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## Aid and Development

### Things that may interest you

- The International Labour Organisation estimated a record 200m unemployed people globally in 2013. If you gave them their own country, it would be the fifth largest in the world.
- Trade between middle and lower income economies grew from 40% of world trade in 1995 to 56% in 2010. The developed world no longer dominates world trade in the way it once did.
- Many developing countries pay more in debt servicing to rich countries than on education, healthcare and infrastructure projects combined. Developed countries draw more money in profits from developing countries than they contribute in aid.
- Globally, 15m people per year are displaced by development projects - dams, industrial agriculture, mines, roads, airports, city growth, slum clearance and nature conservation.

**Top aid recipients in 2016:** Afghanistan \$3.4bn, India \$3.1bn, Vietnam \$2.4bn, Syria \$2.1bn, Ethiopia \$2.0bn, Indonesia \$1.9bn, Pakistan \$1.8bn, Jordan \$1.8bn, Kenya \$1.6bn, Iraq \$1.5bn.

**Funds were spent on:** health, education and people 19%, infrastructure 18%, general operational costs 17%, social infrastructure 15%, humanitarian aid 12%, multi-sector purposes 10%, production 6%, supporting local aid programmes 2%, and debt relief 1.2%.

**Top aid donors:** China \$38bn, USA \$31bn, UK \$19bn, Germany \$18bn, EU \$14bn, Japan \$10bn, France \$9bn, Sweden \$7bn,

Netherlands \$6bn, Canada \$4bn, UAE \$4bn, Norway \$4bn and Turkey \$4bn.

**Top donors by percentage of GDP:** Sweden 1.4%, Qatar 1.2%, Norway 1.1%, UAE \$1.1%, Denmark 0.9%, Netherlands 0.8%, Switzerland 0.7%, UK 0.7%, China 0.6%, Finland 0.6%. USA is in 21st place, with 0.2%.

**Per capita**, in 2016 Norwegians gave \$812 per year, Qataris \$787, British \$285, Americans \$95 and Chinese \$28.

Aid and development can be seen from the viewpoint of recipients on the ground, or from that of governments, agencies, NGOs and citizens in richer donor countries – and the crunch issue is matching the two. It can be seen in economic, social-cultural and environmental terms – and the crunch issue is getting all three to work in the same direction. It has three main dimensions: *humanitarian aid* (crisis relief), *development* (strengthening societies, addressing vulnerabilities and sustainability issues) and *managing wider global conditions* (food prices, inequality, economics, trade, climate, conflict-reduction and other policy issues).

Aid and development issues now involve *all* countries, because climate change, crisis vulnerability and cross-border challenges such as migration, disasters, disease and environmental issues affect all of them. The entire world is now very much a single space and, more than ever before, nothing happens in isolation. Hazards and existential risks are rising in probability. Conditions are changing and far more people are now impacted by anything that happens. Aid is a demand-led growth industry that will continue growing. Whatever people's feelings about nationality and identity, our global situation means that these matter less than ever, thunderclouds are equally on everyone's horizon, and no one is exempt. Sustainability is becoming a central, not a peripheral issue.

A number of key issues affect the global aid and development situation:

- *the bottom billion*, many of them living in middle-income countries such as India, most of whom are stuck in a poverty loop both psychosocial and economic, from which escape is difficult;
- *the 1-2 billion people yet to be born* in coming decades, who must be fed, housed, educated and employed, most of them in cities – if frustrated, they're liable to unrest, and understandably so;
- *capacity-building* amongst more susceptible countries and populations to help them withstand economic crises, downturns, disasters, climate change and other shocks;
- *oil prices* that affect costs in agriculture, transport, production and trade, impacting most on poorer people and on non-producer countries dependent on oil imports;
- *food prices and food security* are critical – arable land is being squeezed (4 hectares per capita in 1960, 2ha today) and farm productivity growth is sinking (2% in the 1970s, 1% today);
- *climate and environmental change* that affect food supplies, farm and village viability, public health, local economies, ecosystem services, crises and conflicts;
- *international trade restrictions* that turn the terms of trade against poorer countries, and economic warfare (sanctions, currency manipulation, tariffs, etc) that gives short-term power advantages to strong countries, though in the longterm they undermine them;
- *weakening international agreements*, impacting mainly on smaller and poorer countries;
- *conflicts*, with multiple negative impacts on people, landscapes and countries; and,
- *transitioning* of areas from community-based subsistence

economies to urbanising money economies, losing traditional support systems and gaining new pressures and challenges.

