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**LORDS of
POVERTY**

The Power,
Prestige, and
Corruption
of the
International
Aid Business

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fact average net wealth in this group is vastly more than \$1 million. There are now twenty-six billionaires in the USA and there are 400 individuals whose wealth exceeds \$180 million each.²³ Michael David Weill of the US company Lazard Frères earns an annual *salary* roughly equivalent to the combined value of the aid budgets of Ireland and New Zealand.²⁴ Meanwhile, the \$10 billion disbursed each year under the US foreign aid programme represents rather less than half of the net wealth of the world's richest man: Yoshiaki Tsutsumi, Chief Executive of the Seibu Group, a Japanese property and railway company.²⁵

Sweden spends just over \$1 billion per annum on aid; it costs almost exactly the same amount of money to run the New York City Police Department.²⁶ The administration of the city of Hamburg in the Federal Republic of Germany costs \$840 million a year²⁷ – more than Norway's annual ODA. Metropolitan Tokyo spends about \$650 million a year running its fire department²⁸ – more than Belgium's ODA. The EEC spends \$20 billion per annum just to *store* surplus food produced by European farmers²⁹ – more than the combined ODA of all the member states of the Community.

A conventional measure, used in all official aid statistics, is to express ODA as a percentage of the Gross National Product (GNP) of each donor country.³⁰ In order to encourage generosity, the United Nations General Assembly has established targets in this respect.

As early as 1960, for example, that august body adopted a resolution which expressed the hope that 'the flow of international assistance and capital should be increased substantially so as to reach as soon as possible approximately 1 per cent of the combined national incomes of the economically advanced countries'.³¹

By 1967 the idea had been to some extent redefined and the sights lowered; at the second United Nations Conference on Trade and Development which took place in that year the figure of 0.75 per cent of GNP to be given in official development assistance was widely accepted.³²

Then, in 1970, the General Assembly adopted a Strategy for the Second UN Development Decade which stated: 'Each economically advanced country will progressively increase its official development assistance to the developing countries and will exert its best efforts to reach a minimum net amount of 0.7 per cent of its Gross National Product at market prices by the middle of the decade' – i.e. by 1975.³³

More recently, in 1980, the Assembly resolved:

A rapid and substantial increase will be made in official development assistance by all developed countries, with a view to reaching and, where possible, surpassing the agreed international target of 0.7 per cent of the Gross National Product of developed countries. To this end, developed countries which have not yet reached the target should exert their best efforts to reach it by 1985, and in any case not later than the second half of the decade.³⁴

In the event, only a few industrialised countries did manage to achieve the target by the mid-1980s. Top of the league in 1986 was Norway, with 1.20 per cent of GNP. Next came the Netherlands with 1 per cent exactly, then Denmark (0.89 per cent), Sweden (0.88 per cent) and France (0.72 per cent). Britain, on the other hand, had only achieved 0.33 per cent (a figure that fell to 0.28 per cent in 1987) and the United States of America, the richest country in the world, was near the bottom of the league with 0.23 per cent; only Austria gave a lower proportion – 0.21 per cent of its GNP. Ireland, Italy, New Zealand, Belgium, Australia, Finland, West Germany, Japan, Canada, and Switzerland were all also well beneath the 0.7 per cent horizon.³⁵

In many respects, therefore, aid looks like quite an insignificant part of the international economic order. Viewed from other perspectives, however, it appears much more formidable. If Development Incorporated were an industrial company, for example, then it would have to be ranked amongst the largest and most powerful multinationals in the world. With roughly \$60 billion to play with every year, it is a great deal bigger than, say, Standard Oil of California, IBM or Unilever, and vastly bigger than BASF, Bayer, Siemens, Phillips, Nestlé, Hitachi or Volkswagen.³⁶ Furthermore, unlike all these entities, Development Inc. has a licence to spend every cent of its revenues in pursuit of its mission. No profits need be set aside, no dividends paid out to shareholders. This is a business that cannot go bankrupt because, like the legendary Horn of Plenty, its resources are constantly replenished, topped up, restored.

Despite the growing contribution of the Soviet Union, and the relatively large amount of ODA provided by OPEC member states, this replenishing, topping-up and restoring is still done, overwhelmingly, by citizens in the 'Western' bloc of industrialised countries: for every \$100 of tax revenue raised for public spending by our governments about \$1, on average, is allocated each year as Official Development Assistance.³⁷ This money is then handed over to the bureaucrats who staff the various governmental organisations that we have established to disburse our aid.

MINISTRIES AND AGENCIES

Examples include Britain's Overseas Development Administration and the US Agency for International Development, Australia's Development Assistance Bureau, Belgium's Administration for Development Co-operation, France's Ministry of Development Co-operation, Norway's Agency for International Development, the Danish International Development Agency, FINNIDA of Finland, CIDA of Canada, the German Development Corporation, the Swedish International Development Authority, the Swiss Development Corporation, and so on. Altogether, as noted earlier, there are eighteen Western nations which are prominent aid-givers. All eighteen have seats on the Development Assistance Committee of the OECD – a kind of donor 'club' – and all eighteen have established their own self-contained aid bureaucracies.

Sometimes these are departments within the Foreign Ministry – USAID and

Authoritative reports on consistent failures and errors like these, coupled with readily available data on the established tendency of SALs to harm the interests of the poorest and most vulnerable members of society, have had little effect on the thinking or behaviour of the World Bank and the IMF. On the contrary, as we have seen, the rôle of structural adjustment is steadily increasing within the development effort as a whole.

That this should continue to be the case despite mounting evidence of the dangers and human costs is at least partly attributable to the arrogance, hubris and insensitivity of senior policy-makers at the Bank and the Fund – endearing characteristics that one sees charmingly on display at the joint annual meetings of their Boards of Governors.

Linked to this is the fact that when officials of the two institutions go to the Third World it is not paupers that they talk to – or socialise with – but, rather, Ministers, Presidents and senior civil servants. Peasants and slum dwellers, the landless and the street kids are seen only dimly by the visiting bureaucrats, if they are seen at all. It is thus hardly surprising that the concerns and wellbeing of the poor, together with their energies, their enterprise and their potential, get ignored in the ‘adjustment process’. Such an outcome is inevitable in a system that allows policy reforms to be concocted by well-heeled strangers in collusion with the local élite: neither of these two groups has any direct experience of poverty.

TRIUMPH OF THE INTERMEDIARIES

This is a problem that extends beyond individual personalities and that afflicts the development industry as a whole. It is a problem of alienation – of a world in which go-betweens have been given a virtually unrestricted mandate to make deals, shape events, and decide the future of millions.

In the simplest possible terms, the problem looks like this: we, the tax-payers of the wealthy nations, have arranged for middle-men to act in our name to help the poor in the developing countries. The middle-men in question are the staff of the various institutions reviewed in this chapter – notably the bilateral and multilateral aid agencies, the UN technical-assistance organisations, and the various development banks and funds. Nobody really watches or controls any of these institutions: if they are accountable at all, then they are accountable only to other institutions of the same type. Their excessive secrecy, their ‘confidentiality’, their ‘classified’ and ‘restricted-access’ documents, and their closed-session meetings, all conspire to prevent any kind of public oversight of their doings.

Even UNESCO, dedicated by its charter to promote ‘human rights and fundamental freedoms’ (including freedom of speech), requires staff ‘not to communicate to any person any information known to them by reason of their official position’ – an obligation that does not cease when they retire or resign.¹³⁶ Exactly the same restriction applies in all other UN agencies which, nevertheless, look quite transparent beside the World Bank, an institution that has perfected the art of bureaucratic impenetrability. Here even the Governors

are forbidden access to some staff evaluations of particularly controversial projects and programmes. Regarded as ‘internal papers’, these documents are ‘not available to governments or to the general public’.¹³⁷ Likewise documents prepared for the Board of Directors to enable decisions to be taken on whether or not to approve loans are ‘strictly confidential’ and ‘not officially available beyond restricted distribution’.¹³⁸ Ordinary tax-payers from Bank member states are permitted no access at all to any information of any kind on the institution other than the anodyne material that it itself chooses to publish.

At the IMF a very wide range of data is secret, with special safeguards and restrictions covering staff reports on national economies, consultation reports, and papers presenting a member state’s request for the use of Fund resources: ‘All such reports are confidential and may not be released, *even by the member concerned*’.¹³⁹

Amongst the bilateral agencies, although some, like USAID, are relatively ‘open’, others are closed tight. Britain’s Overseas Development Administration, for example, conceals the detailed information that it compiles on most of its projects and programmes behind the suffocating curtain of the Official Secrets Act. British tax-payers wishing to do nothing more sinister than visit the library must be escorted, must remain under supervision, and are only allowed to look at edited extracts of project documents (the larger parts are ‘classified’). This hardly seems appropriate in the publicly funded aid administration of a major Western democracy.

In the developing countries, too, middle-men are to be found who behave as though they are accountable to no one. Here they ‘represent’ the poor and are not aid officials but, rather, Ministers and Presidents. Unfortunately many of them are little more than brutal, simpering thugs and most have gained power not through the ballot box but via the barrel of a gun. In 1988 some twenty-nine developing countries in Africa, ten in South America, six in the Middle East, three in South Asia and ten more in the Far East were ruled by the military – with most of the rest labouring under one or other form of civilian tyranny.¹⁴⁰

With international civil servants on the one hand, and gangsters and psychotics on the other, we thus have a situation in which aid agencies talk to governments and governments talk to aid agencies; governments also talk to other governments, and the aid agencies talk amongst themselves. If this is ‘development’, then it is nothing more than a transaction between bureaucrats and autocrats – a deal that gets done, in the name of others, by intermediaries and brokers. The real principals in the affair – the tax-payers in the wealthy countries, and the poor in the South – are treated as though they are somehow incidental to the main event.

This comprehensive alienation on a truly global scale has become a *fait accompli* that no one now seriously questions the structure or the institutions, the motives or the behaviour of the development industry. In some vague and woolly way it is just ‘there’.

WHY DO PEOPLE work in development?

Most that I have talked to during the preparation of this book cite a variety of reasons. In the case of Europeans and Americans, the 'desire to help' was mentioned fairly frequently: 'It's nice if you can work and help other people at the same time,' said one fairly typical aid official. However this was rarely the only – or even the principal – motivation.

There were a number of people who were clearly 'in it for the money' – a consultant, for example, who boasted that he had mastered the UN's system for allocating contracts.

It's all done by computer [he told me]. They have this list of names of likely consultants for each kind of job. You have to make sure that your name is on that list and you have to make sure that the experience and qualifications in your CV slot into the various categories that the computer has been programmed to like . . . I've never been without a contract for more than a few weeks in the last ten years and I reckon I can keep going that way well into the twenty-first century.

Did he care where he was sent, or on what sort of projects he was employed? 'Not a bit. This is just a business for me . . . you have to know how to work the system, that's all.'

Pragmatic attitudes also prevailed amongst Africans and Asians who had landed work in the aid business. In most cases, they told me candidly, a job in the UN or in one of the development banks paid them at least ten times as much – and sometimes a hundred times as much – as they could possibly hope to earn in government service in their home countries. 'A completely different lifestyle,' one New York-based Pakistani admitted in his luxury apartment above the Hudson River. 'I won't try to pretend that I took this job out of idealism . . . the money was very important to me.' On his living-room wall was a framed certificate from Pan Am's Clipper Club confirming that he had flown more than 100,000 miles in the last year. 'It pays to buy your tickets for official travel from the same airline whenever you can,' he confided. 'They have these promotions that give you free flights when you've clocked up enough miles . . . I'm planning a round-the-world holiday.'

Even for Europeans and Americans, salaries in the aid business are generally much higher than they might expect to earn in other lines of work. The fringe benefits of overseas postings also represent considerable inducements to join the development set: 'You get a free furnished house and all the related costs are paid as well – water, electricity, etc. In one country they gave us our own generator so that we wouldn't have to do without light when there were power cuts.'

A popular perk provided to almost all fieldworkers is a lavish freight allowance 'to enable you to ship household goods out from home to the developing country you are going to work in and then to ship them back again at the end of your tour of duty'. One AID employee told me: 'You get a list of packers and movers from the agency and you're allowed 250 pounds of air freight and 1,500 pounds of sea freight per person, plus an additional allowance of 2,500 pounds for consumables – mainly paper products and food. Your furniture's already there, of course, and they also ship a car for you free of charge.'

Another AID official who had just returned from an overseas assignment showed me his cellar with some pride: it contained thousands of rolls of toilet paper stacked as high as the ceiling and occupying about half the floor space. 'It'll be years before we have to buy another roll,' he said. 'These were paid for by AID, shipped out to our house in Africa by AID and then shipped back here again at the end of the job.' His Washington home was lavishly furnished with batiks, rattan chairs, carvings and other 'ethnic' items from his various foreign tours of duty – 'all shipped home free'.

Development workers that I talked to in some of the worst hell-holes in the Third World admitted that their reasons for being there were often more financial than idealistic: 'I hate this country,' said one, 'but that's why I'm here.' Pressed on this point, she told me:

The main reason that people accept a job in a place like this is so they can stash away money – and I'm stashing away a small fortune. Because it's classified as a hardship post, I'm automatically on 25 per cent above the basic salary for my grade. In addition it's a Muslim country, which means we work on Sundays – and that gets me another 25 per cent. My housing's paid, food is cheap and there's really nothing much else to spend money on, so I'm building up a nest-egg.

