

*Netherlands Development Assistance Research Council*

rawoo

# *Millennium Development Goals*

*Rethinking Science and Aid*

September 2006

**Publication No. 29**

---

*RAWOO, the Netherlands Development Assistance Research Council, was established at the request of the Minister for Development Cooperation, also on behalf of the Minister of Education, Culture and Science, and the Minister of Agriculture, Nature and Food Quality. Its mission is to advise the government on matters of policy related to research in the area of development problems, and to keep the government informed of developments in this area.*

*RAWOO is part of the system of Sector Councils for Research and Development. Their job is to attune research to the needs of society and to ensure an optimal match between supply and demand in the different fields of research for which they are responsible. In the case of RAWOO, the needs in question are those of societies in developing countries. Sector Councils function on the basis of tripartite discussion between the government, researchers and the users of research.*

*The Council has fifteen members including the chair, plus one advisor from each of the three ministries. Six of the members come from developing countries. The members are appointed as individuals rather than as representatives.*

*Council membership:*

*Chair*

*Dr G. (Gerti) Hesseling*

*Members*

*Mr J.J. (Jaap) Bijl, MSc*

*Dr S. (Shamsul) Bari*

*Mr J. (Jaap) Dijkstra, MA*

*Dr J. (Julia) Gitobu*

*Ir E.L.P. (Enric) Hensing, MSc*

*Ms C. (Cecilia) López Montaña, MA*

*Dr H. (Hoda) Rashad*

*Dr A. (Arie) Rip*

*Dr E.J. (Koos) van der Velden*

*Dr M.C. (Michiel) van Walt van Praag*

*Dr A. (Akke) van der Zijpp*

*3 vacancies*

*Advisors:*

*Mr P.J.C.J. (Peter) Mulder (Ministry of OCW)*

*Ir A. (Ad) Tabak, MA (Ministry of OCW)*

*Ms C. (Caroline) Wiedenhof (Ministry of Foreign Affairs, DGIS)*

*Millennium Development Goals: rethinking science and aid*

---

*RAWOO lunch lectures*



## Introduction

### The Millennium Development Goals

1. Eradicate extreme poverty and hunger
2. Achieve primary education
3. Promote gender equality and empower women
4. Reduce child mortality
5. Improve maternal health
6. Combat HIV/AIDS, malaria and other diseases
7. Ensure environmental sustainability
8. Develop a global partnership for development

'If by 2015 world poverty is to be reduced by 50 per cent, strong incentives need to be taken in 2005.' This was the conclusion of the UN Millennium Project, which was headed by Professor Jeffrey Sachs. Professor Sachs presented the project's findings to UN Secretary Kofi Annan on 17 January 2005.<sup>1</sup>

The adoption by the international donor community of the Millennium Development Goals is evidence of its strong commitment to combat poverty (50% reduction before 2015). Since the commitment by both donors and developing countries to eradicate poverty and promote sustainable development is a unique phenomenon in itself, the MDGs are generally considered to be too important to be replaced by something new, despite the delays and some critical reactions. Most of the discourses on these delays have focused on the lack of sufficient funds. However, there is a growing awareness that in addition to more money, something else is required. In this context, new approaches to development and aid are being discussed.

In September 2005, world leaders met to discuss the progress that had been made and to decide on additional efforts to be implemented in the coming decade. In 'Investing in Development: a Practical Plan to Achieve the MDGs', the UN Task Force proposed bold action. Science and technology were given a prominent role.

RAWOO's aim in holding this series of lunch lectures ('The Millennium Development Goals: Rethinking Science and Aid') was to spark fresh dialogue about the MDGs and to look beyond short-term horizons and 'business as usual'. RAWOO believes that the rich experience in the field of research for development can increase our knowledge about approaches and how to keep the MDGs within reach. Through debate and from lessons learnt from successes and failures, decision makers, practitioners and academics may feel inspired to rethink and strengthen their efforts in line with what the MDGs actually aim at: to boost the efforts aimed at eradicating poverty worldwide.

Keynote speakers and discussants were invited to look at the MDGs from different perspectives:

- Expectations and hopes are widespread, but some general questions remain. Is there a need to rethink the approach of the regular donors, which they themselves take for granted? What can we learn from the critique to the 'Washington Consensus'? What do scientists and policy makers think of the ideas behind the MDGs in general? The Millennium Project is very optimistic, but are technologies indeed readily available to achieve the specific MDGs? How do non-technical constraints – such as gender inequality, corruption, human rights abuse, failing public institutions and environmental degradation – enter the equation?
- Rethinking our approach to aid must include the latest insights into the role of science and technology in development. Professor Sachs states that the developing countries need scientific and technological capacities to help drive economic

<sup>1</sup> UN Millennium Project, *Investing in Development, A Practical Plan to Achieve the Millennium Goals*, 17 January 2005.

development and to help forge solutions to their own scientific challenges. But he does not elaborate on the need for a profound change in approach whereby the donors take an 'innovation' rather than a 'research' approach to the design of scientific and technological aid programmes, and knowledge could be perceived as a co-driver of change.

- There seem to be few attempts to learn from the lessons of past decades about how to apply science and technology to development and poverty alleviation. What lessons can be learnt from the experiences in Asia and Latin America? The timing of scientific and technological activities seems to have played a crucial role in boosting economic growth. But was there an impact on the lives of the poor? In this context, what lessons can be learnt from the experiences of Dutch development cooperation? How can these lessons strengthen the pathways to achieve the MDGs?
- Another significant change is related to globalization. Optimists want us to believe that globalization brings unexpected opportunities for developing countries to benefit from science and technology. Changes are taking place in the nature of knowledge, whereas innovation is increasingly split up into different processes (e.g. innovation and production) among separate entities and between geographical locations. E-networks, migration and markets are pushing from the background to create new types of interaction. Innovation now takes place through interaction between diverse types of institutions and business, between and within countries, between society and government.

The RAWOO lunch lectures are a meeting place for professionals to discuss issues that are at the crossroads of science, policy and society. The aim is to shed light on those dimensions of development practice that have so far received less attention. By introducing the perspective of science and knowledge, policy makers may acquire new insights and be inspired to strengthen policy implementation and social innovation. Showing the perspectives of policy makers, in turn, may inspire researchers to adapt their approaches and to help in achieving the MDGs.

The lunch lectures were organized by the RAWOO secretariat and the research division of DGIS (DCO-OC), and were held at the Ministry of Foreign Affairs in The Hague.

This report contains the lectures in the series 'The Millennium Development Goals: Rethinking Science and Aid', the reactions of the discussants and the discussions with the audience. The lectures were given in 2005 and 2006.

RAWOO has carried out several other activities related to the role of science in achieving the MDGs. For example, RAWOO has:

- presented its view on policy for research for development<sup>2</sup>
- prepared an overview of Dutch research for development<sup>3</sup>
- advised the Dutch government on the role of science in development<sup>4</sup>
- held an international seminar focused on the ways forward as reflected upon in the various advisory reports, publications and lunch lectures.<sup>5</sup>

<sup>2</sup> RAWOO, *'Research for development: RAWOO's position'*, The Hague, 2004.

<sup>3</sup> RAWOO/COS, *'Development related research in the Netherlands: an overview'*, The Hague, April 2005.

<sup>4</sup> RAWOO, *'Mobilizing knowledge to achieve the Millennium Development Goals'*, The Hague, July 2005.

<sup>5</sup> RAWOO, *'Knowledge makes a difference: a seminar about science and the Millennium Development Goals. Seminar proceedings'*, The Hague, September 2006.

## *A Chance for the World Bank*

---

Lecture given on 16 March 2005

President of Maastricht University. He has held the posts of Dutch Minister for Education, Culture and Sciences and Vice President of the World Bank.

### **Jo Ritzen**

I have had the privilege to have been active in both the theory and the practice of development cooperation. As a former professor of economics, I have experience in the theory of development. In my first job, in East Pakistan – later Bangladesh – I gained experience in the practice of development cooperation. At the World Bank I dealt with development cooperation in both capacities: for two years I was vice president for development policy, working together with Joe Stiglitz, and after that I worked for three years as vice president for education, with an annual budget of three billion dollars. My book is based on these experiences but, more importantly, it is about the fact that we live in one world, and that this world can – and should – be a better place. The tone of my lecture will be optimistic. In India there is a joke about optimism. An optimist and a pessimist meet, and the pessimist says: 'Things can't get worse!' And the optimist replies: 'Oh yes they can!' However, this is not the kind of optimism that will characterize my lecture.

In the preface to my book, Joe Stiglitz says that the Cold War caused many problems for the world and for the relations between rich and poor countries. After the end of the Cold War, new chances arose – and it seems that we haven't really taken advantage of them. The war on terrorism has created a new Cold War situation; buying the support of countries is totally different from helping countries to develop themselves. Another thing Stiglitz says is that in the 1990s some opportunities were seized, but not nearly enough. If we had focused on the possibilities, we could have gone a lot further.

Under President Wolfensohn, the World Bank has made an important shift, but the business model of the bank has not yet followed the new development paradigm. The business model is still focused on lending without taking into account the full implications of capacity development and capacity creation.

What I say in my book is that it is not the governance structure of the Bank that is the problem. Except for one thing, that is: Europe's complete absence when it comes to making the policies of the Bank (and the IMF). Europe cowardly ducks every time a firm stand is needed regarding World Bank policies. I want to state this very clearly. Europe complains about the dominance of the USA – in my book I give some strong examples of US influence on certain lending projects – but when it really matters, Europe shuts up and lets the USA get its way. Europe does not use the full potential of its possibilities. That raises questions about coherence. Europe has so much to lose if it doesn't have the ability to speak with one mouth, if we stay divided.

In my view there is not a lot wrong with international solidarity, especially among the informed. In countries where there is a lot of knowledge on development, the support for development cooperation is considerable. For the Netherlands, this means that we don't put enough emphasis on public communication about our development policies and practice. Especially, we don't confront young people with the field of expertise. All too often we hear the simple assumption that poverty equals a life without worries: in poor, warm countries you can just pick fruit from a tree to eat and quench your thirst. The reality is not like that. Poverty is a lack of respect; it is being humiliated and not living one's idea of a dignified life.

Private capital flows are much larger than development aid. And we know that we have to use development funds especially as leverage. Why does China have such an impressive development record? It receives 40 billion dollars annually in foreign



direct investments. This is considerably more than development aid can ever amass. Development aid remains very marginal, I might add, compared to the existing budgets in developed countries. Of every one hundred euros earned in rich countries, only 24 cents are spent on development cooperation. Knowing this, the importance of leverage is obvious. If a development project is not about leverage, then you'd better forget about it. Development aid amounts to just one per cent of the total budget in poor countries; thus, development cooperation can never have a sizeable effect if it is a stand-alone effort.

There is very little public knowledge of development cooperation. This becomes clear if you are at the World Bank and are confronted with protesters outside. I was in the position to speak a lot with NGOs, and it struck me that NGOs know very little about what the bank actually does. Luckily, Wolfensohn has opened the door to NGOs, and nowadays they are more informed. But I still say that the bank should spend 20 per cent of its budget on things like creating a youth corps and, in general, informing young people about the Bank's mission.

MDGs are excellent goals that can focus the political attention and that have a very clear scientific background. Achieving the MDGs would really mean a lot to developing countries. What shocks me is that the translation of the MDGs has hardly been done: even in countries where the criteria for good governance are met, the MDGs will not be achieved and the promises will not be kept. The rich countries do not do their part regarding currency flows. The existing currency flows are always short term and are always based on concrete investments. And what countries need is money. Money, for example, to pay for recurrent expenditures. That is exactly the promise of the Monterrey 'Finance for Development' conference: countries that perform well will get the money they need. In practice, this is hard to realize. The Netherlands actually does well in this respect: the 'fast-track' initiative would not have come into being without Dutch support.

Typical of development policy is that the discovery that governance is a crucial factor has come very late. I don't understand why. When I was a minister, the discussion on governance was already on the table. But the world of development cooperation at that time was still rather closed: the discussion on governance was not allowed when Pronk was Minister of development cooperation. He was very keen on rejecting everything that came from the other ministers regarding development cooperation. To some extent this was justified, because some of the ministers had hidden motives for concerning themselves with development cooperation. But also, more broadly, in the development scene the discussion on governance was not accepted. Perhaps out of fear of the possibility that some people would conclude that development aid is money not well spent and that it should be stopped. This is always a thin line to walk. Even today, this is a concrete fear. It is important to realize that a lot has gone wrong in development aid, but one must realize this with the conviction to do better in the future and not the motive to stop development aid.

At DEC (development economics) there was a large group of people concerning themselves with the effect of trade limitations in poor countries. Stiglitz was the one to communicate with the outside world and I mainly worked on the inside. My conviction was that trade limitations between poor countries was not the whole story. The trade

limitations of rich countries were, in my view, important as well, and we should direct our attention towards those limitations. This was a new topic that many of the researchers had not touched upon before. But this shift did take place. And it made it possible for Jim Wolfensohn to say in 2000 that trade limitations imposed by rich countries cost poor countries some 200 billion dollars annually, not counting the 300-and-something billion dollars that rich countries spend annually on subsidizing their agricultural sector.

It was this figure that started the discussion on this topic, mainly because it was a well-researched figure. It is important to realize that science can play an important role in provoking discussions by providing hard evidence on processes that we know exist. What, in my view, nowadays is needed, are hard figures on the costs of the lack of donor cooperation. To be concrete: what are the additional costs of the fact that every three months a country like Tanzania has to produce 2400 reports for different donors? The question is how to count the development aid that Tanzania receives if the transaction costs are so high. How much is the aid euro actually worth – 50 cents? 25 cents? Perhaps just 10 cents? We don't know. Probably less than half a euro. In the future, the situation should be that the countries that have reached a certain stage will have just one window for all development aid, and that the country itself should be able to decide what to spend the money on.

On the whole, globalization has not led to a reduction of poverty. The effects of globalization are not what some people hoped for and what others still suggest. If you look at the division of world income per capita, you can see that inequality has diminished slightly. Because, in that model, China is a deciding factor. But if we look at countries as a unit of measurement, we have to admit that differences have grown. The Washington Consensus was for a long time the paradigm used by the Bank and the IMF, and this paradigm has not led to a reduction of poverty.

Market orientation has taken ground both in the developed and the underdeveloped world. What I say in my book is that this is a result of the changing world during and after the oil crisis of the 1970s. Suddenly, most countries – and certainly all oil-importing countries – were faced with balance of payment problems. To tackle these problems, the economies of these countries had to adjust very rapidly. This did not take place along existing systems and it created a lot of space for market parties. This market orientation is, in my view, here to stay.

Of course, the debt crisis is strongly intertwined with this process. The debt crisis was a result of compensating poor countries for their losses that resulted from rising oil prices. This compensation was in the form of loans – albeit at a very low interest rate – that many poor countries have not been able to repay.

Corruption, in my view, has not received enough attention. Corruption often arises because of the presence of multinational corporations in developing countries. I don't understand why the corporate world is not more focused on fighting corruption. Business has a lot to gain from international laws against corruption. Such laws would make it possible to punish companies – for example, through the International Court of Justice – that break rules on corruption. This would ensure a level playing field. Corruption often takes places because companies know that their competitors rely on bribes to make business deals possible: in order to survive, they too have to offer bribes.

This kind of corruption usually starts at the top and goes all the way down to the bottom. It is hard to find, for example, a police officer who takes bribes in a country where the government as a whole shows no sign of corruption. There is a large, empty research agenda on this topic. We don't know a whole lot about this.

Civil conflicts often have their roots in the West, and they are a large factor behind persisting underdevelopment.

### Conclusions

If we want to do better, we have to start harmonizing aid. That is easier said than done. Our minister has no clear agenda on this, in my view. According to the latest Global Development Monitor, aid harmonization has decreased: aid has become more fragmented in recent years, despite all the rhetoric on aid harmonization.

No support where there is not sufficient governance: that should be the guideline – also for such countries as Tajikistan and Kyrgyzstan. Those are the countries where in five years' time we will see Saddam-like developments.

We have to address trade restrictions.

The OECD International Anti-Corruption Rules: let's move towards an international court of justice (perhaps in Maastricht?) where corruption cases can be tried.

Augmentation of capital flows towards poor countries.

Reduce debt by 50 per cent, but with provisions regarding governance. I don't agree with Bert Koenders' position after the tsunami disaster that complete debt relief was the solution. Of course debt relief is a very cost-efficient way of money transfer, but it has little value if the receiving countries are badly governed.

Grants instead of loans: this is becoming more and more self-evident, but institutionalizing this conviction is still a problem.

To conclude, let me make some remarks on capacity building and capacity creation. There are questions about how the Bank has dealt with this. As I said, the business model of the Bank is not compatible with the development paradigm. The development paradigm says: mind the culture of the receiving country, mind the speed of development, and, most importantly, our involvement must lead to leverage, to capacity creation. The goal of projects must be that the results are absorbed in the local communities and that people can and will work further on the results long after the project has ended.

How does this work in practice?

The pressure on World Bank officials to lend money and to spend their budget is very high. Using local consultants is not stimulated. First of all because there is the concept that they are not as good as known consultants in the West. Second, because hiring them will probably take more time. But most of all, hiring local consultants is not funded. The extra time required to hire local people is not included in the budget. It would be a good idea for the board or the Development Committee to really examine the existing business model.

There is an excellent quality control instrument at the Bank, and it should make the use of local expertise an important review item. The conclusion should be that a loan that does not involve local capacities must be considered a failure.

The Washington Consensus no longer exists at the Bank. Wolfensohn made sure of that. But under the pressure of having to lend a certain amount of money each year, it is hard for World Bank officials to broaden their vision further than the limited scope of the Washington Consensus.

Wolfensohn's successor will be of crucial importance for the worldwide success of development policies. I am very worried about that. Europe seems to be leaving the decision on the succession of Wolfensohn entirely to Mr Bush. It would be wise for the Europeans to formulate criteria for the next World Bank president. I have not yet heard any criteria voiced by a European leader. One criterion should be that such a person must have credibility regarding development issues. And one thing we can say: the USA does not have credibility regarding development issues. USAID does everything wrong that we can think of, viewed from the current development paradigm.

Director General for International  
Cooperation  
Ministry of Foreign Affairs  
Directorate General for International  
Cooperation.

### ***Discussant Ron Keller***

Thanks, Jo, for your provocative presentation.

I agree with most of your comments. Others, though, I'd like to react to – not necessarily to defend the Dutch policies, but based on my own five years' experience of being director-general for international cooperation.

First of all, the Cold War. Almost as a matter of fact, you state that the chances arising from the fight against terrorism are not being seized. This is an interesting position, one that I would never take. Development cooperation is not part of any battle against terrorism. What has happened is that since 9/11 we have stressed more than we did before the notion that development has a lot to do with peace and security. This is not because of the presence of Al Qaida, but because of the fact that in many countries civil conflicts prevent development. 9/11 has been a trigger to put development in a broader context, and that has only been good, because development cooperation, seen only in a narrow context, can never be effective.

Secondly, I'd like to make a comment about the business model of the World Bank. You say that the wrong incentives exist to use local capacities. The leverage that loans and other aid activities can play regarding capacity building is very important. I agree that we don't focus enough on that, and I agree that we focus too much on spending the 0.8 per cent of GDP at the end of the year. We are driven too much by quantity and volume. Capacity building is very much needed.

You say that governance within multilateral organizations? isn't that bad. I agree with that. I also agree with your views on the absence of Europe. I personally predict that in five or ten years, Dutch development aid will be part of a common European development cooperation effort. That will also be useful in the sense of aid harmonization: 26 fewer donors! That would be an enormous step forward.

I don't agree with your critique on our minister's lack of outspokenness regarding aid harmonization. Time and again we have said: more harmonization, fewer national flags on aid projects and programmes, let's work together. We are leading in this discussion, together with the Nordics, the UK and Ireland. The multilateral institutions are lagging in this respect. The World Bank has only recently started to catch up. The way forward is to pool resources and knowledge.

Until now, NGOs have not been very present in this development – and that's disappointing. They demand that we harmonize our efforts, but they themselves have shown hardly any initiative regarding pooling resources with other NGOs.

You say that rich countries' trade obstacles were discovered too late by the development community. Well, perhaps by the World Bank, but certainly not by other actors. Perhaps coherence was discovered too late. Maybe you had that in mind.

I don't agree with your remark that globalization has not reduced poverty. In big countries like China and India, poverty is on the way out. Is that because of globalization? Well, to a certain extent, yes. These countries have chosen export-led growth as a strategy. These countries use globalization to their advantage.

Regarding corruption, I think that it is way too easy to blame multinationals for the corruption in developing countries. Perhaps you didn't say that, but you did suggest it.

And, lastly, you suggest that the Western world is guilty of many conflicts in developing countries. As a Calvinist, 'guilt' is second nature to me, but to say that civil conflicts in the developing world are often fuelled by the West is an exaggeration. Reality is quite the contrary. Many of the countries in conflict are still in the phase of nation building. This phase of 'puberty' is often violent. I see that with my own children.

To conclude: you say that leverage should be an important reason for development aid. That's interesting. Does it mean that aid should be targeted to influence the much greater flow of foreign direct investments? And, if so, can we agree that aid should be far more targeted at providing a better climate for entrepreneurs in developing countries? I would agree with that proposition. Far too little of our aid is targeted at changing the business climate in developing countries. The growth that this would mean for more FDIs is the leverage we are looking for.

### ***Audience***

I have a question for Mr Ritzen. You say that countries with bad governance should not receive aid. At the same time you say that civil conflicts are an enormous barrier to development. How do you reconcile those remarks? Shouldn't we do our utmost to help especially those countries that are suffering from civil conflicts?

### **Audience**

Two short questions. Leverage is a term from the world of stock markets. Using leverage in situations of growth makes huge profits possible, but when governance is bad, leverage can create enormous losses. This is what often happens in development cooperation. This kind of risk analysis hardly takes place in our parliament. Can you comment on that? You say we shouldn't use leverage in countries that have bad governance, but why doesn't the same apply to the World Bank itself? Using leverage in countries that do not comply with the MDGs is a bad use of funds, because the result will not be favourable to development. Is this true or false? That's what I'd like to know. NGOs see this and they protest about it. It is NGOs that have put the governance of the Bretton Woods institutions on the international agenda.

To Ron Keller I'd like to say: I think it's a pity that your ambition is so low that you predict that within ten years Dutch aid will be part of the European development cooperation. Why can't it be that within ten years, the 26 countries in the Union will join the Dutch development approach? Please a bit more ambitious.

### **Ritzen**

To Martijn Dadema: I don't have a solution. I've thought about it a great deal; about the sequel that leads to the conclusion. It is not necessarily true that if the sequel is missing, the conclusion is no good. The conclusion is that development cooperation often goes wrong if governance is bad. This is very clear. If a government is busy transferring funds to private Swiss bank accounts, no aid money should come in. It's as simple as that. A special group within the World Bank is dealing with the question what we can do. Conclusions are not simple. We have to find other means: diplomacy, for example. Diplomacy has not been used to its fullest capacity regarding development policy. Let's take Georgia for example. A lot of the problems in that country have to do with the Russian position. It has been very hard to raise this issue with the Dutch state secretary. This was by no means a standard part of Dutch development policy. And that brings us to the matter of coherence: development policy should not be limited to the ministry of development cooperation. Another means could be pressure through trade limitations. And a third is military intervention. There are a lot of situations in which the world community should find ways to intervene militarily in a country. Of course, I say this with some reservation, because there is one country that that is promoting military intervention even without the backing of the international community. Bush's intervention in Iraq is a bad example: this is not the way it should be done. Apart from that, the international community should find, or should have found, opportunities to intervene in countries like Sierra Leone, Angola and, nowadays, Kazakhstan and Kyrgyztan.

Mr Helmich mentions leverage in downward situations: well, this is the risk of the use of the word leverage. We use the term leverage only in upward situations. The conditionality of governance is also relevant to the World Bank. My point is: the governance structure of the Bank can only be changed in a limited way (for example, the Board can be abolished – something I personally would not be against, especially now that Ad Melkert will be leaving!). When the Bank was established, Keynes said that the receiving countries were giving away too much influence.

Regarding Europe: it would be nice if Europe were to follow the Dutch model. I'm really impressed with the Dutch model. Together with a small number of other countries, the Netherlands is the front runner in development cooperation. But we have a choice to make: do we stay isolated in our perfection, or do we seek maximum efficiency by uniting? My choice would be for the latter. I know that Eveline Herfkens made a different choice.

