



Millennium Summit

Closing the credibility gap?

At the start of the 21st century, the world has the resources to eliminate poverty, and finally deliver the vision of the founders of the UN. Despite the enormous wealth being generated by globalisation, however, we are currently failing in this task. This is not the fault of the UN, but rather, of the governments whose actions do not match the fine words they have espoused at international conferences over the last decade. Powerful governments preach market access, but practice protectionism; they proclaim the values of universal education but will not act to deliver it; and they speak the language of peace, while failing to consistently uphold the rights of the victims of conflict. Only by closing this credibility gap between rhetoric and reality can we make the legacy of the 21st Century one of shared global prosperity, rather than ever-greater inequality and enduring poverty. We need a decade of delivery to follow the last decade of deliberation.

25 August 2000

The credibility gap

The UN Millennium Summit is the next big event of this year's summer summit season. It comes soon after the G8 meetings in Okinawa, and will be closely followed by the annual meetings of the IMF and the World Bank. This summer of summits comes at the end of a decade of major international conferences: Children's Summit (1990), Jomtien Conference on Education for All (1990), Earth Summit (1992), Conference on Human Rights (1993), Population and Development (1994) Conference on Women (1995), Social Summit (1995), Food Summit (1996), Dakar Education Forum (2000), Social Summit (2000).

There is a growing concern that these international conferences have become a caricature, simply re-affirming what was agreed at the last conference, and pushing targets back another decade. This fear is compounded by recent revelations that the world is way off track from meeting the targets for 2015 which were adopted at these conferences.

- **Halving income poverty by 2015:** 1.1 billion people live on less than \$1 a day. On current trends the 2015 poverty target will be comprehensively missed in most of the world's poorest regions. (Fig. 1)
- **Achieving universal primary education by 2015:** If current trends continue there will be over 75 million children out of school in 2015, and millions more will receive a sub-standard education.
- **Reduce Child Deaths by two-thirds by 2015:** Child mortality is declining at less than half the rate required to achieve this target.

The blame for this lack of progress lies not with the UN system, but primarily with states. States in the South that invest more in arms than health and education, or who fail to control corruption. And also the rich countries which, despite their rhetoric, refuse to look beyond their own short-term interest. Commitments made at major conferences have not been prioritised once the world's leaders have left their elite hotels and returned home. This briefing focuses primarily on the credibility gap of rich countries. Rich countries have the capacity to promote and champion the eradication of poverty across the globe. But there is a paucity of spirit which offends the legacy of the founders of the UN and the Bretton Woods institutions.

OECD countries spent a miserly 0.23% of GDP on aid in 1998, compared to 0.37% in 1980 and 0.48% in 1965. There was a drop of \$4 billion in aid to the poorest 48 countries between 1998 and 1992.

- Developing countries spent the equivalent of 20% of their total exports on servicing debt in 1998. Total debt stock of the poorest 48 countries stood at \$180 billion in 1998.
- The G7 promised \$100 billion of debt relief to 33 countries. But so far agreement has only been reached on the cancellation of \$12 billion over the next decade. So far only 9 countries have received any relief.
- Despite rich countries' rhetoric on opening markets, poor countries lose \$700 billion per year from northern protectionism.

The rest of this briefing focuses on the credibility gap between rhetoric and reality in the areas of trade, education, and conflict. It calls into question the integrity of governments which make far-reaching promises on the world stage, largely aimed at the international media, only to renege on these promises when they return home. It urges governments to launch a decade of delivery following the last decade of deliberation.

Fig 1. Reaching the goal - ambitious, not impossible

World population and number in extreme poverty (billions)