Initially to my surprise, I found that a disproportionately large number of elderly (and in some cases almost geriatric) officials were employed in hardship posts. Their reasons for being there were simple: 'My pension is calculated on the annual salary that I earn in my last three years,' explained one. 'By working here I get 25 per cent more than I would in other, more comfortable duty stations. If I can stick it out I'll get a correspondingly bigger pension.'

Some of the people I interviewed were virtually unemployable outside the aid business. A British geologist, for instance, had never succeeded in getting a full-time job in the UK in which he could use his training but had managed to

land several lucrative contracts overseas with United Nations agencies. 'There's not much demand for my kind of skills in Britain any more,' he told me. 'I've tried, but I just can't get work. That means I have a simple choice: either I'm at home and on social security or I'm abroad earning a good living from the UN . . . Which would you opt for?'

It is the staff of the voluntary agencies like Oxfam or Save the Children Fund who most frequently cite altruistic and humanitarian concerns as being their main or only reasons for going to the Third World; this is perhaps why they are prepared to put up with by far the lowest salaries and by far the worst working conditions in the development industry. 'I was just so infuriated that people should be starving in Africa,' said one, 'and I thought that I could help.' Others were more overtly political, or idealistic: 'It's wrong that some people should have so much and others should have so little . . . I know it sounds naïve, but I want to do my bit to end injustice.'

Such romanticism, however – and perhaps predictably – seems to be less and less of a factor the older the subject is. Amongst fieldworkers in the voluntary sector I have found repeatedly that a timidity begins to creep into their behaviour around the age of thirty, that the early 'fire' dies down and that the individual becomes more reflective, adopts a certain gravity of posture, and seems to weigh his or her remarks carefully before uttering them.

What is happening here is that these people are beginning to consider their own careers. Quite understandably they want to have children, or to own a house (or both), and would definitely like to earn a little more money and have some kind of secure future. If they have spent the first five, or seven, or ten years of their working lives supervising irrigation projects or carrying out nutritional surveys in the Third World, however, then the unfortunate reality is that their options as 'civilians' back home are very limited – and virtually non-existent if they have an ambition to continue 'helping the poor'. They begin, as a result, to look at the possibility of a job in one or other of the various official aid organisations.

For the upwardly mobile Peace Corps volunteer, for instance, a position with the Agency for International Development looks like a logical 'career move' offering higher status and a far better salary: as a result, today, more than 500 full-time AID staffers were formerly in the Corps.¹ Similarly, in Britain, a job with the Overseas Development Administration holds many attractions for an Oxfam or a Christian Aid worker, or for a returned VSO. Again, an effective promotion is involved with no immediate penalty to pay in terms of your basic idealism – you get more money, you get much more security *and* you still get the great feeling that comes from doing something 'worthwhile' for mankind.

It is the United Nations, however, rather than any of the bilateral aid bureaucracies, that offers the best prospect of a lasting compromise between altruism and self-interest. Whether you get a job in the Food and Agriculture Organisation, in UNDP, in UNICEF or in any of the other agencies of the system, you will be entering a career that pays you a colossal salary to go on

There is considerable resistance to attempts to reduce the cost of travel by buying discounted or 'bucket shop' tickets. FAO argues against such an economy on the grounds that it 'would restrict full freedom of staff to travel on any airline of their choice'.⁴⁸ Likewise another United Nations body, the International Telecommunication Union, considers unacceptable 'any change in arrangements which might diminish existing standards of travel or require a change in staff regulations'.⁴⁹

It must be admitted that these regulations are complex in the extreme. The official document that deals with them takes the form of an 'administrative instruction' entitled 'Standards of Accommodation, Travel Time and Rest Stopovers'.⁵⁰ This chunky memo sets out, amongst other pieces of bureaucratic arcana, the exact terms of reference of the 'nine-hour rule'. Apparently honoured by the senior UN officials to whom it applies as often in the breach as in the keeping,⁵¹ this states that:

Under-Secretaries General and Assistant Secretaries General and, where applicable, their eligible family members, shall be provided with first-class accommodation for travel on official business and on appointment, transfer or separation, when the duration of a particular flight exceeds nine hours; for flights under nine hours' duration, these staff members shall be provided accommodation by the class immediately below first class.⁵²

The official pecking order is established in the next paragraph:

Staff members below Assistant Secretary General and, where applicable, their eligible family members, shall be provided accommodation by the class immediately below first class for travel on official business and on appointment, transfer or separation when the duration of a particular flight exceeds nine hours; for flights under nine hours' duration, these staff members shall be provided with transportation at the least costly airfare structure regularly available.⁵³

It is surprising how many destinations are more than nine hours' flight from UN headquarters in New York. A list of 178 frequently visited cities contains no fewer than 130 which permit the nine-hour rule to be applied:⁵⁴ according to their seniority, international civil servants may purchase first- or club-class tickets to all such destinations. Long-haul travel also brings another privilege: a generous entitlement to 'rest days' on full pay before starting work. Thus a UN staffer gets two days of paid leave on top of his existing six-week vacation allowance every time he flies from New York to, say, Singapore, Nairobi or Bangkok, and two more days when he flies back. The compensation for the pain of visiting Tahiti, however, is just one day each way while those unfortunate enough to be sent on a mission to Nassau in the nearby Bahamas get no extra paid leave at all.⁵⁵

A CLASS APART

Travel perks are not the only things that identify members of the 'international set' as a class apart. The recent publication of the results of an inquiry by Senator Jesse Helms provided infuriating additional evidence about how the other half live to the 18,000 civil servants who work in New York City for the United States government. While they neither get – nor expect – any rent subsidy to help them keep up with the astronomical cost of accommodation in the Big Apple, the Helms inquiry revealed that other Americans – those attached to the United Nations – were faring much better. One Deputy Chief Delegate, for example, was receiving a subsidy of \$10,661 *per month* towards the cost of his three-bedroom apartment in River Tower, a luxury high-rise situated at 420 East 54th Street, close to UN headquarters. The building, described by an estate agent as 'one of the fanciest' in New York, had the benefit of its own wine cellar, direct dialling to the concierge, valet and housekeeper, its own florist and vintner, several fine restaurants, and two levels of underground parking.⁵⁶

Perhaps it is the freewheeling, get-rich-quick atmosphere inevitably created by over-generous perks and privileges like these that encourages some employees to attempt to line their pockets by dishonest means. There is, in addition, evidence to suggest that fraudulent behaviour is actually condoned – at least in the upper echelons of the UN bureaucracy. In 1986 eight members of staff were disciplined for falsely claiming more than \$100,000 in education grants for their children. Seven were dismissed; the eighth, however, Mr Ramaswamy Mani of India – who insisted that he received the extra money inadvertently – stayed on. Following the personal intervention of the Secretary General on his behalf, the Disciplinary Committee's recommendation that he should be sacked was set aside and he was merely demoted. This brought charges of favouritism: Mr Mani was the chief assistant (and a close personal friend) of Jean Ripert, the Director General and number two man at the UN. 'Anyone above a certain level gets the attention of the Secretary General,' complained an official of the Staff Committee, 'but below there is no mercy.' Prior to his demotion Mr Mani commanded an annual salary in the region of \$105,000; the \$2,000 pay cut that he suffered for his misdemeanour was accurately described by one colleague as 'peanuts in financial terms'.⁵⁷

To work for the United Nations in any kind of senior capacity is thus to join a privileged aristocracy that is effectively insulated from the exigencies of everyday life. At FAO in Rome there are 750 individuals whose pensionable remuneration ranges from \$70,000 to \$120,000 a year – these include eleven Assistant Directors General, thirty-one Senior Directors, 125 Directors, 362 Senior Officers and 221 First Officers.⁵⁸ The Rector of the United Nations University is paid three times as much as the Norwegian Prime Minister.⁵⁹ Many other UN officials, notably the growing number of personnel in the 'supergrade' bracket, earn more than any US public official except the President. One of these men, an Under-Secretary General, recently retired

with a golden handshake of almost half a million dollars plus an annual pension of \$50,000. Shortly thereafter the UN rehired him as a consultant at a fee of \$125,000 a year.⁶⁰

Little wonder, then, that the Joint Inspection Unit – an internal United Nations watchdog – has expressed reservations as to ‘the justifiability of present levels of remuneration in the professional and higher categories’.⁶¹ The JIU inspectors, however, admit that few other international civil servants share their doubts. Indeed: ‘Staff representatives hold the view that remuneration is inadequate and wage an active campaign for higher salaries.’⁶²

This is quite true. Many United Nations people genuinely believe that the pay and fringe benefits they receive are insufficient; accordingly they react with something approaching horror to any suggestion that they are over-compensated. Ed Freeman, the General Secretary of the Association of Professional Staff at FAO in Rome, is a case in point. In correspondence with me he hotly contradicted my view that the members of his association (motto: ‘Service before Self’) are overpaid freeloaders living off the fat of the land; on the contrary, he argued, they are required to make real personal sacrifices in order to work for the cause of world development.

To illustrate this, Freeman sent me a profile of ‘Al Ristoro’, a forty-four-year-old American who ‘joined the Organisation a year ago as a P-3, Step 5’ (in plain English, as a mid-level professional). Al’s take-home pay in 1987 was just US\$3,200 per month (4.5 million Italian lire). This amount was considerably below the average in the UN system at the time; nevertheless, Al reported that it had sounded OK to both himself and his wife ‘before we came here’. Disillusionment quickly set in. The family had initially wanted to set up home in Old Rome but found they couldn’t afford the rents there; eventually they took a house twenty kilometres out. ‘Being half an hour’s walk from the nearest public transport,’ Al complained, ‘I had to buy a car. That and the four million lire I had to pay in advance for rent and settling in just about took care of the 12 million lire installation allowance.’

Al’s woes did not stop with having to spend his installation allowance on, well . . . installation. ‘School fees’, he protested, ‘have cost me \$7,000 over and above the education allowance for my three boys . . . Then there are medical bills. I think FAO has a terrific scheme, but I’ve had to pay more than \$1,000 for what wasn’t met . . .’ Other immediate financial worries included winter clothes: ‘Where we lived it was warm all the year round, so we don’t own a single overcoat or anything heavy among the lot of us. My wife reckons it’ll cost about \$3,000 to fit us all out but I tell her we’ve just got to do it for a whole lot less.’ All in all, the profile concluded, ‘Al believes that he is going broke and won’t be able to hack it to the end of his three-year contract.’⁶³

There are other UN employees in Rome who share Al’s predicament. To illustrate this point Mr Freeman sent me details of a letter received by the Association of Professional Staff from an officer of the World Food Programme (an FAO affiliate). This officer’s great worry was the education of his children at a time when the US dollar was falling in value and private schools in Rome

were putting up their fees: ‘Unfortunately,’ he lamented, ‘the UN education grant remains at a maximum of US\$4,500 per child per year (apparently with very little hope of an increase in the near future). This means that parental contributions have to make up for the entire increase in school fees . . .’ That increase had been so severe that

staff members in our situation could probably, and with considerable sacrifice, survive at most one more year in Rome. Many of our colleagues with children in the same school have already expressed their serious concern and I know of several cases where the cost of education has been a factor influencing their decision to take their children out of the school to continue their studies in their home countries or in Italian schools. These are not satisfactory alternatives . . .⁶⁴

Of course one’s sympathies go out to those forced to contemplate the horrific prospect of sending their offspring to an Italian school. Since members of the Association of Professional Staff are actually grappling with this nightmare today, it seems somehow in bad taste to remind them that more than 400 million children in the Third World cannot afford to go to any school at all⁶⁵ – are so poor, in fact, that they cannot even afford to eat: 280,000 of them *die* every week of malnutrition-linked conditions.⁶⁶

In the context of this sustained global tragedy, however, the whingeing complaints of UN staffers about the erosion of their incomes or the latest threats to their ‘acquired rights’ do begin to look distinctly inappropriate, possibly even perverse. By any normal standards of measurement, the financial and other benefits they receive are very great.

This is so because their conditions of service are calculated according to the ‘Noblemaire Principle’. Named after a French diplomat, Georges Noblemaire, who worked for the League of Nations during the 1920s, this states simply that salaries and entitlements in international organisations should be sufficient to attract as employees citizens of the country with the best-paid national civil service. United Nations pay rates are thus based today on a comparison with those of the federal civil service of the richest country on earth – the United States of America.

