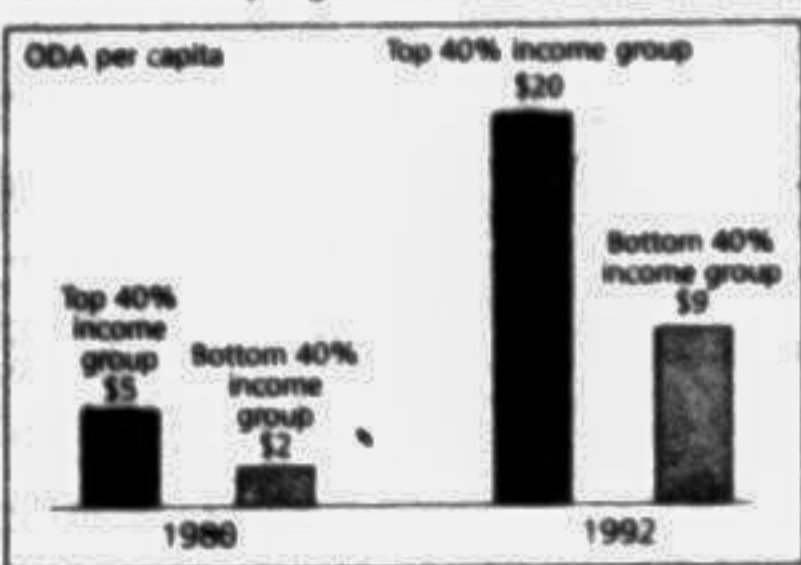


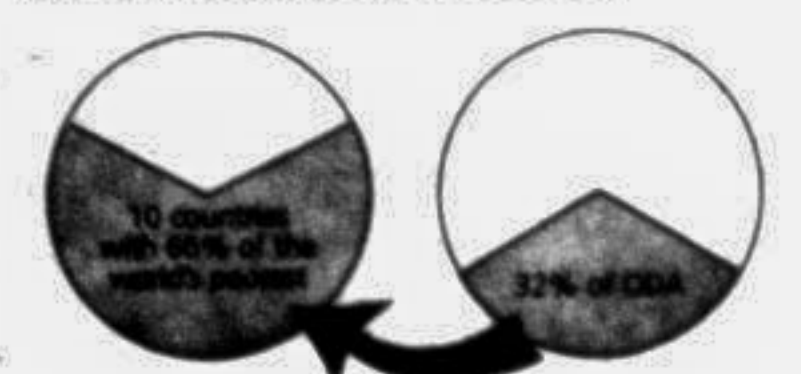
ODA distribution not linked to human development objectives

In the developing world, those with higher incomes receive the most...



The top 40% income group now gets twice the assistance given to the poorest. In 1980, the ratio was 2.5 to one.

and the poorest receive the least.



Two-thirds of the world's 1.3 billion poor live in ten countries that together receive less than a third of ODA.

Poverty Reduction

Poverty is the greatest threat to political stability, social cohesion and the environmental health of the planet. Strategies for poverty reduction will certainly embrace all aspects of national policy. Some key lessons of country-experience:

- Basic social services — The state must help ensure a widespread distribution of basic social services to the poor, particularly basic education and primary health care.
- Agrarian reform — Since a large part of poverty in developing countries is concentrated in the rural areas, poverty reduction strategies often require a more equitable distribution of land and agricultural resources.
- Credit for all — One of the most powerful ways of opening markets to the poor is to ensure more equal access to credit. The criteria of creditworthiness must change, and credit institutions must be decentralized.
- Employment — The best way to extend the benefits of growth to the poor and to involve them in the expansion of output is to rapidly expand productive employment opportunities and to create a framework for ensuring a sustainable livelihood for everyone.
- Participation — Any viable strategy for poverty reduction must be decentralized and participatory. The poor cannot benefit from economic development if they do not even participate in its design.
- A social safety net — Every country needs an adequate social safety net to catch those whom markets exclude.
- Economic growth — The focus of development efforts, in addition to increasing overall productivity, must be to increase the productivity of the poor. This will help ensure that the poor not only benefit from, but also contribute to, economic growth.
- Sustainability — Poverty reduces people's capacity to use resources in a sustainable manner, intensifying pressures on the ecosystem. To ensure sustainability, the content of growth must change — becoming less material-intensive and energy-intensive and more equitable in its distribution.

