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# LE SFIDE DELLA POVERTÀ

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# The Challenge of Poverty Reduction and the Less Developed Countries [LDCs]

Some introductory remarks

Paolo Dieci\*

**I**n roughly 50 years of debate on development<sup>1</sup>, different approaches have emerged – and in many cases this has led to exchanges of views and even clashes of diverging opinions – which have often strongly influenced the governance and planning choices. By way of example we would like to quote the link existing between the theories of dependence (which after all emerged in the Latin American context) and the Ujama policy implemented by Julius Nyerere in Tanzania<sup>2</sup>. Some of these approaches had the limit of an excessive emphasis laid on ideology which sometimes ended up by making development coincide with the completion of a political process to be carried out also at the cost of sacrificing the fundamental rights of the people.

The fact is that, inevitably, the cold war has long influenced the theories of development and ideologies, military hegemonies, political and economic systems have mutually contaminated themselves all over the world. At least at theoretical level, today we are in a position to face the issue of development free from ideological constraints and on the ba-

1. The term “theory of development”, as conceived today, dates back to the beginning of the fifties, faced with the advancement decolonization processes.

2. See Colin Leys, *The Rise and Fall of Development Theory*, East African Educational Publishers, Nairobi, 1996.

- sis of some “well-established mainstays”, that is elements of analysis corroborated by the experience of decades of co-operation and the debate on it. Some of the most significant mainstays can be summarised as follows:
- underdevelopment and poverty are the result, *inter alia*, both of distortions in international relations and of political responsibilities by ruling classes and governments;
  - development co-operation can contribute to solving some serious problems in poor countries and to reducing poverty, but, in the lack of more general international political choices, it can reverse the trend towards an increase in inequality neither at world nor at domestic level;
  - the existence of a democratic fabric – besides corresponding to the need of favouring the respect for people’s rights – is also one of the essential elements of every development process;
  - a debate on the development of individual countries – detached from the international relations within which they are placed - has today a limited proposition ability due to the dynamics of the globalisation process;
  - poverty is a multi-dimension reality and therefore calls for systematic measures capable of affecting its causes and not only temporarily mitigating its effects;
  - in the context of globalisation an international system is needed – which is bound to hinge around the United Nations – capable of ensuring that economic and financial integration is consistent with the objective of the fight against poverty and social marginalisation and exclusion.

This document tries to summarise some priority actions for an integrated European strategy addressed to fight poverty in LDCs and it is articulated as follows: the first section deals with the wide issue of the existing relationship between globalisation, poverty and inequality, and aims at underlining some of the major recommendations so far elaborated by international organisations and NGOs; the second section reports some considerations on the relationship between international market dynamics and food security/insecurity; the third section attempts to underline the major challenges for the European Union with regard to poverty alleviation of LDCs and its elaboration has been largely based on recent documents endorsed by the European Union itself and, finally; the fourth section contains some suggestions on priority objectives to be pursued by

the EU through its development co-operation policy having in mind the goal to fight poverty in LDCs.

## 1. Globalisation, poverty and inequality

The term globalisation has now become part and parcel of today's language. Indeed, as stressed by the 1999 Report on Human Development<sup>3</sup>, the process to which this term refers is not a recent one since economic integration at world level originates from the European colonial expansion at first in the XVI and then in the XIX century.

In order to highlight the specific features which the globalisation process has taken up today, the Report stresses four new elements in the current integration process:

- the existence of new markets and particularly the global integration of financial markets which are always active;
- the existence and the widespread diffusion of new integration tools among which Internet and the mass media networks;
- the existence of new protagonists, “formally” or “de facto” equipped with supranational authority such as the World Trade Organisation and multinational corporations, and the growth of non governmental organisations networks which – besides promoting projects on the field – carry out “lobby” activities on governments and international agencies;
- the existence of new rules such as those defined in the multilateral agreements on trade, services and intellectual property.