This comparison presently works out very much in the UN’s favour. At all levels and grades, salaries and entitlements are significantly *better* than those in the US civil service. Thus, for example:

- United Nations staff members receive education grant benefits; US civil servants do not;⁶⁷
- From their first day on the job UN staff members qualify for up to nine months’ sick leave on full pay and a further nine months on half pay in any four-year period. By comparison a United States employee would have to work fourteen years with no sick leave whatsoever in order to accumulate nine months’ sick leave at full pay;⁶⁸

- Promotion 'steps' in the United Nations system are attained at a faster rate than in the United States civil service: in the United Nations it takes an averagely competent official just eight to ten years to reach the tenth step compared to eighteen years in the USA;⁶⁹
- All professionals and above in the United Nations, together with their families, are entitled to fifteen days' home leave once every two years entirely at United Nations expense, plus extra days to cover the journey time to and from their home country. This entitlement is *additional* to the six weeks of ordinary leave that all United Nations staff receive each year. United States civil servants, by contrast, get just four weeks of annual leave;⁷⁰
- United Nations professionals work, on average, 10.3 per cent fewer hours than their counterparts in the United States civil service; over the course of a year this adds up to a striking difference in input of 21.7 working days;⁷¹
- Regardless of the considerable cash value of such 'fringe benefits', take-home pay in the United Nations system is higher at every level than in the US civil service: the margin between the two presently averages around 24 per cent in favour of UN employees⁷² and in some cases exceeds 30 per cent;⁷³
- UN pensions are higher by up to 43 per cent than those in the United States civil service.⁷⁴

Why exactly should pay and fringe benefits in the UN system be so much better than those in the world's best-paid national civil service? The answer given by Secretary General de Cuéllar is that it is 'crucial to maintain employment conditions that will allow the United Nations to attract and retain employees of the highest competence, efficiency and integrity'. He adds a warning: 'To seek to solve the organisation's financial difficulties at the expense of staff entitlements would be extremely short-sighted and counter-productive, and would have widespread adverse implications.'⁷⁵

One agency head of department who I talked to made the same point rather more pithily. 'If you want to persuade top people to work in development,' he said, 'then you have to pay top dollar. If you pay peanuts you get monkeys.'

A PREMIUM ON MEDIOCRITY

On the face of things this looks like a strong argument. Some who know the United Nations extremely well, however, feel that despite paying top dollar the world body has still got too many monkeys working for it. According to one expert witness: 'There is nothing to indicate that systematic efforts are being made either to require a high level of staff qualifications or to train professional staff for the specific tasks they will be called upon to perform. On the contrary, the laxness that prevails in this matter would seem to put a premium on mediocrity.'⁷⁶

These are not the words of some outsider with a grudge against the United Nations. Indeed, they are contained in an official document and were written by an internationally respected insider – Maurice Bertrand, a senior member of the UN's own Joint Inspection Unit. 'The average level of qualifications of staff in the professional grades,' he continues, 'bears no relation to their responsibilities . . . In the case of UNICEF the statistics show 30 per cent without any university qualifications, 32 per cent with a first degree, and only 38 per cent with a second or higher degree.' This state of affairs is 'comparable in most of the other agencies' and does not improve further up in the hierarchy: 'In the Director grades (D-1 and D-2) the percentage of staff members who have had no university education is roughly the same.'⁷⁷

Bertrand's conclusion is damning:

A sense of responsibility and managerial or analytical ability at the highest levels (Director, Assistant Secretary General, Under-Secretary General) are a matter of chance, depending on appointments which are often made without concern for qualifications or professional and administrative experience. The lack of a definition of the qualifications required for recruitment and promotion to higher grades, the indifference shown towards standards of work and competence, the absence of a system of in-service training, create a deplorable working environment in which the best staff members no longer find the motivation needed to dedicate themselves to their tasks.⁷⁸

If the best lack all conviction it is also true – to borrow a line from Yeats – that the worst 'are full of passionate intensity'. The ardour of this latter group finds its natural expression in the growing number of staff unions and associations that exist within the UN, and in the increasing amount of time that the members of these devote to heated discussions about how to obtain for themselves still higher salaries and still better financial benefits.

At headquarters in New York, for example, the 120-member Staff Council – a legislative body of the Staff Union – holds one meeting every four to five days. The twenty committees that it has set up to study various issues each have ten members who also meet regularly. The Council claims that one of the main aims of this ceaseless activity is to study ways of improving staff efficiency. In a typical year, however, during which members of the Council discussed more than eighty subjects, adopted sixty-one resolutions and issued nearly fifty bulletins, the question of efficiency of staff was not raised once.⁷⁹ Pay and entitlements were, throughout, the main items on the agenda.

Other entities are engaged in similar deliberations. One is the Joint Advisory Committee which, together with its four subsidiary bodies and six working groups, has more than 100 members who attend several meetings a month. Another, the Staff-Management Co-ordination Committee, restricts itself to just two meetings a year; each of these, however, lasts for a full week and involves the participation of at least thirty-five senior staff and administrators.⁸⁰

All such meetings are held during office hours and most are lengthy. Inevitably this means that the participants are taken away for considerable periods from their normal duties as international civil servants; the work of their colleagues who may need to confer with them is, of course, also disrupted because of this. To add insult to injury, none of these time-wasting distractions is paid for by the members of the associations concerned: salaries of officials and committee members, paper, typing, photocopies and even travel to outside meetings are all financed out of the regular budget of the United Nations.⁸¹

Another focus of staff members' energies which often diverts them from carrying out the duties and responsibilities for which they are paid is, ironically, the desire for promotion. This, in the assessment of Richard Hoggart, a former Assistant Director General of UNESCO, has

the effect of a kind of illness which drives the more extreme cases to tranquillisers, bouts of frenetic marginal activity, or long hours of simply staring over their desks working things out inside their heads. The most important single urge is to 'make P-5' [top niche in the UN's 'professional' category]. A P-5 carries a number of diplomatic privileges, notably a CD plate for one's car. A good number of Secretariat members feel underneath, and so do their wives, that they will only be able to retire happily if they have that plate for their last few working years.⁸²

Their chances of achieving this goal are surprisingly good: almost 60 per cent of professional posts in the United Nations are now at P-4 level or above. By contrast less than 25 per cent of professional posts in the United States federal civil service have a corresponding level of seniority.⁸³

The reason for the 'more chiefs than Indians' syndrome in the UN is not by any means that the majority of staff are exceptionally talented or diligent. On the contrary, the engine of the whole process is mediocrity: it is now an established phenomenon that second-raters who have utterly failed to achieve promotion lobby to have their posts 'reclassified' – upwards, of course.⁸⁴ Thus in just one UN office – the New York Secretariat – no fewer than sixty-nine posts were upgraded during 1986–7. Amongst the lucky incumbents were three Directors who, at a stroke of a pen, became Assistant Secretaries General, twenty-six P-3s who became P-4s and twenty-four P-4s who became P-5s.⁸⁵ The institutionalisation of such activities throughout the international civil service has resulted in what the Austrian delegate to the UN's Advisory Committee on Administrative and Budgetary Questions has called 'a disquieting rate of grade creep manifested in a clear reduction in the proportion of junior posts and an increase in the proportion of senior posts'.⁸⁶

Just as the system permits jobs to be artificially upgraded in order to mollycoddle otherwise unpromotable deadbeats, so also it allows those who should long since have been fired for incompetence to linger on. Speaking of UNESCO, Richard Hoggart says that no matter how poor a staff member's work may be it is virtually impossible to force him to leave. Use of the full

apparatus of official and unofficial appeals – Staff Association, the official's Delegation, his Foreign Ministry, the UN Administrative Tribunal and so on – can drag the process out indefinitely. Furthermore:

Even in the worst cases, 'equity', a moral commitment to someone who has served for, say, five years, requires that they be given at least a further three years' trial. The next time round equity demands that someone who has given eight years' service to the Organisation be not cast out . . . The only periods when such people show sustained energy and negotiating skill are when they are mounting their recurrent defences of their own positions.⁸⁷

Thus, at every level of the multilateral agencies, maladjusted, inadequate, incompetent individuals are to be found clinging tenaciously to highly paid jobs, timidly and indifferently performing their functions and, in the process, betraying the world's poor in whose name they have been appointed.

One indication of how enfeebled the UN has become as a result of its increasingly bungling and weak-kneed staff is that it is now obliged to rely on substantial amounts of outside expertise in order to get its work done. Despite its already bloated payroll of 12,248 full-time employees, for example, the UN Secretariat in New York needs to spend an additional \$11.1 million per biennium on 'consultants' – enough to finance approximately 175 work-years of professional assistance.⁸⁸ FAO's 10,500 staff are even less effective: the Rome-based agency requires so much 'external professional assistance' that it budgets an amazing \$19 million per biennium for payments to consultants.⁸⁹ The annual *State of the World's Children Report*, UNICEF's flagship publication which goes out under the signature of its Executive Director, is in fact written and produced by an external consultant; the highly paid journalists and other professional communicators who staff UNICEF's own large information office in New York are apparently not up to the job.

Failings and inadequacies of this type amongst full-time personnel are highlighted in a recent authoritative internal report which states that 'management capacity, productivity and cost-effectiveness' have fallen behind at a time when the UN's payrolls have exhibited 'rapid growth'. Echoing Bertrand, the report adds that: 'The quality of work performed needs to be improved upon . . . The qualifications of staff, in particular in the higher categories, are inadequate and the working methods are not efficient. Today's structure is too complex, fragmented and top-heavy . . .'⁹⁰

Indeed, it is so top-heavy that the UN's New York Secretariat has accumulated a total of fifty-seven Assistant Secretaries General and Under-Secretaries General. If the same management structure were adopted by, say, the US Department of Health, then that branch of the federal civil service would have to appoint 500 Assistant and Under-Secretaries; it presently manages to get along perfectly well with just a dozen.⁹¹

Personnel and associated costs today absorb a staggering 80 per cent of all UN expenditures.⁹² A body that claims it is struggling tirelessly for world develop-

ment is thus also an elaborate support mechanism for its own pampered and cosseted staff – many of whom, in the sad words of former FAO departmental director Raymond Lloyd, ‘systematically put their own material security over the risk-bearing ideals for which our organisations were founded’.⁹³

One of the worst possible examples of such behaviour occurred in Belgium in 1987 at the offices of UNICEF, the agency established in 1946 ‘to help protect the lives of children and promote their development’.⁹⁴ Jos Verbeek, then the Director of UNICEF’s Belgian Committee, was accused of using his position of privilege and trust to organise a child sex ring which operated profitably for several years until he was arrested on charges of ‘indecent and incitement to the debauchery of children’. He was subsequently convicted and given a two-year suspended sentence. On appeal, however, the conviction was quashed on grounds of insufficient evidence. The ten-year sentence of another member of staff was upheld. Police discovered a photographic studio concealed in the basement of the building that housed the Committee’s offices. The studio was used to take pornographic photographs of children – most of whom were from the Third World. More than 1,000 pictures were seized along with a mailing list of 400 names of wealthy clients in fifteen European countries; the list had been compiled – and was stored – on the UNICEF computer which had also been used to set up a catalogue of teenagers available for sex.⁹⁵

This nasty incident occurred in a year in which UNICEF had been taken to task by the UN’s Board of Auditors for ‘delinquent accounting’ and accused by Congress of giving backhanders to State Department officials in return for their support for ‘the incumbent management’ and for increased US funding of the organisation.⁹⁶ Such isolated scandals and dramas, however, are less significant than the system-wide corrosion of basic principles that has taken place slowly – over almost half a century – and that has reduced the ideals of the United Nations to little more than empty words on forgotten scraps of paper.

SOUND AND FURY, SIGNIFYING NOTHING

From time to time, of course, an appearance of great motion and enthusiasm can still be created in honour of some sacred cow. A closer look, however, usually reveals that nothing much is actually happening – that what is involved is just the ritual celebration of polite inaction. Take, for example, The Week of Solidarity with the Peoples of Namibia and All Other Colonial Territories, as well as those in South Africa, Fighting for Freedom, Independence and Human Rights.⁹⁷ The United Nations increasingly favours ‘calendar events’ of this type and is constantly creating more such pieces of vacuous liturgy:

- The International Day of Innocent Children Victims of Aggression;
- The International Day of Peace;
- World Development Information Day;

- The Week of Solidarity for the People Struggling Against Racism and Racial Discrimination;
- The International Year of Shelter for the Homeless;
- The Transport and Communications Decade in Africa;
- The International Drinking Water Supply and Sanitation Decade;
- The Third United Nations Development Decade;
- The Second Decade to Combat Racism and Racial Discrimination.⁹⁸

None of these observances, past or current, has made the slightest difference to the state of the world we live in. Few outside the international civil service have even heard of them. Nevertheless, their proliferation within the United Nations system tends to be confused with action. In 1987, for example, during the Second Disarmament Decade, much ado was made about the International Conference on Disarmament⁹⁹ organised by the UN in New York: a flurry of documents was released, solemn speeches were made, and thousands of delegates were enabled to feel that they had participated in an event of historic importance. In the same year, UN member states spent more than ever before arming themselves to the teeth – an estimated \$800 billion – while the world body itself devoted *less than one tenth of one day’s share* of this massive amount of money to tangible ‘peace-related activities’.¹⁰⁰

What underlies such paradoxes and hypocrisies is an insidious mechanism by which people lose interest in the validity of mere results and concentrate their efforts instead on the *processes* supposedly devised to achieve these results.¹⁰¹ An important part of this in the United Nations is that the accepted indicators of a job well done have ceased to be, for example, material benefits delivered to the poor; rather, ‘success’ is defined by bureaucratic or ceremonial factors like the number of conferences, studies and meetings that take place to discuss the subject of global poverty, the number of Days, Weeks, Years or Decades of ‘solidarity’ with the disadvantaged that are celebrated, the number of ‘keynote’ publications prepared, the sophistication of the language in which ‘back-to-office reports’ are couched – and so on. In such a fashion, as Maurice Bertrand puts it: ‘The way in which the mill operates becomes more important than the quality of the flour it produces.’¹⁰²