Transitioning can be socially painful, ecologically problematic and economically destabilising, leaving many people bereft of the lives they once had. Much of the economic development now practiced can weaken the customary support systems that rest on personal connections and clan allegiances. These break down painfully as cash transactions, taxes, education and healthcare costs and other expenses increase. Young people leave, outsiders bid up land prices, norms and standards change, traditional markets dwindle in favour of cash-crop sales to agents and corporations, traditional healers are sidelined and local sustainability and resilience decline. This leaves people vulnerable to exploitation, landgrabs, market fluctuations, crime, social pressures and incursions.

Meanwhile, extended families and stable communities do not suit an economic system that prefers flexible, mobile, unattached labour. The weakening of social support mechanisms renders some areas into candidates for aid when previously they would have been self-sustaining. The default remedy tends to be *more*, not less, economic development, which is fine for those who thrive on it, but not for those who lack strengths and assets in a modernising context.

Much development thinking assumes that economic growth increases contentment, but this is not fully substantiated by the evidence. Dissatisfaction does correlate with low incomes, though it correlates more starkly with inequality: if some get visibly rich while others work hard to get nowhere, reported dissatisfaction increases noticeably. People in shanties and favelas generally report greater dissatisfaction than low-income country smallholders who have redeeming benefits from being on the land or from love of their home area. Some measures rate family and community

relationships as a strong source of reported happiness. Prosperity helps, yes, but not exclusively.

Modernity is a mixed bag, suiting some and not others. Aid and development patch up the rough, cruel and tragic edges of human hardship, but too many aid resources go into addressing the avoidable symptoms of injustice, conflict, inequality, bad politics, ecosystem degradation and social disharmony, with too few resources addressing their systemic and often political causes.

## Economic development

Since the early 1990s income poverty has dropped by two-thirds and extreme poverty by half worldwide as a result of a rising tide of economic growth. This means a lot to many societies and it is a great and much-needed achievement. But the world's bottom billion, many of them living in places afflicted by conflict, corruption, misgovernment, drought, insecurity or difficult geography, have largely missed this development wave. They form part of an expanding global left-behind sector, a significant and growing minority in every country.

In the affluent world, development is seen largely in economic terms, incorporating more and more people into the globalised urban-industrial market system. While this expands markets, providing cheap labour and consumer goods, it hastens the flight from the land, undermining local cultures, informal economies and ecosystems. There's something ruthless about this, and anti-globalisation protesters rightly point out its heartless side.

Modern economic thinking divides the world into *developed* and *developing* countries, though it is more complex than this. Developed countries are deemed to have a per capita GDP of over \$12,000 per year, with stable birth and death rates, low infant mortality and high life-expectancy, more women working, high resource use and high levels of debt. Developing countries have

higher levels of poverty, inequality, population, urban and unofficial housing growth, with human resource problems (nutrition, health, education and literacy), vulnerability to economic pressures and fluctuations, low political clout, poor infrastructure, higher corruption levels, lower levels of women's and minority rights, and relatively large displaced populations.

Judgements of economic development usually take Western norms as their reference point. These link economic growth with political freedoms, democracy, property rights, the rule of law, media freedom and accountability. But these values are not universally transferable and they have their hypocrisies, since investors and governments prop up dictators, support unjust wars and permit profitable financial, legal and military wheezes while quietly disregarding inconvenient social justice, cultural and environmental issues. However, Western-based NGOs such as Oxfam, Save the Children, Christian Aid and MSF have provided exemplary kinds of aid and development assistance. Western initiatives have had mixed outcomes overall.

Some aid and investment is socially benign and well-placed; some is guilt money, compensating for post-colonial problems, military damage, dodgy politics or profits hoovered up from poor countries; and some masks corporate interests, arms sales and geostrategic aims. Large amounts of the wealth of poorer countries are lost to medical debt, resource plunder, corporate interests, corruption, arms, offshore capital export and foreign debt repayments. Africa receives \$134bn per year in loans, investment and aid, and \$192bn leaves it annually. Such imbalances weigh heavily, hampering developing countries' progress, quite often most benefiting national elites and professionals.

Inequality is not just economic – it concerns social, educational, health, psychosocial, cultural and living conditions. Non-monetary inequality is a cause of economic inequality. Within-country inequality has risen worldwide, separating those who are more from

those who are less integrated into the global economy. Latin America, Africa and India are the most unequal regions. Inequality is most exaggerated in resource-rich countries where a small overclass captures most of the wealth from oil, mineral or gem extraction. Sixteen out of 47 African economies earned over 50% of their export income from one single commodity, and just 100,000 Africans hold 60% of Africa's total GDP – though while this issue is emphasised in Africa it is not unique to it.

