities, while others have also spent from a week to over a year working in El Salvador, Honduras, Chiapas (Mexico), Peru, Uganda and/or other countries.

Teachers Without Borders, which started in 2000, now has teachers and volunteers working in 84 mostly developing countries around the world. TWB is an international non-profit organization, focussing on teacher professional development and community education. It also provides school supplies, computers, and in some cases has opened schools at refugee camps where children sometimes have not attended school for months, or years. Without well-trained, and well-equipped teachers, TWB says "...we are left with poverty, lack of development, and a gaping digital, educational, and economic divide."

## Websites

Reporters Without Borders - [www.rsf.org](http://www.rsf.org)

Engineers Without Borders - [www.ewb-isf.org/](http://www.ewb-isf.org/)

Teachers Without Borders - [www.teacherswithoutborders.org/](http://www.teacherswithoutborders.org/)

Doctors Without Borders - [www.doctorswithoutborders.org/](http://www.doctorswithoutborders.org/)

Doctors for Global Health - [www.dghonline.org/](http://www.dghonline.org/)

# Weapons of Mass Salvation

*What are the arguments in favour of industrialized nations transferring money to developing nations? If you view the human race as a single community, then it's the right thing to do; families pull together to help out those going through a rough spell*

In 2000, Roy Culpeper wrote a newspaper article about his view that the world's richest nations should tackle the problem of how to "enable half the planet's population to share in the considerable wealth and prosperity being generated by the other half. There's a growing consensus that the world must struggle to reduce the number of people living in absolute poverty at least by one-half in the next 15 years (through) much more foreign aid and (by) giving (the poorest countries) greater access to industrial markets." When Mr. Culpeper wrote the article he was president of The North-South Institute, the Ottawa-based think tank that had just released its report, *Global Financial Reform: How? Why? When?* The G20 (the group of 20 countries that represent 75% of the world's people and produce 85% of its Gross Domestic Product) were gathering in Montreal, Quebec, and Mr. Culpeper said the group needed to seize "an unequalled opportunity to rid the world of the scourge of poverty in the first decades of this century..."

When *Globe and Mail* columnist Paul Knox suggested in

March 2002 that some of the requested \$48 billion (U.S.) boost in annual U.S. defence spending should go to foreign aid, one reader called him a self-righteous jerk. Others thought he was being anti-American. And, while some thought helping the poor was a good idea, others felt that giving money to the Third World was a waste of time because corruption stopped it from reaching the people who need it most.

According to Mr. Knox, even



aid professionals say foreign aid is pointless unless it can be shown that it actually helps the poor become better off and stay that way.

Nevertheless, he noted a spark of progress at the United Nations conference on financing for development held in Monterrey, Mexico the same week his column appeared: the U.S. government announced a \$5 billion

boost in foreign aid spending, and the European Union set aside another \$4 billion.

But, the Millennium Development Goals of cutting poverty, hunger, disease, illiteracy, environmental degradation, and discrimination against women set out at the United Nations Millennium Summit in 2000, are a distant dream. The goals, to be achieved between 1990 and 2015, include:

- ▶ Halving extreme poverty and hunger (for the more than a billion people who still live on less than \$1 U.S. a day);

- ▶ Achieving universal primary education (for the roughly 113 million children who do not attend school);

- ▶ Promoting gender equality (given that two-thirds of illiterates are women, and the rate of employment among women is two-thirds that of men);

- ▶ Reducing under-five mortality by two-thirds (every year nearly 11 million young children die before their fifth birthday, mainly from preventable illnesses);

- ▶ Reducing maternal mortality by three-quarters (in the developing world, the risk of dying in childbirth is one in 48);

## INTERNATIONAL DEVELOPMENT - WHY

► Reversing the spread of HIV/AIDS, malaria, and tuberculosis;

► Ensuring environmental sustainability (despite their commitments at the Rio Earth Summit in 1992, fewer than half the world's countries have adopted strategies for sustainable development to reverse the loss of environmental resources, and even fewer are implementing them); and,

► Developing a global partnership for development, with targets for aid, trade, and debt relief.

The goal is for developed donor countries to give 0.7% of Gross Domestic Product (GDP) in official development assistance (ODA) to developing countries. UNICEF, the World Bank, and the World Health Organization estimate that meeting the goals by 2015 will need an extra \$50 billion a year in development assistance. That sounds like a lot of money but it represents only about one-fifth of one percent of income in donor countries.

Jeffrey Sachs, director of the Earth Institute at Columbia University in New York, is an expert on international development, and director of the UN Millennium Project. He thinks U.S. President George Bush should be spending more time and money on Weapons of Mass Salvation (WMS) to make the world "a safer and more hospitable home." WMS "are the arsenal of life-saving vaccines, medicines and health interventions, emergency food aid and farming technologies that could avert literally millions of deaths each year in

the wars against epidemic disease, drought, and famine," he writes in *The Economist*. "Yet while the Bush administration is prepared to spend \$100 billion to rid Iraq of (Weapons of Mass Destruction), it has been unwilling to spend more than 0.2% of that sum (\$200 million in 2002) on the Global Fund to Fight AIDS, Tuberculosis, and Malaria."

U.S. environmentalist Amory Lovins gives national security as

a good reason for increasing development aid. At the centre of his argument is the notion that it is a safer world when no large group of people is without basic needs (food, shelter, energy). He says increased foreign aid needs to be at the centre of any national security strategy. Mr. Lovins says providing everyone on Earth with clean water, sanitation, basic health care, adequate nutrition, and education, would cost less than the amount the

### A BETTER WORLD FOR SOME

The UN report, 2000 A Better World for All, which outlines the Millennium Goals, explains that the goals come from the agreements and resolutions of the world conferences organized by the United Nations in the first half of the 1990s.

The report also acknowledges that meeting the goals is not going to be easy, but cites China as an example of a country that has made some progress: China reduced its number of poor people from 360 million in 1990 to about 210 million in 1998.

The report also says Mauritius, as a result of cutting its military budget and investing heavily in health and education, has given all Mauritians access to sanitation, while 98 percent enjoy safe water, and 97 percent of births are attended by skilled health staff.

Also, many Latin American countries have moved much closer to gender equality in education, an essential part of reducing poverty and mortality.

But, stumbling blocks abound. A Better World for All points out the sad facts that "conflict is reversing gains in social development in many countries in Sub-Saharan Africa. The spread of HIV/AIDS is impoverishing individuals, families, and communities on all continents. And, sustained economic growth - that vital component for long-run reductions in poverty - still eludes half the world's countries. For more than 30 of them, real per capita incomes have fallen over the past 35 years. And, where there is growth, it needs to be spread more equally."



## INTERNATIONAL DEVELOPMENT - WHY

U.S. spends on its anti-terrorism programs. As he sees it, it's a highly worthwhile investment that could help calm social and political unrest throughout the world, and mend America's battered reputation.

In a speech to the United Nations General Assembly session on African development in New York in September 2002, Prime Minister Jean Chretien expressed the same view: "Helping Africa get on its feet is in our interest from the perspective of our

common humanity, from the perspective of creating a more prosperous world with new markets, and it is profoundly in our self-interest from the point of view of our own security," he said. "We have seen right here in New York the tragic consequences that can result from failed states in faraway places (referring to the 11 September 2001 terrorist attacks on the World Trade Center)."

Jeffrey Sachs couldn't agree more: "Our interconnectedness

on the planet is the dominating truth of the 21st century. One stark result is that the world's poor live, and especially die, with the awareness that the United States is doing little to mobilize the weapons of mass salvation that could offer them survival, dignity and eventually the escape from poverty...If Mr. Bush would only lead his country to that end, (he would mobilize) billions of people in the fight against terrorism..."

In fact, Mr. Bush appears to

### CONDITIONS FOR AID

Edward Luttwak, a senior foreign policy expert in the U.S., believes that foreign aid can be used as a tool for keeping local officials in line. He cites the example of Afghanistan, where he advocates doling out aid to leaders who cooperate with the central government and withholding it from warlords who seek to make trouble.

Another American foreign policy expert said the situation in Africa, for example, remains dismal, and the government believes "much of the aid has been stolen and sent to Swiss bank accounts."

Africa is cited as a particularly sorry case not only of corruption, but disease, drought, and despair: in sub-Saharan Africa, more than 300 million people subsist on less than \$1 U.S. a day. In southern Africa, AIDS touches 25 million people and in 2001 alone it deprived a million students of their teachers. Across Africa, infant mortality is around 10 percent and life expectancy is about 45 years. Yet, according to a 2002 World Bank report, annual aid to Africa fell \$5 billion to \$12 billion in the last decade.

The New Economic Partnership for African Development (NEPAD) is an aid program to help reduce the continent's chronic misery and improve its crippled democracies. Under the 2002 plan, African leaders have pledged economic liberalization and peer-review monitoring of democratic reforms in exchange for \$64 billion U.S. in aid and investment. But, the money is conditional upon African governments rooting out their own corruption, ending the wars raging in several countries, and proving to international donors and investors that their money is being well spent.

Aid to Russia is also linked to the country's ability to prove the money will not fall into corrupt hands or be misspent on legal disputes: the G7 has promised the country \$20 billion (including Canada's share of about \$1 billion) to clean up its store of nuclear, chemical, and biological weapons as long as it meets the conditions. Russia has 40,000 tonnes of chemical weapons, the world's largest arsenal, which it has pledged to destroy under the 1997 Chemical Weapons Convention, but it needs help. It's in the world's interest to help Russia dispose of its arsenal, which includes 122 decommissioned, nuclear-powered submarines that need to be safely dismantled and destroyed. Russian scientists have calculated that the total nuclear energy from the submarines is 3,000 times more powerful than the bomb that destroyed Hiroshima, Japan in 1945. And, Canada's Foreign Minister Bill Graham thinks they pose a serious risk to the Canadian Arctic.

