

Bonn-Rhein-Sieg University of Applied Sciences  
MBA Programme « CSR & NGO-Management », Winter Semester 2014/15  
Module « International Politics »

## **INTERNATIONAL POLITICS**

### **Overview on topics relevant for the written test (“Klausur”)**

- I. Political Science, International Politics and Theories (p. 2-4)**
- II. Global Governance and the United Nations (4-8)**
- III. Development, theories (the paradigm of “sustainable, human development”) and how to measure development (8-14)**
- IV. Democracy as a universal value – relationship between development, good governance and democracy (14-17)**
- V. Foreign aid – Development Cooperation (18-22)**
- VI. Why countries are rich and poor or do belong to different income groups? (23-26)**

## I. Political Science, International Politics and Theories

**Political science is an academic discipline that seeks to study scientifically**

(i) **politics** (= activities concerned with the acquisition of power, art and science of directing and administrating states and other political units),

(ii) **polity** (= form or constitution of government), **and**

(iii) **policy** (= content and different areas of politics)

**and to address empirical (factual) and normative (ethical) questions.**<sup>1</sup>

**“International Politics” (IP;** also: “World Politics” or “International Relations”/IR) represents the study of foreign affairs and global issues among states and regional groupings within the international system. IP is considered as a branch of political science, but should be treated as an interdisciplinary field of study and research.

The academic discipline of IP has traditionally focused on questions of peace and war, but in recent years this agenda has broadened to include issues such as development, migration, climate and environment, human rights and democracy, human security as well as culture/religion.

Some political scientists regard culture as a potentially crucial factor shaping state and international policies. What is culture? In 2001 the UNESCO General Conference affirmed that “culture should be regarded as the set of distinctive spiritual, material, intellectual and emotional features of society or a social group, and that it encompasses, in addition to art and literature, lifestyles, ways of living together, value systems, traditions and beliefs.”

IP includes roles and interests of states, groupings of states, the UN as well as inter-governmental organizations (IGOs), non-governmental organizations (NGOs) and last but not least multinational or transnational companies / corporations (MNCs or MTCs).

It deals with global policy-making today and the complexities of political, economic and social transformations that continue to reshape power (relations).

There are several possibilities how **power** could influence IP:

Joseph Nye<sup>2</sup> made the following distinction in pursuing the State’s interests:

The State may use its military or economic power by resorting to war, secret service actions and coercive diplomacy or by imposing economic sanctions (= **hard power**) or invest money and take influence by the attractiveness of its (American) way of life as well as of its political values and institutions (= **soft power**).

Xuewu Gu, political scientist at the University of Bonn, talks of ‘soft’, ‘hard’ and ‘structural’ power. **Structural power** means the power to set the agenda of discussion or to design, means indirect institutional power.

As the United Nations Millennium Declaration of 2000 pointed out:<sup>3</sup> Six fundamental values are considered to be essential to international relations in the twenty-first cen-

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<sup>1</sup> cf. Ellen Grigsby (2009): Analyzing Politics. An Introduction to Political Science, 4th ed., Wadsworth (available at the library in Rheinbach). Recommended reading: the chapters 11 and 12 on ‘International Relations’ (p. 251-288, in particular p. 256); see also <http://www.nicat-mammadli.narod.ru/b1.html/b35.pdf> - 13.10.14.

<sup>2</sup> cf. J. Nye (2004): Soft Power – The Means of Success in World Politics, New York.

ture. These include: Freedom; Equality; Solidarity; Tolerance; Respect for nature; Shared responsibility:

1. Freedom. Men and women have the right to live their lives and raise their children in dignity, free from hunger and from the fear of violence, oppression or injustice. Democratic and participatory governance based on the will of the people best assures these rights.
2. Equality. No individual and no nation must be denied the opportunity to benefit from development. The equal rights and opportunities of women and men must be assured.
3. Solidarity. Global challenges must be managed in a way that distributes the costs and burdens fairly in accordance with basic principles of equity and social justice. Those who suffer or who benefit least deserve help from those who benefit most.
4. Tolerance. Human beings must respect one other, in all their diversity of belief, culture and language. Differences within and between societies should be neither feared nor repressed, but cherished as a precious asset of humanity. A culture of peace and dialogue among all civilizations should be actively promoted.
5. Respect for nature. Prudence must be shown in the management of all living species and natural resources, in accordance with the precepts of sustainable development. Only in this way can the immeasurable riches provided to us by nature be preserved and passed on to our descendants. The current unsustainable patterns of production and consumption must be changed in the interest of our future welfare and that of our descendants.
6. Shared responsibility. Responsibility for managing worldwide economic and social development, as well as threats to international peace and security, must be shared among the nations of the world and should be exercised multilaterally. As the most universal and most representative organization in the world, the United Nations must play the central role.

**Main IP-IR Theories: There are two models of analysis explaining why things in the international sphere happen as they do:**

**1. Realism** asserts that

- Governments cannot count on the existence of a peaceful and cooperative human nature to produce harmonious interactions.
- States exist in a condition of anarchy in which there is no ultimate enforcer of rules.
- Foreign policy must be based on a state's need to protect and advance its own power, not on morality (if power and morality come into conflict). ("Realpolitik")
- States are self-interested, power-seeking rational actors, who seek to maximize their security and chances of survival.
- International political relations are prone to conflict; state security is understood primarily as military security.

**2. Idealism (or liberalism)** asserts that

- States / governments should pursue ethical and moral principles in foreign policy.
- Human nature is rational and capable of peace.

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<sup>3</sup> Resolution adopted in 2000 by the General Assembly - A/55/L.2.

- States mutually gain from international cooperation; they should promote human security (“quality-of-life security”).
- International organizations and institutions have the capacity to promote peace and human security, human rights and democracy. The international “regimes” affect the behaviour of states or other international actors (> **Regime theory**).
- States tend to exist in a world that looks increasingly interdependent to many idealists such as *liberal institutionalists*.

**There are some other relevant theories, among them:**

**3. Regime theory** is derived from the liberal tradition that argues that international institutions or regimes affect the behaviour of states (or other international actors). It assumes that cooperation is possible in the anarchic system of states. Regimes are by definition, instances of international cooperation.

**4.** At the heart of **Constructivism** is the idea that significant aspects of international relations are socially constructed and not primarily based on geographical, military or economic conditions.

**5. Marxist and Neo-Marxist theories** reject the realist/liberal view of state conflict or cooperation; instead focusing on the economic and material aspects. Marxists view the international system as an integrated capitalist system in pursuit of capital accumulation and as the exploitation of developing countries by industrialized countries.

## II. Global Governance – United Nations/UN

Global governance (or world governance) does not mean global government.

Global governance may be defined as the complex of formal and informal institutions, mechanisms, relationships, and processes between and among states, markets, citizens and organizations, both inter- and non-governmental, through which collective interests on the global plane are articulated, duties, obligations and privileges are established, and differences are mediated through educated professionals.<sup>4</sup>

In a simple and broad-based definition of world/global governance, the term is used to designate all regulations intended for organization and centralization of human societies on a global scale. In short: global governance is the collective management of the planet.<sup>5</sup>

The question of world governance exists in the context of globalization and globalizing regimes of power.

Normatively spoken, Global Governance (GG) is looking for a better world. GG aims at maintaining and creating effectively the provision of (global) public

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<sup>4</sup> Thomas G. Weiss/Ramesh Thakur (2006): The UN and Global Governance: An Idea and Its Prospects, Indiana University Press.

<sup>5</sup> Forum for a New World Governance (FnWG) >[www.world-governance.org/spip.php?rubrique6](http://www.world-governance.org/spip.php?rubrique6)< (16.11.2013).

goods/commons such as peace and security, welfare, financial stability, climate stability, knowledge, public health, social justice and equality, clean and healthy environment (air, rain forests, soils ...), democracy and universal rule of law, cultural heritage.

