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ENDING HUNGER HOW FAR CAN WE GO? THE UN MILLENNIUM DEVELOPMENT GOALS

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stimulate public discussion.

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FOREWORD

In this stirring paper Fr Bruce Duncan shows us the face of inhuman poverty in a world of contrasts between opulence and starvation, a world in which, in the words of Pope John Paul II, “the war of the powerful against the weak has, today more than ever before, created profound divisions between rich and poor”.

The central goal of the Millennium Development Goals, endorsed at the UN Millennium Summit in September 2000, was *to reduce the extent of hunger and the most acute poverty by half by 2015*. The Church supports and encourages this commitment.

In his message for the celebration of the World Day of Peace for 2005, His Holiness Pope John Paul II states:

“The only really effective means of enabling States to deal with the grave problem of poverty is to provide them with the necessary resources through *foreign financial aid* – public and private – granted under reasonable conditions, within the framework of international commercial relations regulated with fairness. What is urgently needed is a *moral and economic mobilisation*, one which respects agreements already made in favour of poor countries, and is at the same time prepared to review those agreements which have proved excessively burdensome for some countries.”

This paper shows how extreme poverty is preventable, while it documents the huge challenges facing the wealthy nations if they are truly prepared to work towards their stated goal. Generosity of spirit as well as material generosity will be needed. Australia was among the leading nations of the world in our response to the victims of the Asian tsunami; how wonderful it would be if Australia were to lead the developed world in responding to Christ's call to “love one another as I have loved you”.



Christopher A. Saunders DD
Bishop of Broome
Chairman, Australian Catholic Social Justice Council.

INTRODUCTION

Our ancient enemies, hunger and grinding poverty, still assail and oppress half the human race.¹ But the astonishingly good news is that this need no longer be so. Leading economists insist that, for the first time in history, the world now has the resources and know-how greatly to alleviate, if not largely banish, hunger and the worst forms of poverty all over the world. What is lacking is popular awareness of this astounding opportunity, and the political will to bring it about.

AIMS OF THE UN MILLENNIUM DEVELOPMENT GOALS BY 2015

1. Eradicate extreme poverty and hunger by halving, between 1990 and 2015, the proportion of people on income less than \$1 a day, and halving the proportion in hunger.
2. Achieve universal primary education for both boys and girls.
3. Promote gender equality and empower women, especially by eliminating gender disparity in primary and secondary schools by 2005, or 2015 at the latest.
4. Reduce under-five child mortality by two-thirds.
5. Improve maternal health, and reduce maternal mortality by three-quarters.
6. Halt or reverse the spread of HIV/Aids, malaria and other infectious diseases.
7. Sustain and improve the environment, halving the proportion of people without safe drinking water; and by 2020 improve significantly the lives of at least 100 million slum dwellers.
8. Develop a global partnership for development, with
 - open trading and financial systems
 - good governance
 - for most impoverished countries, debt relief or cancellation, more generous aid and trading opportunities
 - access to affordable drugs, and
 - benefits of new technologies.

The UN Millennium Goals

At the United Nations Millennium Summit in September 2000, the overwhelming majority of governments of the world, including Australia's, agreed to a declaration to use our abundant resources rapidly to reduce the extent of hunger and the worst forms of poverty. These Millennium Development Goals set clear targets for each developing country to improve health, education and living standards, with strong financial and other support from developed countries. Many development experts are convinced that widespread hunger could be largely eradicated if the world were determined to use its resources to best advantage. However, the Millennium Goals were more modest in scope, with a central goal aiming to *reduce the extent of hunger and the most acute poverty by half by 2015*.

In January 2005, Professor Jeffrey Sachs of Columbia University released a 76-page summary report to the United Nations, calling all countries to honour the pledges they made in 2000. Sachs feared that the Millennium Development Goals would fail unless richer nations contributed more generously. The Millennium Goals aimed to lift 500 million people out of dire poverty, 250 million people out of hunger, and save the lives of 30 million children, but rich countries would have to double their aid to nearly \$200 billion over the next decade.

The UN Secretary General, Kofi Annan, in 2002 had appointed Sachs his Special Assistant on the Development Goals. Sachs was Director of the Earth Institute at Columbia University and Professor of Sustainable Development, and had played a major role in the Jubilee 2000 debt remission campaign. He coordinated the work of hundreds of economists and researchers, who prepared a 3000-page report, 'Investing in Development: a practical plan to achieve the Millennium Development Goals', to present to world leaders at the G8 meeting in Britain in July 2005. According to Sachs, 'The practical solutions exist. The political framework is established. And for the first time the cost is utterly affordable. All that is needed is action.' Kofi Annan concurred: 'The goals are not utopian. They are eminently achievable.'²

In this momentous project, people in developing countries themselves must do most of the work, but the contribution of developed countries is essential. **The challenge is a profoundly moral one for western countries: are we prepared to commit a tiny fraction of our unprecedented economic prosperity to alleviate the acute suffering of hundreds of millions of people?**

Impact of the Asian Tsunami Crisis

The overwhelmingly generous response to the tsunami crisis in Asia, not just by the governments of western countries but from the wider public as well, has demonstrated that public opinion can be moved by human tragedies overseas.

What made the tsunami response so different? It is hard to know precisely. Many Australians had travelled or taken holidays in some of these areas, in South-East Asia particularly, and significant numbers of Australians were directly involved, with some killed. The tragedy occurred close to Australia, and perhaps Australians felt a special responsibility. Particularly important was the media coverage, enabling Australians to follow the disaster closely, and sympathise with the suffering of so many people, children especially. It also occurred during the Christmas break, when many people were on holiday or responded in the spirit of the season to share their own good fortune.

From the point of view of the Australian government, a generous response to aid recovery sends a clear message of humanitarian concern to the people of Indonesia. The Australian government pledged over A\$1 billion in aid over five years, more than any other nation. Half of this aid was in the form of highly concessional loans. Medical personnel and emergency supplies were immediately dispatched. The wider Australian public and businesses signalled their approval by pledging more than A\$250 million to numerous aid appeals.

Four factors contributed to the surprisingly positive Australian response:

- strong and compassionate leadership by Prime Minister Howard and other government and public figures
- graphic and convincing evidence about the need for large-scale emergency assistance
- empathy with the people struck by this appalling event, and
- confidence that Australian aid would make a significant difference and would be well used.

The generous response by Australians to the tsunami may well signal a major shift in political attitudes to poverty and social distress overseas. The received wisdom among some observers of the aid debate in Australia has been that governments were slow to expand aid since they believed that many Australians resented taxpayers' money going overseas, and that much of it would be wasted anyway. Such a negative view has been greatly undermined by the overwhelming response to the tsunami, confirming that there is a very strong political constituency for increased overseas aid. The Australian Council for International Development (ACFID), the umbrella body for aid agencies, in March 2004 noted that over 1.6 million Australians donated time or money to aid organisations, giving over \$383 million to overseas aid in 2003. Moreover, a 2001 Newspoll survey revealed that 85% of people supported overseas aid, 58% strongly so, with only 13% opposed.³

The Asian tsunami has taken about 300,000 lives, but a far more destructive tidal wave of hunger and inhuman poverty has been pounding many developing countries for decades. As many people die every week from poverty related causes as from the tsunami. Malaria alone kills 150,000 people *every month*. And an estimated *30 million children under age five will die from easily preventable causes by 2015* unless the world takes decisive action. However, public opinion in most western countries has been slow to respond to this continuing crisis, despite repeated appeals from humanitarian bodies and religious leaders.

The question is: can we see in this generous response to the Asian tsunami crisis an example of how we might respond more confidently to the wider crisis in many developing countries?

'THE WAR OF THE POWERFUL AGAINST THE WEAK'

Despite his own frailty, Pope John Paul II repeatedly called attention to the dire economic plight of the poorest people in developing countries. On World Food Day, 16 October 2003, he urged bishops to be champions of social justice and human rights:

The war of the powerful against the weak has, today more than ever before, created profound divisions between rich and poor. The poor are legion! Within an unjust economic system marked by significant structural inequities, the situation of the marginalized is daily becoming worse. Today, in many parts of the world, people are starving, while in other places there is opulence.

Above all, it is the poor, women, indigenous people, the young and refugees 'who are the victims of these dramatic cases of inequality.'

'How can we keep silent when confronted by the enduring drama of hunger and extreme poverty, in an age where humanity, more than ever, has the capacity for a just sharing of resources?'⁴ He called for a globalisation based on the principles of social justice and the preferential option for the poor, and singled out the problem of impossible international debts.⁵

John Paul has proclaimed this message in many hundreds of talks and documents during the last 26 years. But his depiction of the global struggle against hunger and poverty as a 'war of the powerful against the weak' is unprecedented. It reflects his intense exasperation at the appalling plight of many peoples compared with the glacial progress in reforming international trading relations, and the slow implementation of the UN Millennium Goals. Shocking though it be, it is no exaggeration to say that millions of people are dying needlessly and from diseases that are readily preventable.