This certainly seems to be the case at the United Nations Conference on Trade and Development – a permanent body founded in 1962 to foster the growth of developing-country trade. UNCTAD managed recently to spend an impressive \$36,282,700 on its own offices and staff plus a further \$4,186,700 on ‘conferences’ and more than \$1 million on ‘consultants’; in the same year ‘encouraging economic co-operation among developing countries’ got just \$3,501,500 of UNCTAD’s money (which comes from the UN’s regular budget) and ‘programmes to promote and expand world trade’ got only \$1,138,000.¹⁰³

The UN’s fascination with processes rather than with results achieves its

apotheosis, however, when the processes actually *become* the results. This seems to be what has happened at the Department of Conference Services which, with 2,527 full-time employees and a budget in excess of \$280 million per biennium, has grown into an unstoppable juggernaut. In an average two-year period in New York alone the Department boasts that it will service 7,600 separate meetings, handle 65,500 separate 'interpreting assignments', translate, edit or revise 377,650,000 words of text, type 397 million more, and reproduce a total of 1.5 billion page impressions.¹⁰⁴ The Department's other principal bastion – in Geneva – has a similar volume of 'output':¹⁰⁵ here storage of document copies for reference purposes requires 17.5 kilometres of shelves.¹⁰⁶

What is all this in aid of? At one conference, on the Law of the Sea, the UN employed ninety mimeograph operators to work around the clock at twenty-seven machines spewing forth 250,000 pages of documents a day. Each document was produced in three – and sometimes five – languages by teams of translators and typists from the Department of Conference Services. Indeed, so great was the volume of paperwork generated that the list of documents itself ran to 160 pages. After seventy days of talk in the pleasant surroundings of Caracas, Venezuela, delegates made just one firm decision: a resolution to hold another conference on the same subject.¹⁰⁷

Some get-togethers seem to consign themselves to muddle and inaction from the very start: take, for example, The United Nations Seminar on the Existing Unjust International Economic Order, on the Economics of Developing Countries, and the Obstacle That This Represents for the Implementation of Human Rights and Fundamental Freedoms,¹⁰⁸ or the equally bewildering United Nations Conference to Review All Aspects of the Set of Multilaterally Agreed Equitable Principles and Rules for the Control of Restrictive Business Practices.¹⁰⁹ As far as the poor of the Third World are concerned it is probably true to say that the learned palaver that goes into such events, the reams of supporting documents, and the miles of expensive storage are just irrelevances. For the peasant picking mortar shrapnel out of his arid field in northern Ethiopia, or the artisan fisherman in Sri Lanka whose catch has just been stolen by a Japanese factory ship, the majority of United Nations conferences might as well take place on the astral plane as on planet earth.

The truth of this is borne out whenever a conference is devised that *could* have some direct and measurable impact on the reduction of human suffering: on such rare occasions the United Nations hastily distances itself from the upstart and unusual event. An example occurred in Paris when Amnesty International obtained permission to use the splendid facilities at UNESCO's headquarters to stage a conference on the subject of torture. The venue was quite appropriate since UNESCO is entrusted by its Charter with the task of furthering 'universal respect for human rights and fundamental freedoms'. Things went wrong, however, when – horror of horrors – Amnesty *named names* in a position paper on the widespread use of torture by governments. The next morning, in response to pressure from delegates of precisely those

governments that Amnesty had pointed its accusing finger at, UNESCO ordered that the conference be taken elsewhere.¹¹⁰

The same type of craven behaviour can also be seen at work in other areas of the UN. In 1988, for instance, the High Commissioner for Refugees, Jean-Pierre Hocke, ordered an entire issue of his agency's monthly magazine to be destroyed, at a cost of more than \$50,000. This was done because the edition in question was sharply critical of West Germany's asylum procedures for refugees and of conditions in three refugee reception centres in the Federal Republic. The West German government provides 10 per cent of UNHCR's annual budget and was thus judged by the Commissioner to be above criticism.¹¹¹

In the never-never-land of the international civil service, craven behaviour of the type that closes worthwhile conferences and pulps hard-hitting publications is often the *only* response to the sometimes horrific events that occur in the real world. Outrages are met with a prim silence and where silence is for some reason impossible then safe platitudes, mealy-mouthed generalities and hot air are substituted. Of the period 1984–6 when Africa was devastated by famine Joseph Reed, a former US Ambassador to the United Nations, had this to say: 'We turned out resolutions while children went without food, water and medicine. We requested reports while families huddled in devastating poverty. We hurled accusations back and forth while desperate people became more resigned to their plight.'¹¹²

This harsh epitaph to what Reed calls the 'frenzy of playing the UN game' looks even bleaker in the context of the world body's 150 committees, commissions, sub-committees, sub-commissions and working groups all supposedly dealing with the problems of the poor.¹¹³ Added to these are the fifteen or so fully funded development agencies – each of which, in its turn, is orbited by numerous other linked entities: twenty in the case of the World Health Organisation; eighteen in the case of FAO; more than ten at UNESCO and the ILO; thirteen in the case of UNDP – and so on.¹¹⁴

Rather than testifying to the strength and diversity of UN efforts to assist poor countries to develop, this fantastically complicated administrative superstructure symbolises the extent to which international civil servants have been allowed to build up disparate personal empires at the expense of focused and single-minded efficiency. Thus, instead of a concerted effort to provide agricultural education in the developing countries, we have the unedifying distraction of a long-running territorial dispute between FAO and UNESCO over whether this work should most properly be in the domain of the one or of the other.¹¹⁵ Similarly, in the place of agreement and well-programmed action to improve standards of health care in poor communities we find a persistent conflict between UNICEF's focus on specific goals (vaccination, promotion of breastfeeding, etc.) and WHO's endeavours to support more comprehensive policies within the framework of the 'primary health care approach'.¹¹⁶

Such squabbles can at times seem inexcusable. During precisely the famine to which Joseph Reed referred, an Office for Emergency Operations in Africa

was set up – in New York – to harness the UN's scattered empires under one yoke, to bring together for the duration of the emergency all the different agencies and organs that might have something to contribute. This virtuous objective, however, did not inhibit Edouard Saouma at FAO from making a formal complaint when the OEOA accepted a sum of money from the Netherlands government to buy rice seed for Chad: the basis of this objection was that seed-buying was FAO's job. Throughout the famine years Mr Saouma also continued a long-standing argument with the Director of WFP about which of them had the final responsibility for authorising food aid shipments to Africa. Finally, Saouma refused to attend a special meeting of donors called by the OEOA with a view to integrating their assistance programmes; two weeks later, at FAO, he held his own donors' meeting. As Douglas Williams, a former Deputy Secretary of the UK's Overseas Development Administration, comments: 'There was neither any organisation nor any individual within the UN system with the authority to make a single organisation the leader in all these activities, even in the face of a major international disaster of chronic character and unprecedented proportions. The waste of effort and scarce resources was considerable.'¹¹⁷

Wastage occurs at all levels of the system. Within individual agencies, for example, and even within particular departments of these agencies, there is an established tendency for staff members to want to protect and nourish their own programmes and to resist tooth and nail any suggestion that these should be cut back or phased out. In 1982, at least 100 such programmes were judged by the Secretary General of the United Nations to be 'elderly', non-productive, or redundant by virtue of duplication. He recommended that all should be terminated, with an anticipated annual saving of \$35 million. Four years and \$140 million later, however, an independent study revealed that not one of these senile and unnecessary 'pets' had yet been put down.¹¹⁸

A STATE OF CONFUSION

In a bureaucratic universe where old programmes never die and where new ones are constantly being created, chaos can be expected to be the natural state of things. As Maurice Bertrand puts it:

The vagueness of the terms of reference, the similarity of jurisdiction between organs as important as ECOSOC, UNCTAD, the Second and Third Committees of the General Assembly – and the number and repetition of 'general debates' preceding the examination of agenda items repeated in committee after committee whose relative status is not clearly defined – have created a state of confusion which it has been found difficult to remedy.¹¹⁹

He adds that, in the field, the sectoral approach favoured by UN agencies – and the tendency of each to defend its own 'patch' – has 'complicated the task of the developing countries instead of simplifying it'. This is mainly because, to pick a few examples: 'The industrialisation goals of UNIDO, FAO's goal of

increasing agricultural production, the food strategies of the World Food Programme, the ILO programmes on employment or the development of social security, and UNESCO's plans for the development of education, are not integrated into a coherent system of analysis.'¹²⁰

This criticism is one that is readily acknowledged by international civil servants. Most will freely admit that the extreme complexity and fragmentation of the United Nations system is counterproductive; most, furthermore, will agree that something should be done about it: as a result an entire industry has grown up aimed at co-ordinating the monster. Instead of less complication, confusion and muddle, however, the net achievement of this industry has – predictably – been to create more: more committees, more organs and entities, more unreadable reports and more jobs for the boys. Thus we have, inter alia:

- The Administrative Committee on Co-ordination;
- The Economic and Social Council (which may 'through consultation, co-ordinate the activities of the specialised agencies');
- The Committee on Programme Co-ordination;
- A Post of Director General for Development and International Economic Co-operation – with responsibility for 'exercising overall co-ordination within the system in order to ensure a multi-disciplinary approach to the problems of development on a system-wide basis';
- An Office for Programme Planning and Co-ordination ('to examine problems of co-ordination at the level of the system, and to propose studies and analyses of intersectoral programmes');
- A Consultative Committee on Substantive Questions ('to enable the organisations and the United Nations to co-ordinate the preparation of their programmes');
- Resident Co-ordinators with responsibility for 'co-ordination of operational activities for development carried out at the country level';
- The World Food Council, consisting of thirty-six members, with instructions 'at the ministerial level to establish its own programme of action for co-ordination of relevant United Nations bodies and agencies'.¹²¹

According to the Joint Inspection Unit (itself, incidentally, mandated by the General Assembly with the task 'of achieving greater co-ordination between organisations'):

This mass of efforts has in no way improved co-ordination. 'Joint planning' has remained wishful thinking; development strategies applied by each organisation have continued to diverge; and 'country programming' and 'field co-ordination' have never been anything more than meaningless terms . . . The notion of an 'integrated approach to

development', although ritually repeated . . . has remained an empty formula.¹²²

Many other attempts to streamline the United Nations system and improve its efficiency have failed to achieve their objectives; like co-ordination, they, too, have often only served to create yet more highly paid jobs for yet more international civil servants; they, too, have provided the excuse for yet more committees to be established, yet more meetings to be held and yet more reports to be issued.

An example of this process at work concerns the group of eighteen 'High-Level Intergovernmental Experts' convened in December 1985 on the orders of the General Assembly to 'review the efficiency and the administrative and financial functioning of the United Nations'. Between February and August 1986 this 'Committee of Eighteen' – as it came to be called – met sixty-seven times. The upshot was a weighty series of recommendations encapsulated in a report which ran to more than forty pages.

The report itself pulls very few punches. Phrases picked out from page ten, for example, which deals with the 'Structure of the Secretariat' include: 'reduced productivity'; 'duplication of work'; 'reduced quality of performance'; 'too top-heavy'; 'too complex'; 'too fragmented'; and 'dispersion of responsibility'.¹²³ The overall tone of the document is pejorative and some of its recommendations are undoubtedly sound, amongst them:

A vacant post should not be filled merely because it becomes vacant . . . The total entitlements (salaries and other conditions of service) of staff members have reached a level which gives reason for serious concern and should be reduced . . . The number of conferences and meetings can be significantly reduced and their duration shortened without affecting the substantive work of the Organisation . . . United Nations offices are at present established at the same location in many cities and countries. In most cases they may be consolidated with no loss of efficiency and with resulting economies both in personnel and general costs . . . A substantial reduction in the number of staff members at all levels, but particularly in the higher echelons, is desirable . . . To this end the overall number of regular budget posts should be reduced by 15 per cent within a period of three years and the number of regular budget posts at the level of Under Secretary General and Assistant Secretary General should be reduced by 25 per cent within a period of three years or less.¹²⁴

Other noteworthy recommendations made by the Committee include: a halt on the construction of new conference facilities (a clear reference to the proposed \$73 million conference centre in Addis Ababa that had sparked off the Kassebaum Amendment to the US Foreign Relations Authorisation Act in 1985); a suggestion that the contingency fund in the regular budget of the United Nations (used for meeting 'emergency' expenditures) should be capped

at 2 per cent of the total; and a proposal to cut down on the number of committees and 'intergovernmental bodies' since it is evident that the proliferation of these within the international civil service has 'resulted in duplication of agendas and work'.¹²⁵

Despite the uncharacteristically to the point and 'no-nonsense' tone adopted throughout the report, the Committee of Eighteen firmly reinstated itself in the mainstream of at least one time-honoured UN tradition when it recommended that the actual work of cutting down on the numbers of intergovernmental bodies should be done by – believe it or not – yet *another* intergovernmental body.¹²⁶ This little hint as to the real nature of the entire exercise was borne out in the way that the United Nations responded to the majority of the Committee's other recommendations as well. After due consideration, a 'reform resolution' (No 41/213) was adopted by the General Assembly on 19 December 1986. It showed little resolve, however, and less in the way of real reforms. To take just a few examples of things that didn't happen:

- Neither the across-the-board staff-cut of 15 per cent nor the more dramatic recommendation for a 25 per cent cut in top-level Secretariat posts was accepted for implementation within three years as suggested; instead both were rather hazily redefined as 'targets' – with the added proviso that the Secretary General should be 'flexible' in taking action to avoid any 'negative impact' on programmes and on the 'structure' of the Secretariat;¹²⁷
- The 2 per cent cap on the contingency fund in the budget was not implemented – and, by the end of December 1986, the Assembly had agreed to no less than \$48 million in budget add-ons;¹²⁸
- Far from halting the construction of new conference centres, the Assembly agreed that the extravagant Addis Ababa project should now be restarted. It also gave the thumbs-up to another postponed conference centre – a \$44 million boondoggle in sunny Bangkok.¹²⁹

When you subtract from the 'achievements' of the UN all the silly conferences, all the ineffectual meetings, all the inane committees and sub-committees, all the reports produced by learned groups recommending that more learned groups be convened to produce more reports, all the co-ordination mechanisms that have only complicated things further, and all the reform measures that have left things as they were – then, what remains? Specifically, what remains to justify the billions of dollars that tax-payers all over the world continue to plough into the United Nations and its agencies year in year out?