Global Governance means cooperation and interaction of states, multilateral organizations, private companies, national and international civil society organizations, regional and group actors, governance of and within individual states.

Two of the relatively new trends may be seen by the fact that

- Groupings of states (Club models) have gained significance, such as Group7/8, G20 or BRICS (emerging powers: Brazil, Russia, India, China, South Africa),
- NGOs are increasingly incorporated into the GG structures.

However, the UN system is still an important GG actor and the most international address for IP and Global Governance is the UN (\*1945) in New York with the 193 member-states (*Realism, Idealism + Regime theory*).

The United Nations Organization (simply: UN), an intergovernmental organization, is the unique organization whose activities are universally legitimized.

The UN also plays a critical role in developing values, norms and goals important for a broad range of activities of states, international organizations and non-state actors (e.g. in the field of human rights or the Millennium Development Goals).

There are three United Nations:

We may distinguish between the role of the United Nations as an intergovernmental arena and its identity as an international secretariat.<sup>6</sup>

1. The “first United Nations” comprises the world organization’s 192 member states, which collectively have decision-making power.
2. The “second United Nations” composed of the secretariats (e.g. the secretariats of the UN Convention to Combat Desertification or the UN Climate Change Convention, both located in Bonn) forms a distinct arena consisting of career international civil servants and staff members with the Secretary-General at its head.
3. These interdependent dimensions of the world body are to be complemented by a “third United Nations,”<sup>7</sup> composed of actors that are closely associated with the world organization but not formally part of it and comprising influential NGOs, academics, consultants, experts, commissions and other individuals who interact with and have an impact on the first and second UN.

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<sup>6</sup> cf. Inis L. Claude (1996): Peace and Security. Prospective Roles for the Two United Nations, *Global Governance* 2, no. 3: 289-298.

<sup>7</sup> cf. Thomas G. Weiss/Tatiana Carayannis/Richard Jolly (2009): The ‘Third’ United Nations, *Global Governance* 15, no. 1: 123-142.

## Organizational Chart of the ('first' and 'second') UN<sup>8</sup>

### 1 United Nations

- 1.1 General Assembly
- 1.2 Security Council
- 1.3 Economic and Social Council
- 1.4 Secretariat
- 1.5 International Court of Justice
- 1.6 Trusteeship Council

### 2 Funds and programmes, research and training institutes, and other bodies

- 2.1 Funds and programmes
- 2.2 Research and training institutes
- 2.3 Secretariats of Conventions
- 2.4 Other entities

### 3 Specialized agencies

### 4 Related organizations

[2.3 - e.g. Climate Change and Combat Desertification with Bonn based secretariats]

### The work of the UN:

1. reaches every corner of the globe
2. is best known for peacekeeping, peacebuilding, conflict prevention and humanitarian assistance
3. there are many other ways the United Nations and its system (specialized agencies, funds and programmes) affect our lives and try to make the world a better place.
4. works on a broad range of important issues >
  - sustainable development, environment and refugees protection, disaster relief, counter terrorism, disarmament and non-proliferation,
  - promoting democracy, human rights, gender equality and the advancement of women, governance, economic and social development and international health, clearing landmines, expanding food production, and more, in order to achieve its goals and coordinate efforts for a safer world for this and future generations.

In his **2014 report to the General Assembly, United Nations Secretary-General Ban Ki-moon identified eight areas of work reflecting central international politics:**<sup>9</sup>

1. Promotion of sustained economic growth and sustainable development
2. Maintenance of international peace and security
3. Development of Africa
4. Promotion and protection of human rights

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<sup>8</sup> [http://en.wikipedia.org/wiki/United\\_Nations\\_System](http://en.wikipedia.org/wiki/United_Nations_System) (24.11.14).

<sup>9</sup> See United Nations (2014): Report of the Secretary-General on the work of the Organization (General Assembly, Official Records, 69th Session, Supplement No. 1 - A/69/1), New York [recommended reading for the students; see also [www.un.org/ga/search/view\\_doc.asp?symbol=A/69/1](http://www.un.org/ga/search/view_doc.asp?symbol=A/69/1) - pp. 4-27].

5. Effective coordination of humanitarian assistance efforts
  6. Promotion of justice and international law
  7. Disarmament
  8. Drug control, crime prevention and combating international terrorism in all its forms and manifestations
- (+ Strengthening the UN organization)

The Report made various references to the **private sector and the civil society**:

#### Accelerating progress on the MDGs

13. The risk of disasters continues to increase, threatening economic growth and hampering efforts to reduce poverty. The United Nations has taken steps to strengthen partnerships with the private sector and to ensure that investment decisions reduce risk.

#### Post-2015 development agenda

18. ... Expectations [for the high level summit in September 2015] include a set of action-oriented and universal sustainable development goals, and both a renewed global partnership for development and an inclusive accountability framework for the post-2015 development agenda.

Those expectations need to be backed by the broadest and highest-level engagement, including by civil society, the private sector, parliamentarians and the scientific and academic community, to ensure strong impact and high visibility. It will therefore be critical to ensure that we have an effective United Nations development system, which is fit for purpose when it comes to supporting the implementation of this agenda, while leading other constituencies to likewise engage with this important issue.

#### Conflict prevention and mediation

29. In the Great Lakes region, my Special Envoy engaged regional leaders, international stakeholders and civil society groups to advance the implementation of the Peace, Security and Cooperation Framework for the Democratic Republic of the Congo and the region, in addition to related political initiatives, although the underlying causes ...

34. In South America, where peace talks between the Government of Colombia and the Fuerzas Armadas Revolucionarias de Colombia were launched in August 2012, the United Nations has supported the contribution of civil society through dialogue mechanisms.

#### Democratic transitions and elections

42. Civil society organizations around the world have continued to demand to participate in transitions, governance and elections. That was reflected in the work of the United Nations Democracy Fund, which received more than 2,000 project proposals from organizations in over 130 countries during its annual proposal window. ...

At the same time, a growing number of Governments have proposed national legislation restricting the freedom of civil society groups to operate, including with regard to international funding.

#### Effective coordination of humanitarian assistance efforts

65. By the end of 2013, more than 50 million people were in need of humanitarian assistance. The United Nations and its partners continued to respond to humanitarian needs and emergencies across the globe.

66. In 2013, new actors took a larger part in humanitarian action and various partnership models arose, including cash-transfer programmes and remote management of operations by using local organizations and partners to deliver assistance. Furthermore, 95 countries, in addition to numerous multilateral and regional organizations,

private sector organizations and individuals, contributed a total of \$14.4 billion in funding to inter-agency response plans and complementary humanitarian action. That was an increase of \$1.6 billion from 2012, largely owing to the magnitude of the Syrian crisis and Typhoon Haiyan in the Philippines.

67. The rising scale of needs, the persistence of protracted crises and the interplay of new risks have led to a continued global deficit in the capacity of Governments and humanitarian organizations to respond, suggesting a need for a shift in the way in which Member States and the United Nations and its partners prepare for and respond to humanitarian crises towards a more anticipatory approach.

Strengthening the Organization

89. Over the past year, the General Assembly has taken steps to further strengthen the work of the Organization, for example by strengthening the Economic and Social Council and the United Nations Environment Programme. The question of the equitable representation on and increase in the membership of the Security Council remains of central importance to the wider membership.

Partnerships

94. Strengthening the capacity of the Organization to partner at scale, while ensuring accountability, integrity and transparency, remains a priority. More than 1,000 partners are engaging on key issues through United Nations platforms such as the Every Woman, Every Child initiative, the Women's Empowerment Principles: Equality Means Business, the Children's Rights and Business Principles, the Caring for Climate initiative, the Sustainable Energy for All initiative, the Zero Hunger Challenge initiative, the CEO Water Mandate. The United Nations Global Compact remains our main avenue for engaging businesses, with over 8,000 participants in more than 140 countries.