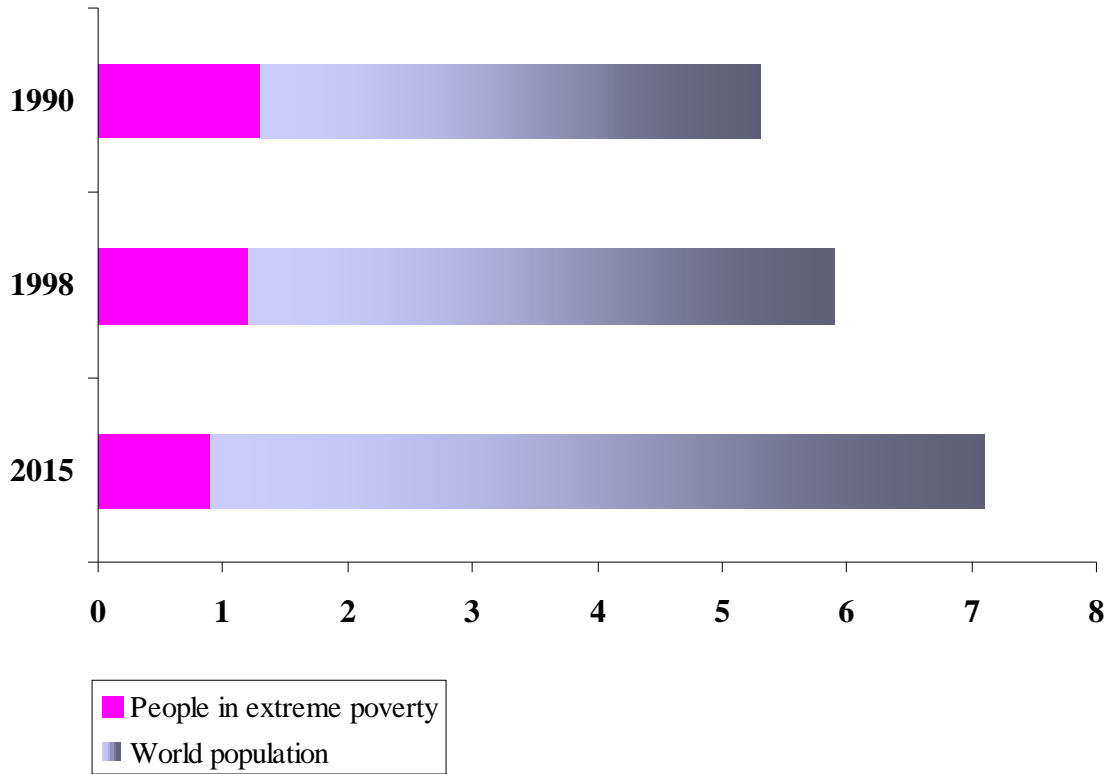
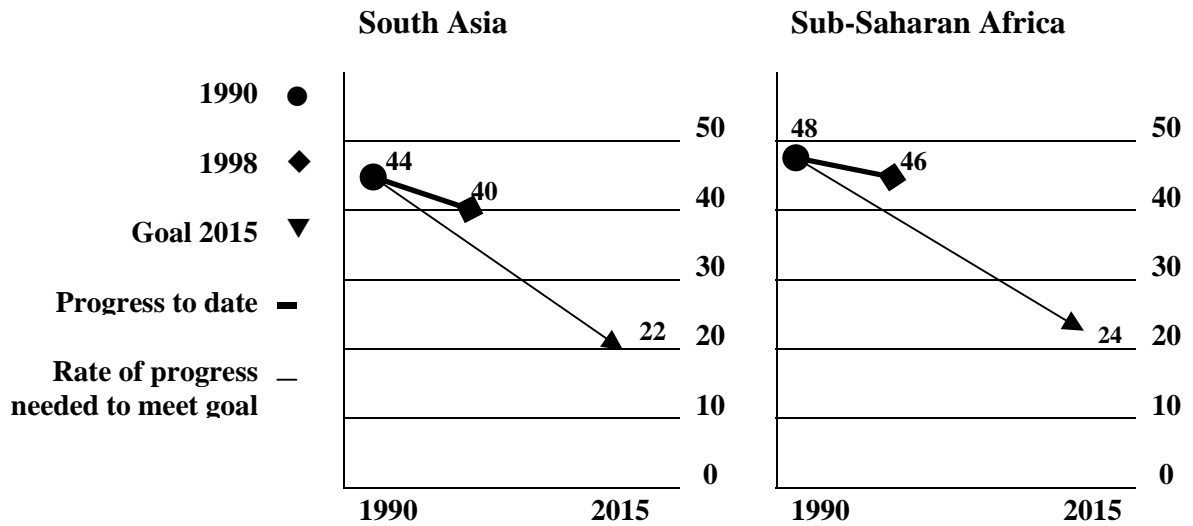


Fig 1. Contd.