## INTERNATIONAL DEVELOPMENT - WHY

be listening: his visit to Africa in July 2003 was seen by many as a key part of a plan to quell rising anti-American sentiment. In an attempt to change the global image of the United States as an international bully, Mr. Bush made his first visit to Africa to show his country is sensitive to development issues, including HIV/AIDS, poverty, and trade. Mr. Bush announced a new \$15 billion package to fight HIV/AIDS.

However, the 2003 United Nations Human Development Report pointed out that, although foreign aid rose to \$57 billion from \$52.3 billion in 2001, the annual aid flows are still far short of the \$100 billion needed every year.

### SUGGESTED ACTIVITIES:

1. Jeffrey Sachs, one of the world's foremost authorities on foreign development, says the United Nations should be empowered to organize a global response to the global challenges of disease control, hunger, lack of schooling, and environmental destruction, with the United States as a major participant and financier as it has pledged. But he

#### FACT FILE

The G20 was formed in 1999 by the G7 (Group of the world's seven richest industrialized nations - Britain, Canada, France, Germany, Italy, Japan, and the U.S.) to find ways of stabilizing world financial markets. The G20 includes the G7 and Russia, plus Argentina, Australia, Brazil, China, the European Union, India, Indonesia, Korea, Mexico, Saudi Arabia, South Africa, and Turkey.



*According to the Citizen's Network on Essential Services, the gap between rich and poor people - both within and between countries - is becoming a chasm. The gap in per capita income between the countries with the richest fifth of the world's people and those with the poorest fifth widened from 30 to 1 in 1960, to 60 to 1 in 1990, to 74 to 1 in 1995.*

says criticism of the UN has left the inaccurate impression that it cannot "provide real leadership on the great development challenges." However, he says the UN "has vastly outperformed expectations in Kosovo, East Timor, and other tough assignments in recent years." Research and report on some of the achievements UN agencies have made in troubled spots around the world.

2. The U.S. spends 0.1% of GDP on foreign assistance, placing it last among the 22 donor countries in aid as a share of income. The United States falls far short of the Millennium Project target of 0.7%, while annual military spending has risen dramatically in America since Mr. Bush became president. Report on the contributions of other donor countries and discuss why some countries appear to be more concerned about global humanitarian issues.

3. Former U.S. Treasury Chief Paul O'Neill was quoted in a Canadian Press article in June 2002 as

saying that few gains have been made in poor countries over the last half century despite the hundreds of billions of dollars they've received in assistance. But, critics say western governments have spent their budgets on propping up friendly and often corrupt leaders, rather than tackling poverty in the Third World. Find examples of where this has happened.

#### Websites

Center for International Development at Harvard University - <http://www.cid.harvard.edu/>  
International Development Research Centre - <http://www.idrc.ca/>  
North-South Institute - <http://www.nsi-ins.ca/>  
United Nations Development Program - <http://www.undp.org>  
United States Agency for International Development - <http://www.usaid.gov/>

# Help Through Official Channels

*At the Bretton Woods Conference of 1944 the international community created the financial framework for development by setting up the World Bank, the International Monetary Fund, and their associated agencies*

**O**n the global scale, the International Monetary Fund (IMF) and the World Bank are the two biggest dispensers of development aid. Together, they often are referred to as the Bretton Woods Sisters, after the conference that set them up in 1944. They are both part of the United Nations family of organizations.

The World Bank's original role was to help with the reconstruction of Europe after the devastation of World War II (1939-45). The IMF was given the job of bringing stability to

the exchange rates among currencies and to offer short-term financing to economies facing a crisis. Over the last 60 years, the work of the two agencies has expanded and overlapped.

The World Bank now has 184 member states and has aid projects in every developing country in the world. The IMF has the same number of members and it now provides long-term financial support for ailing economies as well as funding for development projects.

Nations seeking help from the Bretton Woods Sisters usually do so as a last resort.

*"The purpose of Canada's Official Development Aid is to support sustainable development in developing countries, in order to reduce poverty and to contribute to a more secure, equitable, and prosperous world."*

Department of Foreign Affairs and International Trade

Through combinations of bad management and bad luck their economies have crashed. They are unable to borrow money from private lenders because they are seen as being at a high risk of not being able to pay it back. They turn to the IMF and World Bank because their mandate is to assist countries in crisis.

Membership in both organizations is voluntary, but any country seeking funds must join. Each country is assessed a level of contribution upon joining. The amount of the contribution depends on the size of the country's economy. The biggest economies contribute the most

*Most of Canada's aid is targeted to go to low-income countries. This means that Africa receives the highest share of resources in keeping with the immense challenges facing that continent. Here, people in Malawi, among the most severely hit by famine, receive seeds: more than three million people in the country are threatened with starvation.*





## INTERNATIONAL DEVELOPMENT - HOW

and also have the greatest voting strength. Unlike the United Nations General Assembly where each nation gets one vote, decision-making at the IMF and World Bank is dominated by the industrial nations of the North. The G7 countries (Canada, France, Germany, Italy, Japan, United Kingdom, United States) control 45 percent of votes.

With such a heavy weighting of power towards the industrialized nations of the North, it comes as no surprise to learn that capitalism is the preferred model for development. This has led to the adoption of what is called Structural Adjustment Programs (SAPs). An SAP is a combination of economic policies that involves: selling government-run businesses to the private sector; removing import tariffs; cutting government spending and letting go staff; opening up financial markets to foreign investment; eliminating government subsidies to local businesses; and reducing taxes.

Countries getting aid from the International Monetary Fund must agree to put an SAP in place. This has led to some tragic outcomes and is mostly what has brought thousands of protesters into the streets both in developing countries and in the developed world. Structural adjustment has forced many countries with already inadequate social services to shut hospitals and schools to satisfy the demands of the Bretton Woods institutions. The rigid application of SAPs is beginning to fall out of favour although countries in crisis are still required to make market-based reforms.

The World Bank says that its “primary focus is on helping the poorest people and the poorest countries.”

The total annual income of all the people in the world is estimated to be \$31 trillion. That means each man, woman, and child has an average annual income of about \$5,100. But, that is a very misleading figure.

More than 1.2 billion people in the world live on less than \$365 a year, and the number falling into that extremely poor category grows year after year. At the same time, Canada alone has

at least 180,000 people with more than a million dollars in the bank, and 15,000 Canadians become millionaires each year.

This leads many to conclude that the World Bank has failed; even the bank’s own President, James Wolfensohn, said in 1999 that, “At the level of people, the system isn't working.” Confirmation of that assessment came from the United Nations in July 2003. In its annual Human Development Report, the UN says the 54 poorest nations in the world became poorer during the 1990s. The UN urged the World

### A PLAN

**D**onald Johnson is a former Canadian cabinet minister who now heads the Organization for Economic Cooperation and Development (OECD). The 30 member states of the OECD have the world's most advanced market-based economies. In May 2002, Mr. Johnson wrote about a ten-point plan for reducing poverty and making development assistance effective:

- ▶ Create a framework for free and equitable international trade;
- ▶ Promote mutually beneficial flows of foreign private investment;
- ▶ Establish a better partnership, a clearer purpose, and a greater coherence in development aid;
- ▶ Increase the volume of aid;
- ▶ Meet the problem of mounting debts;
- ▶ Make aid administration more effective;
- ▶ Redirect technical assistance;
- ▶ Slow the growth of population;
- ▶ Revitalize aid to education and research;
- ▶ Strengthen the multilateral aid system.

“Good strategy,” wrote Mr. Johnson. “I wish I could take credit for it. In fact, it is pulled from an international commission report delivered to Robert McNamara, then president of the World Bank, in 1969!”



*Robert McNamara*

## INTERNATIONAL DEVELOPMENT - HOW

Bank and the IMF to put pressure on their rich members to do more to help combat the extreme poverty in which so many people live.

Every country in the developed part of the world has its own national organization to deal with international aid. Called Official Development Aid (ODA), this totalled \$53.7 billion U.S. in the year 2000, for the world's 22 wealthiest nations. These 22 countries, Canada among them, are members of the Development Assistance Committee

(DAC). The Scandinavian nations (Denmark, Sweden, and Norway) are easily the largest donors when measured as a percentage of their Gross Domestic Product (GDP); Canada ranks 19th.

Canada's poor showing reflects almost a decade of cuts to its ODA contribution. In 1969, the Canadian government made a commitment to meet the United Nations goal of providing aid equal to 0.7% of its GDP. During the 1970s, Canada came close to that target, but since

then has fallen far below it. In 2000, Canada's ODA was 0.25% of Gross Domestic Product. Since then, the federal government has increased its aid spending. In the 2003 budget there was a commitment to raise ODA by eight percent a year for the next several years. This will not put Canada among the top aid donors but it will double its ODA over the next nine years.

Canada's Official Development Aid is channelled through many different routes.

Government-to-government aid goes directly into the treasury of the recipient country. Unfortunately, this kind of assistance has a long history of disappearing.

In 2002, *Globe and Mail* columnist Marcus Gee reported from Chad in north-central Africa. He wrote that, "Chad has been showered with aid from France (its former colonial ruler), the United States and a host of other wealthy countries." However, "The only Chadians prospering are the friends and relatives of President Idriss Deby, who swan around town in their Toyota Land Cruisers and ride first class to Paris on Air France when they need a break." Meanwhile, only three in ten people in the country have access to safe drinking water and the life expectancy is 45 years.

A lot of Canada's aid goes to private enterprise in Canada. This is called tied aid and involves placing contracts with Canadian companies to supply goods and services to developing countries. This is not a perfect mechanism either. It's not unknown for machinery and equip-

### PRIORITIES

The lead organization in dispensing Canada's Official Development Assistance is the Canadian International Development Agency (CIDA). It has identified six priorities on which to concentrate its resources:

- ▶ "Basic human needs: to support efforts to provide primary health care, basic education, family planning, nutrition, water and sanitation, and shelter. Canada will continue to respond to emergencies with humanitarian assistance. Canada will commit 25 percent of its ODA to basic human needs as a means of enhancing its focus on addressing the security of the individual;

- ▶ "Gender Equality: to support the achievement of equality between women and men to ensure sustainable development;

- ▶ "Infrastructure services: to help developing countries to deliver environmentally sound infrastructure services, with an emphasis on poorer groups and on capacity building (helping people to acquire the skills and resources needed to sustain their own social and economic progress);

- ▶ "Human rights, democracy, and good governance: to increase respect for human rights, including children's rights; to promote democracy and better governance; and to strengthen both civil society and the security of the individual;

- ▶ "Private sector development: to promote sustained and equitable economic growth by supporting private sector development in developing countries, and,

- ▶ "Environment: to help developing countries to protect their environment and to contribute to addressing global and regional environmental issues."