In September 2013, I [Ban Ki-moon] launched a post-2015 business engagement architecture that provides a framework for scaling up business engagement and action, in addition to promising initiatives such as the Business for Peace platform, the Food and Agriculture Business Principles and Business for the Rule of Law.

As partnerships continue to expand throughout the Organization, we must use the partnership tool more, in a more effective and accountable manner, with the full range of actors, including philanthropists, civil society and academic institutions.

### **III. Development, theories (the new paradigm of “sustainable, human development”) and how to measure development**

#### **A. What is development?**

Some important answers:

- **Mahbub ul Haq** (1934-1998, founder of UNDP's Human Development Report): “The basic purpose of development is to enlarge people's choices. The objective of development is to create an enabling environment for people to enjoy long, healthy and creative lives.”
- **Prof. Amartya Sen** (\* 1933, Professor of Economics, Harvard University Nobel Laureate in Economics, 1998): “Human development is concerned with what I take to be the basic development idea: namely, advancing the richness of human life, rather than the richness of the economy in which human beings live, which is only a part of it.”

- **Willy Brandt** (1913-1992, Chancellor of the Federal Republic of Germany, 1969-1974, and chairman of the North-South Commission):<sup>10</sup> “We must not surrender to the idea that the whole world should copy the models of highly industrialized countries.

One must avoid the persistent confusion of growth with development, and we strongly emphasize that the prime objective of development is to lead to self-fulfilment and creative partnership in the use of a nation’s productive forces and its full human potential.

There is no uniform approach; there are different and appropriate answers depending on history, cultural heritage, religious traditions, human and economic resources, climatic and geographic conditions, and political patterns of nations.”

- **Julius Nyerere** (1922 –1999, President of Tanzania from 1964-1985 and Chairman of the South Commission):<sup>11</sup> “Development is a process which enables human beings to realize their potential, build self-confidence, and lead lives of dignity and fulfilment.

It is a process which frees people from fear of want and exploitation. It is a movement away from political, economic, or social oppression.

Development therefore implies growing self-reliance, both individual and collective. (...) It has to be an effort of, by, and for the people. True development has to be people-centred.

External assistance can promote development. But to have this effect, this assistance has to be integrated into the national effort.

The responsibility for the South’s development lies in the South.

- The **Brundtland Commission** (formally known as World Commission on Environment and Development and headed by Gro Harlem Brundtland, former Prime minister of Norway) published the report “Our Common Future” (1987) where the term “sustainable development” was propagated and defined as “...development that meets the needs of the present without compromising the ability of future generations to meet their needs.”

## U. Holtz:

**Development** is a long term, complex and multi-dimensional process aiming at the satisfaction of basic human needs and the realisation of human rights. It must be sustainable, people-centered and democratic.

Development must be guided by values, such as human dignity and freedom, gender equality and equity, social justice and solidarity, respect and tolerance, peace.

In the centre of development is the human being. This *animal rationale* is not just a „*homo oeconomicus*“, but also a „*zoon politicon*“ as well as *homo socialis*, *oecologicus* and *culturalis*.

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<sup>10</sup> North-South Report (1980): A Programme for Survival. An Introduction by W. B.: A Plea for Change - Peace, Justice, Jobs, London. (Report of the Independent Commission on International Development Issues under the Chair of Willy Brandt. (He was awarded the Nobel Peace Prize in 1971 for the *détente* policy and his work in improving relations with East Germany, Poland, and the Soviet Union.)

<sup>11</sup> The Challenges to the South (1990): The Report of the South Commission (under the Chair of J. Nyerere), Oxford, p. 10-11, 14.

## B. Development Theories

There is a conglomeration of theories about how desirable change in society is best achieved. Such theories draw on a variety of social science disciplines and approaches.

We may focus on three main theories:

1. and 2.: Modernization and Dependency;<sup>12</sup>
3. Sustainable, human development

### 1. Modernization theory

The theory is used to analyze in which way modernization processes in societies take place. It looks at which aspects of countries are beneficial and which constitute obstacles for economic development.

The idea is that development assistance targeted at those particular aspects can lead to modernization of 'traditional' or 'backward' societies – following the western path of development. According to the modernization theory, a correctly designed massive injection of capital coupled with intervention by the public sector would ultimately lead to industrialization and economic development of a developing nation.

**1.a The Walt W. Rostow's five-stages of growth model** is the most well-known example of the linear stages of growth and of modernization. He identified five stages through which countries had to pass to reach an advanced economy status:

- (1) Traditional society (subsistence economy, high level of agriculture),
- (2) Preconditions for take-off (development of mining industry, use of some capital equipment),
- (3) Take-off (growth in industrialization, decline of agriculture),
- (4) Drive to maturity (self-sustained growth),
- (5) Age of high mass consumption (high proportion of employment in service sector).

### 1.b Neo-liberalist theory

Milton Friedman (1912–2006), an economist who taught at the University of Chicago for more than three decades, was one of the most influential proponents of the neo-liberalist theory.

Friedman's philosophy extolled the virtues of a free market economic system with minimal state intervention. His ideas concerning monetary policy, taxation, privatization and deregulation influenced government policies, especially during the 1980s.

Neo-liberalist theory became influential towards the end of the 1970s, fired by the election of Margaret Thatcher in the UK and Ronald Reagan in the USA as well as by dictator Augusto Pinochet in Chile. Also, the World Bank shifted from its Basic Needs approach to a neoclassical approach in 1980.

One of the implications of the theory for developing countries were the Structural Adjustment Programmes (SAPs) which the World Bank and the International Monetary Fund wanted them to adapt. Important aspects of those SAPs include:

- (1) Fiscal austerity (reduction in government spending),
- (2) Privatization (which should both raise money for governments and improve efficiency and financial performance of the firms involved),
- (3) Trade liberalization and currency devaluation,

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<sup>12</sup> cf. [http://en.wikipedia.org/wiki/Development\\_theory](http://en.wikipedia.org/wiki/Development_theory) (20.11.14).

- (4) Retrenchment of the government and deregulation (in order to stimulate the free market).

## 2. Dependency theory

Development is possible, but considered to be "dependent development", i.e., it does not have an internal domestic dynamic in the developing country and thus remains highly vulnerable to the economic vagaries of the world market.

Dependency thinking starts from the notion that resources flow from the 'periphery' of poor and underdeveloped states to a 'core' of wealthy countries ('metropolis'), which leads to accumulation of wealth in the rich states at the expense of the poor states.

Contrary to modernization theory, dependency theory states that not all societies progress through similar stages of development.

Dependency theorists argue that underdeveloped countries remain economically vulnerable unless they reduce their connectedness to the world market.

In addition to its structuralist roots, dependency theory has much overlap with Neo-Marxism and World Systems Theory, which is also reflected in the work of Immanuel Wallerstein. Wallerstein rejects the notion of a Third World, claiming that there is only one world which is connected by economic relations. He argues that this system inherently leads to a division of the world in core, semi-periphery and periphery.

## 3. Sustainable, human development theory

Since the last decades lessons from successes and failures in development, human and sustainable development theories and different new challenges (e. g. destruction of natural resources and climate change) have gained momentum and lead to the ***paradigm of sustainable, human development.***

The new paradigm of sustainable, human development was officially recognized by the UN and the member states at its Earth Summit in Rio 1992, in particular in its Agenda 21, reinforced by the World Summit on Sustainable Development (WSSD) in Johannesburg (2002) and in Rio again (2012 - Rio+20).