John Paul appealed for the 'Alliance against Hunger' to mobilise world resources and highlighted the 'quite alarming' situation in much of Africa.⁶ In December 2003 he repeated to a meeting of the UN Food and Agriculture Organisation (FAO) in Rome: 'Hunger and malnutrition, aggravated by growing poverty, represent a grave threat to the peaceful coexistence of peoples and nations... The world may not remain deaf to the plea of those who demand the food they need in order to survive!'⁷

For peace, end inhuman poverty

Pope John Paul sees the prospects for peace being closely linked with the amelioration of poverty and injustice internationally.

We will not facilitate the peace process by allowing, with guilty indifference, injustice to prosper on our planet. Poor countries often become places of desperation, forgers of violence. We do not want to allow war to dominate the life of the world and of peoples.

We do not want to accept poverty as the constant companion of all nations' existence.⁸

The permanent representative of the Holy See to the UN, Archbishop Celestino Migliore, in November 2003 stressed to the UN General Assembly the need to remove the causes of violence. 'Peace is an enterprise of justice. At the root of war, and in particular of terrorism... we find serious grievances', injustices, abject poverty, and exploitation of multitudes of desperate people. 'Such injustices incite violence, and every injustice can lead to war.' If, as Pope Paul VI said, 'development is the new name for peace, then war and the proliferation of weapons must be considered the major enemies of the development of peoples.'⁹

'Adopting their cause as our own'

In December 2003, the Pope rejected the view that the market and processes of globalisation of themselves would best achieve justice. He insisted on the need for moral and legal frameworks to ensure that markets worked for the common good:

The struggle against poverty must not be reduced simply to improving the conditions of life, but to removing [people] from this situation, creating sources of employment and *adopting their cause as one's own*. [italics added]

The Pope added that while it was not the role of the Church to propose technical solutions, it was its duty to highlight Gospel values and orientations that 'enlighten the search for answers'.¹⁰

He has continued to take a close interest in the Millennium Development Goals. In July 2004 he called for more effective ways to achieve 'a more just distribution of the world's resources.' Increased 'foreign aid seems the only way forward, and the Church therefore welcomes the search for innovative solutions, such as the International Finance Facility'.¹¹ The British government had initiated this proposal, with Gordon Brown, Chancellor of the Exchequer, hoping by this means to raise a further \$50 billion over ten years to improve conditions in schools and hospitals in poor countries.

The Church and development

Through their many thousands of personnel and institutions in developing countries, the churches have long striven to bring education, health care, social assistance and peace to people in developing countries. After the Second World War, the popes and the Vatican consistently supported development efforts, especially with Pope John XXIII's *Mater et Magistra* in 1961, his *Peace on Earth* in 1963, and the splendid document of the Second Vatican Council, *The Church in the Modern World*. Pope Paul VI in 1967 published his landmark call to action, *The Development of Peoples*, followed by his *Octagesima Adveniens* and the Synod of Bishops' *Justice in the World*, both in 1971. In his 1975 *Evangelii Nuntiandi*, Paul VI emphasised how the

struggle for social justice and human liberation was an essential part of the evangelising work of the Church.

Pope John Paul II continued the stress on social justice and liberation in his many overseas travels and documents. Along with the various episcopal conferences and national churches, the Vatican and its representatives have played a vigorous role in international affairs and organisations. In his social encyclicals, John Paul maintained a constant critique of extreme inequalities under capitalism. In *On Social Concern* (1987), he denounced 'economic, financial, and social mechanisms' which accentuated 'wealth for some and poverty for the rest', and suffocated the economies of less developed countries (#16). In *Centesimus Annus* (1991), the Pope attacked the ruthlessness of 'unbridled capitalism', and warned against 'a radical capitalist ideology' that would blindly entrust problems to market forces (#35). In many parts of the world, his worst fears have been realised.¹²

The debt problem

The Pontifical Commission for Justice and Peace has been deeply concerned about the problem of international debt and inequitable trade.¹³ The secretary of the Commission, Archbishop Diarmuid Martin, later Archbishop of Dublin, in December 2000 stressed the need for good governance, respect for the law, and efficient, transparent civil and business administration. But he lamented that it was 'patently absurd for wealthier nations to grant debt relief to countries and then to prevent them' participating fairly in world trade because of the 'enormous protectionism' and subsidies rich countries offered to their own producers.¹⁴

Pope John Paul II had repeatedly called for the substantial reduction or cancellation of the debt of the poorer countries, especially in 1996 in his *Tertio Millennio Adveniente* (#51). During the Jubilee Year 2000, he linked the ancient Jewish Jubilee redistribution of property and remittance of debt with the problems of international poverty, and called for the alleviation of the debt of the poorest countries. In his Apostolic Letter in January 2001, *At the Beginning of the New Millennium*, John Paul again dwelt on the great disparities of wealth that left millions living in appalling poverty, dying of hunger, lacking medical care or a roof over their heads. However, he noted with approval that some countries had voted to remit the bilateral debt of the poorest nations, and he again called for a 'rapid solution to this question'.¹⁵ With the other churches,¹⁶ the Pope supported the campaign that collected 24 million signatures for the Jubilee 2000 petition to remit the debt of the poorest countries.

Crisis in Africa

The struggle against severe poverty afflicts many parts of Asia and Latin America, but the situation of Africa is of special concern to the Pope because some of the most acute hardship and hunger is concentrated there. He has made 13 trips to Africa, visiting 40 nations.

Archbishop Giovanni Lajolo, Vatican secretary for Relations with States, regretted that the worsening plight in Africa had met with 'almost general indifference' in developed countries, adding that the Church must place itself 'completely on the side of the poor'. In 2004 the Catholic Church in Africa was operating 5000 hospitals, 500 homes for the disabled, 85,000 pastoral centres and 10,000 schools educating 13 million children.¹⁷

Reflecting the gravity of the situation of Africa, 50 bishops from the Bishops' Conferences of Africa and Madagascar and 50 bishops from the Council of European Bishops' Conferences in Rome in November 2004 called for urgent action.

We consider that honouring the Millennium Development Goals is the best opportunity for ending poverty in Africa. We shall untiringly challenge our governments and the European Union on the need for debt cancellation and fair trade regulations, and to create a globalization that has a human face.

The bishops urged the African Union and the European Union to 'set themselves the target of eradicating the tragedy of hunger during the next decade. We also remind the rich countries of their undertaking to devote 0.7% of their GNP to public development aid. Five countries have already done this – so it is possible. It is more than a question of charity... Charity presupposes justice.'¹⁸

HIV/AIDS

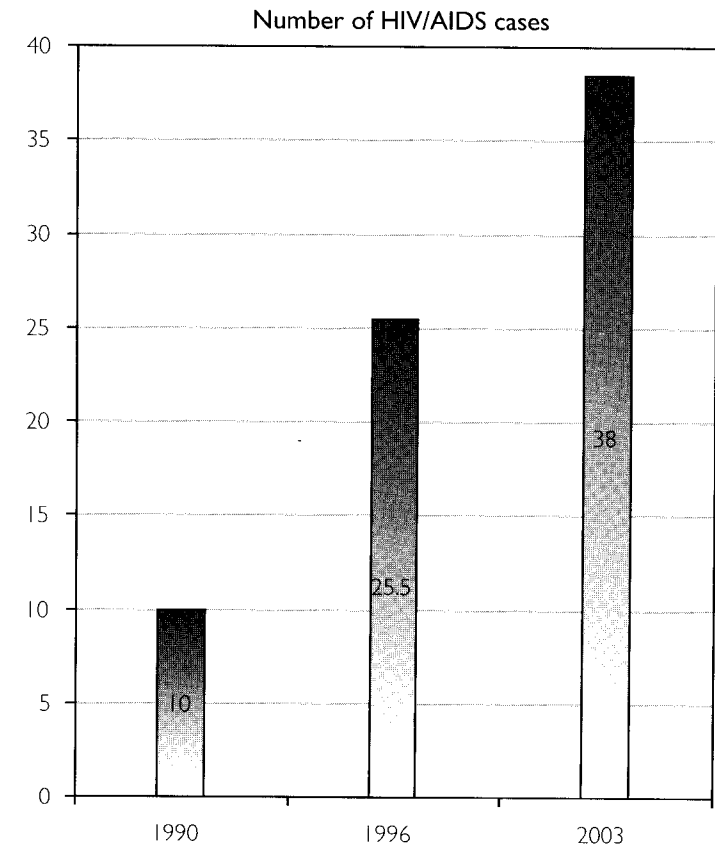
The outbreak of AIDS added an unexpected and immense new burden on poorer countries. HIV/AIDS took 2.8 million lives in 1999, 85 percent from Africa. The population of sub-Saharan Africa is expected to be 84 million lower in 2015 than it would have been without AIDS.¹⁹ Some 20 million had already died by 2003, leaving 11 million orphans. About eight million poor people were expected to die from the preventable or treatable diseases of AIDS, TB and malaria in 2004.²⁰ The World Health Organisation projects that deaths from tuberculosis could rise from the current 2 million a year to claim 36 million lives between 2005 and 2020.²¹

Spending to achieve Millennium Goal 6 to combat HIV/AIDS, malaria and other infectious diseases reached \$4.7 billion in 2003, well short of the \$12 billion needed in 2005 and the \$20 billion for 2006. The number of people with AIDS increased to 38 million in 2003, with an estimated 4.8 million newly infected. The number of AIDS-related deaths was estimated at 2.9 million.²² The Australian Council for International Development (ACFID) has called on the government urgently to increase its contribution to the Global Fund to fight AIDS, tuberculosis and malaria to \$70 million.²³

Mobilisation against poverty needed

In order to promote the Church's social teaching tradition the Pope had directed that a new presentation of Church social teaching be prepared.

