

# **The cost of not daring**

*It is impossible to give final, uncontroversial answers to hypothetical questions about current events and yet much international debate these days is centred around just such a question: is the world a better place without Saddam Hussein in power? This kind of question inevitably begs another: wouldn't the world be better off if the money and efforts invested in the war in Iraq had been directed elsewhere, for example to helping the poor?*<sup>1</sup>

*It is difficult to add anything new to the enormous amount of information and comment already circulating around these questions, yet this Social Watch report does precisely that by throwing light on them from another angle - that of the grassroots organisations around the world which are engaged in the frontline of the battle against poverty and discrimination. The voices of civilians are silenced, their sufferings are ignored and even their deaths go uncounted once the logic of war prevails.*

*The review of the situation in Iraq presented in this Social Watch report has been provided by the Al-Amal Association, the only non-foreign NGO active in the country. A long-time member of the Social Watch international coalition, Al-Amal had been reporting from within the country long before the war, with a critical view both of the Saddam regime and of the US threats against it. With similar independence and courage, Colombian civil society organisations denounce the excesses of both the government and the armed opposition in the decades-long civil war the country is suffering, while Peru provides a dramatic example of how terrorism and state-terrorism combined in making the poor and indigenous people the silent and ignored victims of a "dirty war". That particular "war on terrorism" was being widely covered by local and international press. How was it possible then for the genocide of the indigenous population to go unnoticed at the time? That is the question that Peruvian society is now asking itself in a healthy exercise aimed at avoiding the repetition of those mistakes.*

*Similarly, thousands of people die easily avoidable deaths<sup>2</sup> every day around the world without making it to the headlines. Will the world be asking itself in a few years time, like the Peruvians are doing now, why no one took the decisions to prevent them? If so, no decision-maker could argue as an excuse that there were no warnings.*

*In a recent interview with Australian Broadcasting Television, World Bank President James Wolfensohn complained of the staggering inequities between government spending on global military expenditure and funding for development programmes. "We're doing about 50 billion dollars for development expenditures and 1,000 billion for military expenditures, and I find that out of balance", he said. Other voices have pointed to even worse consequences: direct civilian casualties, massive human rights violations, growing xenophobia, disrespect for international laws.*

*It is still too early to assess how much damage this has caused to an international legal and institutional system with the UN at its centre that was carefully crafted over decades after conflicts that took millions of lives. But it is clear that public disbelief in the word of its leaders does not help strengthen democracy.*

*When governments make promises, a substantial portion of public opinion tends to be sceptical. After all, five centuries ago Niccolò Machiavelli, the founder of what now is called "political science", substantiated this incredulity when he stated that "A prince never lacks legitimate reasons to break his promise." On the other hand, American Pulitzer Prize-winning columnist Herbert Agar found enormous value in promises during the hard times of the Great Depression: "Civilisation rests on a set of promises; if the promises are broken too often, the civilisation dies, no matter how rich it may be, or how mechanically clever. Hope and faith depend on the promises; if hope and faith go, everything goes."*

*A big promise was made in the year 2000 by the presidents and prime ministers of almost all independent nations in the world: to eradicate poverty from the face of the earth within one generation. (See box.)*

*And Social Watch was created in 1995 precisely in order to remind governments of the commitments they made to place gender equity and poverty eradication at the top of their national and international agendas. Citizen coalitions from some fifty countries on all continents have been reporting on their findings every year since then. Never before has this role seemed so necessary and so difficult at the same time.*

*It is for these reasons that instead of asking the national Social Watch coalitions to focus their research for this report on one dimension of the many development goals agreed upon by the international community,<sup>3</sup> the question put to them was "what in your country are the main obstacles to human security?"*

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<sup>1</sup> See in this report the articles by Ziad Abdel Samad and by Mirjam van Reisen, Simon Stocker and Florent Sebban for regional views on the relation between "security" and "human security" in the Middle East and in the European Union.

<sup>2</sup> See in this report the article by John Foster for an in depth analysis of this situation in relation to the HIV/AIDS pandemic.

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<sup>3</sup> Previous Social Watch reports have focused on education, on poverty and on essential social services, for example.