PUBLIC RELATIONS

Huge sums of our own money are spent on efforts to convince us that a great deal remains. During the last decade, funding for the UN's Department of Public Information (DPI) has grown at twice the pace of the rest of the world

body's budget.¹³⁰ This has happened for only one reason: in the 1980s, as Maurice Bertrand puts it, criticism of the UN has 'reached the status of a political phenomenon'.¹³¹ Frightened bureaucrats have accordingly voted to strengthen the DPI so that it can better defend their privileges and their interests.

The results have occasionally verged on lunacy. In 1987, for example, the Department actually attempted to suppress screening of the television show 'Amerika' – a political fantasy in which UN peacekeeping forces police the United States at the behest of Soviet occupiers. The highly paid PR men of the DPI felt – in their wisdom – that such fiction would be bad for the 'image' of the United Nations and litigation was mounted to keep the show off the air. As the *Washington Post* commented at the time: 'It seems to have escaped the United Nations' attention – as does so much else – that the proper use of law in a democratic society is to widen the openings for speech, not to narrow them.'¹³²

When it comes to presenting a positive image of the UN, however, suppression is replaced by overkill. In an average year the Department, which is headquartered in New York but has sixty-four overseas offices, will issue 12,000 press releases, send out 16,000 'information cables' lauding UN achievements, and prepare a wide range of newspaper articles, radio tapes and films.¹³³ It has also been known to 'buy' positive opinion in the international media: handsome subsidies to fifteen newspapers totalled \$432,000 in one year.¹³⁴ In addition to this the Department produces its own brochures, leaflets and books, all of which seek to present the UN in a favourable light and are distributed worldwide – for example, *United Nations: Image and Reality*, which has a print-run of 100,000 copies in English plus separate Spanish, French, Russian, German and Japanese editions of between 5,000 and 10,000 copies in each case.¹³⁵

All this costs a small fortune: DPI spent \$75.7 million on 'information work' during 1986–7.¹³⁶ This sum, however, does not by any means represent the entire public-relations budget of the UN system – each of the specialised agencies and other organs has its own information department also busily at work producing yet more brochures, leaflets and books, all industriously blowing their own trumpet of course.

There have been a number of occasions when UN organisations have taken the drive to maintain a positive image even further and have actively 'cultivated' friendly members of the press. One British journalist, for example, a regular contributor to the influential *Guardian* newspaper, produced a series of favourable reports on UNESCO in 1985. One typical instance of his work was entitled 'Why Britain Should Keep Faith with the UNESCO Dream', and was published in the *Guardian* on 4 October 1985. This article argued strongly that the British government should maintain its financial contribution to the bloated and over-bureaucratised specialised agency. It was no doubt entirely coincidental that, at the time he wrote this campaigning piece, the journalist in question was benefiting from a lucrative private contract with UNESCO's

Office of Public Information. He subsequently – a full year later – admitted that he had neglected to mention this contract to his editor and that this had been a 'mistake'.¹³⁷

UNESCO is not alone in its fascination with the world of information. Shortly after he took office, UNDP's new Chief Administrator William Draper advocated making 'better use of the services of journalists' and added: 'One of my first managerial rôles has been to initiate the redirection of our public information effort. We will concentrate on presenting the human face of development.'¹³⁸ Perhaps this is why, in its publication *Generation*, UNDP claims to have 'played a leading rôle' in the 'social and economic advancement of two-thirds of humanity'.¹³⁹

Likewise in *UNICEF News* we are told: 'There is a phrase in English which has no equivalent in any other language. It is "to be kind". This phrase captures the spirit which has pervaded UNICEF through forty years.'¹⁴⁰

Like cuttlefish, United Nations agencies have the ability to conceal themselves in clouds of ink.¹⁴¹ A trawl through the literature produced by FAO, WHO, UNHCR and others will yield a colossal catch of self-congratulatory phrases to add to the umbrella judgement of the Department of Public Information that 'the United Nations system's various programmes and agencies have brought food, shelter, protection and medical assistance to those who most dearly need it: mothers and children in the poorest countries, refugees around the world, the victims of famine and natural disasters'.¹⁴²

How much truth is there in such claims?

EXPENSIVE ADVICE

UNICEF, UNHCR, and the World Food Programme et al. do indeed deliver relief supplies during emergencies; the quality, timeliness and relevance of these items, however, as we have seen in Part One, often leave a great deal to be desired. Meanwhile the hundreds of 'duty stations' in the Third World and the thousands of 'development projects' and 'programmes' that also bear the UN's imprimatur are the main ingredients of its other efforts on behalf of the poor. Here, as we saw in Part Two, capital aid is hardly involved at all;¹⁴³ indeed, on close examination, the bulk of the 'long-term development work' done by the United Nations turns out to add up to little more than the provision of *advice* to developing countries on how to achieve certain specific technical objectives. Often the quality and usefulness of this advice are questionable.

At the broadest level of long- and medium-term plans, for example, UNESCO tells us that it intends to 'help member states to mobilise the financial and human resources needed for the execution of development projects'. Likewise FAO tells us that it hopes 'to assist member states in improving the food and nutritional status of their peoples'. While all this sounds helpful enough, what it boils down to in practice is two or three P-graded staff in each case sitting at headquarters and drawing up reports on the subjects mentioned – or at best organising one or two training courses for a few dozen individuals.¹⁴⁴ In the case of the United Nations Medium Term

Plan for the period 1984–9 a Programme of Transport Development is set out in which the world body grandiosely commits itself to: 'overcome the bottlenecks and constraints of transport and communications facing the developing countries, to identify critical issues confronting developing countries, and to foster and promote co-operation and co-ordination regarding these issues . . .' The administrative unit of the Secretariat entrusted with fulfilling all these and many other pledges, however, has only a single professional-level worker!¹⁴⁵

'Advice' is also the main component of assistance at project level: here it takes the form – mainly – of the provision of 'expert services'. To give a specific example, UNDP finances about 1,000 new projects each year, of which the average cost is \$393,000. This does not at all mean that at each of 1,000 different locations \$393,000 is reaching the poor in any edible, drinkable, wearable, plantable, or drivable form. Far from it! What is actually involved in a typical 'project' is the supply by UNDP of three or four foreign experts – each costing upwards of \$100,000 per annum to keep in the field.¹⁴⁶

In all of this it simply seems to be taken for granted by the UN that the experts and advisers it sends to Third World communities at the expense of Western tax-payers are not only competent and able but are also well motivated and appropriately experienced. The key questions never get asked. Are these 'guiders and managers' really equipped to render direct and useful services to the poor? Do they have sufficient humility and insight – which, presumably, are at least as important as technical know-how? Perhaps most important of all, do the poor actually *require* the kind of guidance and management that wealthy foreigners can provide? Do they really want 'to be helped to help themselves' – or any of the other familiar stock phrases of that ilk? The assumption that they do, that this is what they are asking for, does rather pre-judge the shape of the development process and set its priorities. As with so much else in the world view of the aristocracy of mercy, however, it is an assumption that is deeply flawed.

PART FOUR

THE MIDAS TOUCH

I think you aid people are like the old king. Everything you touch turns to gold and the poor shits on the receiving end can't eat gold.

Jill Tweedie, *Internal Affairs*

Meanwhile the peoples of the Cordillera Mountains in the Philippines protest at the way in which their land is used as 'a resource area for extractive industries such as mining and logging, hydroelectric dams and other projects'. Representatives of the 500,000 inhabitants of the Cordillera recently stated unequivocally: 'We oppose these programmes and policies because they threaten our very existence.'³

In far-off Mexico, community activist Gustavo Esteva seems to be saying almost exactly the same thing when he observes with some bitterness:

Around us, for a long time, development has been recognised as a threat. Most peasants are aware that development has undermined their subsistence on century-old diversified crops. Slum dwellers know that it has made their skills redundant and their education inadequate for the jobs that were created. If they do succeed in installing community life in the shanties they build or in the abandoned buildings, bulldozers and the police, both at the service of development, will relocate them . . . If you live in Mexico City today you are either rich or numb if you fail to notice that development stinks.

Far from being the fulfilment of a dream of progress and prosperity, development, in Esteva's view, is a 'malignant myth':

Development means to have started on a road that others know better, to be on your way towards a goal that others have reached, to race up a one-way street. Development means the sacrifice of environments, solidarities, traditional interpretations and customs to ever-changing expert advice. Development, for the overwhelming majority, has always meant growing dependence on guidance and management.⁴

FOREIGN EXPERTS

The increasing reliance on outsiders that Esteva sees in the Mexican 'slums, villages and boondocks' where he works is also a trend that is well established in many other countries and regions. The 'guiders and managers' to whom he refers are in fact the vanguard of the development industry – the thin end of the wedge. They have become so pervasive that Africa, for example, has more expatriates living in it today than it ever did during the era of colonisation and settlement:⁵ there are an estimated 80,000 foreign 'experts' working on development projects in the world's poorest continent.⁶ To this substantial total must be added the legions of short-stay visitors – agency staff on project-appraisal missions, VIPs from donor countries, consultants conducting feasibility studies, and, of course, researchers. During the 1970s, when Tanzania's *ujamaa* villages were at their most fashionable as examples of successful grassroots development, there were occasions when some villages had more researchers than villagers.⁷ Much more recently the small and hungry West African country of Burkina Faso hosted no fewer than 340 separate 'missions' from United Nations agencies in a single year. According to

Maurice Williams of the World Food Council, this deluge of bureaucrats caused 'confusion at all levels and a loss of resources and efficiency . . . the government was not always able to keep up with management and co-ordination requirements'.⁸

The experts and consultants showered down upon the developing world do not, by any means, all come from developed countries. The United Nations hires on a strict quota system from all its member states. 'The result', according to Professor Paul Streeten of Boston University, 'is that a mediocre Indian, who might be useful within his competence in India, is recruited by the UN to work in Sierra Leone at ten times the salary he would earn at home, on a job for which he is ill-qualified, while a Sierra Leonean advises India.' Streeten, who himself acts as a consultant for the World Bank, adds that 'the high salaries and high living standards of these experts alienate them from the societies in which they work. They are like rootless flowers that wither away'.⁹

Every year the United Nations Development Programme sends 8,200 such experts 'into the field' to guide and manage the poor.¹⁰ Reviewing its achievements since the mid-1960s, it boasts that it has 'financed the assignment of 193,000 experts of 164 nationalities to work in nearly every sector in 170 countries and territories'.¹¹ Other multilateral agencies, notably the World Bank, have similarly impressive records. Meanwhile the eighteen member states of the Development Assistance Committee of the OECD send out some 80,000 'experts, teachers and volunteers' to the Third World each year as part of their bilateral aid programmes.¹² According to informed estimates, a total of at least 150,000 'external advisers, consultants, seconded expatriates and other experts' are employed in the developing countries at any one time.¹³

The expense of hiring them and keeping them in the field eats up a surprisingly large slice of official aid budgets. Even if the minimum cost of a United Nations expert – \$100,000 a year¹⁴ – is taken as the average for bilateral and multilateral agencies as a whole, then the bottom line for 150,000 such people can be no less than \$15 billion: that figure is in the region of 35 per cent of all official development assistance.¹⁵ Experts from the World Bank, however, cost significantly more than those from the UN, and one bilateral agency now budgets \$150,000 per annum per expert.¹⁶ If this higher figure is used, then 150,000 experts could cost in excess of \$22 billion a year to keep in the field – nearly half of all the money allocated to official development assistance.