Education

The rhetoric

At consecutive summits throughout the 1990's, world leaders committed themselves to the goal of achieving universal basic education. 159 governments at the 1990 World Summit for Children endorsed the goal of "by the year 2000, universal access to basic education". The Jomtien World Conference on Education For All in 1990 committed 155 governments to achieving universal access to and completion of primary education. The goalposts were shifted by the time of the World Summit for Social Development in 1995, which established 2015 as the target for universal primary education, and 2005 as the target date for eliminating gender discrimination in primary and secondary education.

These shifting targets have been accompanied by some grand rhetoric by the leaders of all of the world's most powerful countries:

"On the subject of education, what makes sense for the industrialised world is imperative for the developing world...That is why I attach such importance to the target of universal primary education by 2015". (Tony Blair, 2000 Davos World Economic Forum)

The Dakar World Education Forum this year bound countries to launching with immediate effect a global initiative to deliver universal primary education. Rich countries have committed themselves to back this with the necessary resources.

"No countries seriously committed to education for all will be thwarted in their achievements of this goal by lack of resources." (G8 Communiqué, 2000 Okinawa)

The reality

There is a glaring credibility gap between this rhetoric, and the reality of a continuing global education crisis. **There are currently 125 million children out of primary school. On current trends there will still be 75 million children not in primary school in 2015** (see Fig 2.). This understates the full extent of the education deficit, since over one quarter of children starting school leave before gaining basic literacy and numeracy skills. The gender gap in enrolment is declining at a derisory rate; **there is now no chance of meeting the interim target of eliminating gender disparities in primary and secondary education by 2005. Worldwide, girls account for two-thirds of children out of school.** At the same time, the ranks of the 880 million illiterate adults continue to grow. The greatest crisis is in Sub-Saharan Africa, where on current trends numbers out of school will be greater in 2015 than they are now.

The human costs of this global education crisis are incalculable. Lack of basic education undermines efforts to generate the sustained and equitable growth needed for poverty reduction. In an increasingly knowledge-based economy, the importance of education grows daily. The educational deficit hampers progress towards human development goals such as reduced child and maternal mortality, improved public health and nutrition, and strengthened opportunities for secure and productive livelihoods.

Closing the credibility gap

The 2015 targets for education will be comprehensively missed without a step-change in political will, and international mobilisation behind a global initiative to deliver universal primary education.

An effective global initiative must:

- **Link resources to good policies.** Once governments have developed national plans for basic education that have been reviewed and accepted, entitlement to enhanced financing from donors should be automatically triggered.

- **Raise resources.** Achieving universal primary education would cost an extra \$8 billion a year (equivalent to 4 days global military spending). The international community should undertake to mobilise \$3 billion through increased aid, debt relief and redistribution within existing aid budgets. Innovative partnerships between governments and the private sector could mobilise a further \$1 billion per annum. Developing country governments would assume responsibility for mobilising another \$4 billion through reduced military spending, more equitable spending within the education sector, and increased revenue mobilisation.
- **Include a clear time-frame** for the development of the initiative and its funding.

Another crucial step is for governments and international organisations to commit to delivering free education, and to put an end to damaging policies of cost recovery.