*The diverse range of answers to this question forms the core of this report.<sup>4</sup> Security certainly includes freedom from fear, and people fear war, terrorism, civil conflict, crime and domestic violence. But those fears cannot be dissociated from fear of unemployment, disease, poverty, exclusion and discrimination.<sup>5</sup> In some cases people even fear the very institutions that should guarantee the security of the nation. In many others, the same imbalance in priorities that Wolfensohn noted on a global scale is also occurring locally. Everywhere lip service is being paid to the Millennium Development Goals (MDGs) that set global targets to reduce poverty and promote gender equity by 2015, but citizens are not seeing enough action. The World Bank that Wolfensohn presides, while nominally committed to fighting poverty and achieving the MDGs, in reality allocates its funds according to a secret grading system which promotes policies that have quite the opposite effect.<sup>6</sup>*

*The MDGs should not merely be an opportunity for development institutions like the World Bank to raise more funds from reluctant donor countries, but the actual yardstick against which policies and results are measured. The essential purpose of agreeing on benchmarks and indicators is to allow the public to assess and monitor the performance of their governments and the international institutions they control. At the same time demands by public opinion that promises be kept promote the political will needed to make them a reality.*

*It is precisely in order to help citizens around the world monitor their authorities that every year Social Watch complements the country assessments produced by the national platforms with comparative international tables. Based on an initiative by the Philippines Social Watch coalition to formulate a “Quality of Life Index” that can be used by grassroots organisations and provides meaningful views of situations at the sub-national level (provinces or municipalities), we developed a similar index for the whole world to complement other analytical tools such as the Human Development Index.*

*Another innovation in this report is the ranking of countries according to their achievements towards gender equity, in a way that we hope will contribute to the ongoing debate on how to monitor progress in compliance with the legally binding Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW).*

*What the indexes, rankings and assessments for each of the different social development areas show is the persistence of enormous inequalities in the world, with a widening gap between the poor and the rich, as well as substantial efforts by many developing countries to improve the situation of their*

*population. Yet the commitments made by the richer countries have not been met and it is clear that at this pace they will not be by 2015.*

*It is not enough to class the resulting global performance as insufficient. Concrete responsibilities have to be identified at all levels. Governments not investing enough on health or education are frequently being forced by the International Monetary Fund to make generous payments to foreign creditors or even to keep precious cash idle in the vaults of the banks as reserves to prevent the kind of instabilities that were generated by the very economic policies the Fund recommended. World Bank monies aimed at helping the poor are only disbursed on condition that trade policies are adopted that create urban unemployment and drive small farmers to bankruptcy, or that the essential services that may help people living in poverty are transformed into profit-making operations. None of the promises of a “development round” of trade negotiations have been met and at the World Trade Organization developed countries block all attempts to reform the present unfair trade system in a way that would benefit developing countries. In so many countries corruption among public officials is the most frequent excuse for not raising aid, or even cutting it back, yet corporations bribing those officials into accepting abusive deals are never held accountable in the donor countries where their headquarters are based.<sup>7</sup>*

*Two millenniums ago, Seneca wrote that “It is not because things are difficult that we do not dare. It is because we do not dare that things are difficult.”*

*None of the measures required to solve these and other problems are technically difficult or politically unviable. In fact, most if not all of them would enjoy massive political support everywhere. Not daring, delaying or failing to take action can only lead to humanity not achieving the minimum goals that have already been agreed upon. And frustrating the hopes of peoples and nations all around the globe will certainly not help make the world a more secure place for our children.*

*Roberto Bissio  
Social Watch Co-ordinator*

<sup>4</sup> For an analysis of the common and diverse concerns reflected in the national reports, see the article by Karina Batthyány.

<sup>5</sup> On what “human security” means for women, this report includes three articles by June Zeitlin and Doris Mpoumou; Marina Durano; and Norma Enriquez and Amanda Muñoz.

<sup>6</sup> See in this report the article by Nancy Alexander on the World Bank scorecard for borrowing governments.

<sup>7</sup> Related to this issue, Bruno Gurtner writes in this report about how tax evasion deviates billions of dollars from development.

# War, money and promises

Thalif Deen

The US-led war on Iraq is threatening to undermine the UN-led global war against poverty.

The deadline to achieve some of the UN-mandated social and economic goals - including the eradication of disease, illiteracy and poverty - is 2015. "But I think the war on Iraq is a setback because it really distracts attention from the fight against poverty. I am worried," says Eveline Herfkens, the United Nations' Executive Coordinator for the Millennium Development Goals (MDGs) and a former Dutch development minister.

The MDGs, including a pledge to reduce by half the number of people living on less than a dollar a day, were laid out at a special session of the UN General Assembly in September 2000, when world leaders agreed on a Millennium Declaration.

The document also included time-bound targets for achieving universal primary education and gender equality and empowerment.