This Rio paradigm and the objectives of development cooperation are well reflected in the internationally binding ACP-EU Agreement of 2000-2020 which favours the promotion of "sustainable development centred on the human person" (Art. 9 § 1). The Agreement pleads for an integrated, holistic approach of development by stipulating in Art. 1 (3): "These objectives and The Parties' international commitments shall inform all development strategies, including the Millennium Development Goals, and shall be tackled through an integrated approach taking account at the same time of the political, economic, social, cultural and environmental aspects of development."

Art. 20 says: The objectives of ACP-EU development co-operation shall be pursued through integrated strategies that incorporate economic, social, cultural, environmental and institutional elements that must be locally owned. Co-operation shall thus provide a coherent enabling framework of support to ACP's own development strategies, ensuring complementarity and interaction between the various elements. In this context, and within the framework of development policies and reforms pursued by the ACP [African, Caribbean, Pacific] States, ACP-EU co-operation strategies shall aim at:

- achieving rapid and sustained job-creating economic growth,
- promoting human and social development,
- promoting cultural values of communities,

- strengthening the institutions necessary for the consolidation of democracy, good governance and for efficient and competitive market economies,
- promoting environmental sustainability.

Systematic account shall be taken in mainstreaming into all areas of co-operation the following thematic or cross-cutting themes: gender issues, environmental issues and institutional development and capacity building.

The paradigm of sustainable, human development is a challenge facing parliaments and governments, non-governmental organizations, private enterprises, research and teaching institutions, communities and individuals.

The newly created **International Centre for Sustainable Development (Internationales Zentrum für Nachhaltige Entwicklung/IZNE)** of the **BRS University of Applied Sciences** sets out ***Our View on Sustainability*** as follows:<sup>13</sup>

*“Humanity has the ability to make development sustainable to ensure that it meets the needs of the present without compromising the ability of future generations to meet their own needs. (Brundtland-Commission 1987)*

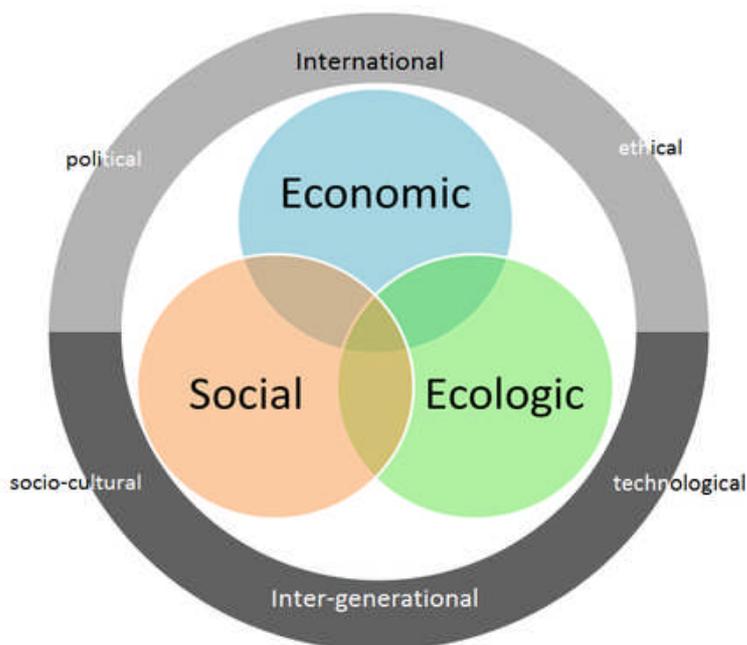
We understand sustainability to be a long-term and sustainable development that is multi-dimensional and encompassing.

It integrates **economic, ecologic, and social questions**, and aims at intra- and intergenerational justice with international reach.

Strategies for sustainability are implemented on local, regional, national, and global level.

Problem-solving approaches also include **political, ethical, technological, and socio-cultural aspects.**”

The following graphic illustrates quite well IZNE’s multidimensional approach to the paradigm. However, the political dimension should have been added to the three internal circles as a fourth one.



<sup>13</sup> see ><http://izne.h-brs.de/en/nachhaltigkeithbrs.html>< (22.12.14).

## C. How to measure development?

Taking into consideration that development is a long term, complex and multi-dimensional process leading to the improvement of the living conditions of human beings, we have to acknowledge that it is not so easy to measure 'development' as a whole.

The two most prominent figures are given by the:

### A. WORLD BANK (GNI per capita)

Gross national income (GNI) per capita (in absolute figures) is used to determine the following income classifications:

1. low income countries, USD 1,025 or less in 2011;
2. middle income countries, USD 1,026—\$12,475;
3. high income countries, USD 12,476 and above.<sup>14</sup>

### B. UNITED NATIONS DEVELOPMENT PROGRAMME (Human Development Index / HDI).

The HDI is a composite index measuring average achievement in three basic dimensions of human development:

1. a long life (life expectancy),
2. access to knowledge (literacy rate),
3. a decent standard of living (using the power purchasing parity exchange rate).

The countries are divided into four categories of human development: very high, high, medium and low human development.<sup>15</sup>

Other indexes include:

#### - The GINI Index

Gini index measures the extent to which the distribution of income or consumption expenditure among individuals or households within an economy deviates from a perfectly equal distribution. A Gini index of 0 represents perfect equality, while an index of 100 implies perfect inequality.<sup>16</sup>

- The OECD's How's Life approach. This index measures people's well-being in a much more comprehensive way, including eleven dimensions: three material living conditions plus eight quality of life conditions, including subjective well-being (scale from 1 to 10).<sup>17</sup>

- The Happy Planet Index. The HPI is the leading global measure of sustainable well-being. It integrates environmental limits into the measurement of development and puts current and future well-being centre stage. It does this by using global data on life expectancy, experienced well-being and ecological footprint.<sup>18</sup>

- The Global Hunger Index / GHI, published by IFPRI (International Food Policy Research Institute), Bonn based Deutsche Welthungerhilfe and Concern Worldwide, is calculated for more than 100 developing and transition countries. Three indicators capture various aspects of hunger: (i) the proportion of undernourished people in the population, (ii) the proportion of children under five who are underweight, (iii) the mortality

<sup>14</sup> ><http://databank.worldbank.org/data/download/WDI-2013-ebook.pdf>< (20.11.13).

<sup>15</sup> see UNDP (2013): Human Development Report 2013, New York, pp. 144 ff.

<sup>16</sup> ><http://data.worldbank.org/indicator/SI.POV.GINI>< (10.11.13).

<sup>17</sup> >[www.oecd.org/newsroom/oecdlaunchesnewreportonmeasuringwell-being.htm](http://www.oecd.org/newsroom/oecdlaunchesnewreportonmeasuringwell-being.htm)< (10.11.13).

<sup>18</sup> >[www.happyplanetindex.org](http://www.happyplanetindex.org)< (10.11.13).

rate of children under five. The GHI 2013 calls for greater resilience-building efforts to boost food and nutrition security.<sup>19</sup>

- The World Governance Index covers the following domains: 1. Peace and Security; 2. Rule of Law; 3. Human Rights and Participation; 4. Sustainable Development; 5. Human Development.<sup>20</sup>

- Freedom in the World, Freedom House's flagship publication, is the comparative assessment of global political rights and civil liberties. The survey ratings and narrative reports on 195 countries and 14 related and disputed territories (ranked as to be free, partly free or not free) are used by policymakers, the media, international corporations, civic activists, and human rights defenders to monitor trends in democracy and track improvements and setbacks in freedom worldwide.<sup>21</sup>

- With The Global Militarization Index / GMI, the Bonn based Bonn International Center for Conversion (BICC) depicts worldwide militarization. The GMI compares, for example, a country's military expenditure with its Gross Domestic Product and its health expenditure. It contrasts the total number of military and paramilitary forces in a country with the number of physicians. Finally, it studies the number of heavy weapons available to a country's armed forces.