### **Keller**

I agree with Jo: we have to choose European cooperation. All the other external policy sectors have chosen a European, common approach: trade, agriculture, international finance policy. So when you're talking about coherence, there is really no choice but to go the European way. This, by the way, is my personal belief, and not necessarily Dutch policy, although during the Dutch presidency we did move towards more European integration of development policies. I think that is good, so I'm glad that this minister is choosing this course. A big change after Herfkens, who forbade me to use the word 'Brussels'!

Ritzen is right when he says that we have to look for other instruments regarding fragile states. We have to put pressure on those states. For that, we need an integrated approach. This has been critiqued by the Dutch aid community, which says that van Ardenne is selling out the development sector to the military, among others. Well, I'm glad that the Netherlands is integrating the agendas of development cooperation and military pressure. More countries should do that.

### **Audience**

Harmonized policies': that sounds like we know what needs to be done. The Washington Consensus, however, shows that our insights evolve. Wouldn't it be a good idea to construct a European policy institute as a counterbalance to the World Bank institute, to develop a multifocal approach to development cooperation? I think that a harmonized, unified approach is suitable only for those countries in which things are going so badly that the international community should harmonize its resources in a last effort to get the country back on track, before the military card is played out.

### **Audience**

I'm a research coordinator, so, this being a Rawoo lecture, I expected to hear things about research today. There is a lot of research being done on poverty, and I hoped that Mr Ritzen would have commented on what the World Bank does with all this research. In the past, the research institute CGIAR made the Green Revolution possible. Is it possible to create an equivalent of CGIAR, an institute that could unleash a revolution in the field of poverty reduction?

### **Audience**

Mr Ritzen says that the MDGs are excellent political goals. However, civil society stresses that the MDGs have shifted attention away from other important goals. Worldwide, NGOs have started a 'global call against poverty'. Their focus points are: aid, trade, debt and gender. Those points are missing from the list of MDGs.

My second point concerns the cooperation between NGOs that the speaker referred to. In my view, it is not a question of starting NGO cooperation, but of intensifying such cooperation.

My final question: in the past, NGOs were banned from the World Bank. Fortunately, Wolfensohn has changed that. However, we're worried that his successor will close the doors again. We hope that the Netherlands will take a position in that.

***Audience***

I have a question about capacity development. We at the ministry also think that this is important, but as a donor we can have only a limited influence on capacity development in developing countries. I'm curious about your views on how we could support capacity development better than we do now.

***Audience***

Why is it that Europe and the Member States fail to put pressure on the USA and to influence the succession of James Wolfensohn?

***Audience***

You said that especially in countries that have a great deal of knowledge about development cooperation, this has an effect on the efforts. This has to do with the knowledge infrastructure in our own country. This is an important aspect in my view. Please go into that.

***Ritzen***

We in the Netherlands nowadays are stuck with a political culture that teems with populism. Part of this populism is a blatant disregard of policy matters. This limits the possibilities to communicate policy matters. We really have a situation of vulgar populism. This populism has very little to do with reality. People who are active in the field of policy-making are subject to accusations of laziness, of not being relevant. There is no space to engage in important things like communication. If we look at, for example, Unilever: the launch of a product like margarine is 30 per cent communication. How can it be that we think that this communication can be absent from the field of development cooperation, or that it can be limited to 3 per cent? In my book, I say that the World Bank should spend 30 per cent on communication.

My answers to both questions from Max van der Veen are very simple: yes and yes. I think it's very important that Europe builds its own capacity regarding development paradigms.

I cannot really explain why Europe is absent from Washington regarding, for example, the discussion on the succession of the World Bank president. Perhaps it has to do with the desire of countries like the Netherlands to not rock the boat. Actually, in the IMF, Europe does try to speak with one voice: the European board members always get together before the IMF board meets and formulate a common position. These positions, by the way, are often abandoned whenever the USA voices another position.



Regarding capacity creation: this is really very complicated. Let me say one thing. The World Bank talks a lot about this, but the practice is very different. This has to do with the business model not being adapted to the new paradigm.

I no longer believe in unitarian development for a country, especially regarding science and technology. Developing a strong technology community is not possible without state-of-the-art institutes. This is very hard to realize. India has done well with its excellent science institutes. This has meant a lot for Indian development.

Differentiating is difficult. In Nigeria, for example, it is very hard to differentiate between financing universities. It is simply impossible to say: okay, we'll give this university extra funding because we want it to be the top institute for science and technology. There is enormous pressure for an even spread of funds between provinces and institutions.

What the World Bank should do is put science and technology high on the agenda. It was in my time, but after I left it was removed from the agenda. What the Bank should also do is stop financing old-fashioned civil service reform. This restructuring of civil services costs about a billion dollars a year. This means replacing expensive people with cheap replacements. This leads to a brain drain: the best people leave.

There was a question about the MDGs being too one-sided. Before, we had seven MDGs, all aimed at changes in poor countries. Then MDG number eight was added: making concrete promises to countries that perform well. And, I have to say, a lot of countries are performing extremely well: they have reformed their financial policies remarkably quickly. In my time as minister, we reduced deficits from eight per cent to two per cent. This caused a lot of protests within society. And now we are asking poor countries to reduce their deficit from eight per cent to zero per cent within just one year! A lot of countries perform very well, and they should be rewarded for that.

### **Keller**

I will certainly try and follow up on your suggestions regarding the leverage of capacity development, for example, eliminating the bias against using local consultants.

The international community is under the obligation to learn from its experiences. What we can learn from the PRSPs is that we still think and act from our positions as donors, and that we don't realize enough that the PRSPs come from the developing countries themselves. We have to give room to local options, local solutions with local advisors and knowledge institutes. This is something I will take with me today.

Regarding cooperation in the field of knowledge: I am very enthusiastic about the idea of a European knowledge institute. The World Bank and the IMF are both dominated by people with an Anglo-Saxon intellectual background. Europe could build a development think-tank as an intellectual counterweight for developing countries against the overwhelming pressure of the donor community.

And to the NGOs I want to say this: you were present at the meeting in Paris, but you mainly voiced complaints about us, governments. That's okay; it keeps us focused. But what I find disappointing is that the NGOs did not say anything about their own need to cooperate more. We heard nothing of the kind, no plans, nothing. That was really disappointing. You must do better in 2005!

**Audience**

That is vulgar populism, Mr Keller!

**Keller**

You're entitled to your opinion, but I challenge you to do better than just voice your complaints about us.

And finally: yes, the World Bank president is nominated by the USA. There is not a lot we can do about that. It's part of a long-standing gentlemen's agreement. But some things have changed: the European board members demanded a profile of the Bank president and on the basis of this profile they also demanded the publication of a shortlist. The profile has been drawn up, and we hope that the Americans will provide the shortlist. So, some changes *are* made under European pressure. They are small steps, but also with small steps we can reach our goals in the end.

## *The private sector: catalyst in development assistance?*

Lecture given on 19 May 2005

In 1969 he started his professional career at Unilever. After retiring from his position as senior vice-president of Unilever's Food Division in 2001, he was invited to join the UN Millennium Task Force on Hunger, one of the ten task forces set up under the Millennium Project.

### **Hans Eenhoorn**

As all of you know, in the year 2000 the UN Millennium Declaration was signed by 189 heads of state. We hope that this declaration, unlike many other agreements, is one that all countries will stick to.

In the past we have seen many promises broken. In 1970 all OECD countries (except Switzerland and the USA) pledged to earmark 0.7 per cent of their GDP for development assistance. At this moment, however, the average in the OECD is just 0.23 per cent.

Another example is the 1996 Food Summit Declaration. At the end of the UN World Food Summit a dramatic call was made for action to reduce hunger. The main message of the Plan of Action was:

We pledge our political will and our common and national commitment to achieving food security for all and to go to an ongoing effort to eradicate hunger in all countries, with an immediate view to reducing the number of undernourished people to half their present level no later than 2015.

But, despite all the broken promises, I remain optimistic. For the first time we have, in the Millennium Declaration, a good set of guidelines for resolving the most important global problems, which are often intertwined. First, it sets out quantified goals, such as:

- Halve the number of people who are suffering from hunger
- Reduce by two thirds the number of children who die before their fifth birthday
- Ensure that every child receives basic education

Second, a date – 2015 – has been set by which all MDGs are to be achieved.

The report I just quoted is the report *to* (not from) the UN Secretary General. For the sake of simplicity we call it the Sachs report, though its official title is 'Investing in Development: A Practical Plan to Achieve the Millennium Development Goals'. This report offers the world the possibility to converge on and prioritize official development assistance (ODA), something I think is very important, because the myriad of development projects that exist confuse both donors and recipients.

Moreover, we are now better placed than ever to achieve more coherent ODA, with the support of Poverty Reduction Strategy Programmes (PRSPs) that are based on the Millennium Development Goals (MDGs).

The report contains an urgent recommendation to do just that: to counter the terrible fragmentation of ODA, so well known to all of you. The plans and controls that each developing country – including small African states – has to produce and undergo in order to receive assistance often prove too much of a burden. This is one of the reasons for the failure of many ODA efforts.

In my opinion, a clear paradigm shift can be discerned in the thinking on ODA, not only in the Netherlands, but also in many other countries, as well as in the Sachs report. This paradigm shift concerns the 'Global Compact'. Developing countries need to establish

their MDG-based PRSP, showing a clear commitment to tackle poverty seriously. At the same time, donor countries will be specifically asked to support, through ODA, those countries that lack the potential to achieve their MDGs. Support should be restricted only to countries that are putting in a good performance in terms of governance. Countries like Ghana, Ethiopia and Rwanda are doing well on this criterion and should receive sufficient ODA to achieve their MDGs. However, a country like Zambia, which has a fairly negative record on governance, will receive no ODA until this situation has changed. In his book *The End of Poverty*, Jeffrey Sachs elaborates more on this topic. According to Sachs, the paradigm shift is a prerequisite for effective ODA.

In 2002 I was invited to join the UN Task Force on Hunger (TFH) as a representative of the international food industry. For me, this marked the start of a physically and mentally exhausting journey that has changed my life. I have seen people dying from hunger right in front of me. These are experiences I will never forget.

For the TFH I travelled to areas where famine makes dignified human existence impossible. Many of you know these places better than I do. Visits to these places make me mad and indignant, make me wonder how it is possible that, on this planet, one billion people suffering from all kinds of diseases because they eat too much, live alongside approximately the same number who, because of a structural lack of food, are mentally and physically incapacitated and unable to lead a dignified human existence.

To me, this situation is morally unacceptable. I want to shout it out, though at the same time I realize that my knowledge of the hunger problem is too limited to justify me raising my voice. Hunger areas are also sources of violent conflict and infectious disease, like HIV/AIDS and tuberculosis. A friend of mine who works for the Dutch Tuberculosis Fund recently told me that all new cases of TB in the Netherlands are carried by legal or illegal migrants from developing countries.

Economically it is strange that everybody takes it for granted that one billion people are not connected to the world economy. But it is also unnecessary. The world has the knowledge required to solve this problem, and funding should not be a problem either. How many billions of dollars have already been spent on the war in Iraq? And what about the OECD countries, which spend 360 billion dollars a year on subsidies for agriculture and cattle breeding? Each European cow gets two euros in subsidies every day. So money does not seem to be the problem.

What is lacking in both developed and developing countries is the political will. The political will to live up to the global compact I just mentioned.

At the General Assembly of the United Nations next September, the Millennium Report will be one of the most important items on the agenda. The question is whether most countries will once again pay lip service to the report, or genuinely decide to act.

The report to the UN Secretary General – 'Investing in Development' – is based on the recommendations of ten task forces. Some 250 to 300 experts have worked for three years to develop concrete and realistic Plans of Action to achieve the MDGs, for the world as a whole, and also for all individual countries. In my opinion the MDGs will

be achieved for the whole world, especially if the economies of China and India keep on growing. However, most countries in Sub-Saharan Africa will find it very difficult to achieve their MDGs.

The Task Force on Hunger (TFH) has been innovative in three respects. Firstly, this was the first time that a trans-disciplinary and multicultural task force had addressed the hunger problem in a holistic way. The TFH consisted of:

- experts in tropical agriculture and nutrition from academia and institutes like Columbia University, the Rockefeller Foundation, Sasakawa 2000, ICRAF (International Center for Research in Agroforestry) and IFPRI (International Food Policy Research Institute);
- NGOs like Bread for the World, Concern Worldwide, and the Hunger Project;
- UN Agencies like the World Food Programme (WFP), the World Health Organization (WHO) and the Food and Agricultural Organization (FAO);
- the World Bank;
- experts from the private sector (food, fertilizer, seed, and communications industries);
- African politicians.

The 40 task force members and associates represented 25 nationalities (10 Europeans, 10 Africans, 10 North Americans, and 10 Asians and Latin Americans). The task force was headed by Dr Pedro Sanchez and Professor M.S. Swaminathan – both winners of the Food Prize, a kind of alternative Nobel Prize.

The TFH was innovative also because this was the first time hunger had been mapped on a subregional level in order to identify 'hunger hot spots'. IFPRI and the Earth Institute at Columbia University processed all the available statistics from the FAO, World Bank, WHO, individual countries, etc. CIESIN mapped the results, producing a clear picture of global hunger hot spots. This gives us a different way of looking at the geography of hunger. Country statistics can mask the existence of regional hunger spots. For instance, national figures show no hunger at all in Ghana; however, if you disaggregate the figures and focus on the northern regions – which are home to several million Ghanaian people – this turns out to be a very serious hunger hot spot.

The third innovation the task force proposes is that the hunger problem be tackled using a business strategy. This strategy consists of:

- a shared vision;
- a quantified longer-term target;
- seven strategic thrusts to achieve the target;
- 40 concrete Action Plans to execute the strategic thrusts.

The Action Plans set out in detail:

- what needs to be done;
- how it should be done;
- who will do it;
- what milestones have to be reached and when;
- a cost-benefit analysis.

The result was a 'can-do' approach that cures the syndrome – widely encountered in academic and UN circles – whereby a problem must be found for every solution.

Now, allow me to put forward my first proposition.

#### **Proposition 1**

*Development programmes will be successful only if they are guided by a clear strategy and vision, and include concrete (quantified) goals and action plans that set out a clear division of responsibilities and time limits in the operational phase.*

The early days of the TFH were turbulent. There was disagreement among the academic members. For instance, two famous agronomists disagreed fundamentally on the question how to upgrade soil by means of nitrogen input through fertilizer trees. One said it should be done using tephrosia, while the other insisted that glyricidia is the only one that gives results. Finally, they found out that they were both right: one is best for one type of land, the other for another type. Such misunderstandings were commonplace. UN agencies criticized each other on their past performance. The World Bank was criticized by everyone. NGOs despised the private sector and were very suspicious about its role. The private sector was dismayed by the lack of discipline and decision-making.

However, the private sector participants played a role as catalyst in steering the process towards a realistic strategy and a business-oriented consensus. The use of strategic principles is particularly important: it is imperative to have a shared vision, quantified goals, strategic thrusts and concrete Action Plans. During the two and a half years of task force activity, it was the private sector participants who maintained discipline, kept the discussions on track and demanded concrete results.

#### **Proposition 2**

*To resolve such complex problems as chronic hunger, a holistic, trans-disciplinary and multicultural approach is needed. Such an approach is possible only if there is mutual respect amongst the participants. This must be learned.*

The TFH reached consensus on the fact that an important part of the solution to the hunger problem lies in increasing agricultural productivity. About 80 per cent of the people who are suffering from hunger live in rural areas. Sixty per cent of them have access to agricultural land, albeit largely unproductive. The task force believes this situation can be changed by:

- improving the fertility of the soil;
- improving and expanding small-scale water management;
- improving access to better seeds and other planting materials;

- building capacity;
- transferring knowledge;
- improving education.

These conclusions were supported by the report of the InterAcademy Council: *Realizing the Promise and Potential of African Agriculture* (Rabbinghe et al., 2004).

The TFH avoided reinventing the wheel. Instead, it attempted to mount the existing wheels on a new vehicle and get it going. This requires the development, transfer and application of knowledge. The private sector can play an important role in this, particularly in view of its experience in research and development (R&D) management. R&D in the private sector is strategy-led, problem-solving, consensus-based and applicable to the needs and wishes of the client, and a predetermined budget is available for applying the technology.

### Proposition 3

*The transfer of knowledge is essential for the alleviation of poverty and hunger. However, the following conditions must be borne in mind:*

- *knowledge has to be relevant to a clearly defined problem;*
- *the problems addressed should be embedded in a clear development strategy, such as an MDG-led PRSP;*
- *there must be scientific consensus that the knowledge is relevant (no 'hobby horses');*
- *knowledge must be transferable to the local population, which must want and be able to apply the technology;*
- *funding has to be available to apply the knowledge.*

Transferability is not essential in the case of knowledge that is required to develop and offer products and services that are relevant to and affordable for the development of a country, such as medicines, modified seeds, ICT applications, etc.

Apart from increasing agricultural productivity geared towards the production of more calories (e.g. the cultivation of corn, cassava, yam or yucca), a good nutritional balance is needed. Even when food contains sufficient calories, there is often a lack of micronutrients, vitamins and minerals. Children under the age of two must get sufficient vitamins every day, otherwise they will be irreversibly damaged, both mentally and physically, for the rest of their lives. Balanced nutrition is therefore essential. This is stated in the report, which also pinpoints where the need is greatest and how it should be met.

In the next phase, the private-sector members of the task force once again played the role of catalyst. They argued that increasing agricultural productivity and improving the nutritional balance are not enough to ensure a sustainable impact. Properly functioning input and output markets are also needed.

Only market forces can lead to income generation and the creation of the surplus needed for diversification and specialization. Without a properly performing market

there can be no sustainable solution or economic growth. Information, capital and infrastructure are needed to create such markets.

At the bottom of the poverty pyramid – where people exist on an income of less than a dollar a day – lack of capital is a crucial problem. Apart from some unproductive human capital (i.e. labour) and scarce natural resources, no other capital (e.g. financial) is available. Investments using commercial capital are therefore out of the question, as the chances of making a return are pretty low. This means that, in order to lift the poor and hungry out of their 'poverty trap', a continuous supply of social capital is needed: ODA, public investments, public support for private investments, and corporate and private philanthropy.

However, social capital also needs efficiency standards for effective input and control. I would therefore suggest introducing the concept of ROSI (return on social investment). In general, no such benchmarks of effectiveness exist for social capital.

#### **Proposition 4**

*At the bottom of the poverty pyramid, lack of capital and purchasing power are crucial problems. Investments based on the principle of return on investments are out of the question. ODA, public capital and corporate and private philanthropy are needed to avoid the poverty trap input of social capital. Efficiency standards need to be developed to measure the impact of social capital investments.*

For some large commercial projects a combination of social capital (at 0% interest) and commercial capital (at market rates) might be a possibility, leading to acceptable capital costs for poor entrepreneurs.

#### **Proposition 5**

*Combinations of social and commercial capital are needed for investments at the bottom of the poverty pyramid.*

The HTF established seven strategic thrusts:

- increasing agricultural productivity;
- nutritionally balanced diets;
- functioning markets for the poor;
- reducing the vulnerability of the poor;
- safety nets for survival in hard times (like famine, war or climate change);
- protection of the environment;
- the toughest reform of society and establishing political will.

I mentioned the important role of market forces in obtaining sustainable results. Evidently, newly established markets are still weak and need some protection. This can be effected through subsidies, price guarantees, vouchers, duties or restrictions on imports. However, protection of new markets is in jeopardy nowadays because of the liberalization madness of the World Bank and the IMF.

On the other hand, support for new markets should never be open-ended. Time limits for moves towards liberalization must be put in place.



### Proposition 6

*Development programmes need the discipline of the market. However, protection of markets and economically vulnerable people should be guaranteed during the take-off period.*

Finally, I conclude that no progress can be made in developing countries without the involvement of the private sector and the discipline of the market.

I should like to quote from a speech made by UN Secretary General Kofi Annan at the World Economic Forum in Davos in 1999:

In an age of interdependence, global citizenship – based on trust and a sense of shared responsibility – is a crucial pillar of progress. At a time when more than a billion people are denied the very minimum requirements of human dignity, business cannot afford to be seen as the problem. Rather, it must work with governments and all other actors in society to mobilize global science, technology and knowledge to tackle the interlocking crises of hunger, disease, environmental degradation and conflict that are holding back the developing world.

The private sector can play a catalytic role in complex programmes that need a trans-disciplinary approach. It has a great deal to offer, particularly in the fields of discipline, efficiency and organizational structures.

The private sector, government, NGOs and institutions like RAWOO must try to establish relationships with each other based on mutual respect and trust and directed at a more sustainable and just world. The Millennium Project and 'Investing in Development' provide good guidelines for building a better global society.

Thank you.

### ***Discussant Frank van der Staay***

Mr Eenhoorn has given an inspiring lecture in which he focused on the fact that it is also in the interest of the private sector to resolve the hunger problem. He also emphasized that there is a lot of potential in the partnership between government, the private sector and NGOs. His statements are good starting points for discussion. Nevertheless – and that is my role today – I also have some critical remarks.

My main criticism is that also with this partnership approach some structural topics will not be tackled, just as they were not taken up in the traditional project approach. I fear that the wheels that Eenhoorn has found during his journey and has put under the vehicle of partnership, are the same wheels that have been used in the old projects.

To a great extent I agree with the first statement about 'the need to work with time limits', as is the case with the MDGs. However, I think that one should realize that improving the policy environment is a fundamental part of the process. Making trade-offs means making choices in which each choice is a political choice. As it requires the delicate balancing of different interests, sometimes this process can better be dealt with in a programmatic approach than in a planning approach with time limits.

Policy advisor for Food Security and International Agricultural Markets at the Department for Sustainable Economic Development. Ministry of Foreign Affairs.

I don't have any comment on the second statement.

Between the second and third statement, Mr Eenhoorn emphasized the need to increase agricultural productivity. I fully agree, but for me a low agricultural productivity also is a symptom of more fundamental problems. I am afraid that the recommendation of the InterAcademy Council to mainly use technological science to increase agricultural productivity in practice means that the fundamental problems – which are also called the 'structural agenda' – do not receive the attention that is needed in order to genuinely tackle the problems. For instance, investments in Africa generate a low return, if they generate any return at all. Therefore, it is of the utmost importance that measures be taken to improve the African investment climate. Otherwise, Africa will never attract structural investments.

With regard to the third statement, in my opinion science and knowledge should not be focused only on technology. Acquiring knowledge in the field of effective social and economic policy-making and in the field of market reforms is also needed. Lots of research has already been carried out in these two fields; however, a scientific consensus – one of the preconditions Mr Eenhoorn mentioned – is lacking. I do not agree with Mr Eenhoorn's statement that hardly any research has taken place and so there are no lessons to be learned. The FAO, for instance, recently found out that in 30 developing countries – which between them account for half of the population of the developing world – a 25% reduction of malnutrition has been achieved. Africa is well represented on this list of countries.

The fourth statement is about the lack of purchasing power at the bottom of the poverty pyramid and the need to make social investments, while at the same time trying to get some return on investments. One of the problems here is that hunger is especially a problem in countries where good governance is lacking. The question is whether we only focus on countries that show good governance – and thus where the chance of getting a return on your investments is much greater than in countries that do not have good governance. This means that badly governed countries mainly receive relief support. At DGIS we believe that also badly governed countries should be supported in improving governance.

I shall skip the fifth statement.

Statement 6 is about the discipline of the market, and about protection of markets and economically vulnerable people during their economic start. The TFH shows an ambivalent vision. Market discipline is required to create a climate for sustainable economic development; on the other hand, it is suggested to intervene in a way that may undermine market discipline (subsidies and protection). One should be aware that the risk of government failure can outweigh the risk of market failure. For instance, it is recommended to work with market rates of interest.

Many poor people are desperately looking for safe ways of increasing their savings. What they need most is a complete package of financial services, instead of some heavily subsidized credits. In the Africa of the 'down and out', the most common way of saving is investing money in small livestock.

It is very important to tackle the problems mentioned in the 'structural agenda'. With regard to this, our challenge – as scientists – is to extend our relationships with the private sector and to work together with them to improve the quality of local, regional and national governance.

Thank you.

### ***Response from Mr Eenhoorn***

Thank you, Frank, for your remarks: they always make me wiser and keep me alert. Perhaps we were not dealing with the same topic. I referred to the MDGs and the Task Force on Hunger in relation to those people who are suffering from hunger every day. We are talking about 850 million people who possess nothing. So, if we are talking about agricultural productivity, first we are talking about ways to help them to produce their own food. Only after we have reached that goal can we try to help them to create a surplus that could be marketed, provided there is a market (that is why this 'market principle' – as stated in statement 6 – is so important).