## INTERNATIONAL DEVELOPMENT - HOW

ment to turn up in some out-of-the-way community where there is no electricity to run it. About 70 cents in every dollar of ODA is returned to Canada through jobs and the purchase of our goods and services. This sustains about 30,000 jobs in Canada. At any given time, 2,000 Canadian businesses are receiving aid-related contracts.

Canada also distributes aid through dozens of non-governmental organizations (NGOs). Some you might have heard of, such as, OXFAM Canada, Doctors without Borders, and Save the Children. But, you probably didn't know that the Wycliffe Bible Translator of Canada, Rooftops Canada, and the International Freedom of Expression Exchange are partners in Canada's Official Development Aid programs.

Most of Canada's colleges and universities are also involved in aid programs. This is usually in the form of technical assistance; experts providing advice on a variety of subjects from farming to health care. Canadian universities also carry out research projects, funded by the government, aimed at finding solutions to developing country problems.

### FACT FILE

According to the 2002 World Development report published by the World Bank, global economic output could more than quadruple to \$140 trillion U.S. while population will increase by a third to nine billion over the next half century.



*The top recipient of Canada's long-term development aid is Bangladesh, one of the world's poorest and least developed countries. Recurring floods and disastrous storms are added burdens endured by the poor, who make up about 60 percent of the population. Most people are too poor to protect themselves from or repair the damage from natural disasters.*

Also falling within the international development envelope is humanitarian aid. Canada provides financial assistance and material help in post-war situations such as Afghanistan and Iraq. Food aid is sent to deal with emergencies in drought-stricken areas such as Ethiopia and Southern Africa. In the wake of floods and earthquakes Canada often sends temporary shelter such as tents and other material assistance.

### SUGGESTED ACTIVITIES:

1. According to the Department of Foreign Affairs: "The government will encourage our young people to help out in the developing world, both to enable them to gain rich experience through international cooperation, and to assist those countries where the talent and energy of Canadian youth can make a difference." Appoint a team of students to investigate what kinds of opportunities are available and present a report to the class.

2. The cost of hosting the G7 Summit at Kananaskis, Alberta in 2002 has been estimated at about \$300 million. Even though an entire day was devoted to developing a new aid package for Africa, the leaders of the world's richest countries were unable to reach an agreement. African leaders said they needed \$64 billion U.S. in new aid, while the G7 promised \$6 billion, which was, in fact, money that had already been committed several months earlier. Discuss the merits of holding future G7 meetings by teleconferencing and donating the savings to international development.

### Websites

Canadian International Development Agency - <http://www.acdi-cida.gc.ca/index-e.htm>

Human Development Report - <http://www.undp.org/hdr2003/>

# Trade Not Aid

*The dice are loaded: many developing countries find there are barriers to trading with the world's economic giants that they can't overcome unless it is to sell their natural resources at low cost*

**N**o one expects foreign aid on its own to end global poverty. Even aid organizations say global trade is one of the key areas that also has to change if life is to improve in the world's poorest countries. In their 2002 report on overseas assistance, *Reality of Aid*, dozens of aid organizations worldwide agreed that World Trade Organization (WTO) agreements rob poor farmers from developing countries of their income by heavily subsidizing their domestic products, and placing tariffs on imports. Research by the World Bank, for example, suggests that opening markets would do more to help

## FACT FILE

OXFAM's Eight Broken Promises report says "the multilateral trading system is rife with double standards that favour the narrow commercial interests of the rich and powerful over the economic and social development needs of the poorest."

poor countries than development assistance can ever hope to do. An OXFAM International report also supports the view that increased exports often are more effective in reducing poverty than traditional forms of aid because it provides income directly to individuals to help them improve their own lives.

*"Western leaders can...be helpful in two powerful ways. They can open their country's markets to the goods that many poor countries are best suited to produce, namely food and textiles. And, they can focus their overseas aid on the issue that is most difficult for poor countries to deal with themselves: disease."*

*The Economist, August 2002*

The Millennium Round of World Trade Organization talks was supposed to address some of the problems developing nations are having in penetrating the markets of rich countries. That fell off the table after the Battle in Seattle. That was in November 1999 in Seattle, Washington, when 50,000 demonstrators crowded the city, shutting down the trade talks and derailing what the protesters described as another round of corporate-managed trade agreements.

As the *Los Angeles Times* wrote: "On the tear gas shrouded

streets of Seattle, the unruly forces of democracy collided with the elite world of trade policy. And, when the meeting ended in failure...the elitists had lost and the debate had changed forever."

The 2001 WTO ministerial meeting at Doha, in the Persian Gulf state of Qatar, agreed to place more emphasis on development through future trade agreements. Despite that, developed countries still have high levels of protection: their markets remain closed in areas that could most benefit the poorest countries - textiles and apparel, and processed agricultural commodities. Ghana, for example, can export its cocoa beans duty free to

## FACT FILE

If Africa, East Asia, South Asia, and Latin America were each to increase their share of world exports by one percent, the resulting gains in income could lift 128 million people out of poverty, according to OXFAM International.

Europe, but has to pay more than 25 percent tariffs on processed chocolate; food processing is shifted to Europe, depriving Ghana of the manufacturing base to escape from poverty.

Another example cited in the World Bank's report, *Global Economic Prospects 2003* is Chilean tomatoes: exported to the U.S. fresh, they carry a tariff of 2.2%; if they are dried and put in a package they have to pay 8.7%, and if they are made into ketchup or salsa they have to pay nearly 12 percent.

In 2002, while the average tariff on all goods exported to Canada was less than one percent, most textile and clothing products were subject to tariffs of more than 15 percent. According to Danielle Goldfarb, a policy analyst at the C.D. Howe Institute, none of the 49 least-developed countries was exempt from textile and clothing tariffs at the time, nor did they get a reduced rate.

"In other words," says Ms. Goldfarb, "Canada's tariff policy discourages exactly those types of exports that could make a significant impact on development, sexual equality, and poverty reduction in these countries.

"Furthermore, this policy keeps clothing prices in Canada unnecessarily high and limits our own innovation, resulting in lower overall living standards for Canadians."

In June 2002, Canada announced plans to change that, saying it would reduce tariff barriers on textiles from the world's poorest countries to help pull African states out of poverty. A year earlier, the European Union

### COFFEE AND COCOA

Between 1999 and 2002 coffee bean prices plunged 50 percent with devastating results for coffee farmers in countries such as Kenya and Vietnam. In Burundi, coffee makes up 79 percent of cash-earning exports. Ethiopia lost nearly twice as much in coffee income in 2001 as it received in debt relief. The international aid organization OXFAM says the industry needs more quality control to weed out low-quality exports, which could increase the price of coffee beans as much as 20 percent. An OXFAM spokesman said: "In the 21st century, companies are increasingly recognizing that they cannot treat the supply chain as something they're separate from. It affects their image if there is terrible misery in coffee-growing regions."

Canadians drink 402 cups of coffee per capita every year, 77 more than in the U.S., and 152 more than in Europe. We spend \$2.2 billion to \$2.5 billion on brewed coffee annually, including \$600 million for at-home consumption. Ninety percent of the coffee sold in Canada is produced by Kraft, Nestle, and Procter & Gamble, with sales of fair trade coffee accounting for less than one percent of total coffee consumed. Meanwhile, farmers from producing countries get only six percent of the retail price of ground coffee, and only one percent of the price of a retail cup of coffee, and they are destitute. About 25 million coffee farmers struggle to survive at the bottom of the coffee supply chain from Ethiopia to Vietnam and El Salvador, while the coffee companies please their shareholders with growing profits.

Cocoa growers have problems too. There's no tariff on European Union imports of cocoa beans (raw material), for example, but cocoa paste (semi-processed) is subject to a 9.6% duty, and processed chocolate is taxed as high as 25 percent. Developing countries produce 90 percent of the world's cocoa beans, 44 percent of cocoa liquor, and 29 percent of cocoa powder. But, they only make four percent of the world's chocolate. While tariffs facing the least developed countries were eliminated under the EU's Everything But Arms program, they remain for large producers such as Ghana and Ivory Coast. Also, their dependence on raw material sales leaves developing countries vulnerable to commodity price swings.



*A survey by the International Institute of Tropical Agriculture found that more than 284,000 children are working in hazardous conditions in the West African cocoa industry.*

## INTERNATIONAL DEVELOPMENT - TRADE

*There have been some successes, and sometimes in niches you wouldn't expect. Bangladesh exports a total of about \$5 billion in garments to the European Union, Canada, and the U.S., but it also exported \$175 million worth of hats to the U.S. in 2000. Colombia's leading exports are oil, coal, coffee, fruit and nuts and sugar, but the country exported \$675 million worth of flowers in 2003 (it does better with drugs, but that's another story). Pakistan does well with bed sheets and soccer balls, but exports billions of dollars worth of various goods ranging from bicycles to military aircraft. However, in the niche markets, no one seems to know which industries will catch on in which places and it's an uphill battle to overcome rich nation trade barriers.*



announced its Everything-But-Guns program to lower tariffs on its imports of African products other than armaments. Norway and New Zealand also started a similar program.

In Canada, as in other developed countries, those opposed to cutting tariffs are afraid the move will damage the domestic textile and clothing industries, primarily in Montreal and Toronto. But, those who support dropping them point out that imports from the least developed countries represent only about 2.5% of all Canadian textile and clothing imports. Besides, they add, Canada has a very healthy textile and clothing industry, which would not suffer greatly from more imports.