A shift has taken place with the entry of China into the development equation. China avoids direct intervention in other nations' affairs and, since 1990, it has demonstrated that economic growth does not depend on improved political freedoms in the way the Western formula specifies. Geostrategically it is building an alternative transnational financial system, the Shanghai Cooperation Organisation, focusing on real-economy development more than on Western-style financialisation. China's aid and investment favour infrastructure-building. Its own decentralised development, bottom-up and deregulated, thus replicates itself in similar strategies elsewhere.

China builds roads, railways, ports, industry and power networks to stimulate economic growth. Meanwhile, the West tends to support causes such as public health, education, women's rights, civil society and anti-corruption measures, which do help build foundations for economic growth but, if a rural clinic lacks reliable electricity, clean water and road connections, the benefit it brings is limited. Some recipient countries therefore try to balance or play off the West and the Chinese.

Islamic aid has grown rapidly, originating in the Gulf emirates, Turkey, the wider Muslim world and amongst Western Muslims. *Zakat*, or alms-giving, is a central tenet of Islam. Islamic aid is quite personalised and decentralised, focused chiefly on humanitarian aid, Middle East refugees and development in Africa, Pakistan and Afghanistan. It benefits the needy amongst the world's

1.6bn Muslims but not solely so. Islamic tradition dictates that charitable giving should be discreet, to preserve recipients' dignity and restrain donors' pride, which grates with Western standards of financial transparency – this arouses criticism in the West but it is also less bureaucratic.

The development sector thus has its concealed agendas. Western aid is tainted with market-capture, military and political agendas, China's is one of trade dependency-building and there is influence-peddling in some Islamic aid, a portion of it supporting terrorism and fundamentalism – though 'terrorism' is often sincere political Islamism or resistance to oppressive regimes. Thus Chinese, Western and Muslim aid all have mixed motives. Creating regional geopolitical blocs would counteract this, allowing development styles more appropriate to each area.

The poverty traps obstructing development are many: geography; malnourishment, poverty itself, high mortality and disease rates; unsafe water and sanitation; poor infrastructure, healthcare and education; elite wealth squandering and corruption; debt servicing (to the IMF and foreign banks and investors), conflict; discrimination, gender issues and youth marginalisation. These require fixing with social, not just economic, strategies. Prosperity eases such problems but does not really heal them, covering over but not necessarily removing the shadows of past hardships.

Something needs to shift. A root problem lies in capitalism's extractive, exploitative approach, draining countries' resources, undermining their capacity to rise out of the problems of the past and keeping them poorer and less developed than they otherwise might be. What is needed is a systemic political and economic change based on inclusion, justice and environmental and climatic priorities. This is big, urgent, fundamental and a global issue.

## Social development

Strengthening society, supporting rural villages and urban neighbourhoods and improving community relations are among the priorities of social development. Incorporation into the global economy does not suit everyone and every area equally, and some people are losers within that framework. Many people are happy enough with their situation if only their needs are met, their rights and security assured, and if their lands and villages can thrive on their own terms. This is important environmentally and climatically too, for the whole world.

A critical frontline here is the relationship between modernity and indigenous first nation peoples who, though small in number, are important to the world as cultural, environmental and spiritual custodians. Frequently they are imposed upon, abused and denied their rights. Scientists hold forth on the importance of biodiversity while the global system blithely bulldozes away the world's cultural and social diversity. Indigenous peoples, languages, customs and knowledge are dying out under an onslaught of modern goods, influences and incursions, and there is a danger of modernity killing off key cultural assets that are relevant to our future.

Every human needs to improve their and their communities' lives, but this looks different to different people, especially to faraway development planners. A key ingredient is finding out and accommodating what people themselves need and choose rather than imposing foreign models of progress. Aid agencies also need to protect people from some of the destructive effects of aid, such as emergency food imports that collapse prices, driving local farmers out of business and harming local resilience, or uncoordinated efforts by a plethora of incoming aid charities, or aid loaded with political or religious agendas, or cynical foreign media coverage that discredits aid initiatives, affecting aid donations and dehumanising aid recipients.

The UN Development Program lists its priorities to include encouraging dignity, good health, self-determination, human rights and security, access to knowledge, freedom from discrimination and a decent standard of living, as judged by people themselves at ground level. *“The human development approach shifts the development discourse from pursuing material opulence to enhancing human wellbeing, from maximising income to expanding capabilities, from optimising growth to enlarging freedoms. It focuses on the richness of human lives rather than the richness of economies...”* (UNDP). Key to this is universality – inclusive and fair application of development benefits.