Even though, undoubtedly, the integration of markets – starting from financial markets – is the most visible aspect in the globalisation process<sup>4</sup>, it is not its only component, since the process itself is characterised by an unprecedented strong integration also in the field of information, cultural patterns and lifestyles. The problem that we are facing today is not deciding whether the integration process must be accepted or rejected – for the additional reason that such an approach would be inevitably wishful and “naïve” considering the size of the process and the momentum which has caused it – but rather to ex-

3. “Human Development Report 1999”, UNDP, Oxford University Press, 1999.

4. “More than \$1.5 trillion is now exchanged in the world's currency markets each day, and nearly a fifth of the goods and services produced each year are traded”, – “Human Development Report 1999”, UNDP, Oxford University Press, 1999.

amine the causes which, in a strongly integrated world, give rise to an increase in inequality within many countries and in the relationship between rich and poor countries. In a context dominated by economic and technological integration, we witness the spreading of inequality and poverty in relation to the existence or not of the opportunity of playing an active role within the integration process which means, first of all, having access to the economic, social and technological opportunities opened

5. These data and the following ones are taken from "Human Development Report 1999", UNDP, Oxford University Press, 1999.

up by this process. In this respect China is a case in point since there we record an increasing gap between the coastal regions having an export-oriented economy and the internal ones. In the former regions the human poverty index is below 20%, whereas in the latter regions it exceeds 50%<sup>5</sup>.

It is to be noted that economic inequality records significant increases also in rich countries such as Sweden, the United Kingdom and the United States of America. This reality shows the limits of an approach to the poverty problem which is centred only on the analysis of the relationship between the "North" and the "South" and which, conversely, disregards the processes underway in the various countries, be they rich or poor.

Obviously what has just been stressed does not mean that the increasing inequality between rich and poor countries can be underestimated, especially because in these latter countries it creates situations of poverty which are ever wider at quantitative level and ever serious at qualitative level. At the end of the nineties macroscopic levels of inequality have been recorded in terms of distribution of resources, wealth and access to technologies at world level. One fifth of the world population living in rich countries has 86% of the world Gross Domestic Product, whereas in the case of the one fifth living in poorer countries this figure is equal to 1%. These percentages are significantly similar to those related to the participation in the world export markets (82% and 1%).

Also the data regarding access to information and communication tools bears witness to the high level of inequality if we consider that 74% of world telephone lines are owned by the one fifth of world population living in rich countries, whereas the one fifth living in poorer countries has access to a mere 1,5% of these lines. Furthermore, the population living in the OECD countries – that is 19% of world population – accounts for 91% of Internet users and ten countries only invest 84% of the resources employed at world level in research and development (1993 data).

Objectively it would be too ambitious to try to summarise in this paper the reasons for the gradual widening of the inequality gap at world level. It can be stated, however, that, among other factors, the increase in inequality is fostered by the lack of an effective “global governance” system which is really designed to turning globalisation into a development opportunity also for poor countries and to fighting against social marginalisation and exclusion. Against this trend, the Report on Human Development suggests – among the main strategies for the future – the construction of a new architecture for “global governance” in the XXI century, which should be based on the following priorities:

- a stronger and more consistent United Nations system;
- a World Trade Organisation capable of ensuring the compliance with transparent codes of conduct by multinational corporations;
- a world agency for the environment;
- a “trust” for world investment having re-distribution tasks;
- an international court of justice having a wide competence on human rights;
- a more incisive participation by the civil society in the United Nations system.

The Report also stresses the need for ensuring to poor countries access to technical and financial resources for research with a view to asserting one’s own reasons and claims more incisively in international negotiations – by supporting them with data and analyses. Clearly the above stated priorities require long term timetables and especially a strong political will by the governments of the most industrialised countries. After all, in the lack of an effective and really democratic “global governance” system, there is the strong risk that the inequality gap continues to widen relentlessly, thus increasing poverty and social marginalisation and exclusion. The increase in inequality and poverty poses a dual challenge to development co-operation.

On the one hand it is up to the public agencies in charge of implementing co-operation with third countries to urge their governments to be really consistent with the objectives of development aid and the economic and trade policies which have an impact on the economy of poor countries<sup>6</sup>.

6. The issue of consistency has been considered to be a central one – at least formally – by the European Union as from the Maastricht Treaty, even though much remains to be done to turn some important declarations of principle into reality.