Critics of unfair trade policies say it's outrageous that rich countries preach free trade to the poor while lavishing over \$350 billion a year on their own farm-

ers in subsidies. This is more than the economic output for all of Africa.

The European Union and the United States are the worst offenders when it comes to farm subsidies, but Canada has also been criticized: In 2001, the United States spent \$49 billion U.S. supporting agricultural producers, while Canada spent nearly \$4 billion U.S., twice the Canadian foreign aid budget. The

*"The time is ripe for Canada to credibly demonstrate its credentials as a trading nation by moving to open market access for all Least Developed Countries in all products..."*

John D. Wiebe, president and CEO of the Asia Pacific Foundation of Canada in Vancouver  
*Globe and Mail*, May 2002

massive subsidies block one of the biggest potential export products that poorer countries could offer the world market. OXFAM International estimated in 2002 that barriers to agricultural trade cost developing countries \$20 billion U.S. a year.

At the United Nations World Summit on Sustainable Develop-

ment in Johannesburg, South Africa, in August 2002, the World Bank's director for development, Ian Goldin, said, "Reducing agricultural subsidies is the single most important area where rich countries can do something."

In support of developing countries, the World Bank called on the U.S. and the European Union to cut subsidies and offer greater access to their markets in return for political reforms in Africa, South Asia, and Latin America. Poor regions such as Africa depend on agriculture for about a quarter of their total output, most of it coming from low-income families.

OXFAM points out the markets in sugar, coffee, cotton, and other commodities that tropical farmers can grow cheaply are distorted by subsidies of \$300 billion a year to rich-world growers. For sugar alone, the European Union (EU) puts 140 percent tariffs on many imports

## INTERNATIONAL DEVELOPMENT - TRADE

from Africa while supporting its own sugar-beet farmers with about \$1.6 billion a year. To add insult to injury the EU dumps low-cost surpluses in overseas markets.

The international agency says there have been plenty of promises since the end of the Uruguay Round of world trade talks in 1994 but "The record of industrialized countries in the area of trade policy is one of heroic under-achievement." According to OXFAM:

► The United Nations estimates that developing countries

### FACT FILE

The U.S. farm bill that was approved in May 2002 will put \$190 billion (U.S.) into the pockets of U.S. farmers over the next decade.

are losing about \$100 billion (U.S.) a year through unfair protectionist policies, twice as much as they receive in aid;

► Tariff barriers in rich countries are four times higher for poor countries than for industrialized countries; and,

► The world's poorest countries face some of the highest tariff barriers on their exports.

OXFAM says the potential for economic growth and poverty reduction is being lost because "rich-country governments are refusing to extend to poor countries the market opportunities they need. Instead, they are reinforcing a system that leaves countries representing four-fifths of the world's population with less than one fifth of world exports."

Critics are not against free trade. They're against the hypocrisy of developed countries that pressure developing countries to liberalize trade while they protect their own domestic markets. They're in favour of trade policies that benefit everyone.

Uri Dadush, Director of the World Bank's International Trade Department, says progress in addressing the needs of developing countries has been slow. Although WTO Ministers plan to review progress, Mr. Dadush says, "The U.S. farm bill and the announced accord (in 2002) to maintain EU spending on farm subsidies until 2013 have complicated agricultural talks."

### SUGGESTED ACTIVITIES:

1. In an article in *The Globe and Mail* in May 2002, Mel Watkins (professor emeritus of economics and political science at the University of Toronto) wrote about a promising move taken by lawyers and economists at a conference the same month in Nairobi, Kenya: through *International Lawyers and Economists Against Poverty (ILEAP)*, they offer their expertise on trade, free on request, to the smallest and poorest countries.

The key person behind ILEAP is Gerry Helleiner of the Munk International Studies Centre at the University of Toronto, and he says the objective of the exercise is not trade per se but the reduction of poverty. Find out more about ILEAP and its activities to date.

2. Mexican Trade Minister Luis Ernesto Derbez Bautista told a conference in Montreal in June 2002 that his country had been transformed in the previous decade by embracing free trade. He said that 10 years earlier, Mexico was a fully protectionist country. Since signing the North American

*Free Trade Agreement and other trade deals, including a free-trade agreement with Europe, Mexico has changed from one of the world's most closed*

### FACT FILE

Developing countries are losing around \$100 billion a year through unfair protectionist policies.

*economies into one of the most open. Report on what changes have taken place in the country and how it has affected Mexican citizens.*

3. Countries that have lifted the most people out of poverty - including South Korea and Malaysia - have done so by encouraging open trade. Thailand, where market reforms have been hesitant, may not have grown as quickly as South Korea, but is miles ahead of next-door Laos, where market reforms have been rejected. China and India, which decided to liberalize their economies and open their borders to more trade investment since 1992, have also improved.

Research some of these countries and find out if trade liberalization was the sole answer to their problems or if it was only one of several factors.

### Websites

Development Initiatives - <http://www.devinit.org>

Europaworld (Everything but Arms) - <http://www.europaworld.org/>

International Institute for Sustainable Development - <http://www.iisd.org>

OXFAM International - <http://www.oxfam.org>

# Falling Behind

*Canadians might see themselves as compassionate souls, but some say Canada's aid to developing countries is nothing to cheer about*

**I**t is now several decades since Canada took the pledge; that was a promise to dedicate 0.7% of the nation's Gross Domestic Product (GDP) to development assistance. That target was set by the United Nations as recommended in a Pearson Commission report

in 1969 (Lester Pearson was Canada's Prime Minister from 1963 to 1968).

This was also the decade when U.S. President John F. Kennedy proposed that the industrial nations make the 1960s the "Decade of Development" and pledged one percent of his

country's GDP to the effort. Many other countries also took the pledge but, so far, only five north European nations have hit the UN target - Sweden, Norway, Denmark, Finland, and Holland.

Canada has never reached the target, but was at 0.49% of GDP in 1991. By 1999, Canada's foreign aid had dropped to 0.29% of GDP, and currently, it ranks 19th out of 22 industrialized countries in its foreign aid commitment when measured as a percentage of GDP.

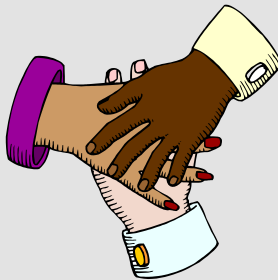
In 1992 in Munich, Germany, the Group of Eight countries (Canada, the U.S., Britain, France, Germany, Italy, Japan, and Russia) committed themselves to increase the quantity and quality of development assistance and to direct it increasingly toward the world's poorest countries. But, 10 years later, Canada's aid to the 49 least developed countries (LDCs) declined in real terms by almost 50 percent, to \$180 million U.S. from \$350 million in 1992.

For the G8 as a group, aid to LDCs dropped by 56 percent for the same period. During the

## WHAT CANADIANS THINK

**A**ccording to a 2002 survey conducted by Decima Research, Canadians think the country should increase foreign aid and access to Canadian markets for poor countries. They also think the aid should be tied to Canadian interests and values.

The survey found that 71 percent of those contacted feel it is important for Canada to provide foreign aid, but only 51 percent said they were in favour of the eight percent annual budget increase for aid. And, while 74 percent of Canadians supported the policy of tying aid to the purchase of goods and services from Canadian suppliers, three-quarters felt the current level of 75 percent tied to Canadian suppliers is too high.



Also, of those polled, 68 percent either "generally support" or "strongly support" the principle of Canada eliminating trade barriers as a means of aiding poorer countries; however, nearly half of those who support that idea were less keen to do so if it meant job losses in Canada.



## INTERNATIONAL DEVELOPMENT - CANADA

same decade, not only had aid declined: the proportion of Canadian tied aid, aid the recipient must spend on Canadian goods and services, went up to 70 percent of the total from 44 percent in 1992. Some experts argue that to really help the poorest countries, aid should have no such ties.

By 2002, the World Bank estimated that developed countries needed to double annual aid, an increase of \$50 billion U.S. a year, to meet goals agreed upon in 2000.

After the U.S. government announced plans to raise its aid budget by 50 percent - \$5 billion U.S. - by 2006, and the European Union promised to increase its yearly aid by about \$7 billion, Canada was under pressure to do the same. So, Prime Minister Jean Chretien said Canada too would boost its development assistance budget (\$2.3 billion in 2002) by at least eight percent a year.

The February 2003 federal budget did include an eight percent increase in foreign aid spending - an extra \$180 million - after many years of severe cuts. That's slightly short of the Throne Speech promise four months earlier when the government vowed to double Canada's foreign aid budget of about \$2.3 billion by 2010: that would re-

### FACT FILE

International aid was hit hard in the mid-1990s budget cuts the Canadian government said were necessary to eliminate the national debt.



*In May 2002, tens of thousands of Canadians participated in the World Partnership Walk, organized by the Aga Khan Foundation Canada, to raise money for development projects in the poorest parts of Asia and Africa. The 18th annual walk, the largest annual event of its kind in Canada, brought in \$2.6 million. Walks were held simultaneously in Vancouver, Victoria, Edmonton, Calgary, Winnipeg, Kitchener, London, Toronto, Ottawa, and Montreal, and involved 60,000 individual participants and sponsors and 800 corporate participants. The walk was developed in 1985 as Walk for a Cause in Vancouver and drew 300 people who raised \$30,000. The Aga Khan Foundation is a non-profit, non-denominational agency established in 1980 to support international development projects in Africa and Asia. By 2002, it had raised more than \$17 million.*

quire annual increases of about nine percent in each of the next eight years.

At this rate, it has been estimated that it will take until 2040 for Canada to meet its United Nations commitment of 0.7% of GDP. As far as *Globe and Mail* columnist Jeffrey Simpson is concerned Canada simply is not pulling its weight.

In January 2003, Mr. Simpson wrote that Canadians are living in a fantasy world if they see themselves as international do-gooders. Noting that Canada has shrunk its commitments to the world, he says we can make no claim to moral superiority. Despite the aid budget dollar increase, he says the real, after in-

flation, budget of the Department of Foreign Affairs is about 30 percent less than a decade ago.