With regard to the 850 million people who really have nothing, I keep on referring to Jeffrey Sachs' book *The End of Poverty*. Yes, I know he is disputed, but to me he is a kind of guru – and I read about the way he explains how to change the have-nots into people who are able to save some money and make some investments. This must be stimulated from outside. As I recall, on page 250 he gives an economic model how to achieve this. What is needed is social capital. So, we do not disagree, only my view is more focused on the very poorest.

If I have suggested that there has not been transfer of knowledge in the past, I did not make myself clear. Of course, there has been transfer of knowledge in many occasions, like the Green Revolution, which really contributed to the economic growth of countries like India, China and Bangladesh. It started with a spectacular increase in agricultural productivity.

### ***Audience***

Two questions:

1. According to your lecture the role of the private sector in tackling the hunger problem is as a neutral actor. However, many problems in developing countries are deeply culturally embedded. Take for instance the caste system in India: officially forbidden, but in practice still alive.
2. You did not elaborate on the role of the government in tackling hunger.

### ***Eenhoorn***

I did mention several times the role and responsibilities of the government. I stressed the importance of the government in tackling the hunger problem.

### ***Audience***

Hunger is as old as humankind. Why did the private sector only quite recently take interest in tackling the problem?

### ***Eenhoorn***

Because times have changed. The private sector is increasingly shouldering its social responsibility. Until quite recently, making profit was the only drive of a company. And there is nothing wrong in making profit: not only because otherwise companies would not survive, but also because it means investing money in a country. However, nowadays you have to be aware of the way you make profit and the way this profit is divided amongst the stakeholders. Looking back at my career and the way Unilever operates in many countries, I don't feel ashamed. Unilever always operated carefully. And still does. I don't have problems with NGOs monitoring companies like Unilever. But they also have to act respectfully towards Unilever and other companies. Nowadays, I think that many companies are operating according to the three P's: people, planet, profit.

### ***Audience***

You mentioned the need for a new model of partnership: the members of the task forces were selected to create a trans-disciplinary and multicultural team. However, this is not a new phenomenon; these teams already exist. So, what is new about the task forces that makes you think that they will function better?

### ***Eenhoorn***

I'm not as experienced as most of you with respect to all kinds of partnerships in the field of development assistance. However, as a member of the HTF I was flabbergasted by the way many members acted and reacted towards each other. Many fights, many conflicts about nothing, much time wasted.

Having learned from this experience, nowadays members of such groups get together to get acquainted with each other before the real works starts. They follow a special programme, monitored by experts in psychology, pedagogy and anthropology. It is a well-known method: let them travel together, let them endure tough conditions, let them work together under pressure, let them overcome all kinds of discomfort and in the end they will be an excellent team.

### ***Audience***

What is your view on the relationship between the international food market and national markets in, for instance, Ethiopia? Or to put it more concretely: is it morally acceptable to buy in Holland beans from Ethiopia, while people in Ethiopia are dying of hunger?

### ***Eenhoorn***

The hunger problem can be partially resolved by exporting agricultural products. This export causes a cash flow into the exporting country that can be used for feeding the poor. So, in my opinion buying fruit or vegetables from developing countries only supports the economies of the exporting countries.

**Audience**

I want to add some things to the story of Mr Eenhoorn, especially about the image he has given of the private sector. In my opinion, it is too positive. The majority of companies still do not operate according to the three P's. For them, making profit by producing and selling products and/or services is still their *raison d'être*. It is quite difficult to enlarge their agendas. Their motto is: hunger should be tackled by governments and NGOs, not the private sector. 'We make hamburgers, you know...'

In his book *High Noon, 20 Global Problems, 20 Years to Solve Them*, the writer Jean-Francois Rischard turns the whole strategy around. He argues that we cannot afford not to tackle those 20 problems, nor can we afford to keep the private sector out of the big problems of our times, because of all the actors – governments, NGOs and UN agencies – the private sector is by far the best at delivering. The private sector stands for: no nonsense, no seminars, but results. If within three months a new office must be opened in Madras, the private sector makes sure it is opened. The whole Sachs report breathes this approach: it is full of practical recommendations.

**Eenhoorn**

I fully agree with Gert van Maanen.

**Audience**

Shell, together with Unilever and TPG, is one of the precursors in this respect. And although its division 'Maatschappelijk Verantwoord Ondernemen' (corporate social responsibility) is part of the Department of Public Affairs and not part of the Marketing, Production or Sales Department, I don't care, as long as they have internalized this approach.

**Eenhoorn**

At DSM and Akzo, they are part of the strategy department.

**Audience**

In your lecture you did not mention the problem of tied food aid as given by the USA and Canada and its impact on the local economy. What is your opinion about this?

**Eenhoorn**

If I could change something it would be this tied aid. Donors should only give money. Once I was visiting a project in Ghana directed at mother and childcare. It was a good, well-run project. Then one of the doctors proudly showed me their stock of food: sacks bearing the words 'USAID Soya Oil' or 'USAID Enriched Cornflower'. This is very bad: it is distorting the local economy. The people of the project should buy their food at the local market.

**Audience**

I am intrigued by your remarks on the processes that took place in the task force: scientists, experts and other members who quarrel a lot and do nothing. Isn't this in a nutshell what also happens at international level between countries? So, what lessons can we learn from this?

**Eenhoorn**

There is a model like the one that is in use for the Partnership for Child Nutrition, which is a cooperation between UNICEF and Unilever. This is very well described.

**Audience**

I should like to hear your reaction to Frank van der Staay's remark that developing a new strategy is not sufficient, because some structural problems still exist.

**Eenhoorn**

It's true: there are structural problems, but it is relatively simple at the bottom of this poverty pyramid. You can help these 850 million people who have nothing by bypassing the official structures, because you can work on a smaller scale.

**Audience**

Second, what was the reaction of developing countries to the report of the Hunger Task Force?

**Eenhoorn**

The reactions from the developing countries to the report were overwhelming positive. We were invited to the African Union summit, where we had the chance to talk to the top members of the African political establishment. We had a working seminar with 7 presidents and 27 ministers who fully embraced the recommendations as they were presented. It was conferred by Kofi Annan that he is asking for a new Green Revolution for Africa. At the bottom, the reactions also were very positive.

**Audience**

Did the HTF use only knowledge and expertise from its eminent members, or did it listen to and make use of the experiences and knowledge of the target group, that is, those who are suffering from hunger?

**Eenhoorn**

We went to many hunger hot spots in Africa and India. We went down to the deepest bottom that can best be described as hell. People were dying right in front of me, because of hunger. We talked to local people and particularly to strong leaders (often women), who had nothing but a very strong will to survive. They used whatever local knowledge was available to combat hunger. We always tried to solve it with the local people and not only for the local people.

**Audience**

To what extent is the Ministry aware of research that is carried out in this field, not only in the Netherlands but also in developing countries? Are the results of these research activities used for policy-making, for instance, and what are the gaps and what kind of research is being done to actually reduce the hunger problem?

### ***Van der Staay***

There is still a lot of controversy especially in academic circles about the effects of such things as the liberalization of trade and structural adjustment programmes, and about what kind of socio-economic policy must be used to create pro-poor economic growth. If there were more consensus on questions like these, it would be easier to make a next step, for instance, to analyse the socio-economic policy of the 30 most successful countries in reducing hunger. Why are they successful, what is their profile?

### ***Audience***

I want to make a remark on Mr Eenhoorn's statement that the solution for the hunger problem lies in helping those 850 million people who are suffering from hunger every day to start producing enough food to feed themselves. In my opinion, it is not possible to make something out of nothing.

Five years ago Steve Wiggins from the London-based Forum for Food Security in Southern Africa made an overall analysis of agricultural development in Africa. He identified 15 areas in which there was significant development taking place. In all areas some market development is visible and external input plays a role. If the area that you live in greatly restricts your possibilities, you need to get some external inputs. Therefore, these 850 million are not able to get out of their misery themselves. Apart from that, you need a market.

### ***Closing remarks by Gerti Hesseling***

Most of us who are here professionally have to deal with these MDGs, and I assume that you all agree when I say that 2015 seems far away, but in reality is very close. I want to thank Hans Eenhoorn and Frank van der Staay for their inspiring contribution to the debate.

## Gender perspectives on MDGs

Lecture given on 8 June 2005

Former RAWOO Council Member  
Head of the Women and Development  
Unit, United Nations Economic  
Commission for Latin America and the  
Caribbean

### **Sonia Montaña**

Gender equality and women's empowerment are identified as goals in the Millennium Declaration, which recognizes the need 'to promote gender equality and the empowerment of women as effective ways to combat poverty, hunger and disease and to stimulate development that is truly sustainable'

According to the Secretary General of the United Nations, Kofi Annan: 'Study after study has shown that there is no effective development strategy in which women do not play a central role. When women are fully involved, the benefits can be seen immediately: families are healthier and better fed; their income, savings and reinvestment go up. And what is true of families is also true of communities and, in the long run, of whole countries.' Annan's message ends with: 'There is no time to lose if we are to reach the Millennium Development Goals by the target date of 2015. Only by investing in the world's women can we expect to get there. When women thrive, all of society benefits, and succeeding generations are given a better start in life.'

The report 'The Millennium Development Goals: A Latin American and Caribbean Perspective' was published last July. In today's lecture, I particularly want to focus on the way gender equity and women's empowerment are dealt with in Latin America and the Caribbean in the context of the seven other MDGs.

The Millennium Declaration summarizes the main social problems faced by people in developing countries. These issues were already the focus of international conferences and summits held during the 1990s, such as 'Population and Development' (Cairo, 1994) and the Fourth Women's Conference (Beijing, 1995), in which civil society played a very important role. These conferences had agendas that cannot be reduced to MDGs, even though the empowerment of women is a crucial issue. However, I think that especially the indicators are limiting the possibility to make progress in the relationship between women and men. One of the questions is whether we should have a minimalist approach to the MDGs or an approach that puts the goals into a wider national and international context. This is still a point of discussion in the field of international cooperation, as well as for governments. Are these MDGs replacing what we had in the past, or is this the culmination of a long process of efforts that were undertaken all over the world to arrive at the right approach to development?

Another point is that the MDGs are probably one of the international agendas that involve civil society the least. They have been developed as a practical tool to evaluate and to show the quantified progress that was more relevant to financial institutions and that found a way through the government and finally ended up in commitment. Another limitation that I should like to underline is that the MDGs practically have no goals for the developed world. Put in extreme terms: the MDGs are the Northern agenda for the South.

From the Latin American perspective, a lot of goals are absent from the MDGs. Take, for example, the first MDG: poverty reduction. This is a crucial goal also for Latin America. However, when you deal with poverty, you also have to deal with employment, labour market and the economy as a whole. This really is an omission in the MDGs. In Goal 3 – which deals with women's empowerment – there is one indicator that introduces the



issue of labour by asking about the percentage of women engaged in non-agricultural occupations. This gives us a chance in this report to say: 'Okay, that's a good indicator, but we have to look at it in more global terms. What's happened with women's participation in labour all around the world?'

A positive aspect about women in the Millennium Declaration is the adoption of the concept of 'autonomy': female empowerment or autonomy. This has been on the women's agenda for years, but many governments were reluctant to make a link between, for example, poverty reduction and female autonomy and equality. We need to have a set of issues linked together that reduce not only social and economic gaps, but also gender and ethnic gaps throughout the lifecycle. The fact that in the Millennium Declaration reference is made to autonomy, gives women room to emphasize two basic issues: the capacity to stand on their own feet and the political empowerment of women. As mentioned, being a minimalist agenda you would tend to think that this does not apply to many countries, but when you look at Latin America, even for this region some of the goals have not been achieved.

In general, if you look at aggregated figures, the percentage of women enjoying primary, secondary and even tertiary education has increased rapidly. The conclusion could be that in Latin America the MDG on education has already been achieved. Unfortunately, these are aggregated figures: they do not show regional differences or, for example, the difference between urban and rural areas with regard to the percentage of women who complete basic education. In general, rural women have not been able to attain the same level and quality of education compared that women in urban areas do.

Also from an ethnic perspective, you can clearly see that the Afro descendants and indigenous women are over-represented in the less educated groups. When analysing the share of education between men and women, there is an enormous gap, although some groups of women have obtained more or less gender equality. However, other groups – like Afro descendants, and indigenous or rural women – have not been able to overcome illiteracy rates and are over-represented in the groups of illiteracy.

Here, I want to make a link with cooperation policies that have been implemented over the years. For a long time now, we have known that education is a basic asset for development. We know that there are correlations between education on the one hand and health and progress on the other. When Latin America started to improve its educational system, donors put the emphasis on the education of girls and on improving the quality of primary schools. However, that is not enough to achieve either development or gender equality. There is strong evidence that by putting the emphasis on girls' education and primary education, you neglect other parts of the education system, which also need attention. For instance, the MDGs measure illiteracy only for the 15-22 age group, while the figures show that in the 15-45 age group (which includes women in their productive phase) illiteracy is much more abundant; that is, especially in the 22-45 age group there are many illiterate women who, for that reason, have problems in finding a job.

Probably from a financial perspective you can argue that when you are looking for resources to invest in, you go to the primary school and get the privileged girls. But this

is long term, and sometimes even in the long term you find in Latin America that if you don't accompany these kinds of policies with a strong positive action policy, the income gap between highly educated women and men becomes even higher than among the poor. In other words, the more you study in Latin America, the less you earn in comparison with your peers. So, what we discovered is that the region is misusing the educational or human capital for training, because discrimination is blocking the use of the capacity of women. So, we need laws that not only adopt an anti-discrimination approach but also punish discrimination. And that is something we still do not have in the region.

One of the regional focuses in this report is the Caribbean. In some cases it seems that men in this part of the world are in a disadvantageous position. For instance, in many Caribbean countries, many boys play on the street rather than attend classes. Girls, on the other hand, remain in school and are therefore more educated. As a consequence, in those countries some people argue that men and women are already equal enough, and that the policy now should focus on boys. In their opinion, women are too equal, too free: they go to work and thus do not take care of the children, which is a kind of tricky backlash, because we want to talk about equality: we want both boys and girls to go to school.

In Argentina, parents keep their daughters at school, not because of education and the quality of it so that they can get a good job, but because at school they are at less risk than in other locations. Boys can go out on the street, because they are boys, and girls go to school to be protected. Another reason for the difference between boys' and girls' attendance at school is that boys tend to leave school for paid work, whereas the majority of girls who leave school do so to stay at home to do unpaid work, like cooking and taking care of their little brothers. They can still attend school for three hours. For boys who work in the streets – for instance, as shoeshine boys – it is not possible to attend classes. Again, gender analysis shows quite a different picture than aggregated figures do.

In our report, we give the figures on the 48 Millennium indicators, as well as indicators that we consider relevant to the region, either because these data are available or because there is an agenda or a social or political movement that is supporting this. In this sense, the importance of education in finding work is important. Although women have achieved a high level of education, the segmentation of education is still in place. Women still study the traditional care-related subjects: they become nurses and teachers. They are still under-represented in the 'hard' sciences. And if they do study a hard science, like medicine, few reach decision-making positions.

The MDGs describe poverty reduction in general terms. They measure poverty by using the household as a unit, either through income or basic needs. They assume, methodologically, that there are no differences inside the households, that the share of income or goods is equal. But we are trying to show that even though in the last 30 years women's participation in the labour market has increased rapidly, when you look at decently employed women there is still an enormous gap between them and men. The same applies to income: men earn much more than women. If you look at the number of women in the region who have their own income and who are not dependent

on somebody else's income (such as that of the husband, father, son or migrants), more than half of all Latin American women have no income of their own. For poor women, this figure is even lower. So, among the poorest women the lack of economic autonomy is higher than among richer women. This situation, combined with the lack of protective policies for female households or divorced women, results in women who have no social or economic protection.

The MDGs do not mention two basic issues: reproductive and sexual rights, and the share of domestic responsibilities. Our figures show that while women have moved into the labour market, men have not moved into the kitchen. The share of domestic responsibilities is very unequal. This results in an enormous burden on women: men spend only 2 per cent of their time on care at home. So, we need policies to change this. In a context in which market liberty is the highest value, this issue is not even on the agenda.

The second issue that is very important to us and that should have been taken up in the MDGs is violence against women. This is a problem not only of human rights but also of the limitations on participation – educational, political and economic – in society. We must try to figure out the costs of not taking measures to combat violence against women with regard to the health sector and women themselves who have to take care of the elderly and the children at home. In the so-called care sector, many women are engaged in unpaid work that remains unaccounted for in economic statistics. To change this requires a change in the perception of the economic value of women's contribution to society. This change should first of all be achieved in the political context.

In Latin America and the Caribbean, women's progress – which can be measured, for instance, in terms of labour force participation, education, lower fertility rates and a reduced income gap – has taken place in the opposite direction from the Washington Consensus from 1989<sup>1</sup>

Even the macro-economic and institutional reforms that took place in most of these countries did not necessarily destroy the state. In some cases, they even built institutions. However, these were mostly financial institutions or institutions to manage the macro-economic policy. They cut the budget for the management of many social issues. For instance, human rights. Many governments ask where they should get the money from to develop a serious human rights policy. Strangely enough, this question is never raised when they talk about buying weapons.

Another important trend in the Latin American region is that this gender equality process took place in a period characterized by a strong concentration of incomes. With regard to income, Latin America is the most unequal region in the world. The fact that poverty levels have not declined more sharply in recent years is due not only to the region's slow pace of economic growth, but also to a lack of improvement or the outright deterioration in income distribution. Growth rates in per capita GDP in

<sup>1</sup> A set of policies believed to be the formula for promoting economic growth in Latin America, like fiscal policy discipline, increase of public spending on education, health and infrastructure, tax reforms, trade liberalization, privatization of state enterprises, deregulation, etc.

1998-2002 were negative or close to zero in every year except 2000, and most of the countries have witnessed a deterioration in income distribution since 1997 (ECLAC, 2005). The following discussion focuses on the issue of inequality in income distribution, its different manifestations and its impact as one of the main obstacles to more rapid progress towards eradicating extreme poverty in the region.

In Latin America, a small minority holds the political, social and economic power. So, when you say it is an unequal society, you have to go into more detail, in order to get the right picture. We need universal policies that are directed at all income groups, not a policy focused only on the poorest of the poor. The latter kind of policy was promoted for a long time. Nowadays, it is clear that policy should also focus on investment, employment opportunities, development, growth and all kinds of sectors

Empirical evidence for 1990-2002 indicates that income distribution has also been very rigid, given the absence of significant variations in the Gini coefficient for most of the countries in the region. What is more, several countries – including some of those that have traditionally had the lowest levels of inequality in the region – exhibit a slight deterioration in the pattern of distribution. This was the case in Argentina (data for Greater Buenos Aires), Costa Rica, Ecuador (urban areas) and Paraguay (urban areas), where the Gini coefficient rose by more than 0.05 points.

Only Guatemala, Panama (urban areas) and Uruguay (urban areas) have managed to bring about sizeable reductions in their levels of inequality since 1990, although in the last two cases, this improvement is wholly attributable to progress made in the first half of the period in question. The paradox is that the Latin American region is moving towards a market-oriented economy, which – as we all know – is very unequal: it depends on your power how you make use of the market possibilities. While society was following the Washington Consensus, women were developing institutions and policies in a kind of marginal process within the state and within society. So, there are a lot of gender activities taking place and many institutions have been developed. This is very good news, but many of these programmes and good practices have not yet reached mainstream policy, because these days in most Latin American countries, only one person makes the policy – the Minister of Finance – and not the social sector. In that perspective, the women's bureaus do not have the strength to really invest in such a way that we will be able to achieve the MDGs by 2015.

In the ECLAC report, many figures show that most Latin American countries will not be able to achieve the MDGs by 2015. This is not a very positive evaluation, but I think that this contribution from a regional perspective can add to the value of a comparative perspective in which you can see other kinds of paradoxes. For instance, at the moment Chile is the best practice of Latin America in economic and institutional terms. The country is doing well, even though the participation of rural women on the labour market is very low and the income gap is very high. Finally, these figures also show that figures alone are not enough to measure the progress of one MDG, and I assume that this also is true for the other MDGs.

Theme expert Social and Institutional Development  
Department Gender, Sexual and Reproductive Health and Rights  
Ministry of Foreign Affairs.

### ***Discussant To Tjoelker***

It is an honour and a pleasure to be the co-referent to Sonia Montaña

I should like to react to four issues, namely:

- The statistics
- What these statistics mean to us as policy makers
- Gender-based violence
- The need to find the 'soul' again, and to link macro-thinking to people's stories.

#### **The statistics**

The statistical material presented by Sonia is great, because:

- it deals not only with gender but also shows the complexity of identity: being a woman, with a few years of education, with African roots...
- it analyses a period that is longer than that from 2000 onwards.
- it makes a comparison between Latin American countries
- it analyses different indicators of MDG 3
- it shows the positive advances in education and political participation.

The statistics do not explain why results are achieved, but make you think why change occurs and how far we are from an equitable and just world. Statistics monitor but do not describe the processes of change. This document is very complementary to the UNRISD document 'Striving for an equal justice', which describes processes of change. I wonder how we could interconnect these statistics on MDG 3 with the indicators of the Paris Declaration, which concern merely aid processes.

#### **Meaning for policy makers**

In our struggle to combat poverty, our minister has prioritized several issues that are related to gender equality, namely education, reproductive health and access to the economy.

- Change takes time: statisticians look at change over 30 years, while we would like to have quick changes and quick fixes, within the period of our political mandate.
- There are a lot of actors and factors to address inequality; every one of them has to play its role.

First conclusion: we as donors should not worry about gender equality progressing slowly; if one looks at matters in a larger time frame, it is worthwhile fighting and being partners in the fight for equality.

Second conclusion: there are no quick fixes or blueprints for gender equality. To really achieve equality and gender justice, you need to go beyond change, towards the transformation of society, a new way of systemic thinking and of systemic change. This is also the conclusion of POVNET of OECD-DAC, in which donors set themselves norms to better operate for pro-poor development.

### **Gender-based violence**

One third of all women have been the victim of sex-based violence; in some Asian countries, as many as 50 per cent of all women have been a victim. This is traumatic not only for the women but also for the children, who will commit violence as they have seen and experienced it. This attention to violence is quite important – and we as donors need to act. We should systematically integrate this aspect in all our work. As the World Bank has shown, the costs of violence should be part of the economic models. Policy measures can help to prevent violence if there are self-help groups, peace education, police training for prevention, as we can see in country programmes, namely in Nicaragua (commissonarias de la policia) and Guatemala (self-help groups and ombudswomen), and in the fight against FGM in Ethiopia, Mali, Sudan and Burkina Faso, as well as through the UNFPA whose national programmes include the prevention of gender-based violence as an important element.

### **The soul: linking the MDGs with people**

What I miss when I read the report on the MDGs – and what I miss when I read the Paris Declaration on alignment, procurement and harmonization – is the 'soul', that is, the stories of the people who are living, changing and shaping their lives. The big challenges for the coming years are:

- to bring back the stories of people, of changes; and
- to link the declarations with those stories, to let them live, to get the soul back into our aid relations.

What Sonia presented in her text is exactly what is missing from her document.

### ***Audience***

My comments are supportive. Sonia talked about the importance of the context, the importance of not relying entirely on simple indicators, but what I think was more important are some of the recommendations she made. What should we do differently?

I am from Egypt, a completely different context, and yet it is amazing that the issues that were mentioned apply also to my country. I would have come here with exactly the same messages as mentioned in the lecture. In terms of paradoxes, I should like to present two that are very prevalent in my own region. The first is political leadership: women in power are calling for change, they are introducing public policies, but there is no societal endorsement of what is happening. This is very important, because it introduces the importance of values, of ideas, of linking society and even of targeting the additional aspects of gender empowerment.

The second paradox that I see is in the empowerment of women, the gender gap in secondary level education and university education. Again, if you look at the Arab region this is the best region in terms of the gender gap. If you look at university education in the Arab region, more females than males are educated.

There are also many boys who drop out of school. The other side of the coin is that education presents the only opportunity for women to escape their predicament. It is a paradox, because when the MDGs talk about female empowerment, they do not mention

anything that is related to reproductive health. Even in the MDGs, reproductive health was very clearly side-stepped. Nobody wants to talk about it.

What kind of recommendations are needed to change this? As a general recommendation, I think that your focus on labour force and labour policy is very important. I think that if we can agree on a strategic goal – for instance, to increase women's economic participation – this will bring improvements in the life of many women. However, it is not enough to talk only about economic participation, because what is happening now is that economic participation is bringing a terrible life for women and her family, despite all policies that exist on this matter.