Employment Creation

Creating sufficient opportunities for productive employment and sustainable livelihoods is one of the most important — and most difficult — tasks in any society. Based on experience, the central elements of an effective national employment strategy are likely to include:

- Education and skills — To compete in fast-changing global economy, every country has to invest heavily in the education, training and skill formation of its people.
- An enabling environment — Most new employment opportunities are likely to be generated by the private sector. But markets cannot work effectively unless governments create an enabling environment — including fair and stable macroeconomic policies, an equitable legal framework, sufficient physical infrastructure and an adequate system of incentives for private investment.
- Access to assets — A more equitable distribution of physical assets (land) and better access to means of production (credit and information) are often essential to ensure sustainable livelihoods.
- Labour-intensive technologies — Developing countries have to be able to make the most efficient use of their factors of production — and to exploit their comparative advantage of abundant labour. Tax and price policies should, where appropriate, try to encourage labour-intensive employment.
- Public works programmes — Where private markets consistently fail to produce sufficient jobs, in certain regions or at certain times of the year, it may be necessary for the state to offer employment through public works programmes to enable people to survive.
- Disadvantaged groups — Where markets tend to discriminate against particular groups, such as women or certain ethnic groups, the state may need to consider targeted interventions or programmes of affirmative action.
- Job-sharing — With the growing phenomenon of "jobless growth", it has become necessary to rethink the concept of work and to consider more innovative and flexible working arrangements — including job-sharing.

Human Security — As People See It

How individuals regard security depends very much on their immediate circumstances. Here are some views of security gathered from around the world, through a special sample survey by UNDP field offices.

Primary school pupil in Kuwait

"I feel secure because I am living with my family and I have friends. However, I did not feel secure during the Iraqi invasion. If a country is at war, how are people supposed to feel secure?"

Woman in Nigeria

"My security is only in the name of the Lord who has made heaven and earth. I feel secure because I am at liberty to worship whom I like, how I like, and also because I can pray for all the people and for peace all over the country."

Fourth-grade schoolgirl in Ghana

"I shall feel secure when I know that I can walk the streets at night without being raped."

Shoe-mender in Thailand

"When we have enough for the children to eat, we are happy and we feel secure."

Man in Namibia

"Robberies make me feel insecure. I sometimes feel as though even my life will be stolen."

Woman in Iran

"I believe that a girl cannot feel secure until she is married and has someone to depend on."

Public administrator in Cameroon

"Security for me means that my job and position are safe and I can continue to provide for the needs of my family and also have something for investment and friends."

Woman in Kyrgyzstan

"Human security indicates faith in tomorrow, not as much having to do with food and clothing, as with stability of the political and economic situation."

Secondary school pupil in Mongolia

"Before, education in this country was totally free, but from this year every student has to pay. Now I do not feel very secure about finishing my studies."

Women in Paraguay

"I feel secure because I feel fulfilled and have confidence in myself. I also feel secure because God is great and watches over me."

Man in Ecuador

"What makes you feel insecure above all is violence and delinquency — as well as insecurity with respect to the police. Basic services are also an important part of security."

The Daily Star

Human Security

June 8, 1994

The 1994 Human Development Report, which is expected to be released today in Asia, the fifth in its annual series, advances a new concept of human security. It also serves as a major source of new development thinking advocacy for change.

The Daily Star, ever since it was founded, has been working for the progress of human development and therefore, is bringing out this special feature using the important items of the Report.