### SUGGESTED ACTIVITIES:

1. Find out why Sweden, Norway, Denmark, Finland, and Holland are better than other countries at helping the world's poor.

2. Research the aid programs run by the Canadian International Development Agency.

### Websites

Canadian Council for International Cooperation - <http://www.ccic.ca>  
Canadian International Development Agency (CIDA) - <http://www.acdi-cida.gc.ca>

# Hunger Pains

*There is enough food in the world for everyone, but one out of every seven people on Earth is hungry*

A large amount of Canada's aid budget is spent on food - we do have a surplus of the stuff and a high percentage of us are overweight. However, on World Food Day in 2002, the United Nations said that 50 million people in the world did not have enough to eat. At least 10 million people in four of the worst-hit southern African nations alone risked starvation if the international community didn't do something fast: other agencies said nearly double that number could be affected by drought, disease, and extreme crop failure by mid-summer 2002. According to the Famine Early Warning system used by

international aid agencies, the region would need at least three million tonnes of food aid before early 2003, to make up for crop shortfalls.

In response, the U.S. Agency for International Development planned to donate an extra \$18.9 million worth of food to help ease shortages in Lesotho, Ma-

*"Hunger is a low, quiet killer. It does not make loud explosions. It does not crumble tall buildings. It kills mostly children, whose voices are small and weak."*

Laura Carlsen, The Interhemispheric Resource Center, June 2003

lawi, Mozambique, Swaziland, Zambia, and Zimbabwe. That was on top of \$49.5 million worth of corn, corn meal, vegetable oil, and beans the agency donated in the previous four months. Many others also

reached out: the Canadian International Development Agency, which had donated \$1.65 million in food aid and \$1.5 million in health assistance to the region in March and April 2002, sent staff to assess conditions to decide what more it could do to alleviate the crisis. UNICEF Canada and World Vision Canada launched public appeals to help ease the situation, in addition to sending emergency food aid, tools, and seeds to many in the affected

countries. OXFAM's relief included tools and seeds because many people had to eat their seeds to survive and were left with nothing to sow for the next growing season.

At the UN World Food Sum-

*The United Nations World Food Program (WFP) has been fighting global hunger since it was set up in 1963 as a three-year experimental program. In 2002, the WFP fed 72 million people in 82 countries, including most of the world's refugees and internally displaced people. In the last three decades, the Rome-based organization has invested \$27.8 billion U.S. and more than 43 million metric tonnes of food to combat hunger, promote economic and social development, and provide relief assistance in emergencies throughout the world. It relies entirely on voluntary contributions to finance its humanitarian and development projects. According to the WFP, 24,000 people die each day from hunger.*



mit in Italy in November 1996, 168 nations adopted a Rome Declaration and Plan of Action. This committed them to reducing food insecurity by half in 20 years.

But, the United Nations called another Summit - World Food Summit: Five Years Later - in 2002 to examine why hunger persists despite the 1996 Plan of Action. According to Peter Rosset of the Institute for Food and Development Policy, not only has progress lagged by at least 60 percent behind the goals for the first five years, conditions are

### FACT FILE

Seven people die of hunger in the world every two seconds, and three-quarters of them before reaching their fifth birthday.

worsening in much of the world.

“Research carried out by our Institute reveals that since 1996, governments have presided over a set of policies that have conspired to undercut peasant, small, and family farmers, and farm cooperatives in nations both North and South,” writes Mr. Rosset in *The World Food Summit: What Went Wrong* (June 2002). “These policies have included runaway trade liberalization, pitting family farmers in the Third World against the subsidized corporate farms in the North (witness the recent U.S. Farm Bill), forcing Third World countries to eliminate price supports and subsidies for food producers, the privatization of credit, the excessive promotion of exports to the detriment of food crops, the patenting of crop genetic resources by

corporations who charge farmers for their use, and a bias in agricultural research toward expensive and questionable technologies like genetic engineering while virtually ignoring pro-poor alternatives like organic farming and agroecology.”

Unless policies change dramatically, he says “it will be impossible to meet the 2015 goal, and hunger may actually increase...If the poor nations aren’t given the sufficient means to produce their own food, if they are not allowed to use the tools of production for themselves, then poverty and dependency will continue.”

Mr. Rosset is right. Clearly, shipping food alone to people hit by famine does not eliminate hunger and starvation in the long term. We did that in Ethiopia in the 1980s and we’re back there again dealing with a repeat of the same famine conditions. In May 2003, the UN World Food Program warned that despite an early warning and a rapid response by the international community, 12.5 million Ethiopians continue to face starvation. Besides a food shortage, the country lacks clean drinking water, has a widespread seed shortage, and poor sanitation, nutrition, and primary health care.

The problem is that 70 percent of the world’s poor live in rural areas and rely on what they grow themselves as their food source, making them vulnerable to natural disasters such as droughts and floods. Very little aid money is spent on improving rural agriculture, and increasingly, the poor have no cushion to protect themselves from re-

### GRIM LATIN AMERICAN FACTS

In Brazil, 46 million people survive on less than a dollar a day and malnutrition is widespread.

In Central America, the UN World Food Program calculates that 690,000 people require urgent food aid as a result of drought and low international coffee prices.

In Haiti, food insecurity is so prevalent that a UN representative warned of “the risk of losing an entire generation to hunger.”

petitive famine. What they need is aid during the “quiet” years for development projects - such as irrigation - to help prevent the next crisis, but as one aid worker put it, “If you don’t have starving babies you don’t get the money.”

J.W. Smith, of the Institute for Economic Democracy, sums up the problem in his 1994 book, *The World’s Wasted Wealth II*: “Highly mechanized farms on large acreages can produce units of food cheaper than even the poorest paid farmers of the Third World. When this cheap food is sold, or given, to the

### FACT FILE

According to a report by the U.K.-based Centre for Food Policy and Thames Valley University, approximately 1.2 billion people suffer from hunger, and two to 3.5 billion are malnourished, while 1.2 billion people suffer from obesity.

LIVING HIGH

Government delegates who spend days discussing how to deal with the world's poor eat very well. At the United Nations Earth Summit in Johannesburg in August 2002, for example, delegates fed on oysters, lobsters, and steaks. A five-star hotel in the city catering to the event said



money was no object in satisfying the national leaders and VIPs attending: it set up a separate kitchen with a 24-hour staff of at least five people to help teams of chefs accompanying some leaders.

Another top hotel said it had hired two dozen extra chefs for the occasion, and all reported massive food orders.

Third World, the local farm economy is destroyed. If the poor and unemployed of the Third World were given access to land, access to industrial tools, and protection from cheap imports, they could plant high-protein/high calorie crops and become self-sufficient in food. Reclaiming their land and utilizing the unemployed would cost these societies almost nothing, feed them well, and save far more money than they now pay for the so-called 'cheap' imported foods."

Part of the problem is within the governments of the hungry

FACT FILE

According to child development experts, the physical health, mental health, competence, and future productivity of at least one in four Canadian children is being compromised by psychiatric disorders, school failure, and antisocial and violent behaviour.

countries themselves, which don't spend much on agricultural development. But, rich countries are to blame too. Spending has dropped on all kinds of aid in the last decade, but for agriculture it dropped by half in the 1990s. That seems to be changing though: along with other aid agencies, the Canadian International Development Agency (CIDA) has said it plans to focus more aid on supporting rural agriculture.

The United Nation's Food and Agriculture Organization estimates it would cost \$24 billion U.S. to end hunger through investment in rural infrastructure, irrigation, and research and development to boost yields. That, combined with new global trade policies that are more favourable to developing nations, could create a world of full bellies.

SUGGESTED ACTIVITIES:

1. Many foreign aid experts say that food aid has been used as a foreign policy tool by some wealthy nations to the advantage and interests of the donor rather than recipients. Such "food

aid" they say, has amounted to economic dumping and has helped destroy local farmers and production to help support and bolster large agribusiness. The result has been more hunger and poverty. Investigate this view.

2. Some countries have managed to reduce their numbers of hungry people. China, Indonesia, and Nigeria, are among them. Find out why they have been successful, where scores of others, particularly in sub-Saharan Africa, have not.

3. There are many related causes for hunger, including land rights and ownership, diversion of land use to non-productive use, increasing emphasis on export-oriented agriculture, inefficient agricultural practices, war, famine, drought, over-fishing, poor crop yield, and lack of democracy and rights. Discuss how these issues lead to hunger.

4. At the G8 annual meeting in Evian, France in June 2003, Brazil's president Lula da Silva proposed a plan to create an international hunger fund "capable of feeding whoever is hungry." He suggested the fund could be financed by a tax on international arms sales and the reinvestment of part of indebted nations' interest payments. Discuss the feasibility of this plan.

Websites

- Food and Agriculture Organization - <http://www.fao.org/>
- Food First, Institute for Food and Development Policy - <http://www.foodfirst.org/>
- The Interhemispheric Resource Center - <http://www.irc-online.org>
- World Hunger Education Service Associates - <http://www.worldhunger.org/>

# Germ Warfare

*Keeping the lid on infectious disease epidemics has become a worldwide concern.  
It's become clear that we're all at risk*

**G**lobalization has brought many of the developing world's health issues onto the doorstep of the developed world. Severe Acute Respiratory Syndrome (SARS) is the latest manifestation that has caused enormous difficulties to one of the world's most sophisticated health care systems.

But, even though only about 250 cases of SARS were found across Canada (mostly in Toronto) by June 2003, the Canadian government swung into action:

- ▶ It led an investigation into S A R S spread to health care workers, with the assistance of experts from the U.S. Centers for Disease Control and Prevention (CDC);

- ▶ It committed \$500,000 for SARS research through the Canadian Institutes of Health Research; and,

- ▶ It contributed more than \$250,000 to assist China (the worst-hit country where thousands of cases were diagnosed) in its fight against SARS.

Just a few weeks into the crisis, Ontario had already spent \$30 million on SARS control, and, according to Ontario's Finance Minister Janet Ecker, the province spent more than \$1 billion by June 2003. At the same time, all the provincial finance

be the last global health emergency.