Launched in late 2004 as the *Compendium of the Social Doctrine of the Church*, it details how work for justice and peace is an essential aspect of evangelisation. Its section on 'The fight against poverty' declares: '*At the beginning of the New Millennium, the poverty of billions of men and women is "the one issue that most challenges our human and Christian consciences"*', quoting Pope John Paul II's World Day of Peace Message in 2000 [italics in original].²⁴



Source: Human Development Report 2003

In his January 2005 World Day of Peace message,²⁵ John Paul II again strongly supported the Millennium Goals to reduce hunger and poverty. He called for a 'mobilization of international solidarity' to overcome the 'extreme poverty in which millions of people are living' (# 8).

The 'only really effective means of enabling States to deal with the grave problem of poverty' is to provide the needed resources and foreign aid – private and public – under fair conditions. 'What is urgently needed is a moral and economic mobilization' for official development assistance and new forms of financing for development, with 'scrupulous observance' of sound administration (#9). In his view, 'the failure to honour the repeated promises' of official development assistance, the debt problems in Africa and elsewhere, and 'the failure to give these countries' openings in international commerce 'represent grave obstacles to peace' (#10). He renewed his call for 'a new creativity in charity' to help build 'a world based on the values of justice, freedom and peace' (#10, 12), and pleaded for 'a great effort to form consciences' by upholding the 'integral and fraternal humanism which the Church proclaims' (#4).

In his message to the Diplomatic Corps on 10 January 2005, the Pope again highlighted the 'dramatic' problem of hunger: 'hundreds of millions of human beings are suffering from grave malnutrition, and each year millions of children die of hunger or its effects.' He said that the urgency of the problem 'calls for a vast moral mobilisation of public opinion; the same applies all the more to political leaders, especially in those countries enjoying a sufficient or even prosperous standard of living.' (#6)

LEADING ECONOMISTS AND INTERNATIONAL DEVELOPMENT EXPERTS

Global hunger is preventable

Many international organisations and leading development experts concur strongly with the Pope's views. In *Ending Hunger in our Lifetime: Food Security and Globalization*, C. Ford Runge et al. insisted that 'far too little is being done to reach' the goal of the 1996 World Food Summit to halve the number of people – then at 800 million – in acute hunger (from the base period of 1990-92 to 2015).²⁶ 'We have maintained that ending global hunger is possible in our lifetimes.'²⁷ They quoted the specialist on famines and Nobel Prize winner, Amartya Sen:

The contemporary age is not short of terrible and nasty happenings, but the persistence of extensive hunger in a world of unprecedented prosperity is surely one of the worst... What makes this widespread hunger even more of a tragedy is the way we have come to accept and tolerate it as an integral part of the modern world, as if it is essentially unpreventable.²⁸

As for famines, Sen in *Freedom as Development* insisted that they are 'so easy to prevent that it is amazing that they are allowed to occur at all.'²⁹

In 1995 the eminent development economist, Paul Streeten, wrote in *Thinking about Development*: 'It has been estimated that 2 per cent of the world's grain output would be sufficient to eliminate malnutrition...'

The problem is not only one of production, but also of distribution: it is not primarily physical food shortages, but social and political arrangements at the international level that are responsible for the unprecedented amount of hunger and malnutrition. It is the fact that hunger today is unnecessary that makes its continued existence so shocking. The productive capacity of the world is now capable of feeding all the mouths in existence, yet it fails to do so.³⁰

Extent of hunger and poverty

The precise extent of hunger and poverty is difficult to determine since statistics for many countries are unreliable. Even the definition of hunger, malnutrition and other categories is complex. In *The State of Food Insecurity in the World 2004*, the FAO judged that the number of hungry people in the developing world had risen to 815 million, with hunger and malnutrition claiming the lives of five million children every year. It estimated that the consequent direct economic costs at around \$30 billion, and \$500-\$1000 billion in lost income and productivity over a lifetime.³¹

The FAO gives the number of 'chronically undernourished' people as 777 million. More than 2 billion people suffer from micronutrient deficiency.

- Anaemia afflicts 2 billion people, 39% being children under five.
- Iodine deficiency affects 740 million people, resulting in severe brain damage for more than 60 million people, miscarriages and maternal deaths.
- Vitamin A deficiency affects 100-140 million children, leaving up to 500,000 each year partially or completely blind.
- Stunting involves 177 million children.
- Up to 50% of babies in the most impoverished countries suffer low birth weight.³²

Yet in 1995 Streeten wrote: 'Immunization for life against the six leading child-killing diseases in poor countries can be achieved by spending 50 cents per child. In spite of this, these diseases kill 10,000 children a day.' And though responsible for 'half the world's illness', they received only three percent of medical research funds.³³ Streeten considered that 'ultimately, the problem of eradicating hunger is a political problem rather than a nutritional or economic one.'³⁴

Eliminating Poverty, 2000 (Numbers of people in millions)

Region	Under \$1/ day	Nos. under-nourished	Children not in school	Under age 5 deaths / year	Lack better water	Inadequate sanitation
Sub-Saharan Africa	323	185	44	5	273	299
Arab States	8	34	7	1	42	51
East Asia/ Pacific	261	212	14	1	453	1,004
South Asia	432	312	32	4	225	944
Latin Am/ Caribbean	56	53	2	0	72	121
E.Europe/CIS	21	33	3	0	29	-
World	1,100	831	104	11	1,197	2,742

1998-2000. Source: Human Development Report 2004

Despite Malthusian predictions of widespread famines for the 1970s, the world kept expanding its food supply to greater numbers of people. Estimates of future world population growth have been revised downwards significantly in the last few decades. World population is likely to rise to 8.9 billion by 2050 from the current 6.4 billion, and peak in 2300 at 9 billion.³⁵ Agricultural experts are cautiously confident that these people can be fed at improved levels of nutrition, as long as countries make the sustained effort and investments. However, the FAO considered that extra 'investments of US\$24 billion annually will be needed' to halve the number of hungry people by 2015.³⁶

The call for social justice

Development thinkers have increasingly emphasised the need to bring social equity and justice into the heart of economic planning. The new consensus is reflected in Michael Todaro's standard text, *Economic Development*, now in its eighth edition.³⁷ The writing of some development thinkers reads curiously like that of papal social documents.

The Australian-born president of the World Bank, James Wolfensohn, warned after the attacks of September 11 2001 that the response to terrorism must not detract from the even more significant struggle against poverty and hunger, and must promote inclusion, participation and social justice.³⁸ At an inter-faith conference in 2004, Wolfensohn continued to reiterate his plea for greater equity, justice and morality: '[T]he wealthy countries have an obligation which transcends economics and which deals with the essence of humanity and what is right.'³⁹

To help mobilise global efforts to reduce poverty and hunger, the United Nations Organisation has drawn on the expertise of leading development experts, including Michael Todaro, Joseph Stiglitz, Amartya Sen, Jeffrey D. Sachs and James Wolfensohn.

THE PROMISE OF THE UN MILLENNIUM GOALS

The World Bank, IMF and 189 nations have adopted the 2000 UN Millennium Declaration committing them to halve the number of people in hunger and in the most acute poverty (living on less than \$1 a day)⁴⁰ by 2015. More than 1 billion people are estimated to live on less than \$1 a day, with another 2.7 billion living on less than \$2 a day. The subsequent Millennium Development Goals set clear benchmarks⁴¹ that appeared achievable with determined effort by both developing countries and the developed world. The Millennium Goals linked the contribution of the developed countries to the performance of the developing countries themselves in implementing the Goals.