Another strategic issue is values and cultural forces. It is not true that culture should be left alone and that nobody should discuss it. There are positive and negative values, and we should not be afraid of opening this box because – as Sonia said in her lecture – there is no budget for individual rights, there is nobody responsible for it.

In terms of the MDGs, I will be very brief. The MDGs are very positive, very important and very practical. They target a group in society that should be targeted. Yes, the marginalized need those indicators. We must be careful not to lose them, but to add to them the two things that you mentioned in your lecture.

First, nowadays there is a big drive to add a new goal on reproductive health. There is lobbying going on for this in civil society. Whether we can add another goal or not, reproductive health is something that scares people a lot, because it brings with it the empowerment of women. Second, we should give civil society a much stronger voice. You have a regional report that talks about the MDGs. However, in my opinion you should add a section about other things that are related to this subject. This would promote a much clearer strategy and a much clearer movement. Just talking about MDGs is not enough.

### ***Tjoelker***

About the sexual rights and reproductive health issues and targets. The minister has a target on sexual rights and reproductive health. We, her civil servants, are fighting for it in Brussels. It is really a big fight to get it in the draft reports. Internationally, however, we get more support from the African countries that are fighting for sexual rights and health targets, than from Latin American countries. In my opinion, this is partly to do with the political context of Latin America, with the strong influence of the United States.

### ***Audience***

I want to compliment Sonia on what she said about the emancipation of women. However, I should like to add another group: disabled women. It is essential that we mention these women, because they are the poorest of the poor and it is essential that they are embraced by the MDGs.

You mentioned the Caribbean. I am from the Caribbean and one of the paradoxes is the fact that girls stay in school for protection. It is common for boys in our culture to have to show macho behaviour. On the other hand, they have to protect their sisters. You need to have women on the street to get children. We need to have mothers who

are empowered and who will give their daughters a real feeling of equality. This is very important. Another thing is that we are talking about ex-colonies and the colour-class barriers that still exist in these countries. A very small group has all the power. So, we need to do more than just look at culture. Women are the culture barriers, so we need to change the behaviour of mothers in raising their children.

***Audience***

I should like to know what the emancipation movement is doing in terms of achieving this particular MDG. You ended by emphasizing the importance of making a link with people and the emancipation movement. This movement has been active at certain times, then it seems to disappear and then it is back again. Where are we at this moment in terms of emancipation and in terms of bottom-up movement?

***Montaño***

My impression is that the emancipation movement in Latin America is stronger than it is in other parts of the world. At the Women's Conference ten years ago in Beijing, the only women-focused NGOs that were very active were NGOs from Latin America. For a number of Latin American women, this meant the start of a political career; for other women who were working for NGOs, it meant the start of working together with official bodies and policy makers. However, the political and economic crises that started some four years ago, once again turned back the clock.

As a result of the progress made in the field of emancipation, three or four years ago during the constitutional reform, the women of Ecuador were able to have a constitution adopted that everybody accepted. However, when a country runs into economic problems, the constitution does not count. The country has an institutional instability that is difficult for all sectors, including those that are promoting gender equality.

This is a challenge for international policy. When you decide to change your focus to one region or one country and you think things have been done, because the blueprint has been carried out, you will discover that the main agenda is no longer gender equality, but the survival of the region. Some countries change government practically every day.

***Audience***

My other question is about the MDGs: they are point of discussion at all levels and in all sectors of the government. What about the private sector: what is its involvement in relation to the MDGs in general and with emancipation more specifically?

***Montaño***

Gender equality in the private sector is very new. There are some good practices. IBM, for example, is doing a lot in the labour sphere, for instance with parental leave.

***Audience***

Many people have made the remark about mothers and sons. If the daughters have been brought up in equality, this also holds for the son. Mothers are a very crucial factor in bringing up sons in a way that is more emancipated instead of cuddling and spoiling them, because they are sons and not daughters. Because daughters must find their own way, often they are stronger and more successful than their brothers.



My question is about violence. Last year the Spanish bishops complained that emancipation brings about more violence. Is that because the spoiled sons take revenge on the emancipated daughters? Or is there more violence than there was some decades ago, simply because we collect more data on violence?

**Montaño :** In Mexico, there is a very large programme aimed at stimulating the school attendance of children; at the same time, it gives women the chance to do a little business. This is a very successful programme, one that works because it gives women free time. The outcome is that a lot of children are now going to school. However, opposition groups claim that violence has increased amongst the beneficiaries of the programme, because the men do not want the women to leave the home. Then it was decided that research should be conducted. The first outcome was that men want their women to join the programme because of the income they will receive. Second, women who attend the programme and women who do not attend it suffer from the same amount of violence. Third, violence occurs in all socio-economic classes, in the lower class as well as the higher class. Education is not a factor: a well-educated male can be just as violent as any other man.

### ***Audience***

What is the role of the church with regard to women's emancipation?

### ***Montaño***

I want to emphasize the importance of long-term policies, and this brings me to the question about the role of the church in the emancipation of women. Latin America has always had a very strong Catholic Church. In times of dictatorship, most Churches, with exception of the Argentinian Church, were deeply engaged with the human rights approach. Nowadays, there is a general conservative trend in the Latin American Churches: they have given up the human rights concern in society and are now part of a conservative backlash in the region.

Take Bolivia. I am a Bolivian and my country is going through a very difficult time at the moment. The government is very weak and is under pressure from a lot of social groups. In former days, the Bolivian Church was always an intermediary between the government and the opposition. However, three months ago parliament unanimously approved a proposal for a law on reproductive and sexual rights. It was a very good law; however, the Church was against it, and so it finally ended up in the waste-paper basket. Since 9/11, the USA – which used to be very supportive of foreign policies directed at reproductive, sexual and human rights – has been collaborating with very fundamental groups that in the past were part of civil society and now have even become part of our institutions.

### ***Tjoelker***

Not only the Catholic Church but also the fundamentalist Protestant Church have a lot of influence on Latin American society and, more specifically, on the representatives of the governments who attend the international sessions.

***Audience***

To what extent is there room for the issue of the emancipation of young boys in either the additional or the existing discussion on the MDGs and their indicators? Don't you think it also has to do with the insecurity felt by boys and men? To what extent is there any aspect of this in this MDGs discussion?

And my second question: to what extent is the fact that boys drop out of school a very serious problem? Is there a correlation between a higher degree of education and a lower degree of insecurity that might lead to domestic violence?

***Montaño***

Of course, we need to have universal qualities and we should not neglect the consequences of boys dropping out or of men feeling threatened by female emancipation. This is also happening in Europe.

***Audience***

Not a question, but a remark. I recently worked in Ecuador. The participation of women in education there is high. One of the results is that there are now many women working as teachers. And what has happened? All of a sudden, teachers' wages dropped from 200 to 50 dollars per month.

## ***Reinventing Development Cooperation: Technological Innovation and the Millennium Development Goals***

Lecture given on 7 October 2005

Professor of the Practice of  
International Development  
Kennedy School of Government  
Harvard University

### ***Calestous Juma***

I want to do three things today. First, I want to give you an idea of the framework we used for preparing the report 'Innovation: Applying Knowledge in Development', which was presented in January 2005 to the UN Secretary General, to give you an idea of the main findings of the report and to illustrate them with an example that I picked from the report and that shows how you could do development cooperation differently. Second, I want to talk about some of the implications of changing the way you do development cooperation, both for the donor countries and the recipient countries. And third, I want to give some indications of the risks involved in changing the way you do development cooperation, because nothing new is risk-free.

I started working on this report prior to the decision of the Secretary General to establish the Millennium Project, which Jeff Sachs has been running. I had a conversation with the Secretary General at the beginning of 1999. He was very interested in figuring out how to ensure that the commitments that the governments make in various conferences and international agreements are actually fulfilled. Everybody he talked to said that these commitments are never really fulfilled because there isn't enough funding. I tried to find out who was talking to him and was telling him about the lack of funding. It turned out he was getting much of that advice from other UN agencies. I had the view that there might be a bit more to it than just the absence of adequate funding, that maybe the technical knowledge needed to solve some of the problems identified in these commitments may not be in the right place. It was a very short conversation with the Secretary General because, as you may know, he is a graduate of MIT. So, understanding science and technology issues is a very straightforward task for him. And then came the Millennium Project, under which our work was subsequently absorbed.

The central view of the challenges facing developing countries has always been essentially one of relief. Some emergency is going on and we must go there and rescue the people and give them food aid or supply them with immediate support systems to survive certain extreme conditions. This is the image of, or the philosophy underlying, much of development cooperation work. It is done by people who are good at responding to events of this kind. Most of them are short term. And, secondly, it is quite clear that this fellow who is being rescued cannot pay for the hire of the helicopter. So on purely economic grounds, this is a fairly expensive proposition.

We decided to take a slightly different view, which is to think of poor countries as having some potential, because you can replace that car with a new one. I'm using this as a metaphor: thinking of them as stranded economies instead of emergencies. It gives you a bit more room to think about it. Our framework is a very simple one: we needed to make a transition from focusing on relief and short-term interventions to long-term development and competence-based activities. If you're interested in relief, you need to work with very nimble and small-scale organizations that can respond quickly and provide food aid or other services in isolated areas over a very short period. Non-governmental organizations are good at that kind of work. But if you start to think of building competence over the long run so that the people can solve their own problems, you need different kinds of institutions –universities, the private sector. So this framework has fundamental implications for who you partner with and how

you think about development, and for who you think is responsible for development. If you're organized around relief models, you think development is really about the relief agencies. If you think about competence-building, then you're thinking development being about the people themselves. So these are fundamentally different philosophical approaches. This is all familiar stuff for you.

My own view with regard to the Millennium Development Goals is that I'm not so much interested in numbers. But I am interested in the taxonomy of the problems, that there is a good qualification of the challenges that developing countries face. I think the idea of having numbers and indicators was very important, because it forced governments to focus on specific questions and start to think of meeting certain targets. Whether they meet the targets is a different matter. But they have been challenged to think about indicators. Sometimes I actually think that this was a Dutch idea, because I've seen this kind of thinking promoted in a large number of other UN agencies, and every time I've looked there's been a Dutch hand behind it.

Our task was a very simple one. The last goal in the Millennium Declaration is MDG 8, and in that goal the last target is Target 18: 'In cooperation with the private sector, make available the benefits of new technologies, especially information and communications.' That's all the text we had to work with. And when it came to indicators, they basically told us: telephones, personal computers and the Internet. That's what the negotiators five years ago thought technology covered. One of the first tasks that we set ourselves was to interpret these indicators in ways that would make it interesting. We actually rewrote the terms of reference of the report after we did the report, because evidently this is way too limited. And none of us wanted to have a discussion on whether that really constitutes the universe of technological possibilities.

This is the table of contents of the final report:

1. Innovation and economic advance
2. Platform technologies
3. Adequate infrastructure
4. Science and technology education
5. Technology-based business activities
6. Knowledge in a globalizing world
7. Advising governments
8. Governing global technology.

The final report gives you a framework for thinking about the role of technology. It identifies what we call platform technologies, which have a wide range of applications in an economy as opposed to thinking in terms of specific end users. None of this is really new. In my own view, there are three ways in which we think we have contributed to the thinking. The first is bringing back the importance of infrastructure, not so much as a way of moving goods and services, but as a foundation for technological development. A lot of technical skills in society in fact are developed and accumulated around infrastructure projects. This country, the Netherlands, is a good example. A study showed that much of the economic transformation here, after 1920, was a consequence of investment in infrastructure over the previous 30 years. It is not so much the economic output, as the technical skills that build over time.

The second way that we think we made some contributions is by arguing the case for the role of higher education in economic development. Most of the donor agencies focus only on primary education. And some go even further: they argue that higher education is not relevant to development. So we set ourselves the tasks of not just demonstrating but championing the view that higher education is just as important as primary education.

The third area is the role of science advice. We argue in the report that none of this can really be carried out unless heads of state, prime ministers and ministers at the highest level possible are, on a regular basis, systematically advised on emerging technological possibilities and how they could be integrated into economic development. The reason why this is important is that if you're in the business of exporting raw materials, you really don't need day-to-day advice on technological developments. If you're in the copper industry, you just need to have a general sense of how much reserves you have, and how much you can export over what period. But you don't need daily updates, except on prices. But if you're in the knowledge economy, you have a much higher degree of uncertainty in terms of technological possibilities, hence the urgency to be informed on a regular basis. And so economies that elect to focus on technological development as a foundation for economic change are forced, by definition, to focus on regular and systematic science and technology advice. And so we explain in great detail how that could actually work and why it is critical, in particular for developing countries that don't have a lot of resources. They don't have a redundancy in their financial resources in terms of investments. They have to make more careful choices than do the industrialized countries that have surplus finances and can experiment.

Where did we think priorities should be? The first is that the starting point for developing countries is figuring out how to utilize existing technologies – as opposed to thinking about how to generate new ones. And if they're generating new ones, they should be generating those technologies in the context of adapting existing technologies to local environments. This is a subtle point, but extremely important, because much of the debate about science and technology in developing countries revolves around trying to find the scientists to do new research. In connection with meeting the MDGs, our claim is that the body of technological knowledge needed to solve most of the problems is already available.

A large part of that body of knowledge is not under intellectual property protection. It is actually in patents that have already expired. Interestingly enough, if you look at the character of the debate on technology, it focuses more on when ideas get patented. Nobody is doing any research on when patents fall under the public domain. For most developing countries, it's actually the most interesting part when they become freely available. And yet there are no organizations, as far as I know, that focus on monitoring the expiry of patents that might be available to developing countries. So our point is to start off with a focus on existing knowledge.

Second, knowledge only plays a role in the economy if it is articulated through enterprises. Or put another way: enterprises are the most efficient way to translate technical knowledge into goods and services. You can use other methods, but enterprises

appear to be the most efficient. So in our report, we focus a lot on the role of entrepreneurship.

Third, we argue in the report that only if you have exhausted the use of publicly available technologies and pushed yourself to the frontiers of innovation, does it become necessary to invest in generating fundamentally new ideas. This is the situation Korea is in, for example. A meta process is going on to reinvent Korea's national innovation system to make it capable of creating new technologies, because they've exhausted their possibility to utilize publicly available knowledge. Our claim is that for most developing countries, this is something that will happen in the next generation, but not immediately. To meet immediate needs, the priority should be utilizing existing knowledge. This is not a general claim, because there are certain areas – for example the areas of genomics and nanotechnology – in which you are forced to get to the frontiers of technology as quickly as possible. So we basically argue that the focus should be on the ability to domesticate existing technologies in new environments. That would also involve additional adaptive research to make those technologies relevant to those markets.

So we identified these five priority areas: infrastructure, human capabilities (mostly in the area of building up technical expertise; the role of universities), business development (creating incentives that allow enterprises to be born), participation in the global economy, and the policy environment (the role of government as facilitator).

I want to illustrate this with a case study from Costa Rica, which involves looking back twenty years. Central America looked very much like Africa: civil wars, ecological degradation, widespread poverty, private armies. Africans think they have a monopoly in these areas, but it's happened before. What is interesting is the possibility to learn from these experiences. Many of you already know that in 1948, Costa Rica made a decision to abolish the military and put the military budget into higher education and health. This was not accidental. At the time, Costa Rica had one of the highest per capita death rates in the world. It was a relatively poor country, almost written off. Donors were leaving the country because they didn't see any chance of fixing many of the problems. Again, very similar to the African situation. There's an area in Costa Rica – Limon – that was predominantly a livestock and banana growing region. The economy collapsed and it became the place where many of the guerrillas fighting in Central America were recruited from. With a very high rate of unemployment, the only 'industry' for young people were the armed conflicts across Central America. The CIA was spending a huge amount of money trying to combat the recruitment of guerrillas from this area, and quite unsuccessfully.

A few people thought: maybe we should approach this differently. Why don't we find an activity that will tie these young people to a productive sector, rather than see them going out and engaging in destructive activities? And that led to the decision to establish a university, the Earth University, with a very clear mission: instead of training people who would have to go and look for jobs – very similar to the African situation, there were no jobs – the focus was on training people to go out and *create* jobs. So they focused on training people as agents for change, with an entrepreneurial mentality. People who are innovative and critical. They went down to thinking about a specific

sector: agro-business, which is logical given the character of the region. The university model that evolved out of this discussion was very different from the ones that the country was used to. The creation of this university was a partnership between USAID and the Kellogg Foundation, with leadership and support from the government of Costa Rica. It was supported at the highest level, that is, by the then-president of Costa Rica, who said that this is the kind of institution the country needs.

I want to go through some of the key elements of this model. The structure of their education model is that they go through a series of activities. I want to illustrate three of them. The first is what they call work experience. The students wake up at 5.30 in the morning, the time the farmers get up in this area. When the farmers go their farms, the students – and the professors – go to their farms as well. If it's the period of ploughing, they plough, because every farmer is ploughing. They come back to the campus at around ten o'clock and take a shower. Then they take classes in the afternoon, which are in line with the activities of the day. So when they're ploughing, they're taking courses on soil. When they start to plant crops, they're doing courses on agronomy. They harvest: classes on marketing. They do that in the first year.

During the second 18 months, groups of five students get a 3000-dollar loan from the university and have set up an enterprise. These are real enterprises, not hypothetical ones. They have to think through what activities they want to invest in. They go around the local community and attract other investors, so they have to sell their proposals, and get local people to become investors in their project. They go through the same exercise when they're planning the business: they take courses on business planning, they take courses on how you prepare feasibility studies, and they take courses on production and marketing. At the end of the 18 months, they have to wind down the business. Apparently, this turns out to be the most difficult part of their work: they have an emotional attachment to their chickens or their products. And there are also environmental issues to be sorted out. If you're growing pineapples, the next generation of students might want to use the piece of land for different products, so they have to literally clean up. They do that as a formula for sharing profit. The loan is paid for by the university at a rate of interest of 22%, which is very high, so the students are under enormous pressure. The professors stand in as consultants for the students. A large part of each student's work involves reporting back to the rest of the class how the business is actually doing. It's a hands-on training, but at the same time very strong backstopping on the technical side. That's where the professors come in. And the local investors make sure – they act as shareholders – that these businesses actually generate profit. Banks have established their branches closer to the campus, so that they can lend to students.

Finally, they do a graduation project, like an internship or research project, instead of a dissertation. Most of them choose to write a business plan, and when they graduate they go straight to banks to set up their own enterprises. We've just finished an evaluation of the last ten years or so, and on average 25% of the graduates of this university set up their own enterprise in the first year. Over the next five years, around 75% of them do so. They come from all over Latin America. In fact, I found five Ugandan students at this university, four Nepalese and two Indonesians. It's becoming an international model.

There are a number of issues here in terms of what we have learned. This was only possible because a few people in USAID thought that the challenge in this area was to stimulate economic development. So there was this vision that they couldn't solve it by relief activities. The challenge in this area was to focus on long-term economic growth. There was a lot of technical advice provided to the donors at the time, both within USAID and the Kellogg Foundation, with a very strong emphasis on the importance of technological learning. There were other elements that had to do with the leadership in the donor community. It took a few people who said: let's do this, create a fund to support this kind of activity over the long term, rather than controlling it and dispersing it on an annual basis. And you had, on the government side, a very strong interest on the part of the president.

The National University of Costa Rica disliked this little institute. They wanted to shut it down, because it was a bad example: it wasn't even a university, but a vocational school. They spent most of their time fighting it. It took the president of the country – actually four successive presidents – to support this model against the National University, to the point that they built an airstrip next to the campus so that every time they had political problems, the president could fly there. One president, José Maria Figueres, had two accidents landing on this airstrip, just trying to rescue the institute. It had a huge impact on the Costa Rican policy, because Costa Rica started to learn about the role of innovation in development and has subsequently been able to do a lot more in the area of science and technology, to a large extent by looking at this model.

Interestingly enough, the National University of Costa Rica is currently starting to adopt a similar approach. Two of my students analysed this model and have gone back to the National University of Costa Rica and are helping it to make a slow, tedious but determined transition towards this model. Another element is that the Earth University is focusing on identifying technologies outside and bringing them into the country, because the students are looking for projects. They are opening a new campus near the national airport so that they can build an urban-based model of the same concept. I want to close by indicating that it is unavoidable for donors to take risks. I presented this proposal to the World Bank once and had enormous discussions on the risks involved in this model. Suppose it fails, suppose it doesn't work? I wasn't going to ask them about the conventional projects, but it created an image of a really dangerous situation. Colleagues of mine at the legal department had told me that this zebra at the very least should wear a helmet. But it is only when you see why the zebra is moving that you understand that donor agencies really have to make a choice.

There are huge risks in doing nothing or just continuing to do the classic things and covering up failures. Both sides: on the donor side and on the recipient side. We had ten years of a 'blaming' game, where the donors say that the recipients are corrupt and undemocratic, and that's why things fail, while the recipients say that they're not getting enough money and all that. This is all covering up a very simple fact: the model is not working, so we need to reinvent it.



Deputy Director General for  
International Cooperation  
Ministry of Foreign Affairs/DGIS.

### ***Discussant Rob de Vos***

I'm an economist by training, but I don't feel like an economist. I feel like a general practitioner who's supposed to comment on a lecture being given by a professor who has just introduced to you the state of the art of world medicine. So I'll try to be practical in my comments. I want to concentrate on the aim of the report and the span of control, on common features of development and whether there are general lessons to be drawn or whether we have to look at the country-specific issues. I also want to make some remarks on the role of universities, private sector involvement, donor architecture and the role of bilateral donors, and to say a few words on the Dutch research policy.

I'd like to start by giving some advice: read the documents the professor introduced. This one, on technology, but there are a great number of very interesting documents coming from the work of Jeffrey Sachs and his team. We had a conference in New York. Some say it was a failure. It was definitely not. Some say it was a great success. It was definitely not. The great work still has to be done. We have fantastic state-of-the-art material available. We were working on an issue like under-nourishment in Africa. There was a project proposal to do something in the northern provinces of Ghana. I started to read the document of the Hunger Task Force. It's a very interesting and important document. This document that we're discussing this afternoon is also important and we have to use it. Don't read everything, but if you have time, grab it from the website. Funding is not the answer, as the professor said in his lecture, and I'm glad he did that. Sometimes, when we had discussions with Jeffrey Sachs, we had the idea that it's now all about gap-filling. Huge amounts of money are supposed to be made available, especially for Sub-Saharan Africa. I'm glad you said that that is not the only answer. Of course it's necessary, and we have seen some commitments from important bilateral donors to start with gap-filling, and that the coming 10 years we may have an additional 25 billion dollars available for Sub-Saharan Africa and 25 billion dollars for the rest of the developing world. Sometimes it frightens me that these amounts of money are on the table. Because it's a lot of money and we have to spend it wisely. We need developments in research and technology in order to use this money.

About the aim and span of control of the report. My question to you is: are we not expecting too much from policy makers? Aren't we believing too much that transformation processes can be engineered? And aren't we expecting too much from the international community? I have to say that, after 25 years of working in Foreign Affairs and especially Development Cooperation, I've become more and more modest about the role of the international community and especially the role of the donor.

My second set of questions is about common features of development, or: don't we have to look more in detail into what's happening in the different countries? Africans complain a lot that Sub-Saharan Africa is being regarded as one country, and of course there are enormous differences within Africa and between Africa and South Asia. On the other hand, we have to draw general conclusions in order to make proper policies. When I looked at the report, I was wondering in which direction it was going. Even when I read the executive summary, I thought, this could even be applicable to the Netherlands! What's the difference between the lessons in this report for Tanzania and for the Netherlands? When you start with infrastructure, higher education, universities that have to work with the private sector; these are all problems or challenges being

discussed nowadays in the Netherlands, and not solved. My other question is: at the present stage of development, especially in Sub-Saharan Africa, isn't it better to leave a lot of the research and development to the western or developed world? You hinted at that and you gave some advice, and I know part of the answer but I'm still asking you this question. The cell phone didn't come from Africa. But it is interesting to see in your report that the distribution of cell phones in Sub-Saharan Africa is ahead of South Asia. Because of sheer numbers, I understand. But still, it's one of the features that struck me in Africa, when you visit the continent and come back five or ten years later, how deep it is now into African society. You are advising an approach that gives the impression of a rather top-down way of working. One wonders if this is stimulating creativity enough. Will this stimulate research and development that will surprise us, as I once mentioned in discussions with RAWOO? And what about the role in developing countries of universities and the private sector? I'm happy that foreign direct investment in Sub-Saharan Africa is growing, and not only in extractive industries. But can the private sector play a role in the cooperation with universities? We know that the universities in Sub-Saharan Africa have not improved compared to the past.