On the other hand, adequate strategies and methodologies co-ordinated between donors and “beneficiary” governments are needed to support programs which may have a concrete impact on the reduction of poverty and social marginalisation and exclusion. While in the last section of this document an attempt is made to suggest priority actions to be implemented in the framework of a strategic approach for poverty reduction, the following few sentences serve the scope of drafting some conceptual ingredients of this approach.

The starting point for any Poverty Reduction Strategy has to be based on the alarming dimension of the problem. It is estimated that all over the world 800 million people regularly suffer from hunger<sup>7</sup>.

Over time, three ways to quantify and define poverty have been emerging. The first one is mainly based on measuring income and consumption. The second one – which is inspired by the notion of “basic needs” – has laid emphasis also on other dimensions such as health and education. The third one – which is more recent – tends to define poverty in terms of vulnerability due to the lack of access to sufficient resources and opportunities. This way of measuring poverty does not deny the importance of considering factors such as income, consumption and basic needs. The innovative character of this third approach, however, lies in the fact that low incomes and low consumption – which are not sufficient to meet basic needs – are considered to be effects of poverty, whereas the vulnerability due to the lack of access to resources is rightfully one of its causes.

The issue of vulnerability is connected with the issue of insecurity. As a whole, social, economic and food insecurity are basically synonyms for vulnerability. Clearly these are only general categories and an in-depth

7. Data taken from “Agriculture and Rural Development Policy in Developing Countries, Policy Orientation Paper” ADE in association with ODI, November 1999.

8. If we analyse the factors which hinder the poor people’s access to resources, we cannot ignore, for example, the existence of specific barriers vis-à-vis women. After all many studies and the practical experience gained by many NGOs and other development agencies clearly show that almost everywhere the poorest families are those where women are bread-winners.

analysis of vulnerability in different contexts should necessarily articulate the data related to the lack of resources by gender<sup>8</sup>, kind of activity carried out, ethnic group and other characteristics such as disability. However, even not considering now these factors, it is possible to define the vulnerable groups as those groups whose insecurity situation steadily runs the risk of worsening in relation to changes in their reference contexts such as drought and conflicts.

Poor people are basically those who have no

access to productive resources. In many countries mainly living on agriculture and animal rearing the most important of these resources is land and the phenomenon of land deprivation is growing in many developing countries<sup>9</sup>, thus causing – as is well-known – massive rural exodus towards cities and the development of urban poverty, which has its own serious features such as the spreading of prostitution, the growth of petty crime and organised crime, as well as children exploitation<sup>10</sup>.

The causes of this phenomenon are manifold. In many cases it originates from the excessive population pressures in limited territories, which cause fragmentations which are such as not to allow sufficient productive activities, even for self-consumption only, which thus lead to rural exodus. In other cases, basically large estate regimes still exist. For example in Latin America 2% of land owners have 33% of available land<sup>11</sup>. In some SADC countries most fertile land is within “farms”, owned by a small minority of people – almost exclusively white people. Two further causes of this phenomenon are military conflicts – which force thousands of families to leave their villages – and environmental decay.

## 2. International market, food insecurity and poverty

What has been drafted in the first section can be summarised as follows: if, on the one hand, it is necessary to promote in poor countries incisive strategies to fight against poverty hinged around the causes of vulnerability, insecurity and social exclusion – and this is certainly a task pertaining to development co-operation – on the other hand we cannot ignore that these efforts are not sufficient if there are no rules governing international markets able to avoid that globalisation leads to wider inequality. From April 18 to 22, 1999, 57 civil society organisations from Europe, North America, Latin America, Asia and Africa met in Zeist, in the Netherlands, to analyse – on the basis of specific “case studies” – the implications of the current system of agricultural markets liberalisation on poverty<sup>12</sup>.

Based on the premise that food cannot be considered only a commodity for trade, since it is a primary asset and a universal right, the organi-

9. Maxwell, 1998, quoted in “Agriculture and Rural Development Policy in Developing Countries, Policy Orientation Paper” ADE in association with ODI, November 1999.

10. Women are particularly hit by the phenomenon of land deprivation, for the additional reason that they often have no hereditary rights.