THANKS FOR NOTHING

Are foreign experts really worth so much? Clearly the aid agencies must think so – otherwise they would not go on spending such vast sums. But some recipients have a different perspective. Jacques Bousquet, formerly UNESCO's Chief Educational Adviser in the Ivory Coast, lists the typical complaints that he became familiar with during his stay in that West African country: experts are accused by Ivoirians of earning big salaries and even then 'always wanting more . . . they have the nerve to demand free housing and are constantly claiming extra dispensations for the cars they import and re-sell';

quite literally, the more you spend, the 'better' you are judged to have done. Thus, speaking of the operations of the IBRD in July 1987, Bank President Barber Conable was able to say with some pride: 'The 1986-7 fiscal year, which ended on 30 June, was a *success*; our commitments represented \$14.2 billion as against \$13 billion in the previous year.'¹⁶¹

In the Soviet Union an apocryphal story is told of a factory which met its annual production target of 50,000 tonnes of nails by producing fifty nails each weighing 1,000 tonnes. Too often Mr Conable's World Bank is like that plant and its projects are like those nails: large, cumbersome, useless and possibly dangerous. Not all members of the Bank's staff, however, are indifferent to the implications of a régime that defines 'success' in purely quantitative terms; indeed, at almost exactly the same moment that the President was crowing about spending \$1.2 billion more in 1987 than in 1986, the Bank's own Operations Evaluation Department was cautioning that 'the drive to reach lending targets' is 'potentially damaging' and is 'a major cause of poor project performance'.¹⁶²

Like Cassandra, the Trojan seer whose fate it was to prophesy truly and not be believed, the OED has made almost identical observations virtually every year since 1975 when it began compiling its *Annual Review of Project Performance Results*. To this day, however, the drive to fulfil lending targets – to 'succeed' by spending ever more money – maintains its primal importance for the staff of the World Bank and continues to harm the poor while short-changing Western tax-payers.

A recent extensive internal audit done by the OED described one disastrous rural development project in the impoverished Caribbean island of Haiti as 'an example of the effects of Bank pressure for rapid project launching, despite scant Bank acquaintance with the country'.¹⁶³ The desire of staff to win pats on the back from senior management for lending quickly and in large amounts also lay behind the cancerous growth of the Papaloapan Integrated Rural Development Project in Mexico. Here the auditors found that, although relatively good work had been done at an early stage, 'the initial design (based upon pilot activities) was completely changed by the appraisal mission – the project area was extended sevenfold to cover the entire Papaloapan basin, with costs increasing from \$26 million to \$111 million and later to \$138.5 million'. This expensive project closed three years behind schedule with barely half of its original components implemented and was judged by the auditors to have been a catastrophic failure – a failure attributable almost entirely to 'the Bank's pressure for quick action'.¹⁶⁴

Mexico and Haiti were not the only Third World countries to be lent large sums of money for something that they didn't need by Bank officers zealously promoting their own careers. At the Morondova Irrigation and Rural Development Project in Madagascar, for example, the auditors detected 'an unseemly pressure to lend', highlighted an appalling 'lack of consensus between the Bank and the borrower' and stated their regret that the government, which in fact had 'serious reservations', was nevertheless 'pressured to accept the

project'.¹⁶⁵ The conclusion of the Operations Evaluation Department is that 'it is neither in the Bank's nor in the individual borrower's interests to embark on non-viable undertakings on the basis of lending targets'.¹⁶⁶

Year in year out, however – and in true Soviet-factory style – this is precisely what the Bank continues to do. It is thus probably not entirely coincidental that, out of a representative sample of 189 of its projects audited worldwide, no less than 106 – almost 60 per cent – were found in 1987 either to have 'serious shortcomings' or to be 'complete failures'.¹⁶⁷ A similar proportion of these projects – including many judged in other senses to be 'successes' – were thought unlikely to be sustainable after completion.¹⁶⁸ Furthermore, it is in the poorest countries of the world, and amongst the poorest segments of the populations of these countries, that the Bank does worst. In sub-Saharan Africa, for example, 75 per cent of all agricultural projects audited were found to have failed.¹⁶⁹

An even more extensive series of audits produced by the Operations Evaluation Department in 1988 again found high failure rates, particularly in the poorest regions,¹⁷⁰ and drew special attention to the increasingly serious issue of *sustainability*. Out of a total of 246 projects reviewed, fully 50 per cent were found to have 'unlikely, marginal or uncertain' sustainability, with this figure rising to 70 per cent in, for example, impoverished West Africa. Another recent OED report – which has not been distributed because its findings are so damning – looked at the fate of twenty-seven agricultural projects approved by the Bank between 1961 and 1975 (all of which were judged to be successful at the time disbursements were completed). The report concludes that only nine of these projects achieved any kind of longer-term sustainability, ten failed outright, and eight had marginal or uncertain results.¹⁷¹ In accounting for this worrying lack of sustainability, the auditors point to the 'generally too optimistic outlook' on the part of staff presenting project loans for approval by the Board, and again criticise the priority that the World Bank seems to put on meeting lending targets rather than 'on supervision'.¹⁷²

The Bank is by no means the only major aid institution at which staff can earn Brownie points from their superiors by spending big and spending fast, even when such behaviour results in bad projects. A former employee of the Canadian International Development Agency says that, in government circles in Ottawa, CIDA's performance is measured almost entirely by its ability to spend the funds allocated to it within the allotted time. 'So, too,' he adds, 'is the performance of individual staff members . . . progress is measured by the quantity of disbursements.' Unsurprisingly, therefore, CIDA officers tend to attach themselves to 'those channels and projects where rapid disbursement potential is maximised'.¹⁷³

Likewise, David Deppner, a former USAID official, recalls:

The entire management system at AID was based on how much money we spent; we were paid or promoted according to the size of our projects. No administrator wanted to lie awake at night worrying about a dozen

little projects when he could spend his time moving money around in big blocks. Since it's just as easy to administer a twenty million dollar project as it is a twenty thousand dollar project, the logic is – why not go for the biggie?¹⁷⁴

SMALL IS DIFFICULT

Somewhat ironically the tendency to 'go for the biggie' is to be seen at work even on those rare occasions when the American agency is making conscious efforts to introduce small-scale projects and 'appropriate' or useful technologies to impoverished parts of the Third World. This has proved to be the case, for example, with its much vaunted Renewable Energy Programme. Auditors from the US government recently inspected a solar-powered electrical system that AID's experts had installed at a cost of \$713,000 in a poor rural village in India. The system included exceptionally complex solar thermal collectors, a steam engine, associated controls, motors and pumps which could only be operated and repaired by highly trained technicians.

A more *inappropriate* technology for a remote site occupied by uneducated villagers [the auditors concluded] is hard to imagine. . . . Electricity has the potential for drastically altering the lives of the rural poor. It can give them light, entertainment, new appliances and new opportunity to earn income. But an electrical plant that is much more difficult to maintain and far more costly than a diesel set, and that requires three trained engineers in residence, is not the solution.¹⁷⁵

Other projects of this type that the auditors looked at – in India, the Philippines and the Dominican Republic – were found to have involved excessive equipment costs. Some individual components, which in the event of a breakdown would have to be replaced by the 'beneficiaries' at their own expense, had price tags ranging from \$25,000 up to \$615,121. These included, *inter alia*:

- A rice-hull-fed thermal power plant in the Philippines – cost \$528,000;
- A solar drier in the Dominican Republic – cost \$500,000;
- A small-scale hydroelectric system in India – cost \$467,000.

'The rural poor cannot afford such costs,' the auditors rightly concluded, noting in addition that the computer system required in the Indian hydroelectric project (to distribute power between uses such as irrigation and household lighting) was so complicated that normal commercial software could not be used; as a result it had been necessary to develop specialised programmes. The auditors also expressed serious concern about the long-term durability and reliability of a microcomputer used twenty-four hours a day in a location that was far off the beaten track, and noted that the technical expertise to maintain this complex system was not available in the village.¹⁷⁶

Many more of the supposedly small-scale and appropriate projects in which

AID has invested US tax dollars with the explicit objective of assisting the rural poor in developing countries were found at audit to have been devised without any understanding of the problems that poor people actually face. As a result, most of these projects were abject failures. For example:

- The anaerobic digester component of a \$4.5 million project in Mali was 'not suited to the needs of the poor'. The purpose of the digester was to produce gas from animal dung; the end product, however, was 'too expensive for intended small-scale uses such as cooking'. Worse still, inputs of water and dung required for continuous operation were scarce, and daily filling and cleaning of the digester required exhausting and time-consuming physical labour from people already weakened by malnutrition.

Likewise:

- Because of persistent economic and technical problems, a \$3 million sub-project in the Philippines involving biomass gasifiers was 'unacceptable' to the villagers who were supposed to benefit from it. At the time of the audit only two of the total of 103 gasifiers installed in one region of the Philippines were in fact operational.

All in all, the auditors' judgement of USAID's renewable-energy projects is damning: they were not helpful to the poor because they were 'not simple and inexpensive to build, use and maintain', they required 'large capital investments', and they involved 'high operating costs'.¹⁷⁷

Other audits of more conventional development projects that the agency has financed and implemented around the world illustrate the same kinds of mistake being made again and again – an addiction to highly priced technologies and to grandiose and irrelevant schemes, a culpable lack of empathy for the poor on the part of staff and consultants, and repeated failures to take into account in project design the harsh realities of Third World existence.

In Egypt USAID disbursed \$108 million during 1986–7 to pay for the construction of a huge grain silo complex at the Red Sea port of Safaga. The complex incorporated ultra-modern offloading equipment and other advanced design features intended to save operating time and reduce grain losses. As the project neared completion, however, the Inspector General for Audit uncovered a crucial oversight: locally available electricity supplies were completely inadequate for the proper running of the space-age complex with its vast daily demand for power. The only possible solution, therefore, was to spend more money: \$6.5 million to cover the cost of four diesel generators with a capacity of 3,000 kilowatts each. This USAID promptly agreed to do; however, it was thought unlikely that the new units could be imported, installed and functioning before 1989. 'For about two years after completion,' the audit notes with regret, 'the complex will have to be operated on a reduced basis – thus mitigating to a large extent the benefits contemplated when the project was approved.'¹⁷⁸

indifferent as ever to the opinions of the poor, the Bank had not taken the trouble to canvass local opinions of the scheme before going ahead with it. The islanders, however, knew that the huge ore-refinery would be messy, noisy and would thus represent a serious threat to the tourist trade which provided the majority of their incomes. When it became clear in addition that the plant was capital intensive – and would create only a few new jobs – a rational decision was taken by all concerned to get rid of it; accordingly it was razed to the ground shortly before its doors were due to open for business.¹⁸⁶

This example of poor people taking action against a project which did not offer them any benefits – indeed, imperilled them – and seemed largely to be in the interests of faraway investors and consumers, is rare indeed. Usually the money of international development agencies, combined with the muscle of borrower governments, is enough to enforce acceptance of any scheme – however irrelevant, cruel, unusual or hare-brained it in fact may be.

Britain's Overseas Development Administration has a consistent track record of working closely with Third World governments to devise projects that by-pass or actually harm the poor. In Karnataka, India, a forestry scheme funded by the ODA has planted a great many quick-growing eucalyptus trees. The original purpose of the project was to provide fuel-wood and animal fodder for landless peasants and small farmers in the area; the eucalyptus, however, is a tree that is not at all suitable for such purposes. Cattle will not eat its bitter aromatic leaves and it is thus quite useless as a source of free fodder. Likewise, its stem grows straight up for several feet – well above the height of a man – and there are no side branches within reach that can be broken off and taken away by villagers for firewood. Neither does felled timber from the Karnataka scheme help the rural poor. Because of commercial pressures, most now goes to provide pulp for the Mysore paper mills. The little that remains is sold in the markets of Bangalore as fuel for better-off urban consumers.¹⁸⁷

Another ODA project – at Cajamarca in Peru – has had equally dubious results. This scheme encouraged small farmers to invest in dairy cows by providing them with loans and veterinary services. There was only one customer for the milk produced, however: a major multinational company which was able to use its monopoly position to preside over a sharp fall in the price paid for milk at the farm gate. The farmers today are caught in a poverty trap: their earnings are too low even to repay the original loans and they cannot sell their cows since nobody wants to buy the valueless beasts.¹⁸⁸

So often, development initiatives that begin with the best intentions end up going as sour as the milk produced by those cows in Peru. In the Mayan Indian highlands of Guatemala, for example, a giant hydroelectric dam, the Chixoy, stands today as a salutary reminder of the misguided folly of so many 'developers'. Originally budgeted at \$340 million, the construction costs had rocketed to \$1 billion by the time the dam was opened in 1985. This money was lent to the Guatemalan government by a consortium of Western aid agencies, with the World Bank and the Inter-American Development Bank taking the lead; however, it will have to be paid back by the Guatemalan people out of

taxes. To this burden must be added the 70 per cent price-hike for domestic electricity that has been imposed since the dam's hydro power began to provide three-quarters of the nation's electricity needs. According to Robert Balsells, whose misfortune it is to be President of the state-owned electricity company at this time, the implications for the average Guatemalan are grim. Indeed, paying for the Chixoy will mean 'going without medicines and food . . . We were poor before, now we are miserable.'¹⁸⁹

Irredeemably out of touch with poor people, and with the tedious day-to-day realities of their lives, it is little wonder that the World Bank and its partners in development so consistently come up with bizarre and extraneous projects like the Chixoy Dam – projects that are worthless, or even harmful, to those they are intended to benefit. More often than not big, fanciful, extravagant, and high-tech, such schemes do, however, meet the bureaucratic needs of the agencies themselves, the psychological and career needs of their staff, and the commercial needs of suppliers from whom equipment and services are procured.