Bangladesh and South Asia in HDR

Star Report

Human priorities in bilateral aid expenditures

Country	1992	1993	1994
Malaysia	213	0.4	30.3
Lesotho	142	13.3	24.4
Uganda	718	22.6	20.9
Namibia	140	6.2	20.1
Burkina Faso	444	16.1	19.6
Bangladesh	1,728	6.6	13.5
Pakistan	1,109	2.3	9.7
India	2,354	0.8	5.2
Indonesia	2,080	1.8	2.9
China	2,945	0.7	2.4

US ODA to selected Strategic Allies and to Poor Nations

Country	GNP per capita (US\$)	US aid per person (US\$)	1991	1990-91
Strategic allies				
Israel	12,110	176		
El Salvador	1,090	28		
Bolivia	650	26		
Egypt	610	63		
Poor countries				
Bangladesh	220	1.7		
Madagascar	210	15.0		
Tanzania	120	2.7		
Mozambique	80	3.6		

World Bank Loans and Democracy (annual average, US\$ millions)

Country	1980-85	1986-93
Philippines	390	532
IBRD	—	22
IDA	—	554
IBRD+IDA	390	554
Share in total IBRD + IDA loans (%)	2.9	2.6
Bangladesh	1989-90	1992-93
IDA	397	213
Share in total IDA loans (%)	8.0	3.2

The World Bank and the Poorest People, 1989/92

Ten developing countries with two-thirds of the world's poor

Country	Total poor people in these countries (millions)	Poor in these countries as a % of total world poor	Bilateral ODA allocation to these countries as a % of total bilateral ODA	World Bank allocation to these countries as a % of total World Bank lending
Bangladesh, Brazil, China, Ethiopia, India, Indonesia, Nigeria, Pakistan, Philippines, Viet Nam	865	659	31.7	43.9
IDA	—	—	—	919
IBRD	—	—	—	400

sizes sufficiency rather than satiety with the relationship between the HDI and GNP per capita taken as the most significant criteria.

Each indicator for the HDI is measured in different units: life expectancy in years of life, schooling in mean years of schooling, income in purchasing-power-adjusted dollars and adult literacy as a percentage. These indicators are combined by placing a range of values for each one onto a scale of zero to

one, where zero is the minimum and one is the maximum.

This years report also uses fixed 'normative' values for life expectancy, adult literacy, mean years of schooling and income. These minimums and maximums are not the observed values in the best or worst-performing countries today but the most extreme values observed or expected over a long period of between 30 to 60 years or so.

With the new fixed goal

A New Approach to Development Cooperation

In a deliberate break with the past, the Human Development Report 1994 calls for new global agreements to replace the old foreign aid approach and to meet the new demands of human security. Industrial nations would pay for specific benefits, while developing countries would reform their economies and governance.

Proposals

Restructuring development cooperation would entail, first and foremost, creating a new motivation for aid. "The end of the cold war offers an opportunity to discard the ideological baggage of the past," says Dr Haq. "It is time to advance from a charitable aid relationship to a more respectable development relationship."

It is time to build a new design of development cooperation which enables the poor countries to gain a more equitable access to global market opportunities.

20:20 Human Development Compact

One of the most important ways of linking aid to specific objectives is to negotiate a global compact for human development based on shared responsibilities. Under this formula, developing countries would commit 20 per cent of their budgets to human priority concerns — instead of the present 10 per cent — by reducing military expenditures, privatizing un-

profitable public enterprises and abandoning wasteful prestige projects. Donor countries, likewise, would raise their allocations of foreign aid directed toward human priority concerns from the current 7 per cent to 20 per cent.

Global Social Safety Net

To raise resources beyond those gained through the 20:20 formula, the report envisages creation of a global social safety net for the very poorest countries. The safety net would be funded through a world income tax of around 0.1 per cent (yielding \$20 billion annually) to be levied on nations with a per capita GNP above \$10,000. This would benefit countries with a per capita GNP of less than \$1,000. If such an approach is not possible, the report suggests that an amount equivalent to 0.1 per cent of GNP be set aside from existing ODA for the poorest nations.

Global Institutions

A new form of development cooperation will be incomplete without a institutional framework of global governance to defend the new frontiers of human security, concludes the report.