Shigeru Omi, director for the World Health Organization (WHO) in the Western Pacific Region, says "... other new diseases will threaten us in the future; we must be better prepared next time."

If global infectious diseases are a threat to people in the developed world, imagine the potential for disaster in poor regions such as those in Africa, which already have been devastated by AIDS. Experts predict that 68 million people will die of AIDS by 2020.

Most deaths - 55 million - will occur in Africa, where 71 percent of infected people live.

In 2002, the United Nations was asking for between \$7 billion and \$10 billion a year for research, education, and drug therapy but nowhere near that amount had been allotted to the disease. Canada announced a \$50 million contribution to AIDS research, including vaccine development, at the close of the Group of Eight summit in June 2002 in Kananaskis, Alberta.



ministers criticized the federal government for being "too slow, unpredictable, and inadequate" in responding to the crisis. At a one-day meeting in Halifax, they all agreed that Ottawa should cover 90 percent of emergency health costs that result from such natural disasters, and that the country needs an emergency relief fund to deal with them.

Health officials are concerned that, although the worst of the SARS crisis appeared to be over by the summer of 2003, it won't

### REFINING HEALTH AID TARGETS

The Tanzania Essential Health Interventions Project (TEHIP) is a joint venture of the Tanzanian health ministry and the International Development Research Centre (IDRC) in Ottawa. The project involved two rural districts - Morogoro and Rufiji - with a combined population of 700,000. The aim of the project was to put extra money into health spending with the condition that the money be spent in proportion to the level of threat of a particular disease. So, the more troublesome diseases would receive more health care money.

TEHIP researchers went door to door to gather health data to find out which diseases caused the most damage in terms of lost years of life and impact on the families when breadwinners died. As *The Economist* reports, researchers "found that the amount the local health authorities spend on each disease bore no relation whatsoever to the harm which the disease inflicted on local people. Some diseases were horribly neglected. Malaria, for example, accounted for 30 percent of the years of life lost in Morogoro, but only five percent of the 1996 health budget. A cluster of childhood problems, including pneumonia, diarrhea, malnutrition, measles, and malaria, constituted 28 percent of the disease burden, but received only 13 percent of the budget."

The group found the reverse to be true as well: tuberculosis accounted for four percent of years of life lost, but received 22 percent of the budget; vaccine-preventable diseases also accounted for only four percent of the total burden, but immunization took 30 percent of the budget. The idea was not that budgets should be cut for treating diseases that appeared to be under control, just not to direct more money toward them. They felt additional funds would be better spent on the prevention of neglected diseases. And, all it took was an extra \$2 a head in annual health spending, which IDRC provided. That amount was enough for health care workers to treat and prevent illness significantly: in Rufiji, infant mortality fell by 28 percent between 1999 and 2000, from 100 deaths per 1,000 live births to 72. The proportion of children dying before their fifth birthdays dropped by 14 percent, from 140 per 1,000 to 120. Similar figures were estimated for Morogoro.

Part of the formula for the program's success in Tanzania is that the country is peaceful, stable, has a government that takes health care seriously, and has been gradually moving away from a highly centralized health-care system since the 1980s to more locally run programs.

Save the Children points out that, every year, millions of children die before reaching their

fifth birthday, many from causes that are simple to prevent or treat. As with the Tanzanian project, the agency says its programs are designed in partnership with local leaders in each community. Its child survival programs often include: increased access to, and use of, immunizations; improved diagnosis and treatment of pneumonia; increased availability and use of micronutrients, especially vitamin A, for children six months to five years old; and control of diarrhea, with a special focus on the use of oral rehydration therapy and appropriate feeding during and after bouts of diarrhea.



*Providing clean water to all would save millions of lives.*

## INTERNATIONAL DEVELOPMENT - HEALTH

Here's what Bono of Ireland's U2 rock group had to say while in Africa crusading against AIDS: "Great ideas are like melody lines to me. I'm attracted to ones that have a force and clarity and feel inevitable. That's the mark of a great melody and it's also the mark of a great idea. It is inevitable that people are going to accept that holding countries in debt while they can't feed or educate their populace is just unacceptable." Bono has been credited with personally persuading United States Senator Jesse Helms (pictured together arm-wrestling) to make money available to fight HIV in sub-Saharan Africa. In 2002, Mr. Helms, until then one of the most vocal opponents of all U.S. international involvement, sponsored a bill for emergency AIDS funding for Africa.



Around the same time, a group of scientists calculated that 29 million of the 45 million infections expected to occur by 2010 could be prevented at a cost of \$27 billion U.S. That's a lot of money, but it works out to less than \$1,000 for each case of HIV-AIDS avoided.

### FACT FILE

UNICEF provides 40 percent of the world's doses for vaccines for children.

The scientists proposed (in the July 5th issue of *The Lancet*) that the money be spent on prevention programs, including promoting condom use, voluntary testing, needle exchanges, sex education in schools and workplaces, and programs to prevent mother-to-child transmission.

In 2002, the United Nations organization, UNAIDS, reported the latest HIV-AIDS statistics: 40 million infected worldwide, including three million children. In 2001 alone, there were five

### FACT FILE

In 2001, about \$2.8 billion was spent worldwide to fight the HIV-AIDS epidemic.

million new infections and three million deaths, most of which were in the developing world. And, according to UNAIDS, the epidemic is in its infancy.

Another report by the Global HIV Prevention Working Group of scientists, business leaders, philanthropists, and public-health specialists, added that most people in the world infected with HIV-AIDS do not have access to treatment, and most of those at risk of future infection do not have access to prevention.

According to Stephen St. Denis, an Ottawa activist with RESULTS Canada, a grassroots advocacy group fighting to end global poverty, the economic and social devastation caused by AIDS in sub-Saharan Africa is on the verge of spreading to highly populated countries such as China and India.

"These two countries alone account for one half of the world's cases of TB, which is the leading cause of death among people with AIDS," writes Mr. St. Denis in a recent newspaper article. "The introduction of the HIV virus into these countries will be like putting a match to a powder keg."

In addition to AIDS, and tu-

berculosis, other debilitating and deadly diseases are endemic in most developing nations. These include: West Nile Virus, malaria, and Ebola. Together, in 2002, AIDS, tuberculosis, and malaria killed six million people and disabled hundreds of millions more, mostly in developing countries.

And, one of the biggest killers, which receives very little attention, is diarrhea: it kills the

### FACT FILE

In Africa, AIDS is often referred to as "Acute Income Deficiency Syndrome."

equivalent of a jumbo-jet full of children every four hours in the developing world. One of the simplest ways of preventing it is to persuade people to wash their hands with soap. According to the London School of Hygiene and Tropical Medicine in England, appropriate hand washing can cut diarrheal diseases by 43 percent, and have as big an impact on respiratory-tract infections as well.

A research program in Bangladesh also found that administering an oral rehydration solution prevented about a million infant deaths a year due to diarrhea.

**EDUCATION IS KEY**

A basic health handbook aimed at poor people has been described by *The Economist* as probably one of the best-read books in the world. *Facts of Life* was first published in 1989 by the United Nations Children’s Fund (UNICEF), which has had 15 million copies printed and distributed in more than 200 different languages. And, the readership is probably much higher because many of the copies are read by several people after being delivered to poor villages by health or aid workers. One estimate places the audience at tens of millions.

While no one is suggesting that the book is a substitute for the medicines and basic equipment that many poor countries need desperately, it does provide life-saving tips. For example, many parents in developing countries don’t realize that breast milk is the only nourishment an infant needs in the first six months. Not giving them polluted water as well could save 1.5 million children. Nor do many poor people know that the traditional treatment of putting mud on a cut often causes infections. And, many believe that drinking liquids makes diarrhea worse when sufferers should drink as much liquid as possible to avoid dehydration.

*Facts of Life* has been paid for by poor-country governments, local charities, and religious groups, as well as international donors including banks and businesses.

Many credit the success of the book to the fact that UNICEF also included input from poor people themselves.

Poor countries also have a much higher rate of maternal death than rich countries do, and that obviously has some serious consequences.

According to the Global Health Council, nearly 600,000 women die every year from complications of pregnancy and childbirth (more than one

**FACT FILE**

In Tanzania, 94 percent of people are at risk of catching malaria; about half the population does catch it every year, and 100,000 die of it.

woman every minute). And, 99 percent of them happen in the developing world, where maternal deaths account for up to one third of all deaths of women of childbearing age.

UNICEF notes that no public health problem shows greater disparity between rich and poor countries than maternal mortality: a woman’s lifetime risk of dying from pregnancy-related complications or during childbirth can be as high as one in 15 in developing countries. Compare this with one in 7,000 in developed countries.

According to the World Health Organization (WHO), for

every maternal death that occurs worldwide, an estimated 30 additional women suffer pregnancy-related health problems that can be permanently debilitating. This spells disaster for children, whose risk of death before the age of five doubles, or in some cases triples, if their mother dies in childbirth.

The under-funded World Health Organization is trying to cope with these and many other issues. WHO is attempting to deal with bubonic plague in Algeria, cholera in Iraq, a host of “neglected” diseases that disable millions of people in low-income countries, and emerging and epidemic-prone diseases.

In its *Communicable Diseases Progress Report 2002*, WHO confirms that “The emergence of new infectious diseases and the resurgence of others have alerted countries to the ease with which microbes can cross national borders and defy traditional defences...

“The phenomenal growth of international travel and trade, linked to globalization, has vastly increased the speed and ease with which pathogens, including drug-resistant strains, and vectors can cross continents and cause outbreaks and epidemics in new areas, sometimes establishing permanent residence there. No country acting alone can defend its borders against this threat. Defence requires a global system for gathering infectious disease intelligence, detecting outbreaks quickly, and collaborating to contain their spread...”