On the case study in Costa Rica, I'd like to add that when we discussed progress in Costa Rica the other day with the Minister of Environment of Costa Rica, and we asked why is it so different from other countries in Central America, he said: the social fabric in the society is different. There's a middle class. We started from a smallholder coffee culture and we very quickly invested, as a society, in education. Compare it to Guatemala, the most unequal country on the most unequal continent, or to other countries in Latin America that have a heavy concentration of extractive industries. The curse of oil, the curse of copper, the curse of you-name-it. These issues must also play a role when we talk about absorbing research and technology in a sufficient and productive way.

The fifth issue is donor architecture. In your report you mention the important initiative of Kofi Annan: the Inter Academy Council's report on African agriculture. We had lectures here from one of the Dutch contributors to the report, which is a very important report. We also advised the World Bank and regional development banks to play a leading role in persuading bilateral donors to increase their budgets and to make research and technology the core of their business. But what I'd like to know from you is how we're going to organize this architecture. Because as a representative of a bilateral donor I have to say, with regret, that the whole organization in donor land? is a complete mess. And we really cannot afford this. There have been some positive signs coming from the New York conference, but only minor ones. We really have to start working on dividing tasks and giving room to others who are specialized in certain issues.

Let me conclude by saying that the minister has just approved a new policy paper on the Dutch research and development policy. I'm very happy she did that. This is only a start. For us, it's a chance to learn again, to cooperate again. Because the willingness to learn, to be a learning organization, is very important. It is not easy for a civil service organization, don't forget that: we have parliament, we have the political field, we have the minister – a boss who is a politician. Learning is not natural for a civil service organization. But we will try it. And we'll have to cooperate, because without

cooperation it doesn't make any sense. We have to build up the networks again. We have to get together and listen to each other. Some say we have to build a real partnership. I heard yesterday in London someone saying, it was a rephrase of what Lyndon Johnson – one of the more powerful American presidents – once said: it's better to sit in the tent and pee out, than to stand outside and pee into the tent. And that will be the aim in the coming years.

***Audience***

Can you tell us something about the follow-up of this report? Many reports have been written in the last decade about the same kind of subjects. Your report is very good because it focuses on things that must be done, but how do you see the implementation? Is there already a sign that your advice is being picked up by a government or an organization? Do you, as a task force, have a role in this?

***Audience***

Your draft report contains a sentence saying that technologies differ in their need for a learning environment. You gave us the example of the University of Costa Rica, and Mr de Vos made a critical comment saying that the social fabric of Costa Rica was very receptive and therefore this was a success. I've interpreted your example as being something that could be developed in any environment, with a condition of learning. Could you comment on that?

***Audience***

Thank you for your interesting, optimistic and very useful overview of the report. I have a question to put to Rob de Vos. He said it's difficult for ministries to be learning organizations. But I think there's another question in Mr Juma's advice, in terms of taking a long-term view and not just looking at emergencies – which are terribly important, and it might be difficult for governments in countries where there is a severe shortage or an emergency situation to take a longer view. But isn't it difficult for donor organizations, and for organizations like the Millennium Project, to take a longer view? Because there is enormous pressure to produce results and to show that things are being achieved. And very often that's not what you get when you're investing in longer term capacity-building or in longer term technology. We see it both on the donor side and in the countries. People feel very strong pressure to achieve before the next election. How do you advise governments on that?

***Juma***

How was the report received? When we set out to work on this report, we had the view that we wouldn't be saying anything that hadn't been said before. We might organize it differently, we might classify the priorities differently, but we didn't seek to say anything new. We put in place a mechanism that was different from all the other task forces: we started to engage presidents and prime ministers from all countries right from the beginning. To do that, we had to anticipate the conclusions of our report. We started off by saying: this work has already been done and our synthesis suggests four areas – excluding infrastructure, because we added infrastructure at the request of the presidents. Then we sent a first draft to the presidents and prime ministers, and we had very interesting reactions: not so much giving us feedback on the report but communicating to us that they were interested in implementing parts of the report.

'Where can we get some support?' they asked. 'We're setting up a committee to review your report and to recommend the government to take action.' This took us by surprise, because we were not prepared for the implementation of a draft report.

By April 2004, we had 45 countries worldwide that were actively studying the report and some were acting on it. In fact, one of the first to act on it was Canada. Peter Hackett – the vice-president of the Canadian Research Council – made exactly the same comment: if this is what you're recommending to developing countries, then Canada is a developing country. On the OECD side, the UK has played a very important role in reorganizing itself internally to respond to a technology-based aid strategy, which included the establishment of a chief scientific adviser to DFID. Several other countries are thinking along those lines. The draft strategy from SIDA in Sweden is building directly on these ideas. I've been in direct communication with officials in Switzerland, Japan and the UK.

On 30 November, we will have a meeting hosted by the Chancellor of the Exchequer in the UK to try to integrate elements of this report as part of the follow-up of the African Commission report. One of the interesting consequences of this development in the UK is that they're trying to internationalize the activities of other departments of government. Not just limiting it to the classic aid department, not just to DFID. The Department of Educational Skills is going to take a more international outlook. The Economic and Social Research Council is taking a broader mandate in terms of research cooperation with developing countries.

On the developing country side, I initiated a training course for ministers on how to manage science advisory activities. I'm doing the third version this year. So we're not leaving it to chance. The only time the UN has ever abolished an agency was when it abolished the UN Commission for Science and Technology. It's very difficult to abolish anything in the UN, but they did succeed in abolishing the technology agency, a decade ago. So I didn't want to leave it to the UN summit. There was a group of people who were determined to champion this issue.

The point to raise is that for us, scholars working on the report, the biggest surprise was that solutions to economic problems are analogous irrespective of where you are. We found that our report is being used in the State of Maine and the State of Arkansas in the USA. Because the core message we're conveying is that development is a learning process by which you generate new knowledge, you understand the context in which you are operating, you select some ideas and you retain them. And this principle applies everywhere.

So when I was confronted with the Costa Rica case, I asked myself: can I find a similar example anywhere else to deal with the uniqueness claim? I found out that the only university in the world that has ever built and launched a satellite into space is an African university: Stellenbosch in South Africa. The first serious private Internet provider in Africa was born in the Physics Department of the University of Zambia, an entity called Zamnet. I can go on and on giving examples of universities in very different conditions having independently come up with solutions that the Earth University has adopted. The difference is that the Earth University started from scratch, so that they

could design the whole university around this model. In most of the existing universities, there are pockets of experimentation and excellence in various departments. So I convened the presidents of universities a year and a half ago and I posed a simple question: is it better to start from scratch or to work through an existing university? Half of them were presidents who had created new universities and half of them were presidents of existing universities. All of them said: it's better to start from scratch. This doesn't mean creating a whole new university. Professors at the Federal University of Rio de Janeiro have organized NGOs outside the university to do exactly what the university could be doing, namely immunizing the project from internal university bureaucratic politics. So if you think about development as a learning process, cultural factors and differences between countries are not that significant. But those who accept these differences present artificial barriers to innovation. If we accept the false view that learning and the creation of knowledge only happen in the OECD countries, we eliminate the possibility for developing countries to do science and technology. I have come to the conclusion that the biggest enemies of development are development experts. Because people who don't know anything about development move in and do all sorts of creative things because they don't have the baggage with them.

Are we expecting too much from government? And is this approach top-down? I want to apply that to the question whether governments or ministries can be learning organizations. Advisory structures are the brain of an institution; they're what make it possible for an institution to learn. The act of learning involves acquiring new knowledge from outside. That's why in the report we strongly emphasized the importance of having advisory mechanisms, to either ministers or presidents. If you don't have those mechanisms, you probably won't learn. Instead of looking for information, running around and attending workshops day and night, you could systematize it. Have a systematic process where knowledge comes to you instead of you running around.

Is it top-down? I think that if leadership cannot take on the role of managing the economy, then that leadership should leave office. I don't accept that there is a president in a country whose main task is not managing the economy. That president should go home.

### ***De Vos***

To start with the last point on the advisory structure. That's music to my ears. Because I think what is lacking is countervailing power, real countervailing power. We have a need for a deep quality analysis as a countervailing power towards the huge presence of donors – World Bank, regional banks, bilateral donors, etc. Of course we're happy that we now have poverty reduction strategies, sector-wide approaches, more ownership. But what's lacking is a medium- or long-term vision by which donors can help countries to identify agents or processes of change. With limited capacities and means – and, I hope, also with a modest attitude – donors could do that. I agree that the biggest enemies of development are development experts, just as in economic studies, the people who think they're economists are the biggest enemies. Concerning the question about the follow-up, I just spent two and a half days in London for a meeting of the Africa Partnership Forum, in which personal representatives of heads of government and heads of state – especially G8 as well as some non-G8 and African countries – discuss all the work that has been done on Africa. Especially in the UK there is huge political

power and drive to improve cooperation with Africa. It may even be a little bit too much. I saw Russians, Germans, Italians, Japanese and even the USA being uncomfortable because of this strong presence. So, as diplomats we have to balance this a little bit. But there is a huge power coming. At this meeting, where NEPAD was the chair, they mentioned two things as a high priority for NEPAD: agricultural development – they've started to formulate programmes on this – and research, science and technology. These are also the areas, maybe forgotten ones, in which G8 and NEPAD should work together.

We work in a very political environment. It's true, ministers are asking for results. Our report on results – which we'll most probably send to parliament before the end of the year – shows that there is so much to be done. So we'll have a heavy debate with our parliament. Still, we have to look for more medium-term or long-term issues. What I learned from this report is that especially in Africa but also in other parts of the world, infrastructure has been neglected. Higher education has been neglected, not only by the countries themselves but also by the donor community. And if you expect something to come out of research and technology, you have to look at the business environment. In fact, it's also a report that caters for other themes and issues in development cooperation. That's why I find it so good. It starts somewhere other than where you expect it to start.

### ***Audience***

This morning I was in a classroom of primary school children. It was a very moving and optimistic meeting with 30 youngsters of 11 or 12 years old, who were very geared to the Millennium Goal of education. There is a direct connection to my idea that we should expect more from the international community. When I say international community, I don't mean governments only, but governments and citizens. There's a new spirit. That's why the summit in New York was so disappointing. Because it didn't address what is awakening in the human spirit: we want to be involved in how we can improve the world. And how we can achieve in 2025, as Jeffrey Sachs said, the end of poverty. To go even one step further. So you speak about the learning capacity in Africa, which I agree with and is extremely inspiring. But there should be some connection with what is happening here. There's no lack of preparedness of the public – government and people – to give. There's more of an understanding, there's a kind of a religious body of people who try to adhere to the Millennium Goals. Politicians in different parts of the world have said to me, help us to take measures that are necessary to safeguard this planet, to safeguard humanity, measures that may contravene national interests. There's a movement beyond the national interest. I'm saying this to the Netherlands, which is also, like Canada, a developing country: we have to develop towards being inclusive again in a much more mature way, and see this as a responsibility.

### ***Audience***

I can agree with what both of you said about universities. We should give much more attention to training technicians to apply research. Let me give two examples. In the Netherlands, we're quite successful in applying agricultural research. The main reason for this is that about 80 per cent of the students at Wageningen University have experience in agriculture; they know about research and think about how to apply it to concrete situations. Another example: I had discussions with Chinese students in Wageningen.

They say that if we go back home to do research like we do here, the major difficulty is that we don't get the support of technicians.

**Audience**

I should like to follow up on the previous speaker and on Rob de Vos. Professor Juma, I was struck by the example of Costa Rica where they tried to make students entrepreneurs and not academics or – even worse – civil servants like us. I think it's very important to have a private sector to teach the students. I remember from my own days at university that the worst entrepreneurs are in university. That brings us to what Rob de Vos said, that as a donor you have to pay attention to the development of the private sector. My question to you is: we in the Netherlands have an input target forced on this ministry by our parliament, namely to spend 15% of our bilateral aid on primary education. What would be your advice to that member of parliament and the Minister when it comes to that kind of input target? Can it be justified, while the development of the private sector is being neglected?

**Audience**

I just want to put forward a small piece of information on the Earth University in Costa Rica. It was supported by the Netherlands in the 1990s for about ten years. There was a master course on environmental management, if I remember well, which was supported because it was thought that the educational method, with its theoretical and practical aspects, was relevant. But it was ended because of a change of strategy: this kind of institutional support was ended in favour of other forms of educational cooperation. But maybe after your lecture we should reinvent our strategy.

**Audience**

I just want to give a recent example I saw in Niger, which is one of the poorest countries in the world. The university, in terms of infrastructure, is not that good. I was visiting the department of sociology – and it was a disaster. It was dark, nothing was happening. Then I went to the department of geography. The geographers were collaborating with a private firm in Switzerland, and the students were being taught how to do business with their expertise. The difference between the dull department of sociology, the even duller department of law and that very animated department of geography underlines what you say about this combination, that this partnership with the private sector may be a solution, but not always and only under certain conditions. How can we in the Netherlands do something to stimulate these developments?

**Juma**

I think it's going to take many more conversations like this. To some degree, I want to protect the report a little bit from being a subject of international debate. Because we don't even make recommendations, we just offer options for action. Here are some ideas, here's some evidence that it has worked in other places. So we think of this as an experimental process. There has been some discussion about whether we should have a follow-up mechanism for the task force. I'm under enormous pressure from my own colleagues to create something, like Jeff Sachs created the Millennium Promise Foundation. I've decided that we're not going to create any mechanism, because many countries have picked up some ideas. They own them, they're experimenting with them. I will not be the next person standing in their way. I cannot predict what way those



ideas may actually go. The original purpose was to create a portfolio of possibilities and offer them to countries. In that we have succeeded. Now we're picking some areas and are going further. For example, we have a volume coming out next year, consisting of case studies on the role of institutions of higher learning as vehicles for community development. The richness in that area is stunning. There is a large portfolio of ideas. It includes this idea of farmers as technicians rather than as recipients of research results.

This brings me to the question on primary education. In most donor agencies it is formulated as a dichotomy: you have either primary education or higher education – because of the lack of a budget. What's lacking is not money, but imagination. One of the cases we've described is Korea. Korea was confronted by exactly the same problem: how do you generate money to establish new universities? They found a very clever, ingenious way. We've talked about universities creating businesses. In Korea in around 1986, they experimented with businesses creating universities. Now there are a number of them in Korea. All that the businesses needed was an incentive to enable them to establish a programme and have the autonomy and flexibility to formulate a curriculum that reflects the corporate needs. This generated a huge amount of money for Korean universities, coming from the corporate sector.

I've tested this idea in Guyana by approaching leading businessmen. I had a list of the ten richest businessmen who had made their money in a clean way, and had a meeting with them. I asked: If you had incentives, would you start up a university? Five of them said they'd been trying to do this for the last five years but that the government was standing in their way. I went to the president: why are you standing in the way? The president said to me: The World Bank tells us we shouldn't put resources into higher education. I said: you're *not* putting your resources into it; these guys want to invest. And he said: oh, but if they do that, if they invest, they'll distort the incentive structure in the country. People will start taking money away from primary education and putting it into higher education. My answer to most donors is: it's a lack of imagination, not a lack of money.



## Access to care for all

Lecture given on 14 december 2005

Professor of Healthcare in Developing Countries, at the Healthcare & Culture Section of the Free University Amsterdam. Former member of RAWOO.

### Ivan Wolffers

#### The Millennium Development Goals (MDGs)

1. Eradicate extreme poverty and hunger
2. Achieve universal primary education
3. Promote gender equality and empower women
4. Reduce child mortality
5. Improve maternal health
6. Combat HIV/AIDS, malaria and other diseases
7. Ensure environmental sustainability
8. Develop a global partnership for development

Today I should like to take a look at the Millennium Development Goals [see box]. Whenever I do, a proverb pops in to my mind. It's in French: *Plus c'est change, plus c'est la même chose*. I have the feeling that I have seen similar goals and slogans popping up since the 1970s, for example in the Alma Ata Declaration, the goals of which embraced pretty much the same issues. The Declaration promised us health for all by the year 2000, and we didn't achieve that goal. That doesn't mean that we are not being able to do so if we really want to. The problem is that I want to discuss today: are our policies really intended to achieve this? Or do we simultaneously have other policies that make this impossible?

Since 1978, we have seen a lot of changes in philosophies on how to develop health care and to improve health. One of the major public health insights is how living conditions are related to health and how health care can play a role. Too often we think that it is evident that good health is directly related to our health care. However, analyses show that giving people access to clean drinking water and to good food supplies bring about the major improvements in health. Clean water and good food each account for about thirty per cent of our health. In addition, healthy living conditions – such as a good house, good ventilation and a chimney when you cook – are extremely important. Together, these conditions contribute 85% to the improvement of health. An estimated 15% is related to health-care systems. However, that does not mean that these systems are not important.

Some people say that we should be more grateful to labour organizations and politicians for the improvement of our health than to doctors. As a doctor I feel that I have to agree. Our social health improvement started in 1875, with *het kindwetje van Van Houten*, a fact that we all had to learn at school: the limitation of the number of hours that the children were allowed to work. Of course, living conditions are extremely important. Another important contribution to our thinking about why health improves was a literature review by Caldwell, who calculated that women's literacy is one of the most important contributions, specifically to help children.

Therefore, if one looks at the Millennium Goals, it is really difficult to say which of them are related to health. How can one distinguish child mortality from the eradication of poverty or gender equality and the empowerment of women? These are strongly linked.

Of course, we have to sell our political endeavours to keep our populations interested in this topic. Of course we want simple goals to sell to people. We also think it helps to steer the people who are supposed to do all this, because clear goals help you to evaluate what you are doing. But it is a process that entails a lot more than reducing child mortality.

What is lacking in this overview is that you need systems in place to deliver. It is not possible to produce health in a vacuum; it is not a product. We may think that health care is a market, but personally I think that the market belief is one of the funniest religions I have ever come across. Religions are belief systems. Some believe in life hereafter and others believe that the market is decisive for the behaviour of human beings. The market is the thing that controls everything. This religion also has its own rituals and prayers. The funniest prayer they have is the win-win situation. I think this concept is very interesting, because in the reality of life we have learned that if one wins, somebody else must lose.

The market has become the basis of our thinking, but in health care the product – health – is not so easy to market or so easy to grab. There is a part of our health that can be marketed. Yes, a market can be produced, but health cannot. Take Viagra. We have seen how the market for vascular erectile problems has been created. But how are we going to produce the well-being of and a balanced mental state in asylum seekers in the Netherlands? How are we going to produce that product?

Health is complicated. We have defined it, but turning it into products that you can market is not easy. As a matter of fact, may not be possible to market. An example is the reduction of child mortality. If you expect me to present some strategies that we can follow, then you've chosen the wrong person to come and discuss this topic. There are a lot of strategies, and you may have read about them in recent weeks in the *British Medical Journal*. How are we going to reduce child mortality? That is a whole package of important changes in people's life. And it is really difficult to reduce this to things that you can easily sell to people. Most of the goals and sub-goals of our MDGs are hard to turn into products. That's my first comment on the MDGs.

The second issue I should like to discuss is: are the strategies and the budgets of our governments sufficient? I was just reading yesterday's *Lancet* and it said that the presidents of Senegal and Madagascar have calculated that saving the lives of 6 million children – as we agreed upon in 2000 – will cost an extra 5.1 billion dollars. That means 1.23 dollars per head in the 42 poorest countries. As you know, very often this amount is not spent on health care at all. So the money is not sufficient, and it will probably never be. So we have set MDGs that are supposed to be met by private-public partnerships and be based on sound market principles, but before we start we also know that whatever we do, the funding is insufficient.

But are our goals and strategies comparable, are they moving in the same direction? I should like to take the example of HIV/AIDS. I've been working mainly with NGOs that deal with really unprivileged population groups on this, like mine workers, domestic workers, undocumented migrants and sex workers. These people need access to care. If you have a sexually transmitted disease, it has to be treated. It will reduce your risk

of getting infected with HIV. This implies that you have to have a care system in place – and not only for population groups with higher risks, but for the whole population. And that's a problem, because in remote areas of, for instance, Zambia health posts do not have doctors, only nurses. And even the nurses are not there all the time because there is insufficient funding for their salaries. Another problem is that medicines are not in stock. All this is the result of too limited budgets for health care. So, the health-care system is not functioning. We can blame it on a lack of leadership or on bad governance, which is always very easy to do. The health-care systems have to be in place to make people believe that there is quality of care that you can get there. That is so vital. If people don't believe there is anything in the nearest health-care post that they need, why should they bother to go there? More than 40% of the populations of Sub-Saharan African countries do not receive health care, because it doesn't reach them. Would private health-care fare better? No, because in communities without resources there simply is no market that is interesting for private doctors. Perhaps for the private quacks, but is that what we need? I'm always puzzled by the easy solutions of those who preach that privatization is the key. The funny thing is that in those areas where health care is most needed, there are no private doctors or companies. There's no money to be made. The market functions on the circulation of money, and if there is no money then the whole thing stops.

The same situation can be discerned with HIV. If there is no system to which you can resort, how can you prevent HIV infection? There have been – and still are – big discussions about antiretrovirals. In a recent interview in a British medical journal, Jim Yong Kim – the former head of the HIV department of the WHO and the person responsible for the programme 'Giving people access to antiretrovirals' – expressed his frustration and disappointment with the failure to get the antiretrovirals there. It is a matter of unwillingness on the part of pharmaceutical companies to reduce their prices, to stop protecting their copyrights so strongly. At the moment, some Chinese companies are ready and able to produce a full treatment for less than a hundred dollars a month. Although this is still out of reach for many inhabitants of poor countries, it would be a major step forward for middle-income countries, such as China and Thailand and a part of the Indian subcontinent. But there is unwillingness, which is reflected in the policies of the same countries that shed crocodile tears when they look at the child mortality rates. Of course, the WTO is discussing very complicated matters. In Holland, we say it's a cow trade. If you give up some of your agriculture subsidies, than perhaps we can give in on some of the copyright issues.

I don't know very much about any other sector than health. Perhaps the market idea is wonderful there. Anybody can buy Britney Spears records anywhere in the world. The issue for me, of course, is health. When we look at the whole issue of the privatization of health-care systems, countries are forced to open the market. We see the examples of Brazil and Malaysia. These are countries where already a lot of privatization has taken place. Privatization creates two systems: one for people with and one for people without money. The basic responsibility for governments is that they take care of certain important issues like health care and schooling. We need an enormous investment there. Probably in combination with novel management approaches.

Having Millennium Goals without a clear vision of how to get there and what systems have to be in place, creates a situation of dreams that has an enormous impact on our research agendas. Because – and this is one of the things I've learned from the Ghanaian-Dutch research programme – we all have our priorities. For example, malaria is a big issue. We should do much more research on malaria. We need malaria vaccines, of course, but not in isolation. When you talk to the Ghanaians about vaccines, they say it's very interesting to look at what they'll cost and whether there is a system that can bring these vaccines to the people. Ghanaians would like to do research on how to improve their systems and how to improve access for everybody.

In the Ghanaian-Dutch research programme, we work with research on insurance systems in Ghana. The disappointing thing is that whatever you do, somewhere the money is important for insurance companies. If it's not there, creating an insurance system is very complicated. In the 1970s there were wonderful studies on why there are no doctors in poor areas. If you analyse it, the number one reason is always that you can't make money there. Number two is that there is no schooling and there is no future for a career there. Why should that have changed suddenly if you go for privatization? Privatization has been successful in countries like Brazil, where you can get anything, like Caesarean sections. Many Brazilian women – about 25 % – prefer to have a Caesarean, because they're afraid of the damage normal child delivery will cause to their bodies. But for the poor it has done little. In Brazil private health institutions provide 120,000 doctors and 370,000 hospital beds for the richest 25 per cent of the population, while the poor have to go to the public system that has only 70,000 doctors and 565,000 hospital beds.

When you fly Vietnamese Airlines, what is interesting in the in-flight brochure are the advertisements for cosmetic surgery. The market has been introduced in Vietnam: wonderful. And in the win-win situation they make extra money, because patients from richer countries buy their stuff for less money and everybody is happy. These cosmetic surgery clinics make more money because of these foreign patients, who get their product cheaper. This, of course, has no impact on the villages in the poor areas of South Vietnam, where the majority of women have few opportunities in life and where a high proportion of them decide to migrate to Phnom Penh, where there is a flourishing sex trade. About 25,000 Vietnamese women, especially from the south, have migrated from these areas to become sex workers in Phnom Penh. And each year 20,000 Vietnamese women from the South go to Taiwan as a second wife to a Chinese man. Many of them belong to the category of people that we don't even see, because they don't cross the official border checkpoints. They just cross the Mekong River by boat. Most of the time, some aunt takes them to the brothels. These girls don't have a clue that they will end up there. It is very hard to reach these groups in privatization programmes.