But non-governmental organizations (NGOs) are expressing fears that the war on Iraq - and the projected rise in global military spending - might have a negative fallout on economic development and the flow of development aid.

"Japan has announced it will scale back its UN contributions even before the war began. The United States has cut allotment to its own Millennium Challenge Account (geared to provide assistance to developing nations). Global trade volumes and international direct investments both fell in 2001. The war almost assures us these figures are unlikely to climb up in the near future," said Saradha Ramaswamy Iyer of the Third World Network in Kuala Lumpur.

"The long term economic impact of the war - the bad and worse outcomes - can only have disastrous effects, particularly in developing countries," she told IPS.

Those effects are likely to leave the weakest and poorest of developing countries more vulnerable than ever before, she added.

Already many countries, particularly in sub-Saharan Africa and South Asia, are "seriously lagging" behind in achieving the (Millennium) goals, and will therefore have to make additional efforts to meet their targets, Herfkens said.

The funds for implementing these goals have to come mostly from Western donors, including the US, Japan and the 15-member European Union (EU).

According to the UN Development Programme (UNDP), the reconstruction of war-devastated Iraq alone could cost over USD 30 billion in the first three years. But these are funds that may well be diverted from poverty eradication and anti-AIDS programs, says Iyer.

"If the world's richest nations were genuine in their stated desire to achieve the Millennium Development Goals, they need to mobilize the same political will that is now manifest in fighting wars," adds Henry Northover of the London-based Catholic Fund for Overseas Development.

Northover says that one quarter of the USD 26 billion promised by the US for the use of airbases in Turkey could have cancelled the outstanding debt of the whole of sub-Saharan Africa.

"It is a scandal that the lives of millions of the world's poorest people must take second place to the resources that are being used to pursue the war against Iraq," he said.

This week, congressional committees approved a request from US President George W Bush for a hefty USD 75 billion to fund the first six months of the Iraqi war and related anti-terrorism and foreign aid expenses.

Global annual military spending, which reached USD 780 billion in 1999 and USD 840 billion in 2001, is heading for a trillion dollars, according to UN estimates.

The London-based ActionAid says that Official Development Assistance (ODA) from the world's richest to the poorest countries has continued to decline over the last decade. At last count, it was USD 53 billion in 2000, down from USD 56 billion in 1999.

Herfkens is confident that the EU countries will live up to their commitments to reach the target of spending 0.7% of their gross national product (GNP) on ODA before the next decade. In contrast, she said, the US contribution is 0.15% of GNP, although Washington contributes most among the world's countries in dollar terms, about USD 10 billion annually. The collective EU aid budget is about USD 25 billion yearly.

Last year, Bush pledged an "additional" USD 5 billion in aid to developing nations, bringing the US total to USD 15 billion. But Herfkens said it remains to be seen how much of that will really be "additional."

According to published reports, the administration has sought congressional approval for about USD 1.3 billion in additional aid this year, but is likely to receive only about USD 300 million.

Iyer also expressed serious concern over the US trend towards unilateralism. "The biggest worry is that the retreat from multilateralism, as evidenced by the marginalization of both the United Nations and the North Atlantic Treaty Organization (NATO) in the run-up to the war, will spill over into internationally negotiated rules governing trade and finance and take the political steam out of free trade," she added.

A landmark decision on multilateral trade was taken in mid-2001 at the global trade round in Doha, Qatar, when the 145 members of the World Trade Organization (WTO) decided to work towards slashing subsidies and trade barriers in agriculture, which is heavily protected by Western nations. But several targets for the reform of the multilateral trading system have been missed in recent months.

Iyer said that none of the promises made at the Doha meeting, including those related to issues of patents and agricultural subsidies, had been met, and that prospects for the future are not good.

Agricultural subsidies favor 5% of the population of rich nations and impoverish about 90% of the people in the South, she added. The EU's USD 440 billion a year subsidy for cereals, dairy products and sugar has driven African farmers to poverty while America's USD 4 billion subsidy to 25,000 cotton farmers have lowered world prices by a quarter, said Iyer.

"So it was a sign of hypocrisy to talk about poverty eradication in the MDGs on the one hand, and perpetuate it on the other, through trade practices that distorted development."

She pointed out that subsidies per cow in the EU amount to about USD 2.50 per day while subsidies for a cow in Japan equal USD 7.50 per day.

"At the same time, 75% of people in sub-Saharan Africa live on less than a dollar a day," she added. (IPS) ■