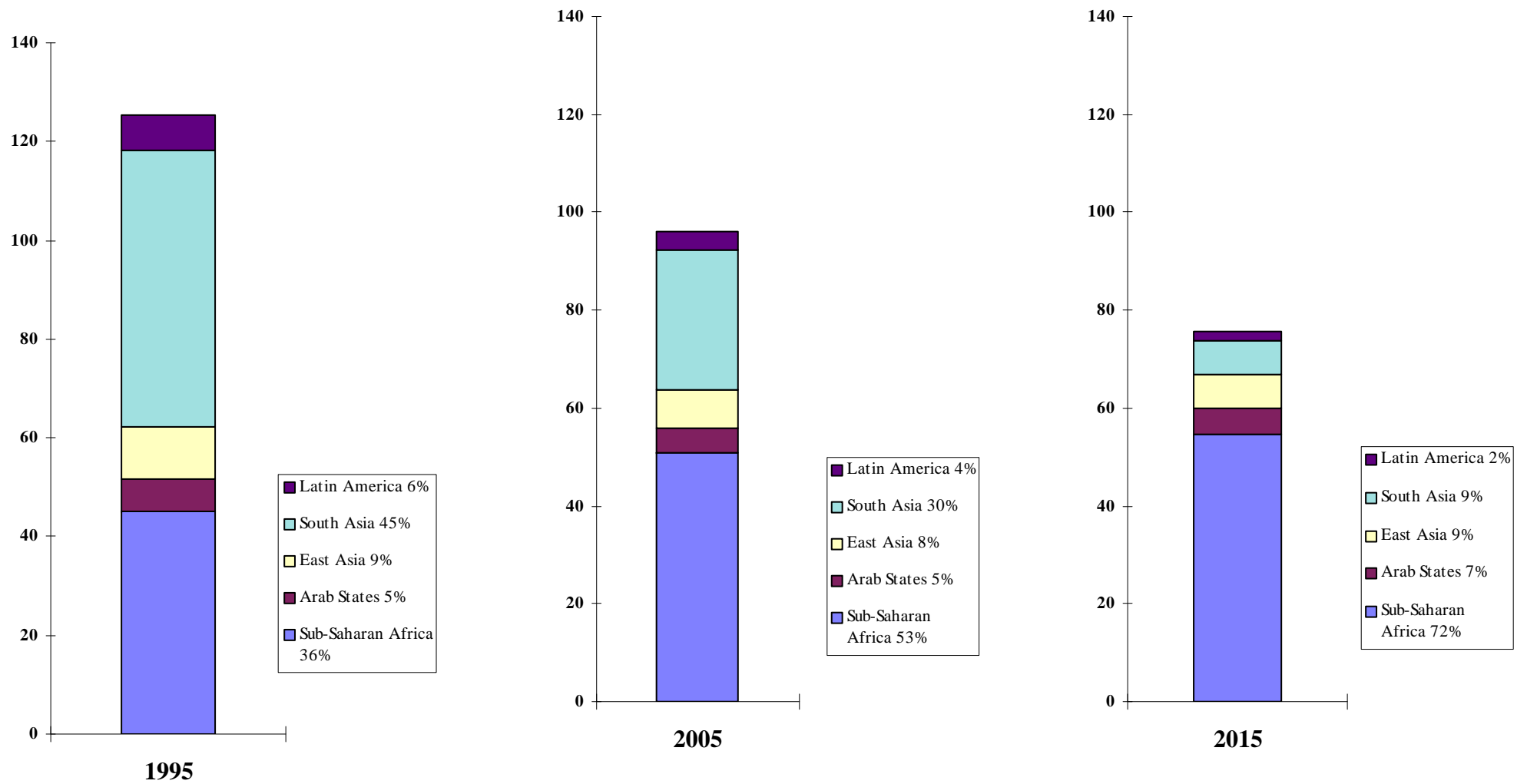


Fig 2. Projected number (in millions) of primary aged children world-wide who never attend school

Trade

The rhetoric

Over the last decade the leaders of the world's richest countries have paid lip service to their vision of the people of all nations sharing in the expanding fruits of trade. They have also repeatedly expressed their commitment to opening up their markets to products from poor countries.

“We are calling for all the richer countries to offer duty free access to the least developed.” Pascal Lamy (EU Commissioner for Trade), 1999 Seattle WTO Ministerial Conference

At the same time, rich countries have criticised the practice of dumping, and have pledged to end subsidies, particularly in agriculture.

“We can aggressively reform agricultural trade by...substantially reducing trade distorting subsidies and other measures.” Charlene Barshefsky (US Chair), 1999 Seattle WTO Ministerial Conference

The EU has also pledged to end dumping:

“The CAP is soon to be reformed. This will significantly reduce the market price support and therefore the need for export subsidies”. Romano Prodi (EU President), 2000 Brussels COMECE Congress

World leaders have also expressed their commitment to WTO reform:

I am **“grateful that there is a growing recognition that the world trading system and the WTO itself should be more open and accountable. I think this is very, very important.”** Bill Clinton, 1999 CEO Summit Breakfast

The reality

The world's 48 poorest countries have seen their share of world trade decline by more than 40% since 1980 to a mere 0.4%. Rich countries have jealously guarded access to their markets. **Trade barriers in the North cost developing countries US\$700 billion a year in lost export earnings.** Rich-country pledges on market access for the least-developed countries have so far been meaningless, because they exclude the main products of export interest to poor countries. The agriculture and textiles sectors, in which poor countries are most competitive, remain subject to a prohibitive array of high and escalating tariffs, quotas, and seasonal restrictions.