11. Binswanger and Deininger, 1997, quoted in “Agriculture and Rural Development Policy in Developing Countries, Policy Orientation Paper” ADE in association with ODI, November 1999.

12. See “Trade and Hungry”, John Madeley (editor), APRODEV, 1999.

sations gathered in Zeist, under the auspices of APRODEV<sup>13</sup>, sounded a precise alarm: if no deep changes are effected in the world trade organisation and especially if agricultural trade is not made conditional upon the objective of social and food security, also the modest aims defined at the 1996 World Food Summit – the 50% reduction of the under-nourished population within 2015 – run the risk of not being achieved and conversely food insecurity in poor countries could worsen significantly.

The liberalisation of markets often leads to more imports and greater emphasis laid by governments on export crops. Frequently these priorities are matched by the marginalisation of products devoted to meet the domestic food requirements.

As from the early eighties, the structural readjustment plans have been generally focused on the cutting of public expenditure, the liberalisation of markets and the related lifting of barriers to imports and exports.

13. Association of World Council of Churches-related Development Organisations in Europe. Practically APRODEV is the network of Protestant European development NGOs.

14. In the introduction of the publication "Trade and Hungry", APRODEV, 1999), an analysis of structural readjustment plans is proposed which, on the one hand, shares some of its basic reasons, but, on the other hand, harshly criticizes its limited adherence to the objective of food security. This analysis is well summarized in the following excerpts «... in the 1980s, adjustment policies were needed in many developing countries. State-run organisations had often become bloated and poorly-run, and people were in danger of being exploited by State inefficiency. Adjustment was needed, but a huge charge against the SAPs ... is that they overlooked food security issues ... so called safety nets ... were often under-funded and ineffective ... the liberalisation of trade did not address the problem of food security, but rather made the problem worse ...».

15. This case study and the following ones are taken from "Trade and Hungry", John Madeley (editor), APRODEV, 1999.

Hence the structural readjustment plans and the liberalisation of markets have been viewed by the organisations gathered in Zeist as two components of the same process, whose impact on poor countries shall be assessed in order to propose the necessary corrective measures<sup>14</sup>. The analysis of specific case studies clearly shows that one of the main effects of the international agricultural trade liberalisation process is an increased competition in the use of the land resource between consumption and export crops. Hence, very often, while favourable economic conditions have been created for large exporters, the situation has worsened for small farmers who, without state subsidies, could not compete in a globalised market.

Hence in poor countries the advantages of the global market have been distributed among few groups of people, who are virtually always linked to multinational corporations.

In the Philippines<sup>15</sup>, for example, the social security of more than 400,000 families employed in sugar production in small and medium

sized farms (5 hectares on average) is at risk as a result of the large quantities of this product flowing into the country from outside at prices which are decisively more competitive than those charged by small local farmers. The liberalisation started by the Manila government has been the result of the ratification of the agreements reached during the “Uruguay Round” in 1993, and was decided in the lack of a programme aiming at increasing the competitiveness of the sugar production sector in that country.

The result of this situation is that many small and medium sized companies are closing down and no realistic employment alternatives exist for those people working in this sector. Another related consequence is the reduction in food consumption by small farmers and their families.

The situation in the Philippines is symptomatic of a wider problem, as shown by the case studies reported in the Zeist meeting which regard not only the Philippines, but also India, Tanzania, Kenya, Benin, Ghana and Bolivia.

In Kerala, India, the government encouraged small farmers to produce rubber for export and this had led to massive re-conversions towards this product. The subsequent government opening to exports created serious social security problems to local farmers making them completely vulnerable.

Furthermore, in the lack of policies to support food security, not only the liberalisation of international markets, but also the liberalisation of domestic markets runs the risk of causing the impoverishment of small farmers. In this respect Tanzania is a case in point. In the Dodoma region, the results of a fact-finding survey show that the high level of organisation reached by large local traders – matched by a scarce organisation by small farmers – results in prices being almost exclusively set by the former ones, thus not enabling farmers to make significant investment in order to improve their productive abilities. For example, in order to keep prices low, traders tend to purchase soon after the harvest and farmers are obliged to accept this both because they need immediate financial resources and because they have no structures for stocking and preserving products. This case bears witness to the fact that very often poverty is a real vicious circle which is difficult to be broken without programs and policies designed to this end.