According to the *Human Development Report 2003*, 'today the world has an unprecedented opportunity to deliver on the commitment to eradicating poverty. For the first time there is genuine consensus among rich and poor countries that poverty is the world's problem... many of the solutions to hunger, disease, poverty and lack of education are well known.'⁴²

The hopes of development economists rested on the belief that we had the knowledge and resources sharply to reduce if not eliminate hunger and the worst forms of poverty throughout the entire world. As Sachs wrote in February 2002: 'For the first time in human history, the world is within striking distance of ending global poverty... If the world – especially the US and other rich countries – shift a small amount of their military spending to meeting the needs of the world's poorest people, our generation could free humanity from poverty's iron grip'. He was referring to that 'gut-wrenching, life-threatening poverty of living on less' than \$1 a day.⁴³

The results of the past 30 years of development effort have been mixed. Yet it is important to acknowledge the achievements in many developing countries. Painting too dark a picture would not only be unjust, it might undermine the political will to learn from past mistakes and maintain the effort rapidly to eradicate hunger and the worst poverty. Though there have been tragic setbacks, some astonishing results have been achieved, especially in East Asia, South-East Asia, and parts of Latin America and the Middle East.

Achievements

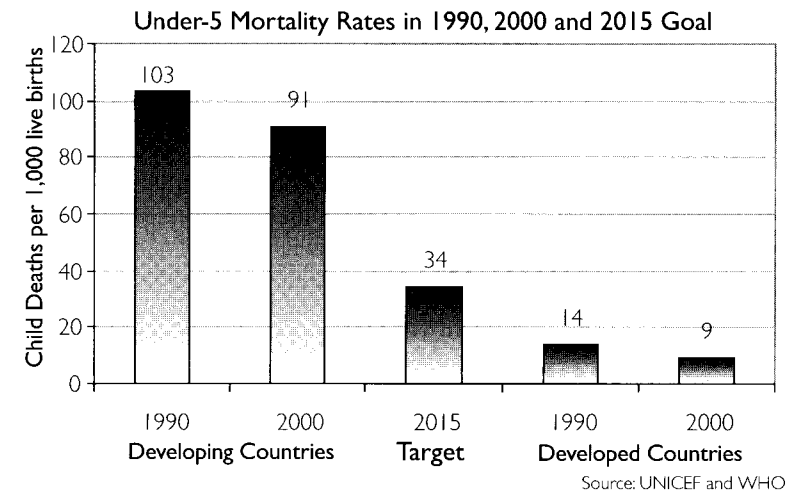
- Smallpox was eradicated by 1977, polio was eliminated in 110 countries by 2000, and in about 70 countries, 80% of children had been immunised against major childhood diseases by 1990.
- Child deaths from diarrhoea were reduced by half by the 1990s, and infant mortality was reduced below 120 per 1000 live births by 2000 in all but 12 developing countries. In 63 countries child mortality was reduced by at least one-third during the 1990s, and in more than 100 countries by 20%.
- Hunger and malnutrition dropped 17% between 1980 and 2000,

except for sub-Saharan Africa where the number increased by 27 million in the 1990s. The number of people with access to safe drinking water increased by 4.1 billion to 5 billion.

- In East Asia, the number of people living on less than \$1 a day halved in the 1990s, and China has lifted 150 million people out of the most severe poverty.

The overall result is that by 2000 life expectancy increased to 60 years in 124 out of 173 countries.⁴⁴ As Sachs wrote, 'Large parts of the so-called developing world, especially in Asia, have made incredible strides away from absolute poverty'.⁴⁵

Given the right circumstances, experience has shown that aid can indeed work wonders. Even some comparatively modestly funded campaigns have produced results out of all proportion with their costs. For instance, the celebrated Australian immunologist, Sir Gustav Nossal, has played a key role with the World Health Organisation in developing programs to immunise millions of children in developing countries against basic diseases. Sir Gus was able to secure funding from the Melinda and Bill Gates Foundation, and is chair of the expert advisers to the Gates Child Vaccine Program, which now has a capital fund of \$2 billion. The Global Alliance for Vaccines and Immunisation was launched in 2000 and has focused its efforts on immunising children in the poorest countries. So far about a third of the 30 percent of children needing the standard childhood vaccines in these countries have been immunised.⁴⁶ More can readily be done if the richer countries help with funding, saving many thousands of lives.



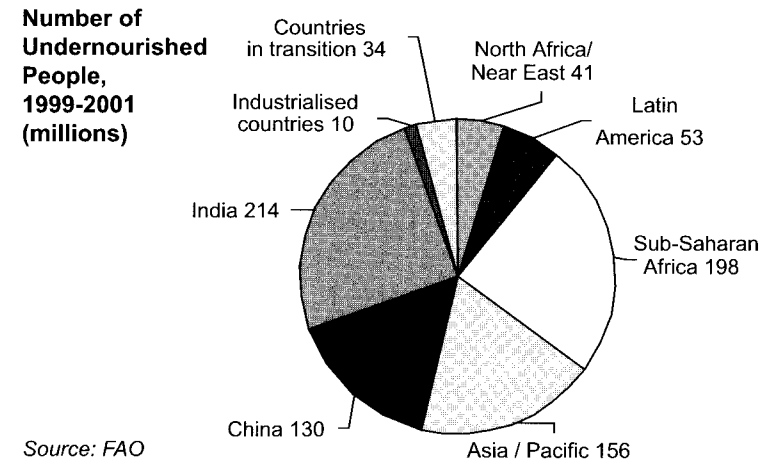
Urgent challenges

Nevertheless, the task ahead demands more concerted effort by the world

community, since for many countries 'the 1990s were a decade of despair'. By 2000, people in 46 countries were poorer than in 1990.⁴⁷ According to the *Human Development Report 2003*:

- Excluding China, there are 28 million more extremely poor people, though the proportion fell from 30% to 23% of the world population.
- In 21 countries, a larger proportion of people is hungry, and in 14 countries more children are dying under age five.
- In 34 countries, life expectancy has fallen. 'Such reversals in survival were previously rare'.
- On present trends, sub-Saharan Africa will not reach its goals for poverty reduction until 2147, and for child mortality until 2165.
- More than 10 million children die of preventable diseases each year, 30,000 a day.
- More than 500,000 women die in pregnancy and childbirth each year, with such deaths 100 times more likely in sub-Saharan Africa than in OECD countries.
- Of the world's 42 million people with HIV/AIDS, 39 million are in developing countries.
- Tuberculosis kills two million people a year; malaria, one million and increasing.
- Some 115 million children do not attend primary school, including 43% of children in sub-Saharan Africa.
- One in six adults, 876 million, are illiterate still, two-thirds of them women.
- In the 1990s, only 30 of the 155 developing and transition countries achieved per capita income growth of more than 3% a year.
- In 1997, average public health spending was only \$6 per capita in the least developed countries, and \$13 in other developing countries, compared with \$1325 in high-income countries.
- More than 1 billion people lack access to safe drinking water, and 2.4 billion lack safe sanitation.⁴⁸

The *Human Development Report 2003* highlighted 59 countries in crisis: poverty rates had increased in 37 out of 67 countries with data; and in 19 countries, more than one in four people are hungry.⁴⁹ Sachs wrote that some developing countries had good economic policies, followed the directions of the World Bank and IMF, and were well governed, but still fell into the debt trap.⁵⁰



Source: FAO

The Millennium Goals made clear that the primary responsibility for economic progress rests on developing countries themselves, and especially highlighted these priorities:

- Invest early in basic education and health, while fostering gender equity.
- Increase the productivity of small farmers – who include most of the world's poorest people.
- Improve basic infrastructure – roads, power communications.
 - Develop an industrial policy to diversify economies away from relying on primary commodity exports.
 - Promote democratic governance, human rights and social justice.
 - Sustain the environment.⁵¹

MILLENNIUM GOALS IN PERIL

According to Sachs, however, better governance in developing countries alone was not enough. Even with excellent governance, these countries were in a poverty trap and there was no escape without substantial aid from richer countries. Just to meet their health goals, the poorest countries would need \$27 billion in aid each year from 2007, more than four times the \$6 billion in aid of 2002. Yet such increased funding would amount only to one-thousandth of the annual income of the richer countries.⁵²

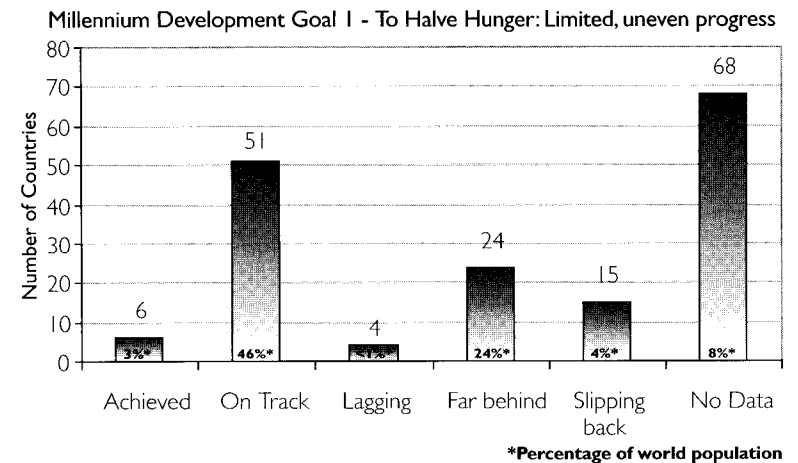
To achieve the Millennium Goals, increased aid from the rich countries is critical. Low-income countries have stagnated for a decade partly because primary commodity prices dropped in the 1990s, and economic aid fell, by nearly a third on a per capita basis in sub-Saharan Africa.⁵³