WTO patent rules are another example of northern protectionism. Northern countries have pushed through a set of rules which extend to 20 years the standard period for patents. This will fuel the knowledge gap between rich and poor countries, inhibit technology transfer, and lead to many poor people suffering unnecessarily from treatable diseases because they cannot afford essential medicines.

Industrialised countries continue to subsidise and dump their agricultural exports. **OECD countries spend \$350 billion subsidising their farmers. In the US, this translates into a subsidy per farmer of around \$20,000. As a result of dumping, these farmers are competing with, and destroying the livelihoods of, producers in developing countries many of whom are living on less than \$1 per day.**

The enthusiasm to address the thorny issue of WTO reform has also died down as the memories of Seattle have faded.

Closing the credibility gap

World leaders must act to close the gap between their rhetoric and reality, and make trade work for the poor.

- Rich countries should immediately grant tariff and quota free access for *all* exports from the 48 poorest countries.

- OECD countries must also act swiftly to eliminate all forms of support for agricultural exports. Domestic agricultural subsidies should be re-designed so that they promote social and environmental objectives, without damaging developing country producers.
- The length and scope of patent protection should be reduced and redesigned to promote transfer of appropriate technology for poverty reduction.
- Rich countries should provide greatly increased aid to build trade capacity; plus technical assistance and capacity building to enable poor countries to formulate trade policy, negotiate effectively, and enter into dispute settlement processes on an equal basis.
- The WTO must be made more open, democratic, and accountable to ensure that future trade negotiations promote poverty reduction and address poor country interests.

Conflict

The rhetoric

Over the last decade, world leaders have regularly proclaimed their commitment to conflict prevention.

“The international community should act urgently and effectively to prevent and resolve armed conflict... a “Culture of Prevention” should be promoted throughout the global community. All members of the international community should seek to promote the settlement of disputes by peaceful means.” (G8 Communiqué, 2000 Okinawa)

Rich countries have also committed themselves to intervention and peacekeeping when conflicts do occur:

“Today, Americans may be proud that, around the world, the United States is standing with the peacemakers against the bomb-throwers: supporting the Good Friday agreement in Northern Ireland; trying to end conflicts in Africa; and striving with our partners to build peace in Bosnia and Kosovo.” (Madeleine Albright, August 2000)

The world’s most powerful leaders have also urged:

“the international community to exercise restraint in conventional arms exports” and to “implement measures to prevent conflict, including by addressing the issue of illicit trade in diamonds.” (G8 Communiqué, 2000 Okinawa)

The reality

In 1994 up to 800,000 people were murdered in Rwanda in the space of one month. This was the most horrific example of the destruction of the hope of the founders of the UN that the world would “never again” experience the horrors of war and genocide.

In Africa and elsewhere, **small arms are the new weapons of mass destruction. Their proliferation and misuse continues to bring death and intimidation to millions of civilians and undermine economic prosperity and good governance.** The proliferation of small arms is facilitated by a malign globalisation which takes the form of illegal, semi-legal and legal trade in arms, drugs, diamonds and other commodities. People living in and operating from some of the world’s most powerful countries (particularly the EU and countries aspiring to join the EU) are heavily involved in this trade.

The inconsistency of the response of powerful governments to conflicts around the world makes a mockery of the aims of the founders of the UN. **The UN Security Council does not prioritise the areas of greatest insecurity for their action. They prioritise the areas of greatest economic and political importance. The contrast between the interest in, on the one hand, Kosovo and East Timor in 1999, and on the other, everywhere in Africa, illustrates this point.** There has been a complete absence of commitment to resolve the conflict in the Democratic Republic of Congo. Sierra Leone demonstrates perfectly how UN missions are

only as strong as the commitment of the more powerful nations. Intermittent international and political interest meant that, until recently, UN troops there were worse than ineffective.

As western countries have got richer in the past ten years, the proportion of their wealth spent on humanitarian aid for the victims of conflicts and natural disasters has gone down by 30%. Further more, aid is grossly skewed against those emergencies beyond the media spotlight. Donor governments gave \$207 for every person in need to the 1999 UN appeal for Kosovo and the rest of the former Yugoslavia. Those suffering in Sierra Leone received \$16 a head, and in the Democratic Republic of the Congo, little over \$8.

