

### 3.12 The Developing World

**CORE POLICY OBJECTIVE:  
THE DEVELOPING WORLD**

**To ensure that Ireland plays an active and effective part in promoting genuine development in the developing world and to ensure that all Ireland's policies are consistent with such development**

Globally, the scale and extent of underdevelopment and inequality remains large. An indication of the size of this problem is outlined bi-annually in the United Nations Human Development Report. Table 3.12.1 presents an insight into the scale and extent of these problems using UN data from the *2010 Human Development Report*.

**Table 3.12.1: United Nations development indicators by region and worldwide**

<b>Region</b>	<b>GDP per capita (US\$ PPP)*</b>	<b>Life Expectancy at Birth (yrs)</b>	<b>Adult Literacy %**</b>
Least Developed Countries	1,393	57.7	59.9
Arab States	7,861	69.1	72.1
East Asia + Pacific	6,403	72.6	n/a
Europe + Central Asia	11,462	69.5	97.5
L.America + Caribbean	10,643	74.0	91.1
South Asia	3,417	65.1	62.4
Sub-Saharan Africa	2,050	52.7	62.4
OECD	37,077	80.3	n/a
<b>Worldwide total</b>	<b>10,631</b>	<b>69.3</b>	<b>n/a</b>

**Source:** UNDP (2010: 146, 196)

**Notes:** \* Data adjusted for differences in purchasing power.

\*\* Adult defined as those aged 15yrs and above

Tables 3.12.1 and 3.12.2 show the sustained differences in the experiences of different regions in the world. There are sizeable differences in income levels (GDP per person) between the most developed countries of the world, those in the OECD, and the rest (i.e. the vast majority) of the world. These differences go beyond just income and are reflected in each of the indicators reported in both

tables. Today, life expectancies are almost 30 years higher in the richest countries than in Sub-Saharan Africa. Similarly, the UN reports that more than 1 in 3 Southern Asians and Sub-Saharan Africans are unable to read.

These phenomena are equally reflected in high levels of absolute poverty (there are over 1,300m people worldwide living below the international poverty line of \$1.25 a day) and in the various mortality figures in table 3.12.2. The 2010 *Human Development Report* shows that almost 9 per cent of all children born in Sub-Saharan Africa died before their first birthday. These mortality rates reach almost 15 per cent by the fifth birthday. Figures are not as high elsewhere; however the mortality rates reported by the UN for developing regions contrast with the very low rates in the OECD countries including Ireland.

<b>Region</b>	<b>% Net Primary Enrolment Rate</b>	<b>Infant mortality rate*</b>	<b>Under-5yrs mortality rate*</b>
Least Developed Countries	75.5	82	126
Arab States	80.9	38	50
East Asia + Pacific	93.3	23	28
Europe + Central Asia	92.3	20	22
L. America + Caribbean	94.4	19	23
South Asia	86.9	56	73
Sub-Saharan Africa	73.6	86	144
OECD	95.6	5	6
<b>Worldwide total</b>	<b>86.1</b>	<b>44</b>	<b>63</b>

**Source:** UNDP (2010: 196, 201)

**Notes:** \* number of deaths per 1,000 live births (infant = less than 1 year old)

### **UN millennium development goals**

In response to these problems the UN Millennium Declaration was adopted in 2000 at the largest-ever gathering of heads of state. It committed countries – both rich and poor – to doing all they can to eradicate poverty, promote human dignity and equality and achieve peace, democracy and environmental sustainability. World leaders promised to work together to meet concrete targets for advancing development and reducing poverty by 2015 or earlier. Emanating from the Millennium Declaration, a set of Millennium Development Goals was agreed.

These bind countries to do more in the attack on inadequate incomes, widespread hunger, gender inequality, environmental deterioration and lack of education, healthcare and clean water. They also include actions to reduce debt and increase aid, trade and technology transfers to poor countries. These goals and their related targets are:

**Goal 1: Eradicate extreme poverty and hunger**

*Target 1:* Halve, between 1990 and 2015, the proportion of people whose income is less than \$1 a day.