**SUGGESTED ACTIVITIES:**

1. A huge discrepancy exists between the size of disease burden in the



### A DESPERATE PLEA

**A**t the alternative People's Summit in Calgary in June 2002, Stephen Lewis, the UN special envoy for AIDS and Canada's former ambassador to the United Nations, said rich countries need to make controlling the AIDS virus in Africa their top priority. If AIDS isn't controlled first, he says, none of the Group of Eight's plans to eliminate poverty - through trade and foreign investment - will work.

Promoting education will be useless if teachers are dying and girls are taken from school to care of orphaned siblings, Mr. Lewis said, adding that the business environment on the continent is also devastated by the disease.

The alternative summit was held the week before the G8 summit in Kananaskis, Alberta. Those attending criticized the G8 for being all talk, and no action. Virginia Setshedi, of the South African-based Alternative Information and Development Centre, an organization that focusses on globalization and debt relief, was among the critics. "It appears that they want to help, but actually they are going there to make sure they benefit for their own interests in making their companies grow and maximization of profit," she said.



*South Africa has a population of 43,647,658 (July 2002 estimate). It was estimated in 2000 that 5.2 million people were living with HIV-AIDS, and life expectancy is 45.45 years. A disheartened Mr. Lewis, (pictured above) says: "We know how to defeat this pandemic. We have all the knowledge we need. But to do it, there must be a quantum leap in financial resources."*

*world and the allocation of research funding. The discrepancy is widely known as the "10/90 Gap." Of the \$73.5 billion U.S. invested in health research and development worldwide in 1998, only 10 percent went to 90 percent of the world's health problems, which are concentrated in poor coun-*

#### FACT FILE

Jeffrey Sachs of Columbia University estimates that countries such as Tanzania would be twice as wealthy without malaria.

*tries. In November 2002, four Canadian government organizations joined forces to address the gap: the Canadian International Development Agency (CIDA), the Canadian Institutes of Health Research (CIHR), the International Development Research Centre (IDRC), and Health Canada formed the Global Health Research Initiative. Find out what the group has accomplished so far.*

*2. The World Health Organization tracks evolving infectious diseases, sounds the alarm when needed, and works to help protect the world from epidemics. Report on WHO's Alert*

*and Response Operations at <http://www.who.int/csr/alertresponse/en/>.*

#### Websites

Health Canada - <http://www.hc-sc.gc.ca>

World Health Organization, Communicable Diseases Progress Report 2002 - <http://www.who.int/infectious-disease-news/cds2002/>

# The Business of Development

*There is a growing chorus coming from the business community that it should be given the job of international development, but not everyone thinks private enterprise is the way to go*

Providing clean water and adequate sanitation to everyone is a primary concern of international development. And, so it should be when you consider that about a billion people lack the first, and about two billion are without the second. Cutting these numbers in half by 2015 is an ambitious goal of the Johannesburg Summit of 2002. At a March 2003 world water forum in Kyoto, Japan, one report estimated that achieving that goal would require an investment of \$100 billion more a year, from the current \$80 billion to about \$180 billion.

A year earlier, the UN esti-

imated that at the current rates of investment, universal access to safe drinking water would not be possible before 2025 in Asia, 2040 in Latin America, and 2050 in Africa.

Some people think private enterprise should take over the task. Others think public-private partnerships are more appropriate, combining commercial management practices and public ownership, but many consider it irresponsible to totally privatize public services such as water supply in developing countries. They argue that private enterprise will not improve the water supply of poor countries. Instead, it will push up water

charges, do nothing for the poor (except cut off their supply when they can't pay) and boost profits for water barons.

The record of private-sector involvement is spotty. Critics are convinced that private interests are more concerned about themselves than public needs: if the cost of supplying rural areas is too high, they do without. If public-sector systems are not working, opponents think the answer is to fix them, not replace them with private operations. Even if private operations are more efficient, they're not necessarily cheaper.

The Bechtel Corp. made a terrible mess of a water project

*Private investments tend to flow into the medium-income developing countries, where there is relatively more political, economic, and social stability and where the structures for good governance are better entrenched. That leaves regions such as sub-Saharan Africa with less than one percent of total private investment in the water and sanitation sector worldwide: this, in a region with the lowest access to these services and the greatest poverty in the world. At right, Ugandan women carry water: some people walk over an hour every day to collect water. Meanwhile, private suppliers are thriving: in the last 10 years, three giant global corporations have assumed control over the water supplied to almost 300 million people in every continent of the world.*



## INTERNATIONAL DEVELOPMENT - PRIVATE VERSUS PUBLIC

in Cochabamba, Bolivia. The company took over the publicly owned and operated water system in November 1999. By January 2000, water bills had risen dramatically, and Bolivians took to the streets to protest privatization. Days before the demonstrations, the population faced price

### FACT FILE

According to the International Consortium of Investigative Journalists, which includes 80 journalists from about 40 countries, the private water market is currently worth about \$500 billion a year and could grow in the next few years to \$3 trillion.

increases that ranged from 35 percent to 300 percent in some cases. Many families were spending a fifth of their incomes on their water bills. Residents were also furious that, at the same time the government was privatizing Cochabamba's water system, it tried to pass a new water law that would have given irrigation farmers' ancient water rights to the private water company. The locals remember the "War for Water," which involved several battles spread out over a period of months. At the "last battle" in April 2000, rioters forced Bechtel out of the country. But, the government sent out armed police to deal with the protestors and, in the end, 17-year-old Victor Hugo Daza was killed and more than 100 people injured.

According to WaterAid, an international charity based in London, England, finding money to build infrastructure is less of a problem than maintaining that

infrastructure once it's in place. Poor countries often are not able to regulate private operations, and in many cases planners make decisions without involving the people who will be using the services. Projects often focus on giving contracts to the private sector for the construction of facilities or operation of utilities, and community participation is seen as a nuisance, something to be avoided. A 2003 WaterAid/Tearfund report on private sector participation (PSP) in water and sanitation service delivery in Third World countries found that, "Without community involvement in decision-making for the type of service that will be delivered and the long- and medium-term maintenance of the installations, experience has shown that the services will only last in the short-term...Where

### FACT FILE

More than 2.2 million people, mostly children in developing countries, die every year from diseases associated with poor water and sanitary conditions; in developing countries, 80 percent of illnesses are water related.

private sector companies are involved in constructing facilities, they are generally employed only for the hardware, and not for any of the crucial software, such as training in maintenance, or hygienic use of the water pump or latrine. Yet it has been shown that for the full health benefits of water and sanitation provision to become apparent, there must also be hygiene promotion and education on the proper use of

### WATER FACTS

About 80 countries had experienced serious water shortages by the mid 1990s, 40% of the world's population.

One-third of the global population live in countries with moderate-to-high water stress, which occurs when water consumption exceeds 10 percent of renewable freshwater resources.

West Asia faces the worst threat: more than 90 percent of the population in the region lives under severe water stress.

Two-thirds of the world's population is expected to be living in water stressed conditions in less than 25 years.

Global water use is expected to increase by 40 percent by 2020.

The cost per year of bringing poor people universal access to water by 2015 is \$30 billion.

## INTERNATIONAL DEVELOPMENT - PRIVATE VERSUS PUBLIC

these facilities.”

The two-year study, *New Rules, New Roles: Does PSP Benefit the Poor?*, concluded: “What we believe is needed is for government to develop the capacity to shape policy reform according to the interests of their citizens, to regulate services, to provide guidance, and to process grievances from whichever side they originate...”

But, not all private operations

are doomed to failure.

According to a March 2003 article in *The Economist*, Abidjan, Ivory Coast has one of the few

*“We’ve tried in the past to have development through government-to-government (aid) and that didn’t really work, and then we worked in the non-governmental organizations as delivery vehicles where governments were corrupt and that hasn’t worked either.”*

Canada’s Environment Minister David Anderson  
*Globe and Mail*, August 2002

working municipal-water systems in Africa, provided for years by a private company. In Chile, private water suppliers have raised charges to cover full costs, but

poor people get water stamps to pay their bills; now 95 percent of the population has clean water. In Argentina, a recent study concluded that, by raising quality and improving access, privatization has reduced child mortality.

Energy is another area of need

in poor countries. According to a 2002 report by the International Energy Agency (IEA), about 1.6 billion people have no access to modern energy supplies such as

### EVEN RICH COUNTRIES WANT PUBLIC CONTROL

At the Johannesburg Earth Summit (on Sustainable Development) in August 2002, Canada was among the countries promoting a greater role for the private sector in international development, arguing that government aid isn’t always effective. Environment Minister David Anderson said governments should look at the possibility of the business sector taking over developing countries’ public infrastructure, such as waterworks, to provide better service.

But there are concerns about privatization even in developed countries: some fear that private companies will promise impressive savings in managing water supply, for example, and later try to renegotiate once the contract is under way. In January 2003, Atlanta, Georgia, cancelled its 20-year contract with United Water Services, (one of the largest multinational water-service firms in the world) because it failed to deliver on promised cost savings. When United Water won the contract, the general feeling was that the public-run system was not in good hands, that it was inefficient and too expensive. But, in private hands, it became downright unhealthy to the point that, sometimes, dirty water poured from residents’ taps, if anything came out at all. Frequent boil-water advisories were issued because the water was considered unsafe to use.

Perhaps it’s experiences like this that led to a decision in Washington, D.C., to keep public ownership of its water supply. Instead of turning to a private company, it developed a system to improve efficiency and match private-sector performance standards. In Canada, Vancouver did the same when citizens opposed the city’s plans to involve private companies in building and operating a water filtration plant. Toronto also decided recently to retain direct control of its water-supply system. In Hamilton, Ontario, staff cuts under a privately run system, were blamed by some for the worst sewage spill into Lake Ontario in 1996. Millions of litres of stinking, raw sewage spewed into people’s homes, Hamilton harbour, and Lake Ontario. Several more spills followed in successive years and citizens are questioning the wisdom of running such basic services as water and sewage for profit.