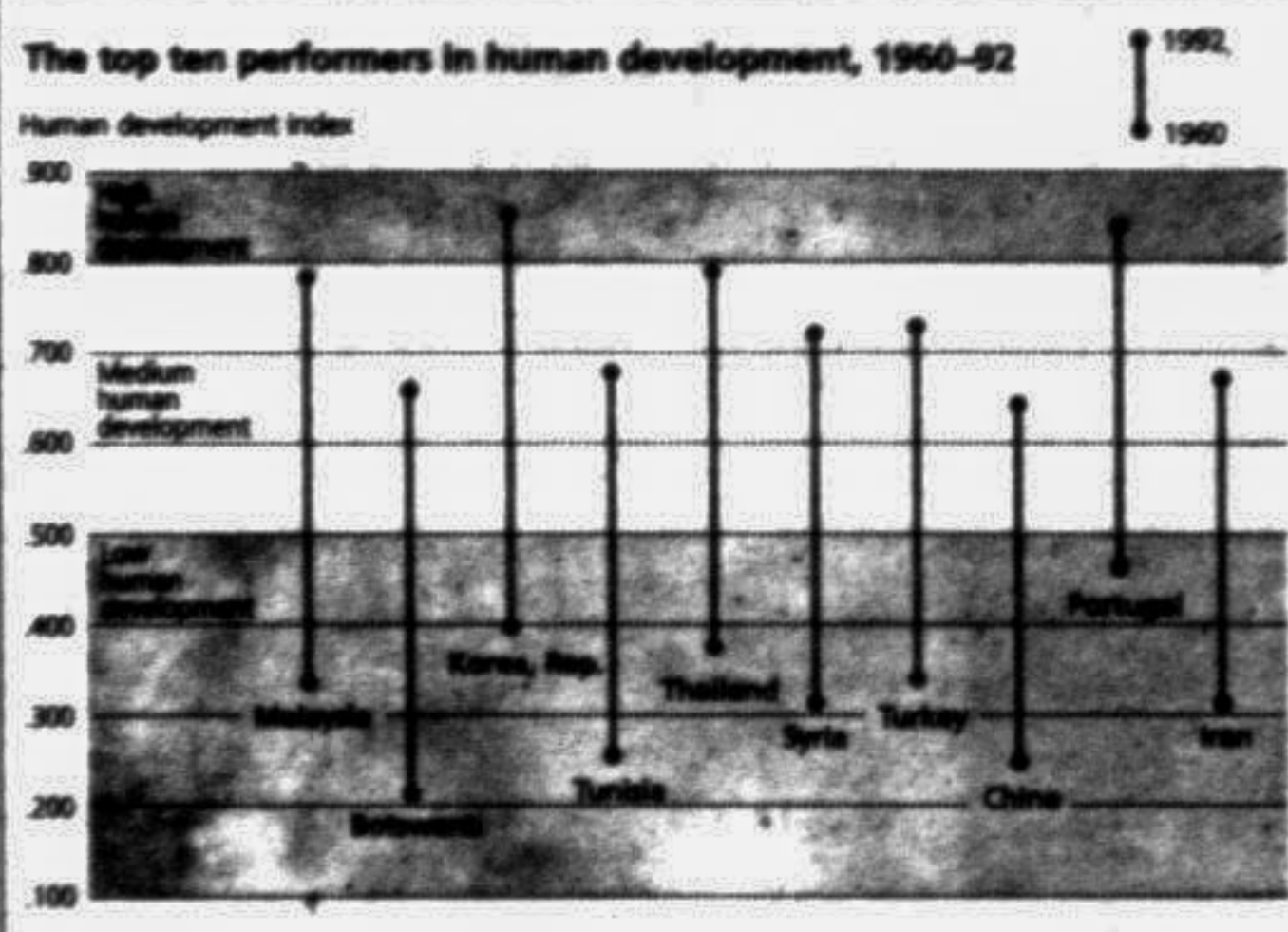
Mahbub ul Haq

Profile of human development

HDI rank	Population with access to				Daily calorie supply (as % of requirements)	Adult literacy rate (%)	Enrolment ratio for all levels (%)	Daily newspapers (copies per 100 people)	Tele-visions (per 100 people)	Real GDP per capita (PPP\$)	GNP per capita (US\$)
	Life expectancy at birth (years)	Health services (%)	Safe water (%)	Sanitation (%)							
Medium human development	68.0	88	77	80	109	80	50	4.6	6.6	3,420	970
Excluding China	65.4	85	70	59	107	79	58	6.0	10.7	4,000	1,680
54 Thailand	68.7	70	76	74	100	94	45	7.3	11.4	5,270	1,650
57 Malaysia	70.4	90	72	94	124	80	58	14.0	14.8	7,400	2,520
99 Philippines	64.6	75	82	69	108	80	64	5.4	4.8	2,440	740
116 Viet Nam	63.4	90	27	18	102	89	92	0.9	3.9	—	—
118 Maldives	62.6	75	51	28	80	—	—	0.8	2.5	—	470
Low human development	55.8	—	—	22	99	49	42	2.1	2.4	1,170	330
Excluding India	51.9	62	45	30	93	47	33	1.0	1.5	1,200	320
130 Myanmar	56.9	48	31	36	116	82	39	0.5	0.2	—	—
132 Pakistan	58.3	90	55	24	101	36	24	1.5	1.8	1,970	400
135 India	59.7	—	—	15	105	50	50	3.2	3.2	1,150	330
146 Bangladesh	52.2	60	—	32	94	37	32	0.6	0.5	1,160	220
149 Nepal	52.7	—	42	8	103	27	41	0.8	0.2	1,130	180
162 Bhutan	47.8	70	31	9	—	41	11	—	—	820	190
171 Afghanistan	42.9	48	21	—	76	32	13	1.1	0.8	—	—

Profile of human deprivation

Millions (unless otherwise stated)																
HDI rank	People in absolute poverty		Refugees (thousands)	Without access to health services 1992	Without access to safe water 1992	Without access to sanitation 1992	Illiterate adults (15+) 1992	Illiterate females (15+) 1992	Children not in primary school (thousands) 1992	Mal-nourished children under five (thousands) 1992	Children dying before age five (thousands) 1992					
	Total 1992	Rural 1992														
Thailand	16.8	14.7	64	16.8	13.5	14.7	2.3	1.6		726						