Socially-beneficial development demands a multi-pronged approach, much of it steady, humdrum and undramatic – building schools and health centres, waste and sewage facilities, helping communities improve their lives and working with social dialogue, counselling and empowerment. As world problems escalate and resources are increasingly stretched, self-help knowhow and mechanisms will become ever more crucial in helping societies square with their situation.

The people with the richest assets in this field are those from formerly crisis-ridden countries – such as Palestinians, Somalis, Guatemalans, Afghans or Vietnamese – who are strong on improvisation, attitude and experience. Notable is the Palestinian notion of *sumud* or ‘hanging in there’, which other long-suffering peoples know well. A hearts-and-heads approach acts as a basis by which people may get to grips with life from a stronger, more self-determining viewpoint. It utilises the assets and skills a community has within reach, encouraging environmental custodianship, sustainability, community-building, cultural and language regeneration, steered by local people.

Since 1990 aid projects have reduced child and maternal mortality, improved literacy, school completion and girls’ education, drinking water supplies and sanitation. But this has been patchy: disparities

remain from place to place, and benefits vary between genders, classes, ethnicities, races, age-groups, faiths and lifestyles.

## Issues around aid and development

Needs are escalating and funding is problematic. Funds are pledged and only some are delivered. Aid resources are insufficient yet needs are growing. As challenges escalate, funds will stretch thinner, especially if world economic growth slows and donors reduce aid budgets. Aid will need to become resource-lighter, oriented to self-help, empowerment, capacity-building and improvisation.

There are problems with aid financing. Donors like to control how money is spent, so local organisations have to bend over backwards to qualify for support. Many donors prefer to send in their own people rather than taking on homegrown plans and projects. Cultural differences get in the way too – in the Middle East, people trust fellow clan members to get the job done, but in the West this is seen as nepotism and corruption. Accountants, auditors and advisers required by donors consume large chunks of aid budgets. A friction thus exists between ground-level needs and the funding conditions set by donors, academic advisers or policy-makers living far away.

In disaster relief, donors prefer time-limited funding for each relief operation. But disaster damage is frequently deeper and longer-lasting, morphing from relief into development work. Donors fear aid-dependency and ever-growing funding requests. Currently they find themselves battling with aid-hostile right-wing values in their own countries too. So funding is often inadequate, projects fail to achieve their full aims, vulnerabilities remain, and not uncommonly more aid is needed later on.

A key issue is global taxation, such as a ‘Tobin tax’ on cross-border transactions, specifically for funding development projects and

transnational UN operations. It would constrain speculative capital transfers, also stemming poorer countries' capital export by their elites and complementing the haphazard lottery and voluntary system of aid funding that exists now. But nations are reluctant to support such a tax for fear of loss of their national sovereign powers, and bigger nations in particular have an allergy to giving the UN the full range of powers it needs.

Sometimes aid interventions can be quite simple. Teaching hay-box cooking in Tanzania reduced villagers' firewood consumption, meaning that women stayed longer in their villages because wood-fetching took less time. Village life improved, children were happier, men returned from job-seeking in towns, and villages began reviving. *Educate a man and you educate a man; educate a woman and you educate a generation.* Teaching knitting to Bedouin weavers in Tunisia and Algeria meant they could sit together while knitting, since big weaving looms at home don't permit this. A women's empowerment process spread through the villages, leading to widespread benefits. Both low-budget initiatives were driven and self-funded by retired British teachers, and many thousands were helped. Individuals and activists such as these are under-recognised: big NGOs tend to dominate the aid agenda, at times lacking simple, innovative, cheap, personal-touch creativity.

So the development business is complex, interfacing money and resources with delicate human feelings and pain. This sector is destined to grow – need will determine this. Attitudes need to shift: aid is fundamentally an *exchange*, not only a one-way flow. Rich countries are poor too, in aspects of life where poorer countries are rich. Everyone everywhere is susceptible to crisis, and all have something to teach and share. Coming times will see changes and unexpected reversals in aid.

## Resilience and sustainability

A sustainable society does not use up or deplete its resources. Ecologically it is neutral-to-positive in impact. Currently, 60% of global ecosystem services are degraded or used unsustainably. To give an example, the world's use of sand for concrete far exceeds the oceans' capacity to replace it, with beach-mining causing widespread erosion and habitat loss at a time when sea-levels are rising.

Sustainability concerns social factors too. Rampant economic growth has fragmented societies. This has its dangers, especially when chronic problems such as unemployment, corruption, polarisation or disadvantage are exacerbated by the pressure of events. Socio-sustainability involves rebuilding trust, care and neighbourliness, strengthening the glue holding nations and communities together, to deal with the causes of injustice, conflict and tragedy, also aiding the transition toward a circular economy and a reshaped, rehumanised society. Without this, the price will be high, avoidable and diversionary complexities will creep in and the legacy will be regrettable longterm.