*Target 2:* Halve, between 1990 and 2015, the proportion of people who suffer from hunger.

**Goal 2: Achieve universal primary education**

*Target 3:* Ensure that, by 2015, children everywhere, boys and girls alike, will be able to complete a full course of primary schooling.

**Goal 3: Promote gender equality and empower women**

*Target 4:* Eliminate gender disparity in primary and secondary education, preferably by 2005 and in all levels of education no later than 2015.

**Goal 4: Reduce child mortality**

*Target 5:* Reduce by two-thirds, between 1990 and 2015, the under-five mortality rate.

**Goal 5: Improve maternal health**

*Target 6:* Reduce by three-quarters, between 1990 and 2015, the maternal mortality ratio.

**Goal 6: Combat HIV/AIDS, malaria and other diseases**

*Target 7:* Have halted by 2015 and begun to reverse the spread of HIV/AIDS.

*Target 8:* Have halted by 2015 and begun to reverse the incidence of malaria and other major diseases.

**Goal 7: Ensure environmental sustainability**

*Target 9:* Integrate the principles of sustainable development into country policies and programmes and reverse the loss of environmental resources.

*Target 10:* Halve by 2015 the proportion of people without sustainable access to safe drinking water.

*Target 11:* Have achieved by 2020 a significant improvement in the lives of at least 100 million slum dwellers.

**Goal 8: Develop a global partnership for development**

*Target 12:* Develop further an open, rule based, predictable, nondiscriminatory trading and financial system (includes a commitment to good governance, development, and poverty reduction – both nationally and internationally).

*Target 13:* Address the special needs of the least developed countries (includes tariff and quota free access for exports, enhanced programme of debt relief for and cancellation of official bilateral debt, and more generous official development assistance for countries committed to poverty reduction).

*Target 14:* Address the special needs of landlocked countries and small island developing states (through the Programme of Action for the Sustainable Development of Small Island Developing States and 22nd General Assembly provisions).

*Target 15:* Deal comprehensively with the debt problems of developing countries through national and international measures in order to make debt sustainable in the long term

*Target 16:* In cooperation with developing countries, develop and implement strategies for decent and productive work for youth.

*Target 17:* In cooperation with pharmaceutical companies, provide access to affordable essential drugs in developing countries.

*Target 18:* In cooperation with the private sector, make available the benefits of new technologies, especially information and communications technologies.

(UNDP, 2003: 1-3)

While we are 10 years into the MDG process, progress on these goals and targets has been mixed with some regions doing better than others. In particular the UN suggests that East Asia and the Pacific are progressing satisfactorily but that overall human development is proceeding too slowly. Writing in the 2010 MDG Progress Report the UN Secretary General Ban Ki-Moon stated that “*it is clear that improvements in the lives of the poor have been unacceptably slow, and some hard-won gains are being eroded by the climate, food and economic crises*” (2010:3). *Social Justice Ireland*

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believes that the international community needs to play a more active role in assisting less developed countries achieve these goals. Central to this will be the provision of additional financial support and cutbacks in this support (see below) are likely to undermine progress.

Poverty and its associated implications remains the root cause of regional conflicts and civil wars in many of these poor countries. States and societies that are poor are prone to conflict. It is very difficult for governments to govern adequately when their people cannot afford to pay taxes, and industry and trade are almost non-existent. Poverty is also a major cause of environmental degradation. Large-scale food shortages, migration and conflicts lead to environmental pressures.

Clearly poverty in the southern world threatens the very survival of all peoples. It is the major injustice in a world that is not, as a unit, poor. Now more than ever the Irish government must exercise its voice within the European Union and in world institutions to ensure that the elimination of poverty becomes the focus of all policy development.

### **Trade and debt**

A further implication of the earlier tables is to underscore the totally unacceptable division that currently exists between rich and poor regions of the world. The fact that this phenomenon persists is largely attributable to unfair trade practices and to the backlog of unpayable debt owed by the countries of the South to other governments, to the World Bank, the International Monetary Fund (IMF) and to commercial banks.