The UN *Human Development Report 2003* urged rich countries to:

- increase aid by at least \$50 billion;
- remove tariffs and quotas on developing countries' exports in agricultural products, textiles and clothing;
- eliminate subsidies on their agricultural exports; and
- remit further debts of the HIPC countries.⁵⁴

Sachs wrote in 2002 that many studies had shown 'that for a modest amount of money worldwide, perhaps an extra \$50-\$100 billion per year in aid from rich countries, the Millennium Development Goals can be achieved. That may seem like a lot of money, but not in comparison with the \$25 trillion in income each year earned by rich countries'.⁵⁵

Yet at the World Food Summit in June 2002, Sachs lamented the 'shocking' collapse of official development assistance.⁵⁶ In July 2002 he reiterated that 'Millions of people are dying unnecessary, premature deaths for failure to provide even the most basic preventive and curative measures... In poor countries just as in rich ones, throwing away so many lives is not only morally intolerable but economically a disastrous waste and a huge barrier to sustained economic development'.⁵⁷



Kofi Annan issued a dire warning to the UN General Assembly in August 2004 that the Millennium Goals were in peril because many richer countries had failed to contribute adequate funds: 'the window of opportunity is rapidly narrowing and the political will remains largely absent.'⁵⁸ Though regions in East Asia and Northern Africa were meeting their poverty reduction targets, the poorest countries in sub-Saharan Africa, Latin America and the Caribbean were falling well short, while poverty in Western Asia had increased.⁵⁹ Even if the poorer countries fulfilled all their obligations, Annan lamented, little could be achieved without the richer countries contributing more debt relief and aid, trading opportunities, and technology transfers.⁶⁰

In December 2004 Britain's Chancellor Gordon Brown warned that 'what began as the greatest bond between rich and poor for our times is at risk of ending as the greatest betrayal of the poor by the rich of all time'. He insisted that the West had a moral duty to aid the poorer countries since it had the resources: 'as many as half of all malaria deaths can be prevented if people have access to diagnosis and drugs that cost no more than twelve cents'.

Brown quoted US Secretary of State, Colin Powell:

What poverty does is breed frustration and resentment which ideological entrepreneurs can turn into support for terrorism in countries that lack the political rights, the institutions, necessary to guard the society from terrorists. Countries that are lacking basic freedoms. So we can't win the war on terrorism unless we get at the roots of poverty, which are social and political as well as economic in nature.

Brown instanced how the Jubilee debt campaign had produced solid benefits. Because of debt relief four million more children in Uganda were attending school; Tanzania had built 31,000 new classrooms and recruited 18,000 new teachers; and Mozambique had seen half a million children vaccinated. He praised the Global Alliance for Vaccines and Immunisation

that in five years had vaccinated 50 million children. 'So in one fund... we can glimpse the possibilities open to us if we act together.' He rejected the view that trade alone was enough, since the least developed countries needed aid to build the infrastructure for trade.⁶¹

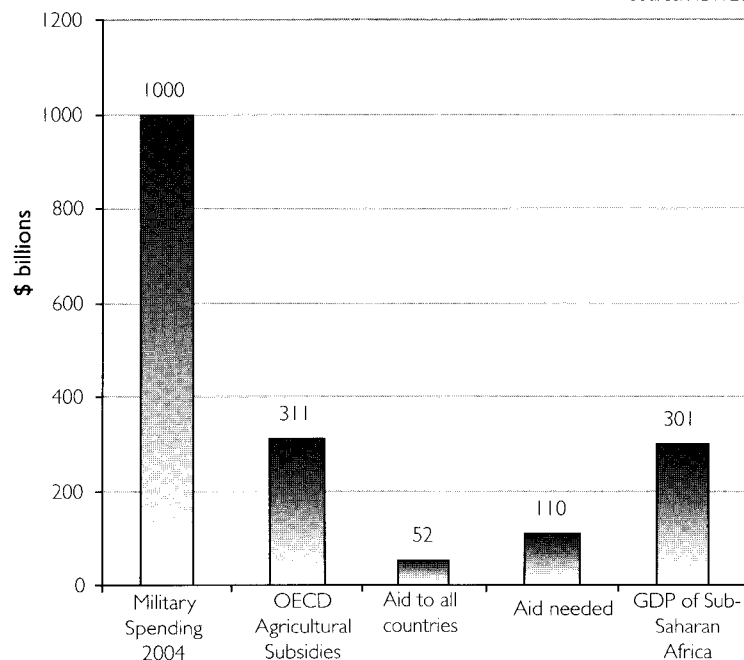
Soaring military spending diverting resources

However, the US invasion of Iraq has damaged the consensus that the eradication of global poverty was the most urgent priority for the entire human community. Immense sums of money are being consumed by military spending, instead of funding urgent economic development. Though the numbers of people killed in the Iraq war may be relatively small by modern standards, very many more, there and elsewhere, perhaps millions, will die because of the resources that have been diverted from the assault on poverty.

The United States spent \$420 billion on arms and defence in 2004, 31 times more than it pledged to economic aid and development. Even this figure must be augmented by spending on the conflicts in Iraq and Afghanistan of at least another \$80 billion. Global military spending in 2004 was expected to exceed \$1,000 billion, compared with official development assistance of \$50 -60 billion.⁶²

Aid dwarfed by military spending and agricultural subsidies, 2001

Source: HDR 2003



Support for aid weakening

Despite the critical need for aid to reduce hunger and poverty through the Millennium Goals campaign, political support for aid in developed countries has weakened, especially because of reports of waste and corruption in some developing countries.

Hence the view has spread that 'Trade, not Aid' is the way ahead for poorer countries. Sachs agrees that this was true for most countries, but 'grossly inadequate for about one-fifth of the world... that aren't going to naturally make it on their own.'⁶³ He wrote in *The Economist* in May 2004:

On anybody's list – the World Bank, Freedom House, Transparency International – a growing and significant number of African countries has the quality of leadership and governance to achieve economic development and to fight terrorism. But these countries lack the means... They lack the roads, electricity, health care and teachers needed to break out of poverty. Without this basic infrastructure, these countries cannot reliably feed themselves, much less attract investors for long-term growth.⁶⁴

For these nations it is not a matter of trade *or* aid, but of how trade *and* aid are both essential to poverty reduction. Yes, trade is more important overall and in the long run. But the most impoverished countries lack the resources to develop trade. As the economics commentator, Tim Colebatch, wrote in *The Age*: 'The idea that there is some conflict between trade and aid is utterly phoney', since 'foreign aid builds the capacity of those it assists'. He pointed out improvements in economic growth in parts of Africa. 'Good aid works. Developing countries need aid, and trade, and investment, and the flow-on of Western knowledge, in their efforts to leave poverty behind.' With more aid, access to markets and sound financial investments, 'we could be the first generation to abolish global poverty, and the wars and suffering it breeds.'⁶⁵

The extremely good news is that whereas eradicating the severest poverty would once have imposed considerable sacrifices on richer countries, today the burden would be immensely lighter. According to Thomas Pogge:

Fifty years ago, the eradication of severe poverty worldwide would have required a major shift in the global income distribution, imposing substantial opportunity costs upon the advanced industrialized societies. Today, the required shift would be small and the opportunity cost for the developed countries barely noticeable.⁶⁶

'Shifting merely 1 percent of aggregate global income - \$312 billion annually' from the richer to the poorer countries 'would eradicate severe poverty worldwide.'⁶⁷

Still, the current amount of development aid is grossly inefficient. Total global aid to developing countries dropped from \$57.6 billion in 1990 to \$54 billion in 2001, representing 0.33% of donor country gross national income and 0.22% respectively.⁶⁸

At the Monterey International Conference on Financing for Development in March 2002, richer countries promised an extra \$16 billion a year in aid by 2006, but even this would raise the total development assistance to just 0.26% of the GNP of the OECD countries, well below the 0.7% target. At least \$100 billion a year is needed, double the current level. The US pledged to double its aid to \$15 billion a year by 2006, and the European Union to increase it to \$11 billion, or 0.39% of GNP. Australia agreed merely to a 3% real increase in 2002-2003.⁶⁹ While most other nations significantly increased their aid, Australia and Japan did not.⁷⁰