#### **IV. Democracy as a universal value – relationship between democracy, good governance, human rights and development**

US President **Abraham Lincoln** in his »Gettysburg Address« (19.11.1863):

**Democracy** is "government of the people by the people for the people" >

- rule emanating from the people (legitimacy)

- participatory form of rule (execution)

- committed to the people and the public welfare (normative aspect of rule).

There is much debate on the ability of a democracy to properly represent both the 'will of the people' and to do what is 'right', but to quote **Winston Churchill**:

"Democracy is the worst form of government except for all those others that have been tried."<sup>22</sup>

This is because there is no system that can ideally order society. Traditionally the purpose of democracy is to prevent tyranny and dictatorship (the accumulation of too much authority in the hands of one or a few).

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<sup>19</sup> >[www.ifpri.org/publication/2013-global-hunger-index](http://www.ifpri.org/publication/2013-global-hunger-index)< and >[www.welthungerhilfe.de/global-hunger-index.html](http://www.welthungerhilfe.de/global-hunger-index.html)< (20.11.13)

<sup>20</sup> >[www.world-governance.org/spip.php?article745&lang=en](http://www.world-governance.org/spip.php?article745&lang=en)< (10.11.13)

<sup>21</sup> >[www.freedomhouse.org/report-types/freedom-world](http://www.freedomhouse.org/report-types/freedom-world)< (16.11.13)

<sup>22</sup> Here is more of what Churchill said as Leader of the Opposition in a speech before the House of Commons in London on the afternoon of Nov. 11, 1947:

"We accept in the fullest sense of the word the settled and persistent will of the people. All this idea of a group of supermen and super-planners, such as we see before us, "playing the angel," as the French call it, and making the masses of the people do what they think is good for them, without any check or correction, is a violation of democracy.

Many forms of Government have been tried, and will be tried in this world of sin and woe. No one pretends that democracy is perfect or all-wise.

Indeed, it has been said that democracy is the worst form of Government except all those other forms that have been tried from time to time; but there is the broad feeling in our country that the people should rule, continuously rule, and that public opinion, expressed by all constitutional means, should shape, guide, and control the actions of Ministers who are their servants and not their masters."

(>[www.enterstageright.com/archive/articles/0105/0105churchilldem.htm](http://www.enterstageright.com/archive/articles/0105/0105churchilldem.htm)< - 09.11.14)

## ***U. Holtz:***

### **The triangle of core components of any democracy**

1. Free, fair and regular elections with the possibility to change government  
Elections require the freedom of expression and associational freedom. Electoral competition is required for any democracy to thrive and flourish.
2. Politics shall be bound by constitutional law and order  
This requires the - at least a minimum of – separation of powers, independent judiciary, rule of law
3. The respect for, and observance and protection of inalienable human rights and civil and political liberties  
Elections and a body of civil rights - both institutions limit the power of the state: the first by ensuring that the rascals can be thrown out of office, the second by making sure that the rascals cannot do certain things even while in office. Civil rights also protect minorities against the dictatorship of the majority. Democracy and human rights are belonging together and mutually reinforcing.

The “Universal Declaration on Democracy”, adopted by the **Inter-Parliamentary Union** (IPU) in 1997, is a very important, too often ignored reference document.<sup>23</sup>

- The Declaration emphasizes that democracy is a universally recognised ideal as well as a goal, which is based on common values shared by peoples throughout the world community irrespective of cultural, political, social and economic differences. It is thus a basic right of citizenship to be exercised under conditions of freedom, equality, transparency and responsibility, with due respect for the plurality of views, and in the interest of the polity.

- Democracy is founded on the right of everyone to take part in the management of public affairs; it therefore requires the existence of representative institutions at all levels and, in particular, a parliament which has the requisite powers and means to express the will of the people by legislating and overseeing government action.

- As an ideal, democracy aims essentially to preserve and promote the dignity and fundamental rights of the individual, to achieve social justice, foster the economic and social development of the community, strengthen the cohesion of society and enhance national tranquillity, as well as to create a climate that is favourable for international peace. As a form of government, democracy is the best way of achieving these objectives; it is also the only political system that has the capacity for self-correction.

Strong parliaments are the central institution, the ‘heart’ of democracy. Following the endeavours of the IPU, in 2007 the United Nations General Assembly acknowledged the resilience and universality of the principles of democracy by declaring 15 September the International Day of Democracy.

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<sup>23</sup> The Declaration may be found at IPU (ed.): Democracy: It’s Principles and Achievement, Geneva, 1998, pp. III-VIII (also available at >[www.ipu.org/cnl-e/161-dem.htm](http://www.ipu.org/cnl-e/161-dem.htm)<).

The Parliament's six main functions, roles and powers ideally are (U.Holtz: "parliamentary hexagon"<sup>24</sup>):

1. Making laws, including constitutional changes (**legislative power**).
2. Allocating financial resources and deciding on budget and taxation (**power of the purse**).
3. Holding governments accountable and exercising control of executive actions, policy and personnel (**power of oversight**).
4. Debating issues of national and international moment and representing democratic publics (**power of discourse**).
5. Electing the parliamentary officers and – in the case of parliamentary democracies – the executive (**elective power**).
6. Influencing foreign policy as well as international relations and institutions by ratification of treaties, decisions on peace and war, allocation of financial resources to organizations and funds, parliamentary diplomacy, mediation between the public and international organizations and institutions, etc. (**international power**).

**Amartya Sen, 1999.**<sup>25</sup>

The recognition of democracy as a universally relevant system, which moves in the direction of its acceptance as a universal value, is a major revolution in thinking, and one of the main contributions of the twentieth century. ... Democracy enriches the lives of the citizens.

This recognition of democracy as a universally relevant system, which moves in the direction of its acceptance as a universal value, is a major revolution in thinking.

A country does not have to be deemed fit *for* democracy; rather, it has to become fit *through* democracy. This is indeed a momentous change, extending the potential reach of democracy to cover billions of people, with their varying histories and cultures and disparate levels of affluence.

Indeed, we can distinguish three different ways in which democracy enriches the lives of the citizens. First, political freedom is a part of human freedom in general, and exercising civil and political rights is a crucial part of good lives of individuals as social beings. Political and social participation has *intrinsic value* for human life and well-being. To be prevented from participation in the political life of the community is a major deprivation.

Second, as I have just discussed (in disputing the claim that democracy is in tension with economic development), democracy has an important *instrumental value* in enhancing the hearing that people get in expressing and supporting their claims to political attention (including claims of economic needs) (> the *instrumental* importance of political incentives in keeping governments responsible and accountable).

Third--and this is a point to be explored further--the practice of democracy gives citizens an opportunity to learn from one another, and helps society to form its values and priorities (> the *constructive* role of democracy in the formation of values and in the understanding of needs, rights, and duties).

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<sup>24</sup> cf. U. Holtz (2013): Role of parliamentarians in the Implementation Process of the UN Convention to Combat Desertification. A guide to parliamentary action, Bonn, p. 19. (>[www.unccd.int/Lists/SiteDocumentLibrary/Parliament/2013/Handbook-UNCCD\\_final%20-%2030%20July%202013.pdf](http://www.unccd.int/Lists/SiteDocumentLibrary/Parliament/2013/Handbook-UNCCD_final%20-%2030%20July%202013.pdf) < - 30.10.13).

<sup>25</sup> Amartya Sen (1999): Democracy as a Universal Value, in: Journal of Democracy 10.3 (1999), p. 3-17. A. Sen was born in India in 1933; he is Professor of Economics, Harvard University, and Nobel Laureate in Economics, 1998.

## **Development, good governance and democracy**

Holtz: Development is a long term, complex and multi-dimensional process leading to the improvement of the living conditions. It means the satisfaction of (basic) human needs and the realisation of human rights. It must be sustainable.

This is a challenge facing parliaments and governments, non-governmental organizations, private enterprises, research and teaching institutions, communities and individuals.