At the moment [December 2005], the WTO is holding a meeting in Hong Kong. The main topic under discussion is the privatization of services, which of course includes health-care services. In its editorial, *The Lancet* warns that we should be very careful about this. Also an alliance of twelve NGOs – including Oxfam and Christian Aid – is very worried about how this will affect health-care systems in different countries. Privatization is okay in itself. What is under discussion is not the principle but the impact it has on health-care systems. Governments must have the right to regulate privatization, so that they can do their main job, which in this field is to provide a good health-care

system to which people have access. It is essential that the rights of countries to set their own priorities for the well-being of their people are protected. I'm worried that these Millennium Goals will be hard to achieve with policies that overrule the right of governments to regulate privatization.

And then our latest mantra: private-public partnerships. The goal of partnership in development is a splendid idea, and we should really work on it. When you look at the lower level we see all kind of partnerships. Of course, we're all aware of what happened in Sri Lanka after the tsunami. There were beautiful partnerships with people who were able to bring to Sri Lanka the supplies that were needed at the time. Some of the villages now appear to have three times as many boats as they did before the tsunami, and this has led to conflicts over fishing. Coordination and regulation is crucial. The issue is not to have partnerships for the sake of partnerships, to show that it works. It is essential to have a basic system in place that takes care of that.

Health Advisor at the Directorate for Social and Institutional Development Ministry of Foreign Affairs

### ***Discussant Anno Galema***

When I was preparing myself for today, the only information I had was that included in the invitation. I'm therefore not able to react to all the issues that were presented by the speaker.

Recently, the Dutch newspaper *Trouw* published an article on access to health, which included a frontal attack on the private sector in health. By nature I'm not a defender of neoliberalist thinking, but when I read this article I decided to become a defender, because it is a frontal attack. My view is a little different. I share with you a great concern for the lack of access to health services. Recent figures released by the WHO show that about 1.3 billion people do not have access to adequate health care. That's an enormous number of people. It's also clear that the well-off profit more from the services provided than the less-well-off, whether these services are public or private. That is common to both types of services. So in that sense, the MDGs are far away. The MDGs can be achieved, while still leaving a large group of people who do not have access to private services. The MDGs are a goal, but not the only goal. It requires thinking about solutions to achieve the MDGs.

Mr Wolffers's lecture strongly implied that the lack of access to health care is the result of the privatization of the health sector. I have a different view.

First of all, the picture that we get from the lower- and middle-income countries is very heterogeneous. With perhaps a few exceptions, there hardly is a private sector in Sub-Saharan Africa. At the same time, there is lack of access to services. I would say that even in Africa there are a lot of complaints from the private sector that they are not fully acknowledged as an actor in this area. They have hardly any access to global funding. So if you look at the picture of Africa, I don't share the view that there is a lack of services caused by the fact that there has been privatization. Of course, in the reforms of the 1980s and 1990s, the social sector, including health, was weakened. There was some differentiation of different functions in the system. There was a decreasing budget for health and the introduction of cost-reduction systems. They have affected the access to services. At the moment, there is heavy underinvestment in the health sector. But I would not say that at this moment there is a clear policy to diminish the public role in

the health sector fully in favour of supporting the private sector. Of course if you look at Latin America and Southeast Asia, the situation is quite different. The reforms that took place there have led to a substantial private sector. I refer to such countries as Taiwan, Korea and Thailand. There is rather good coverage, despite the fact that the private sector provides 80% of the health care. Of course there are also countries that show less positive figures in that sense.

Secondly, the picture within the countries is rather mixed. Often there is a mixture of public and private institutions with various mechanisms and regulations linking the two, by cross subsidies through insurance or by targeting specific groups. The question is whether these regulating mechanisms have been effective. For many countries, the answer is no. And indeed the result of that is that you have many people who fall out of the system. In that sense, it is not difficult to identify the really marginalized groups within these countries. But is that a reason to blame it all on the privatization of the health sector? I don't think so.

Thirdly, has privatization one clear source of religion? Or is it only because there was a clear policy of privatization? I think there are also other reasons why private supplies developed. This is also a result of a growing discomfort with the public system. It has to do with economic growth, which leads to a larger differentiation in the demand for health services. This puts demand to the market, and requires higher quality and more diversified services. These are also forces that have contributed to the fact that in many countries the private sector does have a role. This is not caused only by policies.

So, where does that leave me? First of all, when we think about access to services, there is more than only a defect of private services. The matter is much more complicated. I think that within this complicated picture, we also have to look at solutions. One of the statements included in the papers states that we have to make a choice between achieving the MDGs or privatizing the health-care system. I don't think that that choice is relevant. To me, it's more a matter of how we can make adequate use of the private sector in its role in supporting health systems. Thus, the issue for discussion is: can we do without the private sector in health care? And secondly: how do we get a strong government, one which is able to adequately regulate the private sector? Or, if it is still a large provider, how can it provide services in a more effective way than it is doing now? This is also a challenge for the public sector.

What other issues were mentioned? Indeed, the MDGs are complex matters. Health is a complex matter; it is not a market product. I fully agree with Mr Wolffers on that. It is a question whether the MDGs fully reflect the major problems in health. I refer to your remarks on the complexity of the issue, and on which factors contribute to child mortality. In several countries we see this a little and we are struggling with that. In Ghana, the figures on nocturnal mortality have stabilized, and we don't know why. Purely looking from a health-care perspective, we are not able to clarify these figures. There are factors outside the health-care sector. That emphasizes again that you have to look in a broad sense at health and at the relationship between the various MDGs. Not one by one, but as a package.

Finally, what are the consequences of this all for our vision on health and health care? How realistic is it to expect that in the time frame of the MDGs we can achieve universal coverage of services? In most Western countries, it took between 30 and 120 years to develop a health-care system with coverage for almost all. If you look at more recent developments in countries in the world and how they have established a reasonable coverage, you'll notice that there are many conditions that have contributed to it. However, these conditions are outside the health sector; for instance, they are conditions like reasonable economic growth and the institutional capacity of the government to play a role in development. Issues like people trusting the system as such. They have all contributed to the success of achieving universal or at least large coverage in the sector. If we look for those kinds of conditions in various countries in the Sub-Sahara region, we can only conclude that many of them are not there. So, how realistic is it to expect universal coverage in a time frame of ten or twenty years? I don't think we can achieve that.

### ***Response from Ivan Wolfers***

Let me clarify something. I feel that I did a bad job today if that is the main thing that you got from what I said. I didn't say that we don't want any privatization: I said that I strongly argue that we should stop processes in which governments find it impossible to regulate. Further deregulation is not good; you need tools to regulate. Otherwise you get health-care systems that are only for the rich. And you leave second-hand health care for the poor. Human nature is very simple. You train people in Bangladesh to explain something about food that grows along the road, because it is very nutritious and full of vitamin A. And then you see that they cut these grasses and they sell them at the market, which is privatization. There's nothing wrong with that. However, it also creates dependence. That's human nature. What you need is systems to regulate it. And that's what I tried to get across. We need systems to regulate, and that's why I think that further deregulation – like what is happening in the WTO at the moment – is an unwise idea.

### ***Audience***

During the presentation I got the impression that you're opposed to privatization in the health sector, while at the same time you stated that privatization is okay in itself. Its consequences are bad, because governments don't have tools to regulate the market. What is your specific view on the role of privatization in providing primary health-care in developing countries? And what is the role of the government and how can it be complementary? I'd like to hear some empirical evidence, rather than personal impressions.

### ***Wolfers***

I can give you empirical evidence. First of all, health care is a broad concept. Take, for instance, prenatal care. That is one of the best examples where health care can contribute to health. This has to be organized, but it is not very attractive to the private sector, unless it's for a specific category of people who have a lot of money. In Indonesia, there are hardly any doctors involved in the primary health system. Officially they work in public health-care centres, but they are there for only an hour a day, because they have their own private practices. Nurses, who are not doing a bad job, do the rest of the



work in the public health-care centres. This illustrates how the Indonesian health-care system is functioning.

The same goes for Sri Lanka, where I did my PhD research on access to health. The poorer areas are very badly covered by Western-trained doctors. You see the traditional doctors there. I'm not a believer in traditional doctors, but they pick up all kinds of knowledge. They practise a mixture of traditional and modern medicine. According to research, they're functioning very well. And they function partly in the public and partly in the private sector. So you see different kinds of divisions of work.

Why do people go to private doctors? When you're really in the market and you're private, you have to market yourself. You have to make people believe that you're better than anybody else, otherwise you don't get clients. Let me give an example from Vietnam. People have started believing that what comes from abroad is much better – even to the extent that when they have family in France or wherever, they ask them to send medicines from over there. That's also where I think that regulation comes in. For example, we have a *College ter beoordeling van geneesmiddelen* [medicine evaluation board]. This also has to do with the quality of medicine. They have to make statements. That is regulation and instead of forcing countries to further deregulate, it is not so difficult to support ministries of health to regulate the quality control of pharmaceuticals and to take decisions about what it is worth for their countries.

### **Audience**

A question for Mr Galema: I heard you say that in Africa there is no private sector. In some areas in Africa, there's no official health care either. Does that mean that in these regions sick people have nowhere to go? No, people seek help from a traditional birth attendant or a traditional healer. Would you also include them in the 'private' sector, even though they're not regulated and not trained?

### **Galema**

When I spoke about the private sector in Africa, I was talking about the profit-private sector. You're right: there is another group, which basically is the private sector as well. I think the group that you mentioned is extremely important for getting the care at the level where the private or public care doesn't reach the people.

### **Audience**

A question for Mr Wolffers: for years there has not been enough investment in the health sector, given the increased demand due to population growth. To what extent do you think you can privatize unregulated services? And how can they help to achieve the MDGs?

### **Wolffers**

Of course, most of our economies have a large number of irregular activities that are not regulated. This is very important, especially in health care. Very often one of the efforts we need to make is to look at the informal sectors in the total health-care system. We have to find a way to communicate with them, provide them with information and then regulate them, because people are making use of them.



Also the behavioural aspects are very important. For example, antiretrovirals are not in themselves the solution to HIV/AIDS: they are simply an important tool. Prevention remains the main topic to focus on. This includes creating an enabling environment: why would Chinese people let themselves be tested for HIV/AIDS if they will be stigmatized when people find out that they are infected? If they never have a test, they will never have access to antiretrovirals. How to interest private parties working on the de-stigmatization of HIV/AIDS, that is a big challenge.

### **Audience**

What role could paramedics systems play for poor people?

### **Wolffers**

In China, the paramedic system was cultivated to high standards in the 1970s. Surgeons had to go to villages to transfer their knowledge to village doctors, who didn't have a very good pre-education. But it was a very successful programme. The CIA even printed the barefoot doctor manual, because they thought it was such an important thing that it should be available in other countries as well. The interesting thing is that you can see a kind of gradual upgrading of the whole system. Now, however, you no longer see anything of that. You have kind of a regular medical system in the villages. If you live in a small village, you can't deny the enormous development. Of course, you prefer to go to Shanghai. That erodes the system a bit. The challenge is how to regulate this. But paramedics are a major health manpower resource that has to be used, in whatever way it may develop.

### **Audience**

A sub-goal of MDG number eight is access to medicines for HIV/AIDS. Why is it under number eight? It is an obligation for development countries. There is a clear relation with intellectual property rights. Once you have a medicine for HIV/AIDS and a patent on it, you make it so expensive that developing countries cannot afford it, and you have a big problem with access to medicines. It seems that there is a problem with intellectual property rights in relation to access to medicines. How can research be stimulated into medicines for all?

### **Wolffers**

Property rights on medicines are a very difficult issue. I had the privilege four years ago to discuss this with Mrs Herfkens, the former Minister of International Cooperation. She had the view that one should protect property rights and subsidize the purchase of the ARVs at a reduced price. Everybody would be happy. However, I've always wondered how it is possible that our academic system is down-geared to only the last link of the thinking chain. If you look at all the knowledge we have gathered on biology in the history of humanity, each step forward leading to the next one, then it is surprising to see that you can only get property rights on the last link of the process. That's almost unbelievable. And how to get around that? That is even more complicated, because the property rights owners have strong protectors in the political arena of our countries. I don't know if anyone here has read the book by Marcia Angell. She was the previous editor-in-chief of the *New England Journal of Medicines*. Her book is a must to read. It's also about how these processes work, because the pharmaceutical companies don't make these big investments at all. I mean they make enormous investments in marketing and

distribution, in organizing congresses, there's no doubt about that. But the investments in new products are not so big. Most investments are still made by academic institutes. By the time promising things come up, companies are very close to these people and they buy the patent, while the big investments have been done through public systems. This is hard to challenge, because we accept it. To be honest, if there's no political will to change this in our part of the world, specifically in the United States, then I'd be a magician if I could come up with a solution here. Because that is only a matter of goodwill.

### **Audience**

There are good examples as well, like Victoria Health. Perhaps we should promote these initiatives to show that there are things that can be done.

### **Wolfers**

You get so many tax reductions and subsidies if you go into that, that to me it's a miracle that companies don't jump at it. It only has advantages. It is hard to sell things to people who have no money. That's why although there all these subsidies, companies are not interested. They prefer to develop Viagra for women: they're working on a testosterone cream for women with low sexual desire. They have even invented a disease that didn't exist before: female sexual dysfunction. They organized congresses on this topic. They did one piece of research with 300 women without ovaries. There was an average of half an orgasm more a month with these medicines. You may think that it's a joke, but that's how pharmaceutical companies work. They get it on the market for women with ovary surgery, knowing that the off-label use will be immense. I even read about the cream in a popular women's magazine, *Flair*. There was a whole story about how useful this stuff is. They're good at creating expectations in people. Creating a market. That's why you need some regulation. And that's why I'm pleading for it.

### **Audience**

My question is about financing the health system. We talked about the health system with the private sector on one side and the public sector on the other, and then profit and non-profit. But people use the health system and they pay for it. In Latin America, 25% of all payments for HIV/AIDS services and commodities are made by households. When you talk about regulation, to what extent it will be regulated by financial flows? Will it be from the donor or government side, or from that of households?

### **Wolfers**

Together we can develop systems for that. However, it is extremely difficult because some of the regions and groups that need investments the most are extremely difficult to reach. For example, 800,000 Burmese people in Thailand don't have access to the regular system because they're refugees. In Thailand there is a good private system, but you can't do anything with it for these 800,000 people. You can't even negotiate about it, because then you admit that they exist. There's a high rate of HIV/AIDS: 35%. Also, because they have the worst jobs – the dirty, dangerous and degrading jobs. Because other jobs are not accessible to them, many women become sex workers. Many of them don't have access to tuberculosis treatment, which is really important. When they get into the final stages of HIV infection, they withdraw into the forest. We have volunteers

and organizations there that take care of them. The responsibility of governments is to regulate. If they don't regulate anything any more, why should we pay taxes? I think there is a role for governments to play there. This is an international issue as well, because the Burmese are not Thai. International organizations have to speak out for the rights of these people.

## ***Science and Technology for Africa's Economic Transformation: The Role of the International Community'***

Lecture given on 31 January 2006

Executive secretary of the Science and Technology Forum of the New Partnership for Africa's Development (NEPAD), which is based in Pretoria, South Africa.

### ***John Mugabe***

I was asked to talk about African perspectives on science and technology for development. I should first like to share with you some elements of the African Science and Technology Plan of Action, which is the result of a three-year process led by African governments and institutions.

They came up with some suggestions concerning the roles the international community should play in order to help African countries to implement their plan of action. I will focus on the question why Africa is starting to put more emphasis on science and technology.

The process that African countries have collectively put in place is meant to ensure that science and technology will contribute to economic transformation; in other words, that both are part of the development agenda. I will then introduce the objectives of some plans of action (what we are calling 'consolidated plans of action'). After that, I will give an indication of some of the programmes that have been adopted by African countries. The governments ensure that this plan of action is efficiently and effectively implemented. I also will make some statements on the budget agreed upon by African countries to ensure that they realize the goals that are set out in the plan of action. I will end by making some statements on resource mobilization and the role that the international community can play: not just providing resources for Africa, but also helping Africa to find its own resources.

In terms of background, it is clear that science and technology are now firmly on the international and national agendas. I will give the UN system as an example. At the last General Assembly there was ample attention for science and technology (paragraph 60 in the outcome of the special summit). It is stated that science and technology have an important role to play in achieving the MDGs. Therefore, there is increasing attention for the role of science and technology at higher governance levels.

The value of science and technology for Africa is expressed by the important role of NEPAD. When NEPAD was being established, African leaders said that without science and technology, the NEPAD agenda could not be realized. Or, more specifically: African countries will not achieve economic transformation, poverty reduction and human development if they do not apply science and technology. In NEPAD, some explicit science and technology goals for African development have been set.

We want Africa to stop being a net consumer of scientific knowledge and innovations produced by other regions or countries. For Africa to be politically assertive, it must become a global player in science and innovation. There is also the recognition that new technologies and the technological opportunities will make it possible for Africa to achieve economic transformation faster than it could have done 30 years ago.

Thus, there are opportunities, but there are also barriers to Africa's scientific and technological development. The leading countries in NEPAD recognize the inadequate commitment to science and technology. This is manifested in the inadequate allocation of money by all African countries to science and technology. None of the countries has achieved the level of 0.8 per cent of GDP, as was agreed upon. This also has to do with

a lack of confidence in a number of countries concerning their ability to contribute to further developments in science and technology.

In Africa, there is recognition of the opportunities, but there are still barriers. In order to realize those goals – to remove the barriers – African countries established a process in February 2003.

First, it was a participatory process, one in which most African countries participated at various levels. It was also a knowledge-based process. In order to be able to identify and address the barriers, we had questionnaires, background studies, national submissions and so on. We looked at Africa's own capacities, trying to learn from other continents, particularly the European Union. The process had a high-level political engagement. In the past, it was mainly this lack of commitment that led to failure. This time we had heads of states, presidents and ministers involved to make sure that the process was not endangered. The process has been guided by partnerships, in which we have learned from other continents and other regions. Between the beginning of 2003 and September 2005, we adjusted the plan of action. Our agenda had at least a hundred different priorities. In September 2005, we ended up with 12 flagship programmes, each of which focuses on particular development challenges, as well as on the MDGs.

The process has been guided by several principles. This time, Africa is setting its own agenda. This is in contrast with what happened in the 1970s and 1980s, when the international community as bilateral donors dictated the contents of the research agenda of Africa. This time, Africans own the agenda. The process has been guided by collective action and common challenges. The process – that is, the plan of action – is collectively owned by all member states of the African Union. There has been emphasis this time on not just taking on programmes or projects that are not going to add value to regional and continental efforts.

Within the context of the Organisation of African Union (OAU), there were many science and technology initiatives, networks, centres of excellence, big programmes. But these programmes did not survive, because they were not embedded in existing networks. Another principle is that we are not starting from scratch: we will use the infrastructure that already exists to add new value to existing national, regional and continental efforts. Another principle is that we are sharing progress, outputs and inputs. We want to build on prior progress. Therefore, we have to be flexible to adjust priorities, programmes and projects. In order to share differentiated capabilities (resources, infrastructure, etc.), Africa must be open to the international community.

The plan has five pillars. The first concerns knowledge production and use in African institutions by African scientists.

The second is related to mobilizing skills, and the need to develop good policy conditions. The third concerns the creation of strong institutions and being aware of the need for regional diversity. There is an urgent need to improve the infrastructure for research and development, and to strengthen institutions.

An objective is to train African scientists, technicians and engineers. You can find African scientists everywhere, but they work in isolated institutes. Africa must turn ideas into products and services so that innovation can take place. Research institutes must be linked with the private sector.

Another objective is not to create a 'science for science' kind of research, but to develop research that is embedded in a societal context. A third important objective is to improve the quality of policies for science and innovation. In the 1970s and 1980s, there was assistance from such institutions as UNESCO. In the last 25 years, these policies have not been revised. Therefore, we have been putting a lot of emphasis on a new science and technology policy. This will be done at at least two levels, that is, at the continental and at the regional level. A lot of countries are starting their national process focusing on different issues. For example, there is already an agreement that Southern, Northern and Eastern Africa will all focus on different issues of biodiversity and biotechnology. A further objective is to increase the demand for science and technology, to make sure that we have an industry that is going to demand African science.

In terms of programmes, there are five clusters – or 'flagship programmes'. Each programme has very concrete projects. For the sake of illustration, I shall describe two of the programmes.

Cluster 1 is the bioscience cluster and consists of biodiversity, biotechnology and indigenous knowledge. The biodiversity programme is aimed at creating a unique setting for conservation scientists, with an emphasis on taxonomists. The budget has been set especially for this programme. A number of fellowships have been earmarked for this specific programme.

Cluster 2 is about energy, water and land degradation (or desertification). Together with UNESCO and UNEP, we want to create a network of centres of excellence on water quality, sanitation and water management. We already have a partnership with France.

The other three clusters focus on the mathematical sciences, the material sciences (manufacturing, laser technologies and post-harvest), and ICT and the space sciences.

I will give you an example of what is happening. Within the area of biotechnology, there is a high-level panel that has been established by African presidents. This panel advises them how to address such issues as genetic modification. The panel has already met five times. It is a group of eminent persons who are able to mobilize the best of the available knowledge. By doing so, the panel ensures that the African presidents do not develop conflicting policies. 2007 will see the start of a programme on indicators, in which the African countries will try to agree upon common indicators – or 'benchmarks'. They will be used to assess the state of science and technology in a particular country where innovations are taking place. The aim is to develop an African science and technology protocol.

In terms of governance, the African Ministerial Council on Science and Technology (AMCOST) meeting in 2003 marked the first time in over 20 years that all the African ministers responsible for science and technology got together. Whereas ministers for

trade, environment or finance meet on an annual basis, the ministers for science and technology did not even know each other. Now it has been decided that these ministers will meet every three years, and AMCOST is driving that process.

With regard to the implementation of the plans and programmes, this will be done via a so-called hubs-and-nodes system of identified institutions, mostly universities. The initial budget agreed upon last year was USD 20 million for five years, which is a very modest figure considering it is for the whole continent. We are making an effort, with the support of a number of institutions, including the United Nations, to come up with an African science and innovation facility. This will be a defined mechanism for science and technology on the continent with a clear emphasis that the decisions are being made by African countries. A number of countries are making contributions. Even some countries that have never invested in science and technology are now starting to do so. For example, last week Malawi made a commitment of USD 500,000.

We hope that this effort, which is owned and led by African countries, will stimulate the participation of the international community. All efforts should be focused on this plan of action; no other plans of action should be developed.

Historian with a career in the Netherlands Ministry of Foreign Affairs. He is currently based at the Clingendael Institute, where he is doing research on the development of Asia.

### ***Discussant Dr Roel van der Veen***

When NEPAD was started, I was working at the Africa department of this ministry. So I remember that this initiative was welcomed very positively. It was stressed that it was an African initiative and African owned in all stages and in all aspects. This was something we, as donors, were looking for. It was and is a sign of Africa's self-confidence, of Africa taking its responsibility into its own hands.

Africa is setting its own agenda on science and technology, as you pointed out, and in many other fields as well. It is trying to pay for it by itself and, of course, here the first problems appear, because it is not easy if your resources are limited. Apart from that, there has to be a strong political will and political commitment concerning how to reach consensus and how to maintain a vision of what is needed and to have a sprinkling of ideas about what should be done. This does not easily combine with consensus if you have to deal with so many countries.

So, there are quite a few problems within the set-up of NEPAD, but I think they can be overcome, certainly if you take into consideration the very good start of this programme.

I should like to comment on two subjects. First, on the relationship between science and technology on the one hand and development in general on the other. Second, I should like to apply it specifically to Africa. I want to do that in the form of theses.

First of all, the relationship between science and technology and development in general. I am often surprised about the number of people who underestimate the importance of science and technology in the development process. As a historian, it is my natural tendency to look at what happened in the past. If you look carefully, you can see that the big steps that have been taken in history – that is, steps that resulted in a major leap forward in development – were usually taken in the field of science and technology, and especially through the use of new inventions. That goes for the different

stages of states, which are of course crucial in the development process. The warlords who had the first use of canons became the centre of new centralized states, because they could control the other warlords around them. It was the end of local power and it was the start of national states in Europe, purely as a result of the invention of canons. It is perhaps a bit simply stated, but this is most crucial. And this is still the same today. If the United States wants to remain a superpower, it has to invest heavily in technology. If you want to become a new superpower, like China, you have to invest heavily in the same field. It is still crucial to states for their development and also for the development of societies.