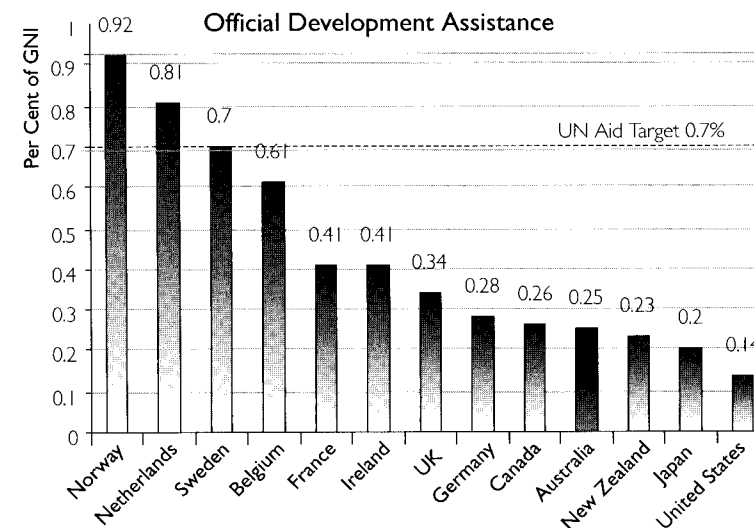
In August 2004 Kofi Annan reported that total world official development assistance had increased 7 per cent from 2001 to 2002, and 3.9 per cent (\$2.3 billion) in real terms from 2002 to 2003. Total ODA in 2003 reached \$68.5 billion (including \$2 billion reconstruction aid to Iraq), the highest level ever, but still only representing 0.25 per cent of donor countries' total GNP.⁷¹

However, as Todaro wrote, 'Most bilateral aid seems unrelated to development priorities, being based largely on political and military considerations and the unpredictable whims and ad hoc judgments of donor decision makers'.⁷²

Australian aid

Despite the emergency in Pacific Island states, Australia's aid remained surprisingly modest. Even before the terrorist attacks of 2001, much Australian aid was geared to its national interest, promoting trade, supporting Australian industry and maintaining security. For some years, the Australian government had given insufficient attention to the development problems of the Pacific region, until it realised that failed states could be used by terrorist groups. The Solomons had gone to the brink of collapse, and closer at hand, Papua New Guinea was heading down the same road. Hence Australian aid increased somewhat to meet the new security threat and to try to bolster institutions of governance and state authority.

In a recent review of Australia's aid, the OECD warned that law and order issues could drive Australia's aid policies, instead of a focus on reducing poverty, expanding capacity, and strengthening local participation and ownership.⁷³



Source: Australian Aid Budget 2004/2005

The Commonwealth Government's budget for 2004-2005 increased the Official Development Assistance (ODA) by A\$239 million, to A\$1.894 billion, a real increase of nearly 10 per cent, particularly focusing on governance, law and justice, and the threat from HIV/AIDS. In previous years, the ODA included money budgeted in government departments other than AusAID, and also included costs of maintaining offshore asylum seekers and support for refugees in Australia, as well as some Defence Cooperation activities, thereby considerably distorting the picture.

Australia's ODA as a percentage of gross national income in the last five budgets was the lowest of the previous 35 years, at 0.25-0.26% of GNI. Yet between 1971 and 1985, Australian aid varied from 0.40% to 0.50% of GDP, almost double the current percentage. Allowing for inflation, Australian aid is only now returning to the absolute amount of 30 years ago. Aid to Africa remained conspicuously low, at less than A\$70 million.⁷⁴ Considering that it had enjoyed 13 continuous years of economic expansion, Australia has proven astonishingly unsupportive of the Millennium Goals.

The generous Australian aid to Indonesia after the tsunami has lifted our overseas aid by about 10-15%. As a proportion of GNI, this means an increase from 0.26% to between 0.28 and 0.30%.⁷⁵ While there is still a substantial increase required to meet the agreed 0.7% target, the good will of the Australian government in responding to the plight of the tsunami victims provides a strong indication of our country's capability. The humanitarian aid, particularly to Indonesia, has fostered the common good and enhanced relationships in and between both countries – and with no negative impact on the Australian economy.

The debt trap and HIPC

The growing foreign debt of many low-income countries plunged them into financial crises and diverted resources from urgent social programs. For example, in early 2004, Indonesia was spending over *five times* as much on servicing debt as on health and education combined.⁷⁶

The causes of the debt crisis are complex, but the blame for the plight of many impoverished developing countries should not be laid exclusively at their feet. As John Isbister wrote in *Promises not kept: Poverty and the Betrayal of Third World Development*, 'Both the borrowers and the lenders conspired to make some of the worst loans in the history of international finance.'⁷⁷ Michael Todaro wrote:

Although many developing countries can be held at least partly responsible for the massive accumulation of debt, the adverse economic conditions they face are often beyond their control. In fact, this adverse economic climate was in part precipitated by the industrialized countries' own economic stabilization policies, which led to soaring interest rates, worldwide economic recession, and the resulting decrease in demand for developing-country exports.

The commercial banks had been able to escape from their over-exposure to outstanding Third World loans which 'dropped from \$67 billion in 1987 to \$19 billion in 1992', but the welfare of people in poorer countries has been sacrificed to pay these debts at a great human cost.⁷⁸

The Heavily Indebted Poor Country Initiative (HIPC) was launched in 1996 by the United Nations, the International Monetary Fund and the World Bank, and endorsed by 180 countries, to relieve the 38 poorest countries – 32 in sub-Saharan Africa – of unpayable debts and promote reform and poverty reduction. A country qualified for debt relief after it demonstrated adherence to an IMF program and developed an acceptable poverty reduction strategy.

Kofi Annan reported in August 2004 that 13 countries had reached the 'decision point', meaning they had adequate macroeconomic policies, a firm legal system, accountable financial systems and acceptable standards of governance, and hence became eligible to benefit from some debt relief. Some 14 countries had reached 'completion point', meaning they had demonstrated that sufficient policies and processes were in place to benefit from debt reduction. At 'completion point', a country was entitled to 90% debt relief to reduce debt to a sustainable level. Hence debt relief became permanent for Benin, Bolivia, Burkina Faso, Cameroon, Chad, Ethiopia, Ghana, Guyana, Mali, Mauritania, Mozambique, Niger, Senegal, Tanzania and Uganda.⁷⁹ By March 2004, debt relief would amount to \$52 billion over time.⁸⁰ Effectively their debt would be cut by two-thirds, on condition these countries redirect their debt repayments into poverty reduction, health and education.

However, debt relief has been far too little and too slow. As Oxfam argued: 'Cancelling the debts of the 32 poorest countries would also be small change for the rich nations. The cost to the richest countries would amount to \$1.8

billion each year over the next ten years – or on average a mere \$2.10 for each of their citizens each year.'⁸¹

Obstacles to trade exclude poorest countries

Trade protectionism by developed countries does immense damage to poorer countries, according to Todaro. 'The United Nations recently estimated that the resulting cost to developing countries may exceed \$100 billion per year. In comparison, the scope of foreign aid has been likened to a small bandage on a large wound inflicted by protectionism.'⁸²

Recent OECD agricultural subsidies totalled \$311 billion a year, nearly six times more than the total global official development assistance, and undermining producers in developing countries. Simply 'removing agricultural subsidies for 16 commodities would generate annual global benefits of \$32.4 billion in 2025... The biggest overall regional gains would be by sub-Saharan Africa, at \$4.6 billion, or 10.5 percent of the value of agricultural production.'⁸³

Blair sounds the alarm

Alarmed at the critical global situation, the British Prime Minister, Tony Blair, pledged to throw Britain's weight into the effort to meet the Millennium Goals. The UK has written off debts owed it through the World Bank and the African Development Bank not just by HIPC countries, but by all-low income countries, on condition they use the debt relief for poverty reduction. The UK holds about 10 percent of the debt owed to development banks. UK Chancellor Gordon Brown is current Chair of the IMF and has been pushing that the debt payments owed the IMF be funded through more efficient use of the IMF gold reserves.⁸⁴ Blair announced that Britain will raise the level of its ODA from 0.4 per cent to 0.7 per cent within a few years.⁸⁵

Dealing with corruption

Corruption in many developing countries often seemed an insurmountable problem, especially during the Cold War years – when the rival power-blocs in effect bought off local warlords or rulers, and turned a blind eye to the spoliation of so-called aid funds. One author estimated that up to a third of the money lent by the World Bank over six decades was stolen.⁸⁶ Since then, international organisations and donor governments have increasingly insisted corrupt practices end. This has been a critical requirement for debt relief and for achieving the Millennium targets.

Despite promising beginnings in many countries after independence, their development efforts ran into difficulties from many causes, including ethnic conflict, war, declining terms of trade and particularly from the lack of strong institutions of governance. Not unique were the cases of President Abacha of Nigeria who is thought to have stolen about \$10 billion, and his successor, General Abubakar, who ended his term with \$4 billion in his pocket.⁸⁷

The story of third world corruption does not stop with kleptomaniac rulers or governments, but extends into the more mundane examples of the western banking system and into western governments themselves. The pilfering of loans to developing countries would not have been possible without the collusion of western governments, agencies and banks, many of which made extraordinary profits from handling this wholesale plunder and capital flight.