The final appeal launched by the non governmental organisations

which met in Zeist in April 1999 is not against markets, but aims at increasing the “policy makers” awareness on the need to adopt concrete measures to avoid globalisation turning into a tool causing the gradual widening of the inequality gap, and therefore the increase of poverty and

16. For example, the final Declaration on Trade Liberalisation and the Right to Food contains two significant indications: «[...] WTO and other actors must undertake a systematic review of the agreement with a view to removing its imbalances and unfair provisions, by providing better market access, incorporating non-trade concerns, in particular food security, and introducing clear mechanisms for the implementation of Marrakesh decision for net food importing developing countries [...] WTO and FAO, in partnership with the UN High Commissioner for Human Rights, should convene a high level meeting attended by governments and civil society and intergovernmental organisations to discuss and debate the impact assessment of AoA ...» (taken from APRODEV, publication already quoted).

food insecurity<sup>16</sup>.

Basically, the appeal launched by the civil society organisations goes along the same lines as the already mentioned recommendations of the 1999 Report on Human Development: the foundations for a democratic system shall be laid and this system shall be designed to solve the problem of poor “global governance”. With a view to reaching this objective, a stronger role by the United Nations system is essential, as well as politically wider mandates for its agencies, starting from FAO as regards food trade.

Indeed, the globalisation of markets really reduces the guidance and monitoring tasks performed by national States. Just to summarize the reasoning made by the organisations which gathered

in Zeist, we can say that these tasks have been completely transferred to large multinational structures. Politics shall regain its guidance and monitoring role at international level and this is possible by granting stronger mandates along these lines to the United Nations.

We are convinced that this objective can be achieved provided that the UN agencies are basically viewed as bodies entrusted with political responsibility and no longer as bodies relegated to a mere role of co-operation programs implementing agencies – as after all has happened recently. For example, the UN agencies should be entrusted with the task of carrying out a steady monitoring activity – jointly with local governments – on the economic and social impact of trade policies, with a view to identifying the necessary corrective measures on a case by case basis.

Another important role to be played by this agencies could be that of backing poor countries in international negotiations with technical and financial means so as to enable them to have their voice heard on the basis of concrete analyses and data. As already seen, this indication is included also in the Report on Human Development which, in this con-

nection, complains about the scarce funds granted to the “UNDP South Centre”, which has been created to meet the need of supporting developing countries in international fora. Though sharing the basic reasons for the creation of this body, we cannot understand why a new structure shall be created to this end and this task cannot fall within the competence of the already existing agencies.

We would like to make two considerations in order to corroborate this assumption. First of all, in our opinion, one of the factors which have objectively reduced – over time – the incisiveness of the activity pursued by the United Nations system has been the excessive proliferation of structures linked to it, which has ended up in fragmenting and reducing its concrete impact.

Secondly, there is the need to carry out a systematic monitoring activity on the impact of trade policies in poor countries based on different factors – children’s conditions, food production, gender inequality, health conditions. This activity can be better pursued by enhancing the specific tasks and the sectoral competence of the various UN agencies. However, the basic issue that we have introduced is that of the consistency between co-operation policies and economic and trade policies – an issue which is not new in itself, but that today emerges more clearly than in the past.

### 3. The Challenge of Poverty Reduction: the European Union and the LDCs<sup>17</sup>

Globally the proportion of people living in poverty (less than one dollar per day) declined from 29% in 1987 to 26% in 1998, although the total number of poor remained almost unchanged at around 1.2 billion. The negative effects of the uneven distribution of the costs and benefits of globalisation and liberalisation processes are evident. The number of people living in very bad conditions is increasing in various regions of the world. The poorest countries are failing to catch up with developed and some are getting stuck in vicious circles of economic stagnation and regression.