As the saying goes, it's an ill wind that blows nobody any good.

power. The proportion of the total population judged to be in 'desperate poverty' increased, for example, from 48 per cent in 1976 to almost 70 per cent in 1986 – at which time average per-capita incomes for three-quarters of all Haitians had fallen below \$140 a year, only 10 per cent of rural people were functionally literate, 80 per cent of children under six had had at least one bout of malaria, and 75–80 per cent of *all* children were suffering from malnutrition (with over half the recorded deaths in the territory being caused by malnutrition and gastroenteritis).¹⁴²

Interestingly enough, however, Haiti was a major recipient of foreign aid throughout the Duvalier era – with the United States, Canada, West Germany and France prominent amongst the bilateral donors and with the World Bank, FAO, WHO, UNDP and UNICEF the most notable of the multilaterals.¹⁴³ With all these 'assistants' on the scene, a question has to be asked: Did the ruin of the Haitian poor occur *in spite* of foreign aid, or *because* of it?

A definitive answer is difficult to arrive at, but one thing at least is immediately clear from World Bank figures on the country's economy: the plentiful availability of aid funds facilitated the Duvalier clan's efforts to maintain an extremely low tax régime for their cronies amongst the Haitian rich. By 1986 the wealthiest 1 per cent of the population had managed to seize 40 per cent of the national income but was required to pay only 3.5 per cent of that income in taxes.¹⁴⁴

Such a bizarre state of affairs was made possible purely and simply by aid: under the rubric of Official Development Assistance it was Western tax-payers who in fact contributed the bulk of the Haitian government's budgets. Typically, during the 1970s and 1980s, aid financed two-thirds of government investment and also covered more than half of the national import bill.¹⁴⁵

There was widespread awareness of the corruption and depravity of the régime; little effort was made to impose controls on how aid funds were spent, however. Indeed, the United States – the largest bilateral donor – stated frankly that its strategy was to 'place maximum responsibility on the Haitian government for the selection and design of projects'.¹⁴⁶ It might as well have trusted a thrice-convicted axe-murderer not to kill again, or a kleptomaniac not to steal when left unwatched in a department store.

While AID was being so charmingly credulous, the US Department of Commerce produced figures to show that no less than 63 per cent of all recorded government revenue in Haiti was being 'misappropriated' each year. Not long afterwards – and just before he was dismissed by Duvalier – Haiti's Finance Minister, Marc Bazin, revealed that a monthly average of \$15 million was being diverted from public funds to meet 'extra-budgetary expenses' that included regular deposits into the President's private Swiss bank account.¹⁴⁷ Most of the 'public funds' in question had, of course, arrived in Haiti in the form of 'development assistance'.

Meanwhile, in one typical year, the Ministry of Sports allocated \$2 million of the little that was left in the Treasury after Duvalier's depredations to pay for a stadium that actually cost \$200,000 to build. At about the same time CIDA, the

Canadian aid agency, cancelled a multi-million-dollar rural development programme that it was financing when it discovered that 50 per cent of the 700 Haitian employees on its payroll did not actually work for the project at all – and possibly did not even exist.¹⁴⁸

Few other donors followed Canada's example: despite flagrant and prolonged misuse of funds, deep-rooted corruption, and the violence and human rights abuses of the feared Tonton Macoutes, the West kept faith with the Duvaliers until the very last possible moment. It was appropriate that when 'Baby Doc' finally fled the country in 1986 to take up his comfortable exile in the south of France he did so in transport provided by the US air force.

MONEY HAS WINGS

The powerful in the Third World come and go; today they are in the Presidential palace doing business with international civil servants, tomorrow, with rebellion in the streets, they fly away to their carefully prepared retirement homes in Hawaii or on the Côte d'Azur. Their embezzled fortunes will long ago have gone out ahead of them, usually to Switzerland or to the United States. As former Treasury Secretary Don Regan accurately put it of America and the mighty greenback: 'We have become a haven currency and a haven country not only for people but also for their money.'¹⁴⁹

There is a technical term for what is going on here, and that term – 'capital flight' – sounds just like the name of an exciting new board game. This is how the game works: public money levied in taxes from the poor of the rich countries is transferred in the form of 'foreign aid' to the rich in the poor countries; the rich in the poor countries then hand it back for safe-keeping to the rich in the rich countries. The real trick, throughout this cycle of expropriation, is to maintain the pretence that it is the poor in poor countries who are being helped all along. The winner is the player who manages to keep a straight face while building up a billion-dollar bank account.

Of course, in real life, things are somewhat more complex than this. Direct thefts from the aid pot – *à la* Baby Doc – are still rare; much more common are methods of personal enrichment that are indirect, subtle and devious. The really clever players are those who have understood that every dollar of development assistance that comes their way creates an opportunity for undetectable personal enrichment – even when donors insist on closely supervising the expenditure of the particular funds they have provided. Such supervision is not an obstacle to the enterprising fiddler who knows the meaning of the word 'fungibility'.

Food aid, for example, is eminently fungible because it frees the recipient government from the tiresome necessity of ensuring that its own people do not starve. While well-meaning foreigners feed the hungry, the leaders of a country afflicted by famine can spend *other* funds at their disposal on whatever they like: they can buy advanced weapons with them, they can overpay their civil servants, or they can make some more hefty deposits into their Swiss or Californian bank accounts.

Project aid is also fungible and thus creates the same kinds of opportunity: a road or a dam or an irrigation system paid for by someone else is a road or a dam or an irrigation system that does not immediately drain the national exchequer of funds. The President and his Ministers can therefore continue with impunity to treat the Treasury as their personal cash dispenser.

Possibly the biggest break that corrupt officials have ever had, however, as we saw in Part Two, is the new fad for 'structural adjustment': in return for reforms which usually hurt only the poor, such 'policy-based lending' injects millions of dollars directly into the recipient government's hands. Since no 'project' needs to be completed or accounted for, and since no hungry have to be fed, structural adjustment money thus lends itself perfectly to the theft and plunder of capital flight.

All in all, the sums that wing their way out of the Third World are very large indeed. It is estimated, for example, that corrupt Venezuelans have massaged and finessed enough money into foreign bank accounts to pay off their country's entire foreign debt – which stands at around \$40 billion.¹⁵⁰ A study done by Morgan Guaranty Trust Company looked at ten heavily indebted developing countries in Latin America between 1983 and 1985: during this period, as the domestic living standards of the poor plummeted, moneyed people in the countries concerned managed to deposit \$44.2 billion in Western banks.¹⁵¹ Another longer-term survey covering the ten-year period 1976–86 came up with the following aggregate figures for capital flight: Argentina, \$26 billion; Brazil, \$10 billion; India, \$10 billion; Indonesia, \$5 billion; South Korea, \$12 billion; Malaysia, \$12 billion; Nigeria, \$10 billion; Philippines, \$9 billion.¹⁵²

Mexico's flight capitalists drained off a breathtaking \$56 billion during the decade¹⁵³ – a sum of money that represents almost exactly half of that country's total foreign debt.¹⁵⁴ Aid agencies and financial institutions, however, do not seem to take this apparently unmissable problem into account in their efforts to promote development in Mexico. In World Bank structural adjustment lending, for example, as one senior official admits, there has never been any 'mention of imposing limits on corruption or on capital flight – two of Mexico's biggest problems'. Indeed, the global lender has not even obliged the Mexican government 'to install a decent auditing system to control graft'.¹⁵⁵

BAD TO THE BONE

Although it is the subject of a pious literature, and is credited with saintly and humanitarian motives, foreign aid – as we have seen – often keeps strange and brutal company. In Mexico and Zaïre, in the Philippines and Haiti, thieves and murderers, psychopaths and cheats have all been amongst its bedfellows. Elsewhere it has consistently bestowed its favours upon the big battalions. Big corporations, big and wasteful projects, big, ambitious, absurd development plans, big ideas, and big bureaucracies have all flourished thanks to aid's bounty. Meanwhile local-level initiatives, relevant and realistic strategies, and the energy and enterprise of the poor in the Third World have been ignored.

Aid is not bad, however, because it is sometimes misused, corrupt, or crass; rather, it is *inherently* bad, bad to the bone, and utterly beyond reform. As a welfare dole to buy the repulsive loyalty of whining, idle and malevolent governments, or as a hidden, inefficient and inadequately regulated subsidy for Western business, it is possibly the most formidable obstacle to the productive endeavours of the poor. It is also a denial of their potential, and a patronising insult to their unique, unrecognised abilities.

Resettlement schemes in Brazil and Indonesia, reviewed in Part Four, have typically absorbed investment at the rate of \$12,000 per settler.¹⁵⁶ Such schemes, involving the transfer of huge quantities of Western aid to repressive and irresponsible régimes, have destroyed the environment on a near-apocalyptic scale, have wiped out indigenous tribal peoples, and have made the majority of the migrants materially poorer and more miserable than they were *before* the intervention of the World Bank and other donors. What would have happened, I wonder, if the money had *not* been handed over in bulk to sneering and insensitive bureaucracies, had *not* been used to enrich road-builders, forest-clearers and other corporate contractors, but had instead been divided up into \$12,000 dollops and simply given to each of the settlers? What would have happened if even one-tenth of that amount – \$1,200 – had been provided to each of them?

They would not, I suspect, have migrated at all if they had benefited from such an unprecedented windfall. To a landless Brazilian peasant or to a smallholder struggling to eke out a living in rural Java, \$1,200 is a fortune, is equivalent to perhaps four years of income. I am confident that such people would have made effective use of money on this scale if it had been entrusted to them directly, would have invested it productively and intelligently in their home areas to transform their own lives and would, in the process, have permanently reinvigorated the flagging rural economies of the countries in which they live.

This is just a pipe-dream, however. Whether given for dams in India, resettlement in Indonesia, power-stations in Bangladesh, structural adjustment in Mexico or balance-of-payments support in the Sudan, our aid does not help ordinary people 'to help themselves' and it does not promote broadly based prosperity. On the contrary, it systematically empowers and enriches the very forces that today most efficiently stifle the initiative and resourcefulness of peasants, nomads, slum-dwellers and villagers throughout the Third World.

IN THE PERIOD 1950–5 total bilateral and multilateral aid from all sources rarely exceeded \$1.8 billion per annum.¹ In the 1960s, however, the scale of the operation increased dramatically: disbursements of official development assistance in 1961, for instance, were 20 per cent higher than they had been the year before.² By 1962 total world aid had risen to just a shade under \$6 billion and, by 1972, OECD member states alone were giving close to \$10 billion a year.³ By 1984 there had been a threefold increase in this OECD figure, OPEC member states had established themselves as major donors and the Soviet Union was also giving significant quantities of development assistance.⁴ Total world aid in 1987 was just over \$50 billion⁵ – up about 7 per cent on the 1986 figure of \$46 billion.

One of the remarkable aspects of aid's busy growth is the way in which giving more has, over the passing years, subtly become equated with doing better, indeed with moral virtue. As a result of the activities of pro-aid pressure groups and of effective public relations by the agencies themselves, 'increased aid' is now a phrase that is used interchangeably with 'improved aid performance'. In almost all diplomatic and economic forums, as the British economist Lord Bauer observes: 'Countries giving a higher percentage of their national income in official aid are described as better performers than others giving a smaller percentage.'⁶

Indeed so. Official development assistance today is a sacred cow which must never be killed; which, preferably, must be nurtured. Within the United Nations, for example – as we saw in some detail in Part Two – the whole debate is framed in terms of 'targets'. Since the 1960s the world body has been urging its member states to give 0.7 per cent of their annual GNP as ODA: those countries that do increase their aid, that do 'meet the target', are 'good' in the UN's terms; conversely, of course, those that decrease their aid are 'bad'.

A campaign launched by the British Labour Movement in 1988 promotes this naïve and simplistic notion. Under the slogan 'Support the Just 0.7 Campaign' a leaflet tells us that Britain in 1979 'was the *most generous* of the top seven industrialised nations' because it was well on its way to 'achieving' the 0.7 per cent target. Since then, however, as a result of the 'shameful record' of

the Conservatives, there has been a disgraceful turn-around. Having fallen behind France, Sweden, Denmark, the Netherlands and Norway in the generosity stakes, the UK is now 'on the way to being the *meanest*' nation in the world.⁷

Similar judgements on aid performance are also to be found in the influential reports of the Commission on International Development that met under the chairmanship of Willy Brandt in the 1970s and 1980s. While those donor countries that have surpassed the 0.7 per cent target are fulsomely praised, the failure of many others to reach it is described as 'deeply disappointing' and as a sign of 'a marked lack of political will'.⁸ Noting that aid is in fact falling as a share of the GNP of several wealthy industrialised nations – for which 'there is no excuse' – the Commission urges the recalcitrant donors 'to set their sights once more on the fulfilment of the 0.7 per cent target'.⁹

If and when this target is reached – the argument continues – then the people of the Third World will *inevitably* benefit. The notion that increased aid from the North will result in improved conditions in the South is thus treated as though it were a self-evident truth.