Closing the credibility gap

There are a range of simple measures that Governments should pursue within the UN to close the credibility gap on conflict, and to start to put an end to the poverty and suffering which conflict generates.

- An international code of conduct needs to be developed which prohibits the export of arms to anywhere they might be used to violate human rights, fuel aggression, or undermine development.
- Measures such as strengthened customs co-operation, capacity building, and greater control of brokering agents, are required to combat the illicit and semi-legal transfer of small arms.
- Illicit markets in commodities such as drugs and diamonds must be effectively closed down, particularly where there are links to the illicit weapons trade.
- Agree clear criteria to trigger peacekeeping action by the UN Security Council.
- Powerful countries should consistently, swiftly and generously contribute to UN authorised peace support operations, wherever they are.
- The international response to humanitarian crises should be far more generous, and determined by need, not strategic interest or media coverage.

Launching a decade of delivery

Closing the credibility gap between the rhetoric of governments and the reality of inadequate action to combat poverty and inequality across the globe requires a new spirit of enlightened self-interest. This was the spirit of the founding fathers of the UN and the Bretton Woods institutions who envisaged a world where human rights were not violated, where conflict was replaced by democracy and diplomacy, and where the growth of the global economy led to the eradication of poverty. The fantastic wealth of the world puts this dream within reach. Turning this vision into reality requires a much greater commitment from governments to multilateralism, and to making global institutions effective.

Poverty reduction should be placed at the heart of the mandates of our global institutions. Institutions should be strengthened and their operations better co-ordinated. Governments should harness international institutions to launch a decade of delivery of international development targets to follow the last decade of deliberation.

Summary

	The rhetoric	The reality	Closing the credibility gap
Education	<ul style="list-style-type: none"> Rich countries are committed to achieving Universal Primary Education by 2015. Rich countries are committed to closing the Gender Gap in education by 2005. No country committed to education for all will be thwarted by lack of resources. 	<ul style="list-style-type: none"> On current trends there will be 75 billion primary aged children out of school in 2015. Girls account for two-thirds of children out of school. There is now no chance of meeting the 2005 target. Rich countries have so far failed to develop a global initiative which delivers resources behind national plans for basic education. 	<ul style="list-style-type: none"> An effective global initiative must be developed to deliver universal primary education. It should mobilise resources, link resources to good policies, and include a clear time-frame. Governments and international organisations should make education free, and put an end to damaging policies of cost recovery.
Trade	<ul style="list-style-type: none"> Rich countries are committed to improving market access for poor countries, and duty free access for the poorest 48. Rich countries are committed to ending agricultural dumping. Rich countries are committed to WTO reform. 	<ul style="list-style-type: none"> Trade barriers in the North cost developing countries US\$700 billion a year. Rich country pledges on market access for the poorest 48 countries have so far been meaningless because they exclude the main products of export interest to poor countries. OECD countries spend \$350 billion subsidising their farmers. Enthusiasm for WTO reform has died as memories of Seattle have faded. 	<ul style="list-style-type: none"> Rich countries should immediately grant tariff and quota free access for <i>all</i> exports from the 48 poorest countries. The OECD countries must swiftly eliminate subsidies on agricultural exports. The WTO must be made democratic and accountable. Rich countries should increase technical assistance to poor countries.
Conflict	<ul style="list-style-type: none"> Rich countries are committed to tackling the proliferation of small arms. Rich countries are committed to peace-keeping when conflicts do occur. Rich countries are committed to providing humanitarian aid consistently and generously in response to conflicts and humanitarian emergencies. 	<ul style="list-style-type: none"> The proliferation and misuse of small arms continues to bring death and intimidation to millions of civilians. The UN Security Council continues to prioritise areas of greatest economic and political importance rather than areas of greatest need. Humanitarian aid is declining as a proportion of GDP, and it is grossly skewed. 	<ul style="list-style-type: none"> An international Code of Conduct needs to be developed to prohibit arms exports anywhere they might be used to violate human rights, fuel aggression, or undermine development. Clear criteria must be agreed to trigger peace-keeping action by the UN Security Council. More generous and consistent humanitarian aid is required.

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