The effect of trade barriers cannot be overstated; by limiting or eliminating access to potential markets the Western world is denying poor countries substantial income. At the 2002 UN Conference on Financing and Development Michael Moore, the President of the World Trade Organisation, stated that the complete abolition of trade barriers could “boost global income by \$2.8 trillion and lift 320 million people out of poverty by 2015”. Research by Oxfam (2002) further shows that goods from poor countries are taxed at four times the rate of goods from rich countries and that 120 million people could be lifted out of poverty if Africa, Latin America and Asia increased their share of world markets by just 1 per cent. It is clear that all countries would gain from trade reform. Such reform is now long overdue.

The high levels of debt experienced by Third World countries have disastrous consequences for the populations of indebted countries. Governments that are

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obliged to dedicate large percentages of their country's GDP to debt repayments cannot afford to pay for health and educational programmes for their people. In 1997, Third World debt totalled over \$2.2 trillion. In the same year nearly \$250 billion was repaid in interest and loan principal. Africa alone spends four times more on interest on its loans than on healthcare. For every €1 given in aid by rich countries, poor countries pay back nearly €4 in debt repayments. It is not possible for these countries to develop the kind of healthy economies that would facilitate debt repayment when millions of their people are being denied basic healthcare and education and are either unemployed or earn wages so low that they can barely survive.

A process of debt cancellation has been argued for over a number of years and should be further developed beyond the basic schemes introduced in recent years. *Social Justice Ireland* welcomes moves in this direction and in particular we welcome the ongoing commitment of the Irish government to support such a move. This was a major policy shift, following entrenched opposition to the move by the Department of Finance. It is now important that Ireland campaign on the international stage to see this process implemented. Given Ireland's current economic circumstances, the Irish population now has a greater appreciation of the implications of these debts and the merit in having them reduced.

*Social Justice Ireland* believes that Ireland's representatives at the World Bank and the IMF should be more critical of the policies adopted by these bodies. The Department of Finance's annual reports on Ireland's involvement in these organisations reveal an alarming degree of unconditional support. According to these reports Ireland has unconditionally supported the World Bank's positions in all of the following areas: poverty reduction, gender issues, private-sector development, governance issues and corruption, military spending, post-conflict initiatives and environmentally sustainable projects. This level of support does not match Irish public opinion. NGOs, such as the Debt and Development Coalition, which have done much work on these issues, are very critical of the World Bank in its policies on issues such as poverty reduction, gender and the environment. We believe that this criticism of government is well founded.

### **Ireland's commitment to ODA**

The international challenge to significantly increase levels of Overseas Development Assistance (ODA) was set out by the former UN Secretary General Kofi Annan shortly after the adoption of the MDGs. He stated that:

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*We will have time to reach the Millennium Development Goals – worldwide and in most, or even all, individual countries – but only if we break with business as usual. We cannot win overnight. Success will require sustained action across the entire decade between now and the deadline. It takes time to train the teachers, nurses and engineers; to build the roads, schools and hospitals; to grow the small and large businesses able to create the jobs and income needed. So we must start now. And we must more than double global development assistance over the next few years. Nothing less will help to achieve the Goals.*

These comments lay down a clear challenge to the international community and *Social Justice Ireland* believes that Ireland can lead the way in responding to that challenge; even in the context of our current economic circumstances. We welcomed the announcement at the United Nations General Assembly by the former Taoiseach Bertie Ahern that Ireland would reach the UN target of 0.7 per cent of GNP on overseas aid by 2012. In particular we welcomed the accompanying funding timetable announced by the Department of Foreign Affairs. We regret that Government rapidly abandoned these commitments once the economy experienced recession. We very much welcome the new Government's commitment to meet this target by 2015.