England and Wales also had problems after privatizing their water systems in 1989. Prices rose substantially. People who couldn’t pay their bills were disconnected, raising fears about public health, so the government banned residential disconnections. In 2001, Wales restructured its system as a not-for-profit corporation.

electricity. Instead, they collect dirty and unhealthy fuels such as cow dung and wood, and burn them in poorly ventilated houses, causing pollution and further health problems. But, IEA reported that in 30 years' time existing policies (which involve an investment of \$2.1 trillion in poor-country power supplies) still will leave 1.4 billion people without access to electricity.

Experts say the best way to deal with the energy problem is to develop local generators using wind and solar power, but in many places it's economically impossible because of export subsidies. Just as achieving access to clean water requires a joint approach, some say governments alone cannot deliver energy to everyone. What's needed, they say, is partnerships involving governments, businesses, non-governmental organization, and local community groups.

### SUGGESTED ACTIVITIES:

1. *WaterAid and Tearfund are international charities headquartered in London, England. In their recent report on private-sector participation*

#### FACT FILE

The world's biggest private water companies include Vivendi and Suez-Lyonnaise des Eaux, both of France, and Thames Water of England, owned by the German conglomerate RWE. Together, they ran private water utilities in 12 countries, in 1990; now their market includes 56 countries. And, together, they employ twice as many people as the entire Canadian government.

### BASIC RIGHTS

In South Africa in 1994, 12 million people, out of a population of 38 million, didn't have access to clean water - the minority white population, just 15 percent of the population, consumed most of the country's water. By 2002, that figure was down to seven million out of 42 million, and government hoped to have universal access by 2010.

To improve the system, the government metered water usage, and gave a small amount of water away free, but charged for the rest. The plan initially met with howls of protest from development banks and lobby groups. Water, they argued, is not like any other commodity to be sold on the open market. Water for profit is not a good idea because poor people end up having their supply cut: they then have no choice except to supply themselves with bacteria-laden water from local lakes and rivers. That doesn't add up to any cost savings: the financial burden is simply shifted to health care as people fall ill from dirty water or no water at all.

Meanwhile, critics say, the national government is spending millions on tax cuts for the wealthy and on defence, as some poor people have to choose between water and food. Mass demonstrations have had some success: the government modified its plan, recognizing that access to water is a right, and that everyone should have a basic minimum free.

*(PSP) in the provision of safe water and adequate sanitation (New Rules, New Rules: Does PSP Benefit the Poor?), the authors write that the private sector "is expected to inject efficiency into highly inefficient public services and inject financial resources into severely cash-strapped services, whilst enabling these services to recover their costs from users. In theory, this will achieve the greatest good for the greatest number of people - real improvements in services that may even be accessible to all. But, reality is different..." Research the report's findings.*

2. *The people of Cochabamba, Bolivia didn't want to privatize their water supply, but they didn't want state control either. As Oscar Olivera (executive secretary of the Coordinator for the Defence of Water and Life organization) put it: "Private enterprises*

*are for rich people and state enterprises are basically private enterprises of a political party. We want an enterprise based on the four pillars of transparency of management, efficiency, participation of people, and social justice." Do a report on how the city's system is working.*

#### Websites

Citizen's Network on Essential Services - <http://www.servicesforall.org>  
 International Year of Fresh Water 2003 - <http://www.wateryear2003.org>  
 Third World Water Forum - <http://www.worldwaterforum3.com/>  
 WaterAid - <http://www.wateraid.org.uk/>

# Too Much Help

*Since the mid-1970s, non-governmental organizations have gained huge influences in world affairs. They are consulted by governments as well as international organizations such as the United Nations, which has created associative status for them. Many do excellent work, but do we need them all?*

There are now tens of thousands of non-governmental organizations (NGOs) in the world, operating in both developed and developing countries. They are not linked with any national government but often have a significant impact on the social, economic, and political activity of the country or region involved.

In the field of development, they include such well-known Northern-based charities as CARE, OXFAM, and World Vision, as well as community-based self-help groups in developing countries.

Numbers vary wildly, but one

estimate suggests there are as many as 30,000 national NGOs in developing countries and hundreds of thousands of community-based organizations. There are more than 20,000 in Bangladesh alone. Each group has offices to maintain, permanent staff to hire, infrastructure to pay for, and fundraising expenses.

Andrew Caddell is an Ottawa consultant with a lot of experience within the UN system. He has written that rebuilding Iraq, for example, will involve literally hundreds of agencies that are "poorly co-ordinated, media-driven, and unwilling to collaborate closely with what they see as their 'competitors' in the aid

game." He says, "It has long been a dirty secret of the multi-billion-dollar business of providing humanitarian aid that the lack of co-ordination among the plethora of UN organizations, UN specialized agencies, and non-governmental organizations is not unlike the cutthroat attitudes of 19th century capitalists."

According to the World Bank, from 1970 to 1985, total development aid distributed by international NGOs increased ten-fold. In 1992, they channelled more than \$7.6 billion of aid to developing countries. By 2001, it was estimated that more than 15 percent of total overseas development aid of about \$100

*By 2000, about 2,500 NGOs had consultative status with the UN and many thousands more had official arrangements with other organs in the UN system and other intergovernmental bodies. The World Bank defines NGOs as "private organizations that pursue activities to relieve suffering, promote the interests of the poor, protect the environment, provide basic social services, or undertake community development." The term can apply to any non-profit organization which is independent from government, and depends in whole or in part, on charitable donations and voluntary service. At right, help is slow to arrive for victims of an earthquake in Pakistan.*



## INTERNATIONAL DEVELOPMENT - NON-GOVERNMENTAL ORGANIZATIONS

billion a year was channelled through NGOs.

Their funding comes from a variety of sources including: grants or contracts from governments and international institutions, fees for services, profits from sales of goods, and funding from private foundations, corporations, and wealthy individuals. But, increasingly, relief and development NGOs receive large grants from governments' international assistance programs. One UN worker estimated that public grants represented 1.5% of NGO income in 1970, 35 percent in 1988, and about 40 per-

### FACT FILE

According to the United Nations 2002 Human Development Report, nearly one-fifth of the world's 37,000 NGOs were formed in the 1990s.

cent by the end of the century. There's some concern that this trend leaves the organizations open to government pressure and limits their capacity to act independently.

(In June 2003, the *Financial Times* reported that the head of the U.S. government's aid agency (USAID) told American non-governmental organizations they should highlight links to the administration if they want to continue receiving funding for overseas relief and development aid. The article points out that the U.S. has often been criticized by development experts and other governments for using aid as a foreign policy tool and declining to co-ordinate with other donors.)

Mr. Caddell says all the competition for aid dollars has resulted in many organizations narrowing their work "to issues that are media-friendly - immediate famine relief and other headline issues - while long-term questions like food supply, education, and economic infrastructure get token attention. The end result is duplication of services, and wasted funds."

In 2002, *The Economist* reported, for example, that there were 140 separate agricultural projects on the go in Kenya, and, while schools have been built by the hundreds in Tanzania, there is no curriculum or goals for education.

Two years earlier a World Health Organization expert said a large part of the international aid effort in the immediate aftermath of a major disaster is staffed by "crisis junkies" and does more harm than good. In an article in the *London Sunday Telegraph* in September 2000 the WHO's director of emergency relief in the Americas, Claude de Ville de Goyet, said that instead of supporting local emergency and medical services, they inundate them with "unrequested, inappropriate, and burdensome donations" of clothes, medical equipment, and packaged food. "You see hundreds of small agencies turning up at the scenes of disasters. Some of them pop up because there is money or because there is media coverage, which is emotionally appealing."

No one disputes the fact that many aid agencies do a tremendous amount of good, but some experts say NGOs are most effective when they work together

### FACT FILE

Aid agencies' desire for photo opportunities is known as the CNN Effect.

in coalitions. Professor Peter Willetts at City University in London says (in an article on NGOs for *UNESCO Encyclopedia*) that NGOs are so diverse and so controversial that it is not possible to support, or be opposed to, all NGOs.

### SUGGESTED ACTIVITIES:

1. *While critics point to the inefficiencies of some NGOs, and duplication of effort, some specialize in coalition-building: InterAction, for instance, serves as the umbrella for dozens of humanitarian organizations in the United States, with 160 members operating in every developing country. BOND is a network of more than 280 U.K.-based voluntary organizations working in international development and development education. Third World Network, based in Malaysia, is another active international network that addresses a broad range of policy issues. Report on the work of these and similar co-ordinating operations.*

2. *Do a report outlining the strengths and weaknesses of NGOs.*

### Websites

NGO Research Guide - <http://docs.lib.duke.edu/igo/guides/ngo/>

Third World Network - <http://www.twinside.org.sg>

Virtual Library: International Affairs Resources - <http://www.etown.edu/vl/ngos.html>

# Quote...

*“The state has the obligation, as an instance of last resort, to ensure that nobody should die of hunger... Failure to address the silent under-nourishment of millions of children and adults in peacetime should also be regarded as a violation of the right to food.”*

Jacques Diouf, Director-General of the United Nations  
Food and Agriculture Organization

*“We may believe that (U.S. President) George Bush and (British Prime Minister) Tony Blair have the interests of foreigners at heart only when they spend more on feeding them than they spend on killing them.”*

George Monbiot, *The Guardian*, March 2003

*“We all stand to prosper from a more equitable and stable global trading system. And we all stand to lose from trade policies that deny some of the world’s poorest countries a fair share of the wealth generated by globalization.”*

OXFAM International, *Eight Broken Promises* report

*“Removing barriers to trade and investment that hurt poor people in developing countries should continue to be the main focus of global trade talks - this includes barriers in the rich countries and in the developing countries themselves. Straying too far into domestic regulatory issues without getting this big picture right risks delaying an agreement or producing outcomes that don’t really help poor people.”*

Nicholas Stern, World Bank Chief Economist  
and Senior Vice President for Development Economics

*“Of all the factors cited as responsible for the resurgence of the infectious disease threat, complacency appears most often as the overriding cause.”*

World Health Organization, *Communicable Diseases Progress Report 2002*

*“Interdependence is the dominant fact of life in our era - that we are all responsible for each other’s well being, and that we must learn to live together or face the prospect of perishing together.”*

Pierre Elliott Trudeau, 1982

# ...Unquote