If you look at inventions that made a difference to the economic progress of Western Europe, for example, the most obvious is the introduction of the plough. It made the productivity of agriculture so high that money became available for other sectors of society. It was channelled through the first financial institutions to manufacture and trade, and so on. So, we moved from the dark Middle Ages to the high Middle Ages. Remember the steam engine, and the information and communication technology of today. It really changed the world. It gives new momentum to the development process. So never underestimate the importance of science and technology and of inventions.

Most inventions were accidental; most were discovered by businessmen acting on their own. However, at one point in history people and states started to realize that they could have a policy on it, that they could stimulate it. This was not done in the Western world, but in Asia and Japan at the end of the nineteenth century. When Japan wanted to become strong like Western states, it started to copy the West in all its aspects, including science and technology. We in the West always looked a bit askance at this copying, as we thought it is a creative process and if you copy you will never get the idea of what is going on and would never really succeed. However, we were clearly wrong, because they did succeed and after this copying phase, people in East Asia started to move on: they became innovative. They did the same thing better than we did, so if you look at the frontier of science not only the West but also East Asia is taking part in it. I could not explain why this happened, until I read a book about developmental processes written by William Bernstein, *The Birth of Plenty*. He put the emphasis on the role of institutions in the development process. One of the institutions he mentioned that was crucial in the process was not science and technology, but the 'scientific method'. To my surprise, he said that what is important is not really the level of knowledge but the process, the principles of how you do things. That is what matters. If you as a society are not able to use scientific methods or if they are not a priority in society, forget about development. He mentioned four institutions, and this was one of them. His message was that societies that have all four institutions in place will develop. However, societies that lack one or two of them will not develop. It can be falsified, so it is very good for discussion. For me it gave a clue as to why the copying model used by Japan and other East Asian countries was successful. It was not because they made the same products cheaper and faster. No, it was the fact that they unconsciously learned the scientific principles, the method. And by the time they had learned to make all kinds of products, they knew by heart and they could apply them to move forward.

Now, I shall present seven theses for Africa, based on this theory.



**1. Don't invent things for yourself: it takes too much time and it will not be effective.**

Many things have been invented elsewhere and can be used in Africa. In that way you will be economically much more effective, and by the time Africa has moved on to a higher economic stage, you will have learned the principle of the scientific method and you will automatically move on to a next stage.

**2. Look at Asia, not at Europe.** Relations with Europe are interesting when it comes to financial methods, but the gap in developmental terms between Europe and Africa is quite big, much bigger than that between Africa and Asia. Moreover, the relationship with Asia is much less sensitive than it is with Europe. What did Asia do differently from Africa in the last few decades? How was it able to be so successful from a development point of view? I'm proud to be participating in a project that will be financed by this ministry. It is called 'Tracking Development', and the aim is to link institutions in Africa with institutions in Southeast Asia, and to find out why Southeast Asia went in one direction while Africa stayed more or less where it was. What made the difference? Those kinds of questions are crucial; however, the process of getting the answers is very important. It is usually the process that matters, the context that you build in institutions in different regions.

**3. Work hard.** I just heard a story about students in China who do not go home after a lecture, because they live too far away. Instead, they sleep on the college benches. In South Korea, some high-profile institutes want students to sign a contract in which it is stated that they will sleep no more than four hours a night. I do not say that this is the right track, but it is important and you can stimulate it as a government by rewarding those who are doing well. The attitude is important: how strong is their commitment to learning?

**4. Beware of religion.** Religious principles are not in line with scientific principles or methods. Religion can be very fine for people in many ways, but it should be confined to the private sphere. When it comes to development, you need more rational methods. This was clearly seen in the development of the West after the Middle Ages: religion withdrew from the public sphere into the private sphere, a process that started in the late Middle Ages and lasted until about 1800. The public sphere was filled with economic principles. Economy became more and more important. Richard Tawney has written about this in his *Religion and the Rise of Capitalism*. One of the main problems of the development of the Islamic world is its inability to limit the influence of religion.

**5. Beware of the humanities.** In a way, the humanities cause just about the same problem as religion does. In the 1970s and 1980s, I was sometimes shocked when listening to debates at African universities and heard the things the older generation said and the kind of theories they had. They taught their students how to make products cheaper, faster and better. How to move ahead, how to improve. There was no word or discussion about finding explanations for it had not succeeded so far. This is a completely different attitude: you have to move on to new more pragmatic questions and I am confident that NEPAD will stimulate this. How to go your own way and pay for it yourselves? That is also a part of NEPAD. Donors can come in at a later stage, but certainly not at the beginning. NEPAD is African owned and putting some of its limited resources into programmes like these should prove it. If you look at capacity in the field

of science and technology, the situation has deteriorated since the 1970s and 1980s. This happened both in countries that had money – like Nigeria – and in those that did not. So, if money is not the primary problem then it is probably not the solution. Political commitment is much more important, and this should be proven by putting money where your mouth is.

**6. Mistrust politicians and trust businessmen.** I think you will agree with me here: politicians' meetings go on and on, and they produce a lot of paper in building consensus. However, their vision is lost. Politicians often have their own agenda. It is not that business people are better people: they are as bad as politicians, or you and me. However, their motivation is usually much more honest and much more simple. They just want to make money. If a state is functioning well they can use the market and that is what should be done and that is what works. If you have a good plan in science and technology and you ask businessmen to finance it and they say 'no', most likely your plan is not worth much when it comes to development. If they say 'yes', most likely your plan may have a positive influence on the economics in the country. So, be aware of what businessmen think about your plans.

To conclude, I think that NEPAD is on the right track. Yes, there are problems but they can be solved. Just take your time to do it: donor countries will give Africa the time to do so, and they will not jump on Africa too early if the MDGs are not achieved by 2015. Too bad, but they will achieve them later. Remember: it is much better to go in the right direction slowly than to move very fast down a dead-end street.

### ***Response from John Mugabe***

I agree with most of your theses, but not all of them. First, your 'Do not reinvent the wheel'. Africa does not produce knowledge. Knowledge is produced for you. Africa is not going to rely on another continent to produce knowledge. If you look at the nature of technology today, it is mostly knowledge intensive. Africa does not have this knowledge. If the continent wants to add something to technology, it could be as a source of information. Technologies are out there: you just must acquire them.

The second thesis. 'Look at Asia, not at Europe'. I would say: Africa must open its eyes wide and look around carefully. Africa should not be tied to one particular continent, like this South-South cooperation. I think that Africa must learn from you Europeans as well.

The third thesis: 'Work hard'. I think that African scientists and engineers must work harder. But in their defence, one can say that they often have to work in a rather hostile environment.

---

## **Plenary discussion**

### **Audience**

My question is about cooperation in Africa and the Netherlands. You know the African and Dutch scene well, you have a good overview: the question is what, in your opinion, would be the best areas of cooperation between the Netherlands and the emerging African institutions? This is interesting, because NEPAD is creating not only new institutions but also new partnerships. For example, you mentioned the French partnership on water. In the Netherlands, some new institutions are being created, as well as a new research policy, at least, as far as this ministry is concerned. So, given these innovations on both sides, how could we arrive at a new type of partnership? What challenge would you give to the Dutch with regard to our type of policy so that productive cooperation from both sides – the SANPAD-type of cooperation – could occur?

### **Mugabe**

At the moment we are dealing with the issue: how to create efficient and effective partnerships. We enquired in France and Canada for partnerships, based on the principle of comparative advantages. And in August we spent some time in Sweden trying to find out what we can do with Sweden: one common issue seems to be bio-energy. At the moment a student is mapping the Dutch research landscape to identify specific areas of common interest.

### **Audience**

How can you ensure that you keep your best 'brains' in Africa, and what is your strategy to include and involve your 'brains' outside the country?

### **Mugabe**

We spent a lot of time discussing the issue of the brain drain. It is a complex issue. The best thing for Africa is to identify and use the best brains, irrespective of where they are. They don't need to come to Africa, but Africa can use them. Four of the fourteen scientists on the panel I mentioned in my lecture – this advisory panel for African presidents – reside outside Africa. Still, they are now working on African projects. The bioscience initiative we launched two years ago in Nairobi has a budget to work on this typical African problem. You do not want the best brains to leave, but the moment an interesting and well-paid job outside Africa is offered, it is hard to compete, especially if the job is a challenging one. However, new technologies – particularly information and communication technologies – may improve our chances of retaining the best brains.

### **Audience**

Two questions. First, our policy is on the support level: it is important to create skills, and we use it partly to give people the possibility to study at, for example, Wageningen University. But a French student has to pay a tuition fee of only 3000 euros, whereas an African student has to pay 16,000 euros for tuition and research. What is your opinion about this policy?

Second question: NEPAD's five research clusters lack a rural focus: most poor people in Africa live in rural areas, and therefore I was quite astonished you have no cluster focused on agricultural research.

***Mugabe***

If you look at the clusters, we did not identify sectors, but focused on problems or specific technologies. The first cluster you could call bioscience, agriculture and environmental challenges. The Southern Africa Biosciences Network Has already started a project on mushrooms. We focus on both the social sciences and the biosciences.

***Audience***

The basic principle of NEPAD is to rely on your own resources; another principle seems to be 'go your own way and pay for it yourself'. I think this is a contradiction. Science and technology are an engine for economic growth, and economic growth has a spin-off for science and technology. Where does economic growth take place? You gave a very broad picture of areas in South Africa, Kenya and Nigeria that have flourishing economic activity. However, could you elaborate more on your relationships and alliances with foreign investors? The latter bring not only resources with which to exploit national resources but also know-how.

***Mugabe***

Today, the idea of mobilizing Africa's own resources seems to be far more popular amongst African countries. This attitude differs a great deal from that in the 1970s, when countries were looking at each other wondering who was going to finance it. Because they own the process, they own the plan of action. Also, this time heads of states are talking about science and technology. So, it is not just left to scientists. There is an effort to mobilize Africa's own resources. But this should also be the basis for a partnership with the rest of the world. Africa should be able to contribute at least one third of the budget. Now we can look at the rest of the world to find foreign investors. A new development is the establishment of the NEPAD business group, which consists of a group of countries operating in Africa, African companies. As NEPAD, we are working with them on specific issues.

***Audience***

Your annual budget for the first five years is less than a million dollars per country, and your total budget is far less than a regular budget in Europe. I hope that for the subsequent five years, you will get a budget that is many times larger. My second remark is about setting the agenda. The international agenda, of course, was set six years ago, with the Millennium Development Goals. That is the lead for most development agencies, as well as for Africa. So I think that the harm has already been done. However, when I went back to the clusters, I expected to see at least some overlap with or resemblance to the MDGs. I could not see that: there was no clear parallel and there was no structural analysis. So, is there also a research agenda parallel to the MDGs?

### **Mugabe**

In the co-introduction strategy paper, it is all about MDGs. However, in terms of organizing our programme of work, the plan of action should not centre on specific problems. Let us take water science programmes: we do not want a programme focused on one of the eight MDGs. We do not want to design a programme that focuses on only one problem. In the plan of action there is a description how science and technology should be applied to achieve the MDGs.

### **Audience**

When you look at research, you can see it is successful in very strong networks and institutions. If you want to develop research in many more institutions and you make use of the African diaspora, you want to incorporate that and to elaborate this agenda. I think you should consider how to build and develop institutions where research really can work and where researchers have the time to do their work, and where there is a sound physical infrastructure and the payments are there, and so on. Could you elaborate a little bit more on this: how is NEPAD or the EU planning to address that issue?

### **Mugabe**

When the decision was made by African leaders that Africa is not going to build new structures or new organizations, an effort was made to identify for each of the flagship programmes which institutions had the competence to deliver – which institutions, or centres of excellence, for example, are needed to ensure that the programme will be as efficient and effective. For the water programme, not only science and technology ministers are responsible; also 'water' ministers have their responsibility, and are therefore involved. So, this group of ministers, hopefully, is going to approve the first list of institutions related to this programme.

### **Audience**

One of the many problems that have to be overcome in Africa is that of retaining staff. I have experienced this in many African institutions. I have come across two interesting ways to address this problem. One is topping up salaries. I heard that most donors have refused to top up salaries. However, I also understood that the Bill Gates Foundation tops up salaries quite substantially, at least for the medical sector. I wonder what your view is on the idea on investing in better salaries.

The second thing is that although most trainees abroad sign a bonding agreement with their home university or institute, many trainees still find another job elsewhere. One of the solutions could be for NEPAD to put these agreements on the international agenda and to try to enforce that bonding agreement, that is, to prohibit any institution in another country from offering such a person a contract. I think that that could be a very practical step.

### ***Mugabe***

You have to find out why they leave the continent. When they want to go back to the institutions, you force them to stay. We are putting the emphasis on improving conditions so that African scientist and engineers can work at African institutes on African programmes. In terms of salaries, it is not the donor's obligation to top up salaries. Science and technology are not high on the agenda and therefore we do not pay them enough. It is not that there is no money.

Some countries do confront this issue. Last year, President Musaveni of Uganda started a process whereby scientists will be paid more. Also last year, President Kadami of Rwanda told his ministers not to buy four-wheel drive cars, but instructed them to send the money to science institutes and information and technology institutes. He started to double the budget of science institutions. Whenever he travels abroad, he wants to meet engineers and scientists. He is emphasizing that a country should invest in science and technology.

## ***Combating child labour in the context of the millennium development goals***

Lecture given on 14 March 2006

Former Director of the International Programme on the Elimination of Child Labour (IPEC) (1999-2005). In his current position, he is responsible for all fundraising, internal and external coordination, and the ILO's partnerships.

### ***Frans Röselaers***

I'm very glad to see here today representatives of so many of our partners in this country, that is, representatives of the trade union movement, employers, and the various ministries and NGOs with whom the ILO works very closely.

Child labour is a serious problem in most developing countries and in many transition countries. If it is neglected, it will be an obstacle to the achievement of several of the Millennium Development Goals by 2015, in any case, at least MDG1 and MDG2. This should not be the case: there is considerable commitment and ample experience to eliminate child labour within the deadline set by the international community. But it will require bold measures and massive investments in education and poverty reduction. In 2004, the ILO published an econometric study of the costs and benefits of eliminating child labour. The study showed how this can be achieved within twenty years. I shall return to this study later.

Children are particularly hard hit by poverty: more than fifty per cent of them live, like their parents, on less than two dollars a day; in some of the least developed countries, the figure is more than seventy per cent of the population. Children are more gravely affected than adults, because of the large size of families and because of their vulnerability, which applies especially to girls.

Of the daunting number of children who live a miserable life and experience gross injustice, 250 million are obliged to work. Not just odd jobs in out-of-school hours: they have to work every day, for long hours, at too young an age and under unsafe and unhealthy conditions. Poverty and low family income are partly the cause of this, but there are other causes, too: a lack of good schools and various sociocultural factors, such as the exclusion of and discrimination against certain groups, and prejudice against girls.

To effectively address this injustice and this irrational phenomenon, two things are needed: to get parents out of poverty and to get children into schools.

The Secretary General of the UN, Mr Kofi Annan, recognizes that '... the best anti-poverty programme is employment. And the best road to economic empowerment and social well-being is decent work'. [Secretary General's remarks at the event 'A Fair Globalisation: Implementing the Millennium Declaration', New York, 20 September 2004].

The principal route out of poverty is therefore to find or provide productive and decent work and improved livelihoods for adults. We put much emphasis on labour rights as the basis for both social justice and economic rationality: it is not wise to trade poverty for poor jobs, let alone to skew the playing field by allowing child labour, forced labour and other types of exploitation. At the same time, the safety net of social protection, which is justified in and of itself, should be strengthened and extended as a safeguard against poverty. And it is our conviction that the participation of employers' and workers' organizations in the national debate about shaping policies and strategies for poverty reduction is indispensable for their success. The role of social partners in society is key to

effective poverty reduction. Unfortunately, this is not always and everywhere recognized. So much for poverty reduction in general.

The second measure is to get all children into schools. A much-quoted approach has been introduced in Brazil, and is now being applied in a number of other countries. Families receive a modest cash transfer on condition that they send their children to school. This subsidy helps families to supplement their income or to undertake new economic activities. The conditionality guarantees that children go to and remain in school.

In the ILO report that I mentioned, the research topic was the consequences of the worldwide application of this approach. The study hypothetically applied a general programme of action to all developing and transition countries. However, 36 countries throughout the world were excluded, because of either high income or the unavailability of data. The hypothetical programme comprised four categories of costs, namely:

1. Massive investments in education, that is, in schools, teachers and educational materials. The total cost of this component amounts to 500 billion dollars.
2. A conditional cash transfer to families, the total cost of which is 213 billion dollars. However, this does not constitute economic costs as such, because it is transferred from the government's account to family accounts. Such a grant equals 80 per cent of a child's labour value, multiplied by the total number of children up to closing the poverty gap.
3. Special interventions to assist children who are performing the worst forms of child labour. Measures are needed to rescue, rehabilitate, counsel and implement other measures to address the social exclusion of these victims. The total costs amount to 9.4 billion dollars.
4. The opportunity costs of child labour. These costs amount to some 245 billion dollars, representing one third of the total package. On the benefit side, these include education effects, namely improved productivity and increased earnings in the future as a result of every extra year of education: this totals 5 trillion dollars. Apart from this, there are also health effects, namely reduced illnesses and injuries: this amounts to a total of 26 billion dollars.

The study concluded that child labour can be eliminated and replaced by universal education within twenty years at an estimated cost of 760 billion dollars. It points out, however, that the benefits of eliminating child labour within the next two decades will amount to an estimated 5.1 trillion dollars for both developing and transitional economies, where most child labourers are found.

Globally, the economic benefits of the fight against child labour exceed costs by a ratio of 6.7 to 1. Sub-Saharan Africa and Asia have the highest ratios, while Latin America and the transitional countries of Central and Eastern Europe are below the global average. The study argues that the costs are a wise investment. Each extra year of schooling stemming from universal education up to the age of fifteen, results in an additional



eleven per cent in future earnings per year for the next 40 years – whereby retirement is assumed to take place at the age of 55, which is a rather conservative assumption.

According to the study, the child labour elimination programme is a 'generational investment' – a sustained commitment to today's children. For the first sixteen years of this twenty-year programme, the resultant economic burden will almost certainly exceed the returns. But after this point, net economic flows will turn dramatically positive as the effects of improved education and health take hold. By the twentieth year, costs end altogether, leaving only benefits of around 60 billion dollars a year.

760 billion dollars is a huge global investment. But the average annual cost pales in comparison to the other annual costs borne by developing countries. For example, debt servicing alone exceeds the programme's costs by more than a thousand per cent, and military expenditure is around seven times greater. The average expenditure of developing countries on health or education is three to four times bigger.

The value of this study is not limited to arguing the economic rationality of combating child labour, however welcome this is especially to us at the ILO; its extra value is that it adds weight to the massive ratification of the ILO's child labour conventions by 300 countries around the world. Some 80 per cent of all ILO Member States have ratified one or more child labour conventions. But this study also includes precious sub-studies modelling the crucial factors of a policy package that can bring about the desired change, benchmark the various components for monitoring and correction, and demonstrate the cost-benefit path of an essential human right, namely that children should not be exploited and are entitled to realize their right to education. As a noteworthy follow-up to this study, I should like to mention four points. First, that quite recently the study was replicated at regional and country level by a number of countries, for example in Latin America in 2005, and by Brazil, Kenya and Nepal as country studies.

Second, we received positive feedback from the World Bank. I had, for example, a panel discussion with the Bank's chief economist in April 2004. Third, there are suggestions that cost-benefit studies should be done also on other fundamental labour rights, and these suggestions are now being considered by other organizations. One could think of forced labour, trade union rights and the elimination of discrimination of work. Fourth, the methodology and the outcome of this study are relevant to the promotion of child rights in general. If you look up UNICEF's 'State of the World's Children 2006', you will find that it refers to this study and reproduces the summary estimates. It is also quite relevant to education. This is at present inspiring the collaboration between the ILO, UNESCO, UNICEF and the World Bank. And, in a broader sense, it was relevant to the poverty reduction strategies in quite a few countries.

Media attention has been enormous, despite the highly technical nature of this study, and has thus contributed to advocacy against child labour. Some countries are beginning to use the rationale and models similar to those used in this study to plan their policies and actions to combat child labour, and are integrating these into their national development planning. And, finally, a number of donor countries and agencies took the findings of this study into account when stepping up their funding of bilateral

and multilateral programmes to combat child labour. Examples are the EU, Germany and the United States.

Altogether, the cost-benefit ratio of this study, which was funded by the US Department of Labour, has been very favourable. It enabled us to convincingly link standard setting, operational experiences and research in order to inform and direct policies and action on a development problem that sadly affects millions of children worldwide, and helped us to prove that labour need not be the fate of children and that poverty need not be the future.

Thank you.

Educational Policy Advisor  
Cultural Cooperation, Education and  
Research Department  
Ministry of Foreign Affairs.

### ***Discussant Anke van Dam***

There are several issues I wish to tackle – including some specific issues on child labour – more broadly than Mr Röselaers did. I also want to react to the programme he is proposing.

First of all, I agree on the importance of eliminating child labour in order to achieve several of the MDGs, including the education MDGs. But I think that the approach that Mr Röselaers has chosen is a little limited. Child labour is a complex problem and there are several elements that must be dealt with in order to solve the problem. We have to look for solutions that are comprehensive, that include all those different programmes. I will mention just some of them.

Mr Röselaers mentioned poverty and lack of access to quality education. I want to add sociocultural reasons to this. There is a high demand for child labour because children are cheaper, more flexible and better equipped to perform delicate and precise work. I also want to add a lack of political will, a lack of proper legislation and law enforcement systems, and a lack of wage regulation systems that prevent competition between adult and child labour. Other aspects are population growth and the number of children per family, the HIV/AIDS pandemic and the problem of AIDS orphans, and conflict and post-conflict situations, which have a huge impact on the possibility to eliminate child labour.

I think that providing access to education and improving livelihoods are important instruments to reduce the number of child labourers. But it is not enough: other strategies have to be implemented as well. And one also has to monitor and enforce the rules and the laws that are related to that. I'll mention a few of them: wage regulation, trade sanctions on products made by children, education programmes for parents and the community – and thus not only for the children – a code of conduct for the multinationals, and the support for programmes and organizations that campaign against child labour, including trade unions.

Now, let me react to the proposed programme. I think it's very interesting to see the costs and benefits of the proposed programme of action in both the short and the long term. It's an interesting programme and seems to be very sustainable. Nevertheless, I have some comments to make about it.

First of all, the cash transfers. I know that these have had a very negative impact in some countries, because of the increased dependency of the parents and community on external funds. I also have comments on the non-sustainability of the programme. There is a risk of corruption and blackmail by creditors and, in some cases, the sexual abuse of especially girls. The long-term perspectives and the impact of the programme are difficult to explain to parents or communities that are living in extreme poverty, because it does not solve their immediate problems. So what are we going to do during the 20 years we need to solve the problem?

Related to the costs of the programme, I have a very specific question: are the costs of training and schooling and creating decent work for the parents included in the four categories of costs? Or is this not the case?

Then I have a more general question related to the discussion: what is the definition of 'child labour'? Is all work that children do, child labour? What criteria are used to define child labour? It is easy for the worst forms, but there is a grey area in which the situation is a lot more complicated. And the ILO definition leaves room for discussion and differences in visions and perspectives on what child labour is.

Dutch policy is focused on eliminating all forms of child labour, but prioritizes the worst forms. However, this does not mean that we do not have a strong commitment to eradicating *all* forms of child labour. The problem is what we mean by child labour: what exactly do we wish to eradicate?

We define 'unacceptable activities' as those activities that prejudice children's education and their physical, mental, social and moral development, as well as those activities that are performed for a large number of hours each day. That is also the definition the ILO is using.

But how are we going to deal with labour-related activities that in some cultural settings are seen as part of the socialization process? Children learn certain responsibilities or acquire certain skills and attitudes by observing, imitating or participating together with their parents in the community. In each specific context, children need to learn skills in order to prepare themselves for adulthood and for participation in society. Some of these skills can be regarded as labour. However, they are important for social status, self-esteem, independence and the feeling of 'belonging to'. They can also be regarded as part of the informal education process.

Thus, we have to avoid the danger of looking at context-related activities from a western, Eurocentric point of view. The specific cultural context should be taken into account. But the criteria I mentioned earlier should help to make a distinction between those activities that are considered as labour and those that are acceptable as part of the socialization and the informal learning process. But there is a grey area: when is it 'labour' and when are they 'acceptable activities' that form part of the socialization process?

A second category of comments is on the relation between education and child labour. Dutch policy is targeted at basic education for all. Everyone – children, youngsters *and* adults – should have access to good quality and relevant basic education that will provide them with the necessary skills, knowledge and attitudes to participate in society, socially, economically and politically.