Good governance is more than good government; it encompasses good administration. [In French: "bonne gestion des affaires publiques" = good management of public affairs]

Kofi Annan, Secretary-General of the UN, 1997:<sup>26</sup>

"Good governance and sustainable development are indivisible.

That is the lesson of all our efforts and experiences, from Africa to Asia to Latin America. Without good governance -- without the rule of law, predictable administration, legitimate power, and responsive regulation -- no amount of funding, no amount of charity will set us on the path to prosperity."

A central prerequisite for sustainable development is good, legitimate and effective governance.

The EU-ACP Cotonou Agreement (2000; Art 9.3) gives the following definition:

"In the context of political and institutional environment that upholds human rights, democratic principles and the rule of law, good governance is the transparent and accountable management of human, natural, economic and financial resources for the purposes of equitable and sustainable development.

It entails clear decision-making procedures at the level of public authorities, transparent and accountable institutions, the primacy of law in the management and distribution of resources and capacity building for elaborating and implementing measures aiming in particular at preventing and combating corruption."

The international community about the links:

### **UNDP's HUMAN DEVELOPMENT REPORT 2002:**

The links between democracy and human development are not automatic. Political freedom and participation are part of human development, both as development goals in their own right and as means for advancing human development.

### **EU-ACP COTONOU AGREEMENT, 2000:**

The partnership shall actively support the promotion of human rights, processes of democratisation, consolidation of the rule of law, and good governance.

### **NEPAD/The New Partnership for Africa's Development, 2001, article 71:**

African leaders have learnt from their own experiences that peace, security, democracy, good governance, human rights and sound economic management are conditions for sustainable development.

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<sup>26</sup> ><http://mirror.undp.org/magnet/icg97/ANNAN.HTM>> (29.12.12).

**UN Conference Rio+20 (2012)**<sup>27</sup> also acknowledged that democracy, good governance and the rule of law, at the national and international levels, as well as an enabling environment, are essential for sustainable human and economic development, including sustained, inclusive and equitable economic growth, industrial and social development, environmental protection and the eradication of poverty and hunger. It was reaffirmed that – to achieve “our sustainable development goals” – institutions at all levels that are effective, transparent, accountable and democratic are needed.

## V. Foreign aid – Development Policy/Cooperation

Foreign aid, development policy and development cooperation or - in the language of the **Development Assistance Committee (DAC)** of the Organisation for Economic Co-operation and Development (OECD) – “**official development assistance**” (**ODA**) is realized in the form of **project, program or budget aid (+ debt relief)**.

ODA should (i) contribute to a sustainable, human development conducive to the improvement of people’s living conditions, (ii) facilitate the flourishing – the “de - velopment” – of the partners’ own capabilities (help people to help themselves, ownership, empowerment) –, and (iii) work for an enabling national and international environment.

Development policy is informed by both interests and values:

1. Humanitarian (altruistic) interests: a life in human dignity for all; helping others in a spirit of solidarity (humanitarian aid, poverty eradication).

[Humanitarianism (also: philanthropy): The doctrine that humanity’s obligations are concerned wholly with the welfare of the human race; the belief that the sole moral obligation of humankind is the improvement of human welfare.]

2. Own political and economic (selfish) interests: In Cold War times > winning ‘friends’ for the West + West Germany trying to avoid the recognition of East Germany; supporting a peaceful coexistence in the Near East (Israel); today – in the case of unified Germany – getting support for a (permanent) seat in the UN Security Council; paving the way for the procurement of raw materials.

3. Mutual interests: In peace, economic advancement, environment protection, democracy, human rights, fighting terrorism; in investing in DC which may benefit both ‘recipients’ and ‘donors’; in combating poverty, political repression, fragile statehood, war, desertification, diseases – all of them can easily ride across international borders.

Short term interests – long term interests

Development Cooperation/DC is the cooperation of industrialized countries governments with “developing” countries to support their economic, environmental, social and political development – in more general terms: DC aims to contribute to the improving of living conditions - and to the solution of global challenges.

DC in the narrow sense = Official Development Assistance (ODA) provided by “donors” to “recipients”

DC in the broader sense = all activities by donors affecting the developing countries

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<sup>27</sup> United Nations (2012): “The future we want” – Outcome document of the United Nations Conference on Sustainable Development, paragraphs 10 and 150.

Development policy is global structural policy – a necessary element of pursuing mutual interests in the survival of humankind (“one world or no world”)

By definition ODA activities are grants or loans (taxpayers’ money) to countries and territories according to the DAC List of Aid Recipients (developing countries) and to multilateral institutions and:

- (a) undertaken by the official (state) sector;
- (b) with promotion of economic development and welfare as the main objective (# military);
- (c) at concessional financial terms (if a loan, having a grant element of at least 25 per cent).

ODA may be **bilateral** (given from one country directly to another) or **multilateral** (given by the donor to an international organisation or – in the case of the 28 EU member states to the European Union). The proportion is about 70% bilateral and 30% multilateral.

ODA may be performed under two forms:

Through **Technical Cooperation**, donors transfer technical, economic and organisational knowledge and skills. It consists mainly of advisory services and the supply of materials and equipment. (in general as a “grant”)

The main task of **Financial Cooperation** is to support partner countries in the financing of infrastructure measures which are important for their development. These might be investments in the education or health system of the country, in the water supply and wastewater system, in the transport or energy sector, in climate protection or agriculture. (in general as a “soft loan”)

**ODA goal:** The international goal for rich countries to devote 0.7% of their gross national income / GNI (previously: GDP) to official development assistance (set by the UN in 1970).

23 DAC countries + EU delivered (in 2013 the Czech Republic, Iceland, Poland, the Slovak Republic and Slovenia joined the DAC):

2013: 0.30% = USD 134,8 billion (the total of “gross” aid was about 151 billion)  
2012: 0.29% = USD 127,0 billion  
2011: 0.31% = USD 134,5 billion  
2010: 0.32 % = 128,5 billion [2009: 0.31 % = 119,8 billion USD; 2008:  
0.31 % = 121,5 billion]

In 2013, just five countries reached the 0.7%-target: Norway, Sweden, Luxemburg, Denmark, United Kingdom. Germany reached 0.29%.

New donors: China, India, Brazil, Turkey, Saudi Arabia, Israel, Poland... (estimates: some 10-12 billion USD)

- > South-South-Cooperation
- > Triangular Cooperation

The relevance of ODA should not be overestimated:

1. The contribution of ODA to the GNI is for most of the developing countries quite low. The ODA/GNI ratio 2008 (ODA dependency): All developing countries: 2012 ca. 0.5 % [2008: 0.8 %]; Sub-Saharan countries: 3,2 % [4.2 %].<sup>28</sup>
2. The personal remittances (all current transfers in cash or in kind made or received by resident households to or from non-resident households) and the non-ODA flows (foreign direct investments, public export credits, private grants) to developing countries as well as the trade exports of developing countries are – each of them – substantially higher than the ODA flows.
3. The internal efforts incl. domestic financial resources achieved and mobilized by developing countries generally are more important than foreign aid.

***Recommended reading for all students: Stefan Lindemann (2013): Development Cooperation – Between Rejectionist and Reform-oriented Criticism. In: KfW-Development Research No 2, 8 March 2013 ([www.kfw-entwicklungsbank.de/Download-Center/PDF-Dokumente-Development-Research/2013-03-08\\_FE\\_EZ-Kritik\\_eng.pdf](http://www.kfw-entwicklungsbank.de/Download-Center/PDF-Dokumente-Development-Research/2013-03-08_FE_EZ-Kritik_eng.pdf) – 12.11.14)***

#### Criticism of the fundamental aims of DC

- Populist criticism of DC
- Neo-Marxist criticism of DC
- Post colonial/post-development criticism of DC

#### Criticism on the effectiveness of DC

- Inappropriate strategic approaches to development
- Self-interest in donor countries
- Unintended side-effects and perverse (ODA) incentives

#### Conclusion

The biggest challenge for DC cooperation is to engage constructively with criticism and to learn from it, but without losing sight of DC's strengths and successes in the process.