People in developing countries have a right to know that their governments have thorough anti-corruption measures in place. This means that citizens can see that their governments are open and transparent in the use of aid. Equally, donor countries have a duty to their own citizens, to demonstrate the effectiveness of their aid programs.

Although there are challenges to be met there is much good news which can assure the community of the integrity of distribution of aid. Australian NGOs who are signatories to the ACFID Code of Conduct commit themselves to transparency and accountability for the funds given them by the public, as well as to the communities they seek to serve.

Aware that controlling corruption was essential to achieving the Millennium Goals, the UN General Assembly in 2000 insisted that all countries must develop policies and institutions to do so. The problem was that in many countries state structures had been so degraded, how would they implement their pledges to strive for their seven development goals unless development efforts included rebuilding the institutional framework?⁹⁰ 'In practice, development assistance took almost every conceivable form.'⁹¹

The challenge for the UN Millennium program is to lift the living standards of impoverished people while curtailing corruption. To establish new international mechanisms of accountability, the UN Convention against Corruption was completed in 2003 and by November 2004 had been signed by 113 countries. It is to be ratified in early 2006.⁹² The Convention against Corruption set requirements for disclosure and transparency, demanded accountability of public servants and established disciplinary measures. It also aimed to foster cooperation among countries to investigate and prosecute offenders. The Convention highlighted the need to recover lost assets and return the national wealth of whole countries.⁹³

SOCIAL JUSTICE VERSUS THE NEOLIBERAL ECONOMIC APPROACH

Todaro is extremely critical of neoliberal ideology in development policy that pushes uncritically for privatisation of industry, financial liberalisation and free trade. He blames excesses in such policies by the IMF and World Bank for much of the recent damage done in developing countries. Instead he argues that what is absolutely essential is sustained commitment by a politically stable government, able to draw together government and private firms in the national interest. 'It requires an unusual ability and a great deal of political courage to challenge powerful elites and vested interest groups...'⁹²

It is not sufficient to claim, as many neoliberal economists do, that privatisation can lead to higher profits, greater output, or even lower costs. The key issue is whether such privatisation better serves the long-run development interests of a nation by promoting a more sustainable and equitable pattern of economic and social progress. Despite all the ideological trumpeting by free-marketers on this issue, the evidence so far is less than compelling.⁹³

Todaro insists that economic planning must consider issues of social equity, and disagrees with much of the neoclassical economic theory that claims highly unequal distribution of wealth is necessary for development. He judged that there was no evidence of any automatic 'trickle down' of the benefits of economic growth to the very poor. On the contrary, the growth process experienced by a group of 43 less developed countries has typically led to a 'trickle up' in favour of the small middle class and especially the very rich.⁹⁴

Market 'fundamentalism'

One of the strongest critics of the international financial system has been Columbia University's Joseph Stiglitz, author in 2002 of *Globalization and its Discontents*. A former senior vice-president and chief economist at the World Bank, chairman of President Clinton's Council of Economic Advisers (1997-2000) and Nobel Prize Laureate in Economics in 2001, Stiglitz wrote as an insider in the top echelons of international finance, and severely criticised the International Monetary Fund, the US Treasury, and the underlying ideology of market fundamentalism.

In his view, the IMF had failed to stabilise the global financial system, and in fact made things worse. Instead of money being channelled to the countries that need investment most, capital poured into the United States to finance an unprecedented borrowing spree. In the early 1990s, \$300 billion went to developing countries, but most of it to China, and very little to the poorest. Little was spent on meeting basic needs, healthcare or education. 'Worse still, much of the money was speculative – hot money' which sped off rapidly leaving the developing countries worse off.⁹⁵

Stiglitz blamed the IMF and US Treasury for insisting on capital market

liberalisation that made developing countries extremely vulnerable to volatile interest and exchange rates. Countries cut their social spending severely to meet their debt repayments, 'but often to no avail. Eventually, they are forced into default.' The problems of Latin America resulted from sharp increases in US interest rates, 'yet Latin American states were left to bear the costs.'⁹⁶ He charged that 'the IMF was so busy preaching the wonders of the market and espousing its version of market fundamentalism – in which markets are intended to solve almost all problems', that it ignored Keynesian demand management and plunged many countries into crisis, including East Asia and Argentina.⁹⁷ Stiglitz argued that an international bankruptcy regime for sovereign debt (of a government) needed to be established independently of the IMF which is controlled by the major creditor countries, particularly the United States, and represents their interests.⁹⁸

The 'Washington Consensus'

Stiglitz attacked the 'ideology of the right, as represented by the Washington Consensus of neo-liberal, market fundamentalism'. The countries that had done best with development defied the policies of the Washington Consensus. China, India, Malaysia and East Asia retained control over capital markets. He advocated a more balanced approach, recognising the complementary role of markets and governments. 'It was after all, too little regulation – the capital and financial market liberalization foisted on East Asia by the IMF and US Treasury – that led to financial crisis in 1997. The question should not have been about how to deregulate quickly, but about how to develop the right regulatory framework.'

Moreover, he wrote: 'Equality matters – and should be an explicit policy goal... Long-term growth in East Asia has demonstrated that egalitarian policies aid growth. Indonesia exposed the danger of ignoring these concerns.'⁹⁹ 'Principles of democracy, social justice, social solidarity, and the rule of law need to be extended beyond national boundaries.'¹⁰⁰

According to William A. Masters, visiting professor at Columbia University, the 'brazen hypocrisy' of the richer countries was hard to ignore. 'The "Washington Consensus" promoting trade, not aid, was widely adopted by African governments in the 1980s and 1990s because they had no choice. But in Washington and in other rich-country capitals, there was still plenty of money with which to defend currencies, rescue companies, and subsidize commodities.'¹⁰¹

'Increased international trade *can* be beneficial to the poor. *But it is not automatically so*' [italics in original], insisted William Finnegan in *Harper's Magazine*. 'One hears a great deal of piety from the Bush Administration about raising global standards of living' but our 'leaders' passion for "free trade" is driven not by altruism but by a desire to open new markets for U.S. firms and products.'¹⁰² Finnegan argued that only if US policies are seen to be fair and helping developing countries will the US overcome the 'depths of hatred' it has inspired in some parts of the world.¹⁰³

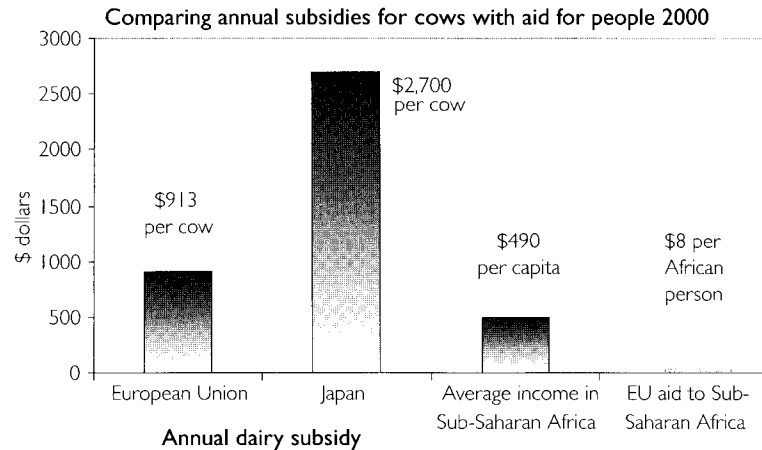
The failure at Cancún

International pressure was increasing in the lead-up to the World Trade Organisation negotiations¹⁰⁴ at Cancún in Mexico in September 2003 for the USA and EU to remove their gigantic agricultural subsidies. World Bank president, James Wolfensohn, accused wealthy countries of squandering \$1 billion a day on subsidies that had a devastating effect on farmers in Africa and Latin America. Nicholas Stern, chief economist of the World Bank, charged: 'It is hypocrisy to encourage poor countries to open their markets while imposing protectionist measures that cater to powerful special interests.'¹⁰⁵

Stiglitz warned in September 2003: 'The rich countries appear likely to once again use their economic muscle to get what they want, at the expense of the poor.' He said the previous Uruguay round of trade negotiations had left the poorest part of the world, sub-Saharan Africa, 'actually worse off'. 'These trade negotiations demonstrate... the power of special interests, often driven by campaign contributions, in determining political outcomes. The problem is that in this case, it is the poorest people in the world – the billions living on less than \$2 a day – who are asked to pay the price.'¹⁰⁶ 'The rich countries had subsidised their farmers to the extent of \$330 billion a year, 70 percent of which went to large corporations.'