But what do we mean by 'education'? Some people say that if we provide full-time education, we can eliminate child labour. But in many countries, 'full-time' education means school in the morning, afternoon or evening only. This leaves the rest of the day for children to work. In other places, education is provided during those periods of the year in which the children are not needed to perform household-related activities. In those cases, school holidays are organized around, for example, the agricultural calendar. We therefore have to establish a comprehensive and integral policy on the elimination of child labour.

But we still have to define what 'education' is. It's not the same as schooling or formal education only. Basic education, which is part of the policy of the Dutch government, is much broader. Specific measures and strategies are needed to reach those groups that do not have access to education, and that includes working children. Education for the parents and especially the mothers, if they did not receive sufficient education, can be a strategy both to improve the livelihood of the family and to stimulate parents to send their children to school. In most cases, this will be non-formal education, literacy courses, or vocational or technical training courses. Formal education is not always accessible to marginalized children. The school is too far away, such education is not acceptable for cultural or religious reasons, it is neither safe for nor accessible to children who do not have a birth certificate, etc. In some cases, it is even not advisable. For example, if children have been working for a long time and are above school age, it is difficult for them to enter a formal system. In those cases, non-formal education can be an alternative. However, it must be of good quality and must meet the general standards. It can be education provided by NGOs, churches or distance education. It can be education with flexible hours and flexible locations – for example, for nomad children – or it can be vocational training courses or on-the-job training. I have noted that this is part of the programme that Mr Röselaers proposed.

### ***Response from Frans Röselaers***

I think that Ms van Dam has raised many valid and important questions. I should like to address three of the many she raised. These are, in reverse order:

1. What does 'education' comprise? Should it be full time, or can it be in 'shifts'?
2. What about household work and school holidays? I fully agree that education is not schooling alone.
3. Education in some cases may not be advisable. This is the first point I should like to deal with.

I think that in all these debates, it is very important to keep a clear perspective on what it's all about. To my mind, and in our organizational approach, education is a very fundamental right. If one starts changing the goalposts on that, you end up in very complicated situations. We already have a slight problem with non-formal education. In our view, non-formal education is a transitional measure: the final objective should be education for the whole period, from birth to the age of 15. As a transitional measure, it can be very useful, and not just as a secondary solution, but so that the children who

were deprived of their right to be in school can adapt. They and their parents often do not have the reflexes that are required to feel at ease and to perform well in school.

I also agree with you that schools in many parts of the world have insufficient capacity and quality, are not easily accessible to families in the rural areas, and do not have a curriculum that prepares children for their later productive life. But I do think that it is important to keep the fundamental right to education on the radar screen and to plan programmes and advocacy from that perspective. I'm referring here to very simple things, such as promoting birth registration. UNICEF faces a huge problem in that many countries do not have an effective birth registration system, which leads to all kinds of problems for both the parents and the children when it's time to get the children into school. It gives us problems, too, when we try to induce governments to enforce labour legislation for under-aged children.

I agree that education is not only schooling in the formal sense of primary school and secondary school. Children – especially older children – should be able to opt for vocational training, to join apprenticeship schemes and even, in some cases, to go for self-employment. As far as full-time schools, going to school in shifts and school holidays are concerned, I shall confine my comment to an interesting experience I had last week when I had a discussion with representatives of the chocolate industry. This industry is trying to combat child labour in West Africa, where there are groups of child slaves on coco farms. When they did a first survey in that area, they discovered two things. First, most children were working only during school holidays. Second, over 55 per cent of the children were not in school at all. To me, this is a contradiction. You cannot claim as a community, as a family or as a government that children are only working during out-of-school hours or school holidays, if the majority do not go to school at all. What one must realize is that, in a lot of countries, it will take quite some time for people to realize what is meant by child labour.

I come back to the definition of child labour. What your ministry and the Dutch government say is that child labour is: 1) all economic activity performed by children under twelve, 2) all economic activity by children aged between twelve and fifteen, except for light work, and 3) all hazardous work performed by those aged between fifteen and seventeen, with an age limit of eighteen. 'Light work' is difficult to define in detail, which is why the ILO made a provision in the conventions that this should be determined at the national level.

When governments ratify ILO conventions, they agree to change their legislation and to enforce it. But they also need to have tripartite consultations on two matters. One is the way in which they will deal with 'light' work, and the other is the definition of 'hazardous occupations' and of 'hazardous sectors'. Therefore, there is some variation in the analysis of what is done in different countries. But the objective is clear: 'light' work is not just doing work that is not hazardous. It is also a matter of not doing it at too early an age – especially not under the age of twelve – and not doing it for too many hours.

When four years ago we did global estimates of the incidence of child labour worldwide, we found that a very large proportion of children work 44 hours a week. Here in the

Netherlands, not even adults would do that. You would claim overtime, or go on strike or renegotiate your collective labour agreement. But for children, this is considered normal. This is a problem particularly for girls, because they are also expected to take on part of the household burden, as was the fate of their mothers in the previous generation. This gives them an unacceptable, combined rate of engagement in economic activity as well as household activities. I feel that it is quite important to be strict about these definitions. One can always, in practical terms, start with a solution that emphasizes the need to eliminate only the worst forms of child labour. But if a country has ratified both fundamental child labour conventions, it is important to leave the door open and prepare the ground for tackling *all* forms of child labour that are not acceptable and that are not a part of 'light' work.

My third comment concerns your call for comprehensive solutions. I could not agree more. We've always collaborated very closely with UNICEF and UNESCO, especially with the latter. For the last two or three years, I've been undertaking an initiative – championed by Ad Melkert, as he was executive director of the World Bank – to promote education and reduce poverty. We've jointly always taken the stand that UNESCO, or those who are dealing with education in developing countries, can never achieve the goal of having all children in school. We will never be able to achieve the goal of eliminating child labour without first achieving the education objective. So I agree with you that there should be a comprehensive approach to this, and that is what we are trying to do in developing countries by envisaging any activity to combat child labour in the broader context of the national development plan and the UN development assistant framework that goes with it. I also feel that it is important to link it with special efforts for dealing with HIV/AIDS and conflict situations. I won't comment for the moment on trade sanctions or codes of conduct, although if somebody from the floor has comments on that, I shall react.

### **Audience**

Two points became quite clear from the summary. First, costs cannot be used as an excuse for not acting. This is nothing new. Second, calculating those costs is somewhat problematic, because you have to base them on a whole range of assumptions. Unlike you, I'd be very reluctant to base my work on these calculations.

My first question to Mr Röselaers is: Convention 182 [in which the ratifying countries commit themselves to take immediate action to prohibit and eliminate the worst forms of child labour] has been in place since 1999. Considering that little has been achieved despite the urgency of this plan, is the plan to eliminate more forms of child labour realistic?

My second question is: the incidence of child labour increases with the spread of HIV/AIDS. In many poor countries, there is hardly any pre-schooling. What is the ILO's stand on starting early with school, that is, on preschool education? Recent research shows that children who start school early are more likely to be able to attend school later on.

### **Röselaers**

You mentioned that calculating this kind of model is not unproblematic. Of course it isn't. But we took a few precautions. We ran this by other organizations and by very hard-nosed researchers, especially at the World Bank, but also with UNESCO on education and with the WHO for the health effect. But we've also had a lot of experiences in quite a few countries with researchers and NGOs, sister agencies in the UN system. We especially used a lot of our field experience, which informed the assumptions we made, as well as the models and the parameters included in it. They're explained and they make fascinating reading. Some of them were picked up and we are in dialogue with some organizations to refine it, whenever this model is implied at the country level.

As far as Convention 182 is concerned: so far it has been ratified by 158 countries, which is a record for any international labour convention. But what is equally interesting is that in the same period, the number of signatories to Convention 138 [which prohibits all kinds of child labour] increased from 69 to 142. That's quite an achievement, because only ten years ago that convention was considered unrealistic. Countries couldn't work with it and it was not worth pursuing. I'll spare you a list of NGOs that were arguing this, but among them were a few UN agencies. At present, it is almost as widely ratified as the more 'sexy' convention on the worst forms of child labour, which helped us to get the issue of child labour on the world agenda. If you read the outcomes in the document issued after last September's world summit, you'll notice that child labour and Convention 182 are explicitly mentioned in paragraph 47.

I do think that it is realistic to aim for the elimination of child labour within a reasonable period. It may take a little longer than the twenty years that we've been modelling here, but I'm quite confident that when next June the ILO publishes a new set of global estimates of the incidence of child labour, we may get an interesting picture.

I fully agree with you that it is important to emphasize the early enrolment in school of all children. This is why we should go even further with concentrating on birth registration as an essential tool for achieving that. As long as a large proportion of children worldwide have no way of proving when they were born or what they're entitled to, you won't get them into school. I fully agree with and fully support UNICEF's immense drive to get birth certification rights.

### **Audience**

I spent four months in Mozambique, mainly in the south, looking at the effects of HIV/AIDS on child labour. The problem is that there are no schools. When there are schools, they have three shifts a day with not enough teachers and with a minimum of 50 to 60 children in each shift. How does one tackle that? And not only that, but also the effect of the HIV/AIDS crisis in Mozambique, which is getting worse.

### **Röselaers**

Dealing with child labour in a context of countries that have a high incidence of HIV/AIDS is exceedingly difficult. We do have programmes in all of eastern and southern Africa to try to do something. It can only be done in cooperation with a much broader consortium of agencies. We work with UNAID and UNICEF in many countries. I think that the special angle for a solution to this problem is to concentrate on two or three things. One is the very important task for teachers and the unions to ensure that enough is invested in education, that they get proper class sizes and that the children actually attend, even if they have to look after infected family members. It is even more difficult in rural than in urban settings. We have a number of examples in Uganda, Kenya and Zambia where this seems to work. But it's an uphill battle. It's very difficult if there is not enough awareness on the part of the government authorities to gear their policies and budgets to those situations. It's a cruel dilemma in any country, and especially in those that have a high rate of infection. A disproportionate share of the burden falls on the children, during the illness as well as afterwards, when they have no parents around. I think that assistance on the part of the donor community and the international organizations in proper targeting and budget allocations can help a lot. And if you manage to mobilize civil society – especially teachers and unions – you can do a great deal to at least alleviate this situation.

### **Audience**

Perhaps you're being a little too friendly to the governments and the politics. You could say that governments aren't doing enough. The ILO is the forum to take action, address those issues, make a fuss about it and put pressure on those ILO Member States that do not fulfil their obligations.

### **Röselaers**

You're appealing to my conscience. I like that, but what I need to remind you of is that we deal not only with governments but also with civil society and, in particular, trade unions and employers' organizations. Those parties have divergent interests in a country context. We need to make sure that there is a constructive dialogue rather than only a critical one. That doesn't preclude making a fuss in appropriate ways at appropriate moments. At the ILO, being the oldest of the UN agencies, we have perhaps developed a Pavlovian effect to always keep it civilized and to not shout too much in public. But I can assure you that many of my contacts with government representatives of countries like India, or Ecuador or Ivory Coast, I have found it hard to be polite when it comes to listening and reacting to the way they see child labour, what they intend to do about it and what more they might do. And in addition to what I would label as a constructive dialogue with those governments, we also have machinery that is slightly less innocent than it looks at first sight. Any country that has ratified our conventions may expect to be scrutinized on the application of those conventions. And they usually dislike the kind of comments that are formulated, even though they're couched in civilized terms. There are several ways of exerting influence. Sometimes we can also do it by helping the advocates against child labour.



### **Audience**

I like the plan and the idea very much – but the difficulties always lie in the implementation. I have a question for Mr Röselaers: what opportunities do you have to get this component included in the poverty reduction strategy papers of various countries? And a question for Anke van Dam: if I am well informed, the department has a target to spend at least fifteen per cent on education. Is an activity like this also considered a part of that budget? If not, what other means does the department have to support this idea?

### **Röselaers**

Yes, we're indeed using every opportunity we find at a country level to argue for the inclusion of action against child labour in PRSPs. It is not so important whether we do that as international civil servants; what's more important is to help those in the country who should argue this in the national context to do so effectively. Which means that planning, finance and labour ministries, trade unions and employers, and even NGOs need to have their arguments included and to have their proposals integrated in PRSPs. We do it, but we don't always meet with great success. The sensitivity of planning and finance ministries to social issues is not always as it should be. But we have had a number of breakthroughs, partly thanks to the increased sensitivity of World Bank staff. The fact that studies like this are convincing senior World Bank staff, including their chief economists, helps to trickle down to World Bank country teams the need to be open to such arguments and to include them in their projects.

About the fifteen per cent: as a part of the dialogue of the Dutch government and the Ministry of Development Cooperation, we've had quite some support for the inclusion of education in our action against child labour, and we've had encouragement from the Dutch government to proceed in this way. I hope that this continues.

### **Van Dam**

I think I can very briefly add to what Mr Röselaers said: we're supporting the education activities of the ILO. At the moment, we're negotiating with the ILO about a new partnership programme in which this programme can be included.

### **Audience**

You focused on child labour, Mr Röselaers. Could you tell us something about the ILO's ideas on household employment, decent work and improving livelihoods by providing education for parents?

### **Röselaers**

The ILO's main agenda is to promote decent work for all. I'm very glad that we've had a breakthrough in recent months, especially on the occasion of the world summit. Heads of state governments agreed to adopt a paragraph in the outcome document, which says that 'the principle route out of poverty is by employment and improving livelihoods for families everywhere'. Not only is that statement a step forward for us, but the EU Commission adopted it and will integrate the concept of 'decent work' into all its development cooperation activities. At the moment, we're elaborating the text on what the different steps can be: self-employment, improved access to training, entrepreneurial skills, improved social protection. With this we hope to draw more attention to the

promotion of decent work as a key element in reducing poverty. The same subject has been discussed with all our donors. In fact, most of them are quite keen on including the promotion of decent work as a key element in their programmes.

### ***Audience***

I think there's a huge potential for action against child labour among our own schoolchildren and students. When schoolchildren study this issue and find out what's going on, they're very upset. This is a very strong countervailing power, don't you think, Mr Röselaers?

### ***Röselaers***

Indeed, when you see the exploitation, you become very upset, whatever your age. I also think that more can be done to channel the indignation of schoolchildren and students in a positive way. They see how their counterparts in other countries are not given the opportunities that we consider normal for ourselves and our children. This could be a very powerful movement. I'm optimistic. I have a feeling that the popular indignation and the advocacy that evolves from it, will not only continue for some time to come but will also intensify. I think that public interest in the subject underwent a slight dip in 2001-2003. But I'm encouraged by the fact that new campaigns have been started; for example, in this country as part of the global march against child labour, which has been going strong since 1996. But internationally, there are campaigns as well, by both the trade union movement and a number of large NGOs. I think that they would be the best vehicle for reaching schoolchildren and university students, for promoting more research and for encouraging the private sector to adopt a more active position. We've seen a lot of major enterprises, including multinationals, take a serious interest and become involved in codes of conduct and supporting activities to combat child labour, either individually or by sectoral alliances; for example, the sporting goods, tobacco, chocolate and coffee industries and the mining sector. If all the energy that goes into this is brought to bear, there is hope. Through pressure, the political commitment will be translated into more budget support, also from countries' own means. With more budget, more children will be at school. I think that there comes a point when the momentum becomes self-propelling. The last 30 or 40 per cent doesn't require much impulse, but it's very difficult to get to that point, as we know from our own history.



---

## Abbreviations

ACTS	African Centre for Technology Studies
AIV	Advisory Council on International Affairs
AMCOST	African Minister Council on Science and Technology
CARAM	Coordination of Action Research on Aids and Migration
CEPAL	Comisión Económica para América Latina y el Caribe
CGIAR	Consultative Group on International Agricultural Research
CIA	Central Intelligence Agency
CIESIN	Center for International Earth Science Information Network
COS	Committee for Development Cooperation
DCO	Cultural Cooperation, Education and Research and Communication Division
DEC	Développement Economique Canada
DFID	Department for International Development (UK)
DGIS	Netherlands Directorate General for International Cooperation
DSM	Dutch States Mines
DSI/ER	Social and Institutional Development Department/Gender, Sexual and Reproductive Health and Rights
ECLAC	Economic Commission of Latin America and the Caribbean
EU	European Union
FAO	Food and Agricultural Organization
FDIs	Foreign Direct Investments of statistics
FGM	Female Genital Mutilation
GDP	Gross Domestic Product
HTF	Hunger Task Force
IBM	International Business Marketing
ICT	Information and Communication Technology
IFPRI	International Food Policy Research Institute
ILO	International Labour Office
IMF	International Monetary Fund
MDGs	Millennium Development Goals
MIT	Massachusetts Institute of Technology
NEPAD	New Partnership for Africa's Development
NGOs	Non-Governmental Organizations
OAU	Organisation of African Union
ODA	Official Development Assistance
OECD	Organization for Economic Cooperation and Development
OECD-DAC	Organization for Economic Cooperation and Development-Development Assistance Committee
PIEB	Programa de Investigación Estratégica en Bolivia
POVNET	Network on Poverty Reduction
PRSPs	Poverty Reduction Strategy Papers
R&D	Research and Development
RAWOO	Netherlands Development Assistance Research Council
ROSI	Return on Social Investment
S&T	Science and Technology
SANPAD	South Africa- Netherlands Research Programme on Alternatives in Development
SIDA	Swedish International Development Agency

TNT	Thomas Nationwide Transport
UN	United Nations
UNAIDS	Joint United Nations Programme on HIV/AIDS
UNEP	United Nations Environment Programme
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNFPA	United Nations Fund for Population
UNICEF	United Nations International Children's Emergency Fund
UK	United Kingdom
WFP	World Food Programme
WHO	World Health Organization
WTO	World Trade Organization

---

## **RAWOO publications**

### ***General Recommendations 1***

Health and Illness in Developing Countries. January 1984 (abridged English version).

### ***General Recommendations 2***

Energy for Survival. January 1984 (abridged English version).

### ***General Recommendations 3***

International Dimensions of Development Problems; research needs and priorities. October 1983.

### ***General Recommendations 3a***

Legal Aspects of International Dimensions of Development Problems; research needs and priorities. June-1984.

### ***Seminar reports***

International Dimensions of Development Problems. Edited by H.J. Mastebroek. 1984.

### ***General Recommendations 4***

Food Security in Developing Countries, research needs and conditions. January 1986.

### ***Working Paper 1***

Towards Autonomy for Women; research and action to support development process. June 1986.

### ***Seminar report***

Food Security in Developing Countries. Edited by A.P. Smits. October 1986.

### ***Working paper 2***

Industrialisation in Developing Countries, priorities and conditions for research. General Recommendations 5. February 1989. Sustainable Land Use in Developing Countries; perspectives on an integrated approach. November 1988.

### ***Policy paper 3***

Solar Energy Research. July 1990. Industrialisation in Developing Countries. Seminar report. Edited by A.P. Smits. September 1989.

### ***Publication no. 1***

Advies over de registratie van ontwikkelingsgericht onderzoek. January 1991. (in Dutch).

### ***Publication no. 2***

Criteria for assessing proposals for research in and for developing countries. August-1991.

### ***Publication no. 3***

Advies inzake de organisatie van het onderzoeksbeleid in het kader van ontwikkelings-samenwerking. Augustus 1991. (in Dutch).

### ***Publication no. 4***

Cultuur en ontwikkeling. RAWOO Lunchlezingen 1992. Maart 1993. (in Dutch).

### ***Publication no. 5***

Development and strengthening of research capacity in developing countries. Conference on Donor Support, The Hague, The Netherlands 2-3 September 1993. Edited by Marijke Veldhuis. June 1994.

### ***Publication no. 6***

Meerjarenperspectief op onderzoek voor ontwikkeling. Onderzoekbehoefte en Nederlandse onderzoekcapaciteit. November 1994. (in Dutch).

### ***Publication no. 7***

A medium-term perspective on research for development. Research needs and Dutch research capacity. June 1995.

***Publication no. 8***

Good Governance. Rawoo Lunchlezingen 1993. Redactie: Oda van Cranenburgh en Marijke Veldhuis. September 1995. (in Dutch).

***Publication no. 9***

Building up and strengthening research capacity in Southern countries. A study prepared for the RAWOO by Frits Wils. August 1995.

***Publication no. 10***

Supporting capacity building for research in the South. Recommendations for Dutch policy. December 1995.

***Publication no. 11***

Research capacity for sustainable development. Report of a field study in Ghana, Kenya and Kerala (India) conducted for RAWOO by Wesley Monroe Shrum, Jr. April 1996.

***Publication no. 12***

Agenda 21. RAWOO/RMNO lectures on sustainable development. Edited by Frans Duijnhouwer and Marijke Veldhuis. July 1996.

***Publication no. 13***

Towards a European Science and Technology policy for development. November 1996.

***Publication no. 14***

Internal conflicts, security and development. RAWOO lectures and seminar. Edited by Bas de Gaay Fortman and Marijke Veldhuis. May 1997.

***Publication no. 15***

Framework for a Ghanaian-Dutch Programme of Health Research for Development. March 1998.

***Publication no. 16***

Developing a Ghanaian-Dutch programme of health research for development. Results of a questionnaire to identify relevant expertise in the Netherlands and willingness to cooperate with Ghana. February 1998.

***Publication no. 17***

Framework for a Philippine-Dutch Programme of Biodiversity Research for Development. March 1998.

***Publication no. 18***

Information & Communication Technology and Development. RAWOO lectures and seminar. August 1998.

***Building bridges in research for development***

Review of 1997 and 1998. May 1999.

***Publication no. 19***

Mobilizing Knowledge for Post-Conflict Management and Development at the Local Level. May 2000.

***Publication no. 20***

Coping with Globalization. The Need for Research Concerning the Local Response to Globalization in Developing Countries, September 2000.

***Publication no. 21***

Utilization of Research for Development Cooperation. Linking Knowledge Production to Development Policy and Practice, May 2001.

***Publication no. 22***

North-South Research Partnerships: Issues and Challenges. Trivandrum Expert Meeting. September 2001.

*Publication no. 23*

Balancing Ownership and Partnership in Development Research. Review of 1999 and 2000. October 2001.

*Publication no. 24*

Making Social Science Matter in the Fight against HIV/AIDS. May 2002.

*Publication no. 24/S*

Hacer que las ciencias sociales importen en la lucha contra el VIH/SIDA. September 2002. (in Spanish).

*Publication no. 25*

Making Development Research Pro-Poor. Review of 2001 and 2002. October 2003.

*Publication no. 26*

Poverty and Governance. RAWOO Lectures and 25th Anniversary Conference. November 2003.

*Publication no. 27*

Mobilizing knowledge to achieve the millennium development goals  
Advisory report on the Dutch knowledge infrastructure in the field of international development. July 2005.

*Publication no. 28*

The urban challenge: A question of knowledge. Rethinking the role of knowledge in poverty alleviation. September 2005.

*Publication no. 29*

Millennium Development Goals: rethinking science and aid, RAWOO lunch lectures, September 2006.

*Publication no. 30*

Knowledge makes a difference. A seminar about science and the Millennium Goals, 24 March 2006, September 2006.



## Contents

---

<i>Introduction</i>	1
Jo Ritzen <i>'A Chance for the World Bank'</i>	4
Hans Eenhoorn <i>'The private sector: catalyst in development assistance?'</i>	15
Sonia Montaña <i>'Gender Perspectives on MDGs'</i>	28
Calestous Juma <i>'Reinventing Development Cooperation: Technological Innovation and the Millennium Development Goals'</i>	39
Ivan Wolffers <i>'Access to Care for All'</i>	53
John Mugabe <i>'Science and Technology for Africa's Economic Transformation: The Role of the International Community'</i>	64
Frans Röselaers <i>'Combating Child Labour in the Context of the Millennium Development Goals'</i>	75
<i>Abbreviations</i>	88
<i>RAWOO Publications</i>	90



---

## ***Colophon***

*Production*  
*Graphic design*  
*Printer*

*RAWOO secretariat*  
*Heike Slingerland bNO, Vlaardingen*  
*Albani, The Hague*

*Publication No. 29*  
*September 2006*  
*ISBN-10: 90-71367-38-X*  
*ISBN-13: 978-90-71367-38-0*

© 2006  
*Netherlands Development Assistance Research Council (RAWOO)*

---

*RAWOO  
Kortenaerkade 11  
PO Box 29777  
2502 LT The Hague  
The Netherlands*

*Tel. +31 - 70 - 426 03 31  
Fax +31 - 70 - 426 03 29  
E-mail [rawoosec@rawoo.nl](mailto:rawoosec@rawoo.nl)  
Web address [www.rawoo.nl](http://www.rawoo.nl)*

© **2006 Netherlands Development Assistance Research Council  
(RAWOO)**