As table 3.12.3 shows, over time Ireland has achieved sizeable increases in our ODA allocation. In 2006 a total of €814m (0.53 per cent of GNP) was allocated to ODA – reaching the interim target set by the Government. Budget 2008 further increased the ODA budget to reach €920.7m (0.6 per cent of GNP). However, since then the ODA budget has been a focus of government cuts and has fallen by €285m – more than 31 per cent. In 2009 and 2010 these have been cuts focused on the poorest countries and people in the world and we regret this policy choice. Budget 2011 adopted a better approach and focused that Budget's cut, of €35m, on Ireland ODA contributions to international institutions such as the World Bank and the IMF.

Rebuilding our commitment to ODA and honouring the UN target should be important policy paths for Ireland to pursue in the years to come. Not only would its achievement be a major success for government, and an important element in the delivery of promises made in the national agreement, but it would also be of significance internationally. Ireland's success would not only provide additional assistance to needy countries but would also provide leadership to those other European countries who do not meet the target. To date the Irish Aid programme has received deserved praise from the OECD's Development Assistance Committee

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who reviewed the performance of Ireland's aid budget in 2007 and described it being in international terms at the 'cutting edge' (OECD, 2009). Despite the challenges, we believe that this commitment should be honoured. We strongly urge the new Government to honour their very welcome commitment on ODA.

**Table 3.12.3: Ireland's net overseas development assistance, 1993-2011**

<b>Year</b>	<b>€m's</b>	<b>% of GNP</b>
1993	69.4	0.18
1994	95.5	0.23
1995	122	0.26
1996	142.3	0.27
1997	157.6	0.26
1998	177.3	0.26
1999	230.3	0.30
2000	254.9	0.28
2001	319.9	0.33
2002	422.1	0.40
2003	445.7	0.38
2004	488.9	0.39
2005	578.5	0.42
2006	814.0	0.53
2007	870.9	0.53
2008	920.7	0.60
2009	696	0.55
2010	671	0.53
2011	636	0.50

**Source:** CSO (2010:45), Irish Aid (2010:67-69) and various Budget Documents.

### **HIV/AIDS**

In March 2011 the UN AIDS Report showed that there are 33.3 million people living with HIV. This is a 27% increase since 1999. Globally nearly 23% of all people living with HIV are under 24 years and people aged 15-24 years account for 35% of all people becoming newly infected. The poorer African countries are the most severely affected, accounting for 68% of all people living with HIV. They also have 72% of AIDS deaths.

In launching the report the UN Secretary General Ban Ki-Moon noted, “Every day 7,000 people are newly infected, including 1,000 children. Weak national infrastructures, financing shortfalls and discrimination against vulnerable populations are among the factors that continue to impede access to HIV prevention, treatment, care and support services”. The current uncertain economic climate is very challenging to those combating the HIV/AIDS epidemic. The UN notes that in 2009 the funding was lower than in 2008. Despite our difficulties *Social Justice Ireland* urges Government to meet its commitments in this area.

### **Key Priorities on the Developing World**

- **Ensure that Ireland delivers on its promise to meet the United Nations target of contributing 0.7 per cent of GNP to Overseas Development Assistance by the EU deadline of 2015.**
- **Take a far more proactive stance at government level on ensuring that Irish and EU policies towards countries in the South are just.**
- **Adopt a more critical perspective towards the policies of the World Bank and the IMF.**
- **Continue to support the international campaign for the liberation of the poorest nations from the burden of the backlog of unpayable debt and take steps to ensure that further progress is made on this issue.**
- **Continue to support the implementation of the Millennium Development Goals.**
- **Engage pro-actively and positively in the Rio+20 process already referred to in section 3.10 on sustainability.**
- **Work for changes in the existing international trading regimes, to encourage fairer and sustainable forms of trade. In particular, resource the development of Ireland’s policies in the WTO to ensure that this goal is pursued.**
- **Ensure that the government takes up a leadership position within the European and international arenas to encourage other states to fund programmes and research aimed at resolving the AIDS/HIV crisis.**