Building resilience concerns improving the capacity of communities to cope with unforeseen events and bounce back afterwards. Key factors are survivability, adaptability and transformability. This is partly *psychosocial*, working with people's capacity to understand what's happening, adapt their ideas, communicate, cooperate and organise; partly *infrastructural*, to keep roads, buildings, telecoms and systems functioning under strain; and partially it's *technical*, providing access to knowhow, procedures, teams and kit for dealing with crises that come up. The danger is that profitable infrastructure construction is prioritised over wider options – already a new kind of disaster capitalism has grown in places such as the Philippines and the Middle East, exploiting crisis for corporate gain and often omitting to provide what ordinary people truly need.

IIASA in Austria has identified six critical changes needed to improve the world's resilience:

- *capacity-building*, particularly in education and healthcare, to improve people's ability to earn income, deal with environmental, climate and social issues and organise their lives;
- *reducing global consumption and improving production methods*, with an accent on transport, housing, food sourcing, resource use and reducing pollution;
- *decarbonisation* of economies and development of sustainable energy systems;
- *improving nutritional food and clean water supplies* while protecting the biosphere and oceans;
- *transforming cities*, making them more liveable and efficient while reducing their environmental footprints; and,
- *science, technology and innovations* to improve sustainability, reduce consumption and enhance other factors that bolster resilience.

Each community has challenges to face, and regional and local multi-hazard risk assessments need to be carried out worldwide. The most vulnerable areas are those that are poorest and those where environmental and population changes are most pronounced. Regions with urbanisation and rapid growth also need to adopt equitable, efficient, green and crisis-resistant forms of development. Hospitals, schools and buildings in geologically unstable areas need to be earthquake-proof, riverine marshes need to be protected to absorb floods, infrastructure needs to handle worst-case scenarios, and early-warning, evacuation and survival systems need to be in place.

One danger is that lucrative options are prioritised. The World Bank lists five areas of development focus, including climate-smart agribusiness, green buildings, smart cities, energy storage and green investment bonds. All of these can help, but if they divert attention from or obstruct fundamental, less profitable solutions, they

represent an attempt to continue the past more than to meet the future. There is an underlying assumption that the whole world can be developed to the standards of the West, but the rich world's consumption and biospheric footprints need to reduce drastically, for its own and others' good. The developing world needs to engage in forms of advancement that replace rather than replicate the kind of development by which the West has grown prosperous.

The aid and development sector is in a bind because, to gain the support of governments and powerful interests, it must avoid politics. But its work *is* political: it concerns social justice and inclusion, conflict-reduction, environmental priorities and what some on the political right would regard as anti-business, left-leaning values. Aid organisations are up against corporations, vested interests and governments that prefer to continue operating in ways that undermine sustainability, environmental repair and human welfare. Many of the UN Sustainable Development Goals are at odds with business and governmental practice. If the goals were put to a worldwide vote, there is no guarantee the public would support them – in insecure times, nationalism and short-term self-interest can thrive. The world is seriously confused in its priorities and this will hit a crunch-point.

Modernity has created critical systemic vulnerabilities, and future events are likely to drive wedges into them, forcing fundamental change. We need to re-evaluate development in the 21st Century context. This sector will evolve as time goes on through pressure of events. But the big question is whether humanity responds to its situation by holding together or by self-protection and exclusion. Populist politics and geopolitical rivalries in the 2010s do not bode well in this respect, and the security sought in such standpoints tends actually to breed insecurity.

## Useful links

Human Development Report, 2016, UNDP.

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Eight Things you need to know about China's economy, WEF, 2016.  
<https://www.weforum.org/agenda/2016/06/8-facts-about-chinas-economy/>

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[https://www.tni.org/files/download/beyonddevelopment\\_critiques.pdf](https://www.tni.org/files/download/beyonddevelopment_critiques.pdf)

Facts and Figures: Women's Economic Empowerment, UN Women, 2017. <http://www.unwomen.org/en/what-we-do/economic-empowerment/facts-and-figures>

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[http://www.stockholmresilience.org/download/18\\_53ee94ff132ea99552880003257/1459560213637/Resilience\\_report\\_for\\_SCSD\\_31march2009.pdf](http://www.stockholmresilience.org/download/18_53ee94ff132ea99552880003257/1459560213637/Resilience_report_for_SCSD_31march2009.pdf)

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