#### **Some other judgments and prejudices on development aid**

- James Shikwati [Kenyan economist and Director of the Inter Region Economic Network], 2002 (>[www.africanliberty.org/?q=node/33](http://www.africanliberty.org/?q=node/33)< - 17.11.13):  
The developing world needs trade, not aid, to help the poor. Aid undermines the democratic accountability of government. It also exacerbates cronyism.
- William Easterly [Professor of Economics at New York University], 2006: The White Man's Burden: Why the West's Efforts to Aid the Rest Have Done So Much Ill and So Little Good.  
Aid has been, and will be, useless to reduce poverty and bring development to poor nations.
- Dambisa Moyo [an international economist, born in Zambia], 2009: Dead Aid  
When aid has not been stolen, it has been unproductive. Aid is not working. Development aid is deadly. [is ODA for micro-credits, health or education, really deadly?]

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<sup>28</sup> cf. <http://data.worldbank.org/indicator/DT.ODA.ODAT.GN.ZS> (07.08.14),  
<http://wdi.worldbank.org/table/6.11> (07.08.14).

African governments view aid as a permanent source of income. There is no incentive for long-term financial planning, no reason to seek alternatives to fund development.

Aid leads to a culture of dependency and corruption and therefore causes poverty.

Africa's era of private capital is only now beginning, and this trend has to be nurtured in order for it to continue.

- World Bank, 1998: Assessing Aid. A World Bank Policy Research Report, New York-Washington, D.C:  
Foreign aid in different times and different places has been highly effective, totally ineffective, and everything in between.

### **The reality of ODA:**

In general it can be said that independent evaluations offer a mixed picture: Most of the ODA measures were successful; however, a certain number were insufficient and even some of them totally failed.

Regarding the German ODA for instance (financial cooperation channelled through the Kreditanstalt für Wiederaufbau), the KfW Evaluation Report 2006 came to the following conclusions:

- Most of the projects and programmes are successful – 177 projects in 57 countries / financing volume of EUR 6.3 bio: 71 % of the projects)
- About one fifth did not reach the expected results (17 % slightly insufficient despite having positive impacts; 12 % insufficient)
- In some cases a total failure (1 project)

Regarding the independent evaluation of German technical cooperation 2010 – 2012, channelled through the German Agency for International Cooperation/GIZ, the pertinent 2013 report concluded:

Two thirds of the projects/programmes received good ratings. Seen as a whole, two thirds of the evaluated measures received a 'good rating, no significant defects'; 3.4% of projects/programmes even achieved a 'very good rating'. None of the projects/programmes was rated 'clearly inadequate' or 'useless'.<sup>29</sup>

However,

- Mixed outcomes of development cooperation,
- Unsatisfactory progress in many developing countries,
- The end of the Cold War and the predominant failure of centrally planned economies,
- New challenges as posed by globalization, the financial crisis, climate changes, fragile states and "new wars"<sup>30</sup>

led to a review and rethinking of "development" as a whole and of the international relations. (> Paris Declaration on Aid Effectiveness, Millennium Declaration)

## **U. Holtz: CONCLUSIONS**

Development is rather a marathon than a 100-metre sprint.

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<sup>29</sup> >[www.giz.de/en/downloads/giz2013-en-evaluierungsbericht-2010-2012.pdf](http://www.giz.de/en/downloads/giz2013-en-evaluierungsbericht-2010-2012.pdf)<, p. 7 (29.11.13).

<sup>30</sup> Mary Kaldor (1999): New and Old Wars: Organized Violence in a Global Era, Oxford.

Development progress depends on two main factors:

1. The own efforts of the (developing) countries
2. The international environment (trade, subsidies, financial system etc.)

- Official Development Assistance (ODA) is playing a minor role and it will not bring alone sufficient results. Its objectives are (i) to contribute to the improvement of the peoples' living conditions in developing countries (education and training, health, natural resources ...), (ii) to facilitate the flourishing – the “de-velopment” – of the partners' own capabilities (help people to help themselves, ownership, empowerment), and (iii) to work for an enabling national and international environment .

- Evaluations of ODA projects and programs show a mixed picture; the majority of them are (very) successful, a smaller proportion is not sufficient; a few of them are total failures.

- ODA measures that work on the micro-level can not easily be transformed to the macro-level (the so-called micro-macro paradoxon). For example, one hospital – a project – supported by ODA will not automatically improve the health sector for the whole region or country; it would be better to support a nation or province wide program or to offer sectorial budget support to the country.

- When it comes to foreign “relations” and their impact on the economy, then a quantitatively higher and qualitatively better ODA, in particular for ‘traditional’ developing countries, is desirable; however, other factors (such as exports, remittances, foreign direct investment) are of high(er) relevance (in particular for the better-off developing countries).

- ODA also is overestimated regarding the positive or negative influence on the whole development process. More important are the own efforts (good, democratic governance, rule of law, participation of the population, a vibrant civil society etc.) as well as an enabling international environment (a fair international trade and financial system, good commodity prices etc.).

- Sometimes, I got the impression that several leaders and even scientists are looking for somebody or somewhat to blame for. They attribute – very often wrongly – many failures, maldevelopment and shortcomings in their countries to development aid.

#### **U. Holtz: Six ODA Principles:**

1. ODA should contribute to a sustainable, human development conducive to the improvement of people's living conditions
2. ODA should contribute to a national and international enabling environment [capacity building and (women's) empowerment, good governance; fair trade]
3. ODA should „do no harm“<sup>31</sup> (Latin: *primum non/nihil nocere*: The Hippocratic Oath includes the promise "to abstain from doing harm" )
4. ODA should be an incentive for „good performers“ [performance-based allocation]
5. Sometimes it is better to “stay engaged“ instead of “let them fail”<sup>32</sup>
6. Strengthening resilience and the ability to deal with stresses and shocks

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<sup>31</sup> Mary B. Anderson (1999): Do No Harm: How Aid Can Support Peace - or War, Boulder/London.

<sup>32</sup> Tobias Debiel et al. (2007): „Stay Engaged“ statt „Let Them Fail“ (INEF-Report 90/2007 - <http://inef.uni-due.de/cms/files/report90.pdf>).

## VI. Why countries are rich and poor or do belong to different income groups?

The debate on why countries are rich and poor or belonging to different income groups (see the graphic below) is still going on.

Scientists have found a variety of answers.

In any case, there is no single 'magic' formula for prosperity and poverty.