Malaysia	3.0	2.3	10	1.9	5.3	1.1	2.2	1.6		459						
Sri Lanka	7.0	6.3		1.8	5.1	7.2	1.3	0.9		762						
Philippines	35.2	23.4	7	16.3	11.9	20.0	3.6	1.8		3,045						
6 Viet Nam	37.6	33.4	16	7.0	51.1	57.4	4.7	3.5		3,960						
8 Maldives		0.1		0.1	0.1	0.2										
10 Myanmar	15.3	13.1		22.7	30.2	28.0	4.8	3.6		1,985						
12 Pakistan	35.0	24.3	1,630	12.9	55.0	94.9	42.3	24.7		3,725						
15 India	35.0	27.0	260			75.0	271.8	169.3		69,345	3					
17 Cambodia				4.1	5.5	7.5	3.1	2.1		822						
19 Nepal	12.4	11.1	76		11.9	19.0	8.1	4.7	1,100	1,665						
23 Bhutan		1.4		0.5	1.1	1.5	0.5	0.2		93						
71 Afghanistan	110.2	9.3	60	9.9	15.2		6.6	4.0	52.7	1,195						



A World Social Charter

We the people of the world solemnly pledge to build a new global civil society, based on the principles of equality of opportunity, rule of law, global democratic governance and a new partnership among all nations and all people.

We propose to build a society where the right to food is as sacrosanct as the right to vote, where the right to a basic education is as deeply enshrined as the right to a free press and where the right to development is considered one of the fundamental human rights.

We collectively pledge to build new foundations of human security, which ensure the security of people through development, not arms; through cooperation, not confrontation; through peace, not war. We believe that no provision in the charter of the United Nations will ever ensure global security unless people have security in their homes, in their jobs, in their communities and in their environment.

We are fully convinced that diversity in our societies is our strength, not our weakness, and we intend to protect this diversity by ensuring non-discrimination between all our people irrespective of gender, race, religion or ethnic origin.