The World Bank estimated that a successful Doha trade round could have raised global income by more than \$500 billion a year by 2015, with 60% of the gain accruing to poorer countries and helping to pull 144 million people out of poverty. According to the *Economist*, particularly symbolic was the refusal by the USA to lower its more than \$3 billion a year subsidy to 25,000 cotton growers for a crop worth only \$3 billion, depressing world prices and ruining the livelihoods of farmers in the West African countries of Benin, Burkina Faso, Chad and Mali. Worse, the draft text at Cancún suggested West African farmers diversify out of cotton.¹⁰⁷

In December 2004, the WTO ruled that the US cotton subsidies of \$2.7 billion a year violated the rules of the WTO. However, to reduce a massive budget deficit, President Bush has proposed to reduce farm subsidies next year by 5%, and by \$5.7 billion over ten years, though the US Congress may block these cuts.¹⁰⁸



Source: HDR

Since the failure of the Cancún conference, Australia has signed bilateral trade deals with the United States and a number of other countries, and has been in negotiations with China. Such bilateral agreements will not only be a much inferior result to a global trade deal, they will also leave the poorest countries further disadvantaged.

Kevin Watkins, head of research for the British aid agency Oxfam, wrote that the WTO is needed to establish rules favouring equitable development and poverty reduction for all countries. Without such a framework, 'Rich countries would bulldoze poor ones into deeply unequal trade treaties.' However, the USA could operate without the WTO, and 'is busy building a trade empire that projects the realities of its unrivalled power.'⁹⁹

In September 2004 more than 100 countries endorsed the campaign to raise an extra \$50 billion a year to combat world hunger, despite the head of the United States delegate, Agriculture Secretary Anne Veneman, dismissing the proposal, saying that 'Economic growth is the long-term solution to hunger and poverty'. A declaration signed by the 110 nations said: 'The greatest scandal is not that hunger exists but that it persists, even when we have the means to eliminate it.' It proposed a number of options to raise the money, including a global tax on financial transactions, a tax on the sale of heavy arms, an international borrowing facility, and a credit card scheme directing a small percentage of transaction charges to the fund.'¹⁰⁰

Sachs applauded the initiative of Britain's Chancellor Gordon Brown to set up the International Finance Facility whereby donor countries would double their aid during the next decade. If the USA had fulfilled its earlier commitment to give 0.7% of its GNP to aid, it would be giving \$75 billion a year instead of the current \$15 billion. This seemed parsimonious compared with the Bush Administration tax cuts to the richest Americans of \$250 billion a year.'¹⁰¹

True to his word, Gordon Brown proposed to the finance ministers of the Group of 7 (Britain, France, Germany, Italy, Canada, Japan, and USA) meeting in London in early February 2005 that the multilateral debts of the poorest countries be written off, and that international aid be doubled to meet the UN Development Millennium Goals. The G7 countries released a statement agreeing to 'a case-by-case analysis of HIPC countries, based on our willingness to provide as much as 100 percent multilateral debt relief.' Britain wanted \$80 billion of debts remitted, in part by the IMF revaluing its enormous gold holdings. Despite opposition from the United States, Brown hoped that a plan could be adopted at the meeting of the G8 (G7 plus Russia) at Gleneagles, Scotland in July 2005'¹⁰².

In practice, impoverished nations will have to wait for these further negotiations by the G8. Even so, expanded aid would still be subject to the harsh conditions of the IMG and the World Bank, including privatisation, fiscal austerity and trade liberalisation.'¹⁰³

CONCLUSION

Ending or greatly alleviating hunger in the developing world is an issue of such historic moment as to rival the abolition of slavery in significance. Special interests fought strongly to maintain slavery, just as others today fight to preserve their advantages in international trade and finance.

Feeding the hungry and caring for the poor is a central concern to all the great religious traditions. It will be up to the churches and all people of conscience to campaign strongly on this issue, and to embrace this unique opportunity to lift living standards everywhere. Even the World Bank recognises the crucial role of religion in promoting peace and development.¹⁴ Streeten too emphasised the importance of pressure groups and academics, voluntary associations and community groups, including the churches, acting as 'trustees of the poor' and 'guardians of rationality'¹⁵.

The overwhelming Australian response to the Asian tsunami suggests that our people are truly sensitive to issues of hunger, poverty and distress overseas. However, to ensure that the generous response to the tsunami victims is not just an isolated event will require:

- inspired leadership from the Commonwealth Government and informed public figures
- spreading the knowledge that we have the resources relatively quickly to lift millions of people out of hunger and destitution, *and*
- a broader conversation about the Millennium Development Goals and how Australia can help eradicate hunger and poverty, especially in South-East Asia and the Pacific.

What you can do TO MAKE POVERTY HISTORY:

1. **Write** to your local parliamentarian and the Prime Minister to congratulate them on Australia's generous response to the tsunami disaster. Tell them how strongly you support Australia endorsing the Millennium Development Goals to help millions of other people escape destitution. Urge the Prime Minister to demonstrate Australian commitment by personally attending the 'Millennium Summit Plus Five' meeting in New York in September 2005. Especially encourage the government rapidly to double our overseas aid, and to set a timetable for Australia to meet the 0.7 percent of GNI aid target.
2. **Become more informed** through the media, or by surfing web sites, including Caritas or your own favourite aid and development agencies.

Australia once exercised creditable international leadership on questions of development, arms control and global governance. We can do so again. Instead of our current very modest contribution to rolling back hunger

and poverty, Australia can draw on our significant resources in skill and personnel, including in AusAID and the development agencies, to play a leading role, with Britain and within the multilateral framework of the United Nations, to defeat humanity's ancient enemies of hunger and insufferable poverty.

The comments and suggestions of Mr Jack de Groot, National Director of Caritas Australia, were a valuable contribution to this paper.

LINKS

International

Center for Global Development: www.czdev.org
Oxfam UK: www.oxfam.org.uk
UN Development Program: www.undp.org/poverty;
www.undp.org/mdg/
www.developmentgateway.org; www.developmentgoals.org
UN Food and Agriculture Organisation: www.fao.org
US government Millennium Challenge Account: www.mca.gov
World Food Programme: www.wfp.org
World Bank: www.worldbank.org/poverty; www.worldbank.org/hipc

Australian

Australian Council for International Development: www.acfid.asn.au
Australian Government Overseas Aid: www.ausaid.gov.au
Debt Links: www.debtlinks.org
Fair Share Campaign: www.acfid.asn.au/fairshare
Jubilee Debt Remission Campaign: www.jubileeaustralia.org
Micah Challenge Campaign: www.micahchallenge.org.au
Oxfam Community Aid Abroad: www.oxfam.org.au

Catholic sites – International

Caritas Internationalis: www.caritas.org
Catholic Agency for Overseas Development (UK), www.cafod.org.uk
Catholic Bishops' Conference of the United States www.nccbuscc.org
Social Development and World Peace www.usccb.org/sdwp/index.htm.
Catholic Institute of International Relations: www.ciir.org
The Catholic-Labor Network: www.catholiclabor.org
Center of Concern (USA): www.coc.org
Community of Sant'Egidio: www.santegidio.org/en
www.justpeace.org/docu.htm - all major papal and episcopal statements from US etc.
Office for Social Justice, Archdiocese of St Paul and Minneapolis – www.osjspm.org - excellent
The European Justice and Peace Commissions: www.juspax-eu.org
Catholic News Agency (USA): www.catholicnewsagency.com
Pax Christi, www.paxchristi
Pontifical Commission Justice and Peace:
www.vatican.va/roman_curia/pontifical_councils/justpeace

CIDSE Cooperation Internationale pour le Developpement et la Solidarite
– the network of Catholic Development Agencies www.cidse.org

Catholic sites – Australia

Catholic Church Australia: www.catholic.org.au
Australian Catholic Social Justice Council: www.acsjc.org.au
Caritas Australia: www.caritas.org.au
Catholic Earthcare Australia: www.catholicearthoz.net
Catholics in Coalition for Justice and Peace: www.ccjpoz.org
Adelaide Catholic Justice and peace Commission:
www.adelaide.catholic.org.au/Services/Justice_Peace
Catholic Justice and Peace Commission Brisbane:
www.uq.net.au/cjpc
Columban Mission: www.columban.org.au
Edmund Rice Centre: www.erc.org.au
Fraynetwork Justice Issues network: www.frayenwork.com.au/justice
Good Shepherd Social Justice Network:
www.goodshepherd.com.au/justice
Justice Education in Catholic Schools: www.jecs.melb.catholic.edu.au
Leaders of Religious Institutes, Queensland: www.sao.clriq.org.au
Melbourne Catholic Commission for Justice, Development and Peace:
www.melbourne.catholic.org.au/ccjdp
Pax Christi: www.paxchristi.org.au
Presentation Sisters: www.pbvm.org.au/justice
Sisters of St Joseph: www.sosj.org.au
St Vincent de Paul Society: www.vinnies.org.au
Theological Library: www.shc.edu/theolibrary/cst
Uniya, Jesuit Social Justice Centre: www.uniya.org

Endnotes

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