17. For the elaboration of this section some recent documents endorsed by the EU have been utilised and, among them: Communication of the Commission about “The European Community’s Development Policy” (COM(2000)212); Communication of the Commission about “Integrating Environment and Sustainable Development into Economic and Development Co-operation Policy”; Communication of the Commission about “Accelerated action targeted at major communicable diseases within the context of poverty reduction”; Initiative of the Commission “Everything but Arms”; Declaración del Consejo y de la Comisión con ocasión del Consejo de Ministros de Desarrollo del 10.11.2000.

LDCs, in particular<sup>18</sup>, constitute a mixture on the one end of particularly weak countries where development has never been more than very limited, and on the other hand of countries that have had brighter prospects and a history of successful agricultural and mineral export but which have fallen on hard times because of war, natural disasters, limited access to export markets, growing debt burdens, poor policies, mismanagement and other government related failures.

Moreover, during the '90s, the acceleration in the twin processes of globalisation and liberalisation, the decline in ODA flows to LDCs, combined with debt overhang, the increase in the number of countries classified as LDCs, and, in several cases, domestic social and political upheavals, have impaired the capacity of LDCs Governments to implement domestic policy reforms and/or manage their own development.

The LDCs are not just the poorest countries in term of per capita income, but most of them also have by far the lowest human development and poverty indicators. LDCs account for 32 of the 35 countries in the lowest category of the UNDP's Human Development Index (HDI). On average, 15% of all children born in LDCs do not survive to their fifth birthday – a rate almost double the developing country average while the average life expectancy is no more than 51 years, compared to 65 years for the developing countries and 78 years in OECD countries. Among the LDCs are also the countries with the highest illiteracy rates, the lowest rates of primary school enrolment and the widest gender disparities in education in the world. The population growth rate for LDCs was significantly higher than the developing country average, and almost double that of the world average. Taking this into account, real GDP per capita in the LDCs grew at only 0.9 per cent per annum during 1990-98, and, excluding Bangladesh, by only 0.4 per cent per annum.

During the 1980s, the simple average of the per capita growth rates in the other developing countries was double that of the LDCs, and in the period 1990-1998 it was four times higher than that of the LDCs. This indicates a growing average per capita income gap between the LDCs and other developing countries.

Compared with low-income countries, the overall growth performance of the LDCs as a group also appears slow. Per capita GDP in low-income countries, largely because of high rates of growth in China and

India, increased at annual rates of 4.3 per cent and 5.4 per cent during the 1980s and the 1990s respectively.

In facing the challenges of development in the 21<sup>st</sup> century, the EU development policy represents a fundamental part of the international development strategies towards the LDCs. The EU provides 55% of global aid, considering both the Commission-managed multilateral programmes and Member States own bilateral programmes; the European Community, through the Commission, is the second largest multilateral donor of humanitarian aid in the world. In terms of trade the EU is the single biggest market for imports from developing countries, and its exports to developing countries are more than twice the amount of the USA, Japan and Canada put together. In political terms, the EU governments are powerful stakeholders in the G8, the WTO, the IMF, the World Bank and the UN.

Therefore, it's clear that the EU has a key role and responsibility in urging coherent and effective strategies for sustainable development in the Least Development Countries.

Importantly, the Commission proposes to place poverty reduction at the heart of all aspects – economic, political, cultural and commercial – of development policy, as the objective of its global strategy, integrating within this strategic goal the support to democracy and peace, the support to conflict prevention activities and the integration process in global economy of developing countries. Furthermore, the Commission emphasises the social and environmental issues as fundamental aspects of a sustainable development together with the equality between men and women and the strengthening of public and private actors' capacities.

Furthermore, some priority domains in which the EU development policy should be concentrated are underlined, such as: (i) the link between trade and development; (ii) regional integration; (iii) the support for macro-economic policies; (iv) transport and communications; (v) rural development and food security; (vi) institutional capacity building.

Firstly, the necessity of strengthening the links between international trade and development objectives considering also the trade and investment policy. The EU commercial and agricultural policies have seriously to consider the developing countries' needs and interests also through a closed and enduring political dialogue with developing countries' governments. Concerning this issue, the Commission adopted a proposal, the "Everything but Arms" (EBA) initiative, to grant unrestricted

duty-free access to all products, except arms, from all LDCs. The proposal to the Council would extend duty and quota free access for a further 919 lines, covering many products which are not currently imported into the EU because of the high level of protection.