**DAC List of ODA Recipients**  
Effective for reporting on 2012 and 2013 flows

Least Developed Countries	Other Low Income Countries (per capita GNI <= \$1 005 in 2010)	Lower Middle Income Countries and Territories (per capita GNI \$1 006-\$3 975 in 2010)	Upper Middle Income Countries and Territories (per capita GNI \$3 976-\$12 275 in 2010)
Afghanistan	Kenya	Armenia	Albania
Angola	Korea, Dem. Rep.	Belize	Algeria
Bangladesh	Kyrgyz Rep.	Bolivia	*Anguilla
Benin	Tajikistan	Cameroon	Antigua and Barbuda
Bhutan	Zimbabwe	Cape Verde	Argentina
Burkina Faso		Congo, Rep.	Azerbaijan
Burundi		Côte d'Ivoire	Belarus
Cambodia		Egypt	Bosnia and Herzegovina
Central African Rep.		El Salvador	Botswana
Chad		Fiji	Brazil
Comoros		Georgia	Chile
Congo, Dem. Rep.		Ghana	China
Djibouti		Guatemala	Colombia
Equatorial Guinea		Guyana	Cook Islands
Eritrea		Honduras	Costa Rica
Ethiopia		India	Cuba
Gambia		Indonesia	Dominica
Guinea		Iraq	Dominican Republic
Guinea-Bissau		Kosovo <sup>1</sup>	Ecuador
Haiti		Marshall Islands	Former Yugoslav Republic of Macedonia
Kiribati		Micronesia, Federated States	Gabon
Laos		Moldova	Grenada
Lesotho		Mongolia	Iran
Liberia		Morocco	Jamaica
Madagascar		Nicaragua	Jordan
Malawi		Nigeria	Kazakhstan
Mali		Pakistan	Lebanon
Mauritania		Papua New Guinea	Libya
Mozambique		Paraguay	Malaysia
Myanmar		Philippines	Maldives
Nepal		Sri Lanka	Mauritius
Niger		Swaziland	Mexico
Rwanda		Syria	Montenegro
Samoa		*Tokelau	*Montserrat
São Tomé and Príncipe		Tonga	Namibia
Senegal		Turkmenistan	Nauru
Sierra Leone		Ukraine	Niue
Solomon Islands		Uzbekistan	Palau
Somalia		Vietnam	Panama
South Sudan		West Bank and Gaza Strip	Peru
Sudan			Serbia
Tanzania			Seychelles
Timor-Leste			South Africa
Togo			*St. Helena
Tuvalu			St. Kitts-Nevis
Uganda			St. Lucia
Vanuatu			St. Vincent and Grenadines
Yemen			Suriname
Zambia			Thailand
			Tunisia
			Turkey
			Uruguay
			Venezuela

>[www.oecd.org/dac/stats/DAC%20List%20used%20for%202012%20and%202013%20flows.pdf](http://www.oecd.org/dac/stats/DAC%20List%20used%20for%202012%20and%202013%20flows.pdf)<  
(30.10.14)

## **U. Holtz: Positive and negative factors influencing development<sup>33</sup>**

### **Positive factors responsible or supportive for development progress**

1. A development-oriented behaviour of governments and elites, which includes the participation of the population and its ownership
2. Effective, capable governments and administrations based on democracy, human rights and the rule of law (incl. good governance)
3. Fight against poverty by a national framework setting, which promotes the private sector and doesn't gag it (> business development – SME)
4. Mobilization of domestic (financial) resources
5. Material and immaterial infrastructure equipment incl. ICT and capacity building
6. Development of a favourable mental and cultural enabling environment
7. Acknowledgment of the important role of women
8. Industrialization, stimulation of a broad-based, anti-poverty growth and making use of the international division of labour
9. Containment of rapid population growth
10. Efficient use of Official Development Assistance (ODA) in the sense of help for self-help
11. External and internal peace

### **Two cause bundles are responsible for lagging behind:**

A. Factors, which were particularly virulent after the adoption of the Millennium Declaration in 2000:

1. After the terrorist attacks from September 2001 some industrialized countries prioritized rather military and geopolitical aspects than civilian and socio-economic development ("securitization of development policy")
2. The significant increase of failed, collapsed states and of violent conflicts
3. The climate change with its growing negative effects
4. The energy, food as well as financial and economic crises

B. Factors, which were always of great importance and must be considered, if a turn to the better is intended:

1. The population growth (1990: 5,3 billion – 2014: 7,2 bn – 2050: 9,5 bn);
2. Corrupt, kleptocratic elites;
3. Bad governance and poor performance;
4. The neglect of the rural areas and (traditional) agriculture;
5. A development-hostile environment (the non-recognition of education, training and knowledge as well as of tolerant cultures open for change);
6. Difficult internal situations (land locked, military conflicts, hostile ecological systems);
7. Relying on fossil energies instead of renewables;
8. Legacy of colonialism (in particular in some African countries: arbitrarily set borders, destruction of self-confidence, supplier of raw materials);

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<sup>33</sup> A paper by U. Holtz sent to the students (recommended reading) and discussed in the class. Cf. U. Holtz (2010): Die Millenniumsentwicklungsziele – eine gemischte Bilanz [The Millennium Development Goals – a mixed balance], in: Aus Politik und Zeitgeschichte/APuZ, 8 March 2010, pp. 3-8. U. Holtz (2013): Die Millenniumsentwicklungsziele [The MDGs], in: H. Ihne/J. Wilhelm (eds.): Einführung in die Entwicklungspolitik [Introduction to Development Politics], Berlin pp. 41-64, 54-57.

9. The developed countries unwillingness to build up a truly fair trade and financial global system – unsuitable recipes of the International Monetary Fund and the World Bank;
10. Despite some efforts to increase ODA and its efficiency the unwillingness of the industrialized countries to undertake serious, strong steps in the direction of a quantitatively higher and qualitatively better development policy.

**Different scholars found various reasons, in particular looking at Africa:**

**Daron Acemoglu/James A. Robinson (2012):** *Why Nations Fail. The Origins of Power, Prosperity and Poverty*, New York

Massachusetts Institute of Technology economist Acemoglu and Harvard University political scientist Robinson underline the theory of inclusive and extractive institutions, leading to either prosperity or failure of nations.

They argue that primarily political institutions are responsible for economic prosperity, namely 'inclusive' (democratic, comprising the whole society) and not 'extractive' (exploitative, hierarchical) political institutions.

**Paul Collier (2007):** *The Bottom Billion: Why the Poorest Countries Are Failing and What Can Be Done About It*, Oxford [Professor of the Centre for the Study of African Economies, Oxford]

At the core of the argument are four 'traps' that lock Africa into poverty:

1. the conflict trap,
2. the natural resource trap,
3. the trap of being landlocked with bad neighbours,
4. the trap of bad governance in a small country.

**Markus Loewe:** *African Developments: Sub-Saharan Africa, too, Could Achieve the Millennium Development Goals* (German Development Institute), Bonn 2010:

The good performers are distinguished by six factors that may explain their above-average performance:

1. political and macroeconomic stability,
2. good investment climate,
3. a government capable of taking action,
4. a political leadership with a vision, a strategy and the determination to pursue it in the long term,
5. decentralisation and public participation in project planning and implementation,
6. long-term, constant and predictable support from donors.

On the other hand, neither the level of development aid received nor the starting conditions in the developing country concerned (such as income per capita and the primary school attendance rate in 1990, the reference year) appear to play a decisive role, and the influence of economic growth is also far less pronounced than might have been expected.

**Steven Radelet (2010):** *Emerging Africa: How 17 Countries are Leading the Way*, Washington [Distinguished Professor in the Practice of Development, Georgetown University, Washington D.C.]

Since 1995, seventeen African countries have defied expectations and launched a remarkable, if little-noticed, turnaround. These countries are putting behind them the conflict, stagnation, and dictatorships of the past and replacing them with steady economic growth, deepening democracy, improved governance, and decreased poverty.

Five fundamental changes are at work:

- (1) more democratic and accountable governments;
- (2) more sensible economic policies;
- (3) the end of the debt crisis and changing relationships with donors;
- (4) the spread of new technologies;
- (5) the emergence of a new generation of policymakers, activists, and business leaders.

**Charity Musamba (2010):** *The Developmental State Concept and its Relevance for Africa*, in: Peter Meyns/Charity Musamba: *The Developmental State in Africa. Problems and Prospects* (INEF-Report 101), Duisburg (<http://inef.uni-due.de/cms/files/report101.pdf>), p. 11-41, 21. [PhD, social scientist, Executive Director of the Foundation of the Foundation for Democratic Process (FODEP), Lusaka]

She identified four defining features of the developmental state:

- (1) Development-oriented political leadership;
- (2) an autonomous and effective bureaucracy;
- (3) a production-oriented private sector,
- (4) performance-oriented governance.