It is far from that, however, particularly when what we are talking about is an increase amounting to just a few tenths of a single percentage point of the donor countries' GNP. Aid, after all, is just one amongst many different forms of financial flow – and these flows move from South to North as well as from North to South. To arrive at the real bottom line in the relationship between the rich and the poor nations it is therefore necessary to total up the figures for global ODA with all the other relevant transactions that take place in both directions.

When this is done an interesting and little-advertised trend emerges: since the early 1980s, mainly as a result of a sharp decline in new lending by private banks coupled with ongoing repayments at rising interest rates of old loans, the wealthy countries have consistently been net *recipients* of funds from the Third World – not net donors to it – even when ODA is taken into account. Initially the gain of the North was small – just \$300 million in 1983. By 1984, however, it had risen dramatically to \$12.5 billion. Since 1985 the poor South's net transfer of finance to the rich nations has exceeded \$30 billion per annum;¹⁰ the figure for the year 1 July 1987 to 30 June 1988, for instance, was \$39.1 billion.¹¹

My dictionary tells me that 'aid' is a synonym for 'help'. The whole notion that the developing countries are being 'helped' by the developed ones, however, seems to me – on the basis of these negative financial transfers alone – to be highly suspect.

This general view is best clarified by some specific examples. During the three years 1986–8 the International Monetary Fund received net payments totalling almost \$8 billion from the Third World.¹² And recently the International Bank for Reconstruction and Development has also become a significant drain on the resources of poor countries: in the financial year to 30 June 1988 it was a net beneficiary of \$1.9 billion.¹³ Negative transfers of this sort in the multilateral sector are, however, dwarfed by those on a country-by-country

basis. Between 1982 and 1987 British banks took in more than £80 billion in debt-service payments from Latin America.¹⁴ Averaged out, this meant that every man, woman and child in that impoverished continent had transferred a generous £40 a year to the City of London. By contrast, Britain's bilateral aid to Latin America during the same period was worth just under 8 pence per capita per annum.¹⁵ For the record, India – the UK's largest 'aid partner' – normally receives about 15 pence per capita per annum and Kampuchea, one of the poorest countries in the world, gets 0.0026 pence per capita per annum. Britain's official development assistance to Gibraltar and the Falkland Islands, on the other hand, averages out respectively at £748 per capita per annum and £5,350 per capita per annum.¹⁶

Such anomalies – found, incidentally, in the ODA of every single donor – illustrate a seminal point: aid is far too small in macro-economic terms to do much good to anyone (except to a few favoured mini-states like Gibraltar, in the case of the UK, or Israel in the case of the US). Neither will marginal increases of the kind envisaged by the Brandt Commission or by Britain's 'Just 0.7' campaign make any significant difference to this state of affairs.

At \$60 billion a year, on the other hand, aid is already quite large enough to do harm. Indeed, as this book has argued at some length, it is often profoundly dangerous to the poor and inimical to their interests: it has financed the creation of monstrous projects that, at vast expense, have devastated the environment and ruined lives; it has supported and legitimised brutal tyrannies; it has facilitated the emergence of fantastical and Byzantine bureaucracies staffed by legions of self-serving hypocrites; it has sapped the initiative, creativity and enterprise of ordinary people and substituted the superficial and irrelevant glitz of imported advice; it has sucked potential entrepreneurs and intellectuals in the developing countries into non-productive administrative activities; it has created a 'moral tone' in international affairs that denies the hard task of wealth creation and that substitutes easy handouts for the rigours of self-help; in addition, throughout the Third World, it has allowed the dead grip of imposed officialdom to suppress popular choice and individual freedom.

Aid has its defenders, not least the highly paid public-relations men and women who spend millions of dollars a year justifying the continued existence of the agencies that employ them. Such professional communicators must reject out of hand the obvious conclusions of this book: that aid is a waste of time and money, that its results are fundamentally *bad*, and that – far from being increased – it should be stopped forthwith before more damage is done.

Whenever such suggestions are made the lobbyists throw up their hands in horror. Despite some regrettable failures, they protest, aid is justified by its successes; despite some glitches and problems, it is essentially something that works; most important of all – the emotional touch, the appeal to the heartstrings – they argue with passion that aid must not be stopped *because the poor could not survive without it*. The Brandt Commission provided a classic

example of this line of thought: 'For the poorest countries,' it told us flatly in its final report, 'aid is essential to survival.'¹⁷

Such statements, however, patronise and undervalue the people of the poor countries concerned. They are, in addition, logically indefensible when uttered by those who also want us to believe that 'aid works'. Throughout history and pre-history all countries everywhere got by perfectly well without any aid at all. Furthermore, in the 1950s they got by with much less aid than they did, for example, in the 1970s – and were apparently none the worse for the experience. Now, suddenly, at the tail end of almost fifty years of development assistance, we are told that large numbers of these same countries have lost the ability to survive a moment longer unless they continue to receive ever-larger amounts of aid. If this is indeed the case – and if the only measurable impact of all these decades of development has been to turn tenacious survivors into helpless dependants – then it seems to me to be beyond dispute that aid *does not work*.

On the other hand, if the statement that 'aid works' is true, then presumably the poor should be in much better shape than they were before they first began to receive it half a century ago. If so, then aid's job should by now be nearly over and it ought to be possible to begin a gradual withdrawal without hurting anyone.

Of course, the ugly reality is that most poor people in most poor countries most of the time *never* receive or even make contact with aid in any tangible shape or form: whether it is present or absent, increased or decreased, are thus issues that are simply irrelevant to the ways in which they conduct their daily lives. After the multi-billion-dollar 'financial flows' involved have been shaken through the sieve of over-priced and irrelevant goods that must be bought in the donor countries, filtered again in the deep pockets of hundreds of thousands of foreign experts and aid agency staff, skimmed off by dishonest commission agents, and stolen by corrupt Ministers and Presidents, there is really very little left to go around. This little, furthermore, is then used thoughtlessly, or maliciously, or irresponsibly by those in power – who have no mandate from the poor, who do not consult with them and who are utterly indifferent to their fate. Small wonder, then, that the effects of aid are so often vicious and destructive for the most vulnerable members of human society.

All this notwithstanding, what is to be said about aid's much-vaunted 'successes'? Do they justify a stay of execution for the sacred cow?

India is a country that is frequently cited as a glowing illustration of what development assistance can achieve: since independence its overall economic growth rate has been high and, through the 'green revolution', it has transformed itself from a net food importer to a major food exporter. India is, in addition, the world's tenth-largest industrial power: it can boast a complete range of heavy industries and a burgeoning new-technology sector, plus its own space programme. Donors express their confidence in these achievements by continuing to channel very large quantities of ODA to the subcontinent – an impressive total of \$5.4 billion in 1988.¹⁸

The underlying reality of India, however, for the vast majority of its population, is just about as grim as it is possible to find anywhere on earth. While four million television sets may be produced each year for the wealthy middle classes – the richest 20 per cent, who expropriate 49 per cent of total household income – the average per-capita GNP is still a mere \$250.¹⁹ This means that after more than forty years of independent 'development', and the absorption of tens of billions of dollars of foreign aid, India is still poorer than neighbouring Pakistan or Sri Lanka – is poorer even than Somalia in the far-off, famine-ridden Horn of Africa.

More than 300 million Indians, fully a third of the whole population, subsist below the official poverty line with even their most basic nutritional needs unmet. Two-thirds of the adult population still cannot read and write, and the infant mortality rate is scandalous – nearly twice as high as that of Vietnam.²⁰ In India's teeming cities there are an estimated thirty million unemployed. In the countryside conditions have steadily deteriorated for the majority who depend on farming: in 1947, half the national income came from agriculture; more than forty years later this share is down to a third, but about 70 per cent of the workforce is still employed on the land – the same proportion as a century ago.²¹

As for the green revolution, the truth is that its benefits have been very patchy. The relatively affluent north-western corner of the subcontinent – notably the states of Haryana, Punjab and western Uttar Pradesh – together with parts of Tamil Nadu in the south, have benefited disproportionately from the new technology and from heavy public-sector investment in irrigation, and have in addition scooped up the lion's share of agricultural subsidies (mainly for export crops). This perhaps explains why, despite increased farm output, per-capita availability of food grains has declined from 480 grams a day in 1964 to 450 grams a day now. 'You need', as one observer has put it, 'spectacles tinted the deepest possible pink to get excited about India's development record in the last few decades'.²²

So much, then, for aid's leading success-story. There are others, too. In Africa, for example, one frequently hears that Ivory Coast and Malawi – both with high economic growth rates – represent definitive proof that development assistance is capable of achieving much. Yet the Ivory Coast today has accumulated a national debt of over \$8 billion which must be paid by a population of just ten million – hardly an encouraging prospect for the future.²³ In a similar fashion, Malawi's 'economic miracle' also begins to look slightly tarnished when account is taken of the hard facts that face the poor: this country has the fifth-highest infant mortality rate in the world and only 4 per cent of the adult female population can read and write.²⁴

Africa contains many lessons for the aid lobby. It has lost the self-sufficiency in food production that it enjoyed before development assistance was invented and, during the past few decades, has become instead a continent-sized beggar hopelessly dependent on the largesse of outsiders – per-capita food production has fallen in every single year since 1962. Seven out of every ten Africans are,

furthermore, now reckoned to be destitute or on the verge of 'extreme poverty', with the result that the continent has the highest infant mortality rates in the world, the lowest average life-expectancies in the world, the lowest literacy rates, the fewest doctors per head of population, and the fewest children in school. Tellingly, during the period 1980 to 1986 when Africa became – by a considerable margin – the world's most 'aided' continent, GDP per capita fell by an average of 3.4 per cent per annum.²⁵

Outside Africa the story is much the same. Indeed, in the Third World as a whole, while total outstanding debt rose by 10 per cent during 1987–8 to reach \$1.21 trillion (39 per cent of GDP), economic growth rates fell from 4.2 per cent to 3.5 per cent.²⁶ Statistics like these translate 'on the ground' into a steady decline in household incomes and a consequent collapse in the standard of living of the majority of poor people. Thus, in Bangladesh, the infant mortality rate has risen from 101 babies per thousand in 1980 to more than 120 per thousand today²⁷ and, in Bolivia, GDP per capita has fallen by a third in the past decade.²⁸

Both Bangladesh and Bolivia are significant recipients of foreign aid. In Nicaragua, by contrast, which has had virtually all its aid cut off since the collapse of the Somoza régime in 1979, things have improved noticeably during the 1980s. Without any of the so-called 'help' that outsiders normally offer, the Government of National Reconstruction has succeeded in reducing illiteracy amongst adult Nicaraguans from 53 per cent to just 13 per cent and has, according to the *New England Journal of Medicine*, achieved more advances 'in most areas of social welfare than in fifty years of dictatorship under the Somoza family'.²⁹ In 1979 – *with* aid – little more than a quarter of the Nicaraguan population had any access to medical services; by 1982 – *without* aid – three-quarters of Nicaraguans had regular access to health care. Overall agricultural production was 8 per cent higher in 1983 – without aid – than it had been in 1980 with aid. In addition, since aid was withdrawn, Nicaragua's infant mortality rate has dropped from 120 per thousand (in 1979) to less than 80 per thousand (in 1987), the number of vaccinations against killer diseases given to poor children each year has more than doubled during this same 'aidless' period, there has been a staggering 98 per cent fall in the number of new malaria cases, and – at the level of the national budget – total funds allocated by the Government to both education and health care have more than tripled.³⁰

It would seem, then, that official development assistance is neither necessary nor sufficient for 'development': the poor thrive without it in some countries; in others, where it is plentifully available, they suffer the most abject miseries. Such suffering, furthermore, as I have argued throughout this book, often occurs not *in spite of* aid but *because of* it.

To continue with the charade seems to me to be absurd. Garnered and justified in the name of the destitute and the vulnerable, aid's main function in the past half-century has been to create and then entrench a powerful new class of rich and privileged people. In that notorious club of parasites and hangers-on made up of the United Nations, the World Bank and the bilateral agencies,

it is aid – and nothing else – that has provided hundreds of thousands of 'jobs for the boys' and that has permitted record-breaking standards to be set in self-serving behaviour, arrogance, paternalism, moral cowardice and mendacity. At the same time, in the developing countries, aid has perpetuated the rule of incompetent and venal men whose leadership would otherwise be utterly non-viable; it has allowed governments characterised by historic ignorance, avarice and irresponsibility to thrive; last but not least, it has condoned – and in some cases facilitated – the most consistent and grievous abuses of human rights that have occurred anywhere in the world since the dark ages.

In these closing years of the twentieth century the time has come for the lords of poverty to depart. Their ouster can only be achieved, however, by stopping development assistance in its present form – something that might prove to be in the best interests both of the taxpayers of the rich countries and the poor of the South. Perhaps when the middle men of the aid industry have been shut out it will become possible for people to rediscover ways to 'help' one another directly according to their needs and aspirations as they themselves define them, in line with priorities that they themselves have set, and guided by their own agendas.