We collectively believe that our world cannot survive one-fourth rich and three-fourths poor, half democratic and half authoritarian, with oases of human development surrounded by deserts of human deprivation. We pledge to take all necessary actions, nationally and globally, to reverse the present trend of widening disparities within and between nations.

We are convinced that it is possible to overcome the worst aspects of poverty in our lifetime through collective effort. We jointly affirm that our first step towards this goal will be to design a global compact that ensures that no child goes without an education, no human being is denied primary health care or safe drinking water and all willing couples are able to determine the size of their own families.

We are conscious of our responsibility to present generations and to future generations, and we are determined to pass on to our children a rich natural heritage, and an environment sustained and whole.

We intend to design a pattern of development cooperation based on open global markets, not protectionism; on an equitable sharing of market opportunities, not charity, on an open policy dialogue between sovereign nations, not coercion.

We pledge our deep commitment to a new social and economic philosophy that puts people at the centre of our concerns and creates unbreakable bonds of human solidarity. We strongly believe that the United Nations must become the principal custodian of our global human security. Towards this end, we are determined to strengthen the development role of the United Nations and to give it wide-ranging decision-making powers in the socio-economic field by establishing and Economic Security Council.

Starvation amid Plenty — the Bengal Famine of 1943

Famines are commonly thought of as Nature's revenge on hapless humanity. Although Nature can certainly create local food shortages, human beings turn these shortages into widespread famines. People go hungry not because food is unavailable — but because they cannot afford it.

The Bengal famine of 1943 shows why. Between two million and three million lives were lost, even though there was no overall shortage of food. In fact, the per capita supply of foodgrains in 1943 was 9% higher than in 1941.

The famine was partly a product of an economic boom. Sudden increases in war-related activities exerted powerful inflationary pressures on the economy and caused food prices to rise. In the urban areas, those with work could pay these prices. But in the rural areas, agricultural labourers and other workers found they could no longer afford to eat, and thousands headed for the cities, particularly Calcutta, in the hope of survival. Prices were then driven even higher by speculation and panic buying.

The famine could probably have been averted by timely government action. But the colonial government did nothing to stop hoarding by producers, traders and consumers. The general policy was "wait and see". Relief work was totally inadequate, and the distribution of foodgrains to the rural districts was inefficient. Even in October 1943, with 100,000 sick and destitute people on the streets of Calcutta, the government continued to deny the existence of a famine.

The result was one of the largest man-made catastrophes of our time.

A \$50 Billion Bill for Trade Barriers on Textiles and Clothing

The manufacture of textiles and clothing is one area where the developing countries have a comparative advantage — and achieve a trade surplus with the industrial countries. For many developing countries, these labour-intensive industries with simple technologies represent a great opportunity to accelerate the pace of their industrialization and diversify their exports away from primary commodities. In 1992, such exports were worth \$60 billion.

But these are precisely the goods against which the industrial countries have raised the highest barriers — tariff and non-tariff — through the Multi-Fibre Arrangement (MFA). Under this arrangement, the industrial countries apply quotas to imports of textiles and clothing from developing countries, but not to those from other industrial countries — a clear breach of the GATT principles of non-discrimination.

The intention of the industrial countries is to preserve jobs in some of their weakest industries. But doing this is very expensive. The short-run gains for textile workers are more than offset by the higher prices that everyone has to pay as consumers. In the United Kingdom, it has been estimated that without the MFA, textiles and clothing (both locally produced and imported) would be 5% cheaper. In the United States, one study concluded that the annual cost of protecting one job was between two and eight times the average annual wage in the industry.

Developing countries pay an even higher cost. A study in the 1980s by the IMF suggested that a complete liberalization would enable developing countries to increase their exports of textiles by 82% and those of clothing by 93%.

In 1992, UNCTAD reported the quantitative restrictions affected 67% of the exports of textiles and clothing from developing countries. Average tariffs also remained high: 18% in the United Kingdom, 20% in Canada, 23% in Austria and 38% for some times in the United States.

Without tariff and non-tariff barriers, the developing countries could nearly double their exports of textiles and clothing. The industrial countries, by violating the principles of free trade, are costing the developing countries an estimated \$50 billion a year — nearly equal to the total flow of foreign assistance.