Although the EBA initiative has been generally welcomed by the European NGOs<sup>19</sup>, some concerns have been expressed with regard to the actual implementation of this important EU policy measure. Many NGOs urge that once the proposal is adopted, the reservations lodged against sugar, rice and bananas are lifted in a timely manner to ensure that LDCs reliant on these crops are not at a disadvantage<sup>20</sup>. NGOs suggest, in order to guarantee that LDCs are the real beneficiaries of the EBA initiative, a concrete set of "rules of origin" similarly to what has been adopted by the Cotonou Agreement for ACP countries. Another NGOs recommendation is to provide assistance to Caribbean countries with large sugar sectors

19. See the document "Putting Food Security into the WTO Agriculture Agreement" (November 15<sup>th</sup>, 2000), by the Joint Food Security Group of EuronAid and the Liaison Committee of Development NGOs to the European Union.

20. Freely extrapolated from a letter addressed by the Liaison Committee to EU Commissioners responsible for: Trade Agriculture, Rural Development and Fisheries; Development and Humanitarian Aid; External Relations on December 5<sup>th</sup>, 2000:

« ... it is disappointing that there is opposition to this laudable proposal by a handful of member states and representatives of industry ... Their concern that competitively produced sugar from LDCs will threaten European producers are unfounded ... LDCs currently account for a mere 0.4 per cent of world trade and none of the 48 countries is a significant producer of sugar, or rice and bananas ... »

21. Again, see the letter addressed by the Liaison Committee of Development NGOs to EU Commissioners responsible for: Trade; Agriculture, Rural Development and Fisheries; Development and Humanitarian Aid; External Relations on December 5<sup>th</sup>, 2000.

that have been sheltered from competition for years due to preferential access arrangements with the EU. As part of the EU's commitment to development co-operation it should provide assistance to these countries as they adjust their productive strategies, in the framework of the consultations with the ACP within the negotiations of Economic partnership Agreements as foreseen by the Cotonou Agreement<sup>21</sup>. Secondly the Commission recognises the regional integration domain as one of the necessary elements in reaching sustainable development, in preventing conflict and in reaching the long term-objective of developing countries economic integration in the global economy. Concerning this domain the Commission outlined the European experience in regional integration issues. Thirdly the Commission outlines its determination to combat inequality, supporting macro-economic policies that promote access to social services. The Community's political and financial weight in international fora and in consultation with Bretton Woods institutions, enables it to exert influence on decisions on the macro-econom-

ic framework of the partner countries. Europe has a decisive role in ensuring a fair distribution of the fruits of growth and access to basic social services and in encouraging the emergence of an investment friendly environment.

Furthermore the Commission emphasises the centrality of a development policy that aims at encouraging regional economic integration, also supporting transport and capacity building sectors. To reduce the vulnerability factors that contribute to a negative social and economical environment in development countries, the Commission emphasises the importance of differentiating development co-operation activities according to the differences among developing countries, focusing on the support of social sectors, such as health, education, food security, training and gender sensitive programmes. It also proposes to adopt an integrated development framework, which involves focusing on priority areas of support where the EC has a distinctive competence, using common sectoral policy guidelines.

In the context of supporting social sectors, the Commission recognises investments in health as one of the major contribution to poverty reduction and economic growth, and underlines the need for accelerating community response to the major communicable diseases, HIV/AIDS, malaria, tuberculosis, as part of ongoing investments in health and poverty reduction. Today, 34.3 million of people are affected by the HIV/AIDS and the spreading of the disease is going beyond the worst expectation. Fourteen million adults and children have already died; 9% of adult deaths regards the poorest countries and the previsions say that the percentage is going to quadruple by 2002. The virus, considered a "development crisis at planetary level" has, as known precedent, only the plague, that hit Europe in the middle ages, and killed 20 million of persons.

Besides health and education, food security and rural development remain two essential elements of the EU's development policy and also in this case the Commission emphasises the need to strengthen its interventions in this domain through a regional and integrated approach.

Furthermore, the Commission outlines the natural environment as a key element in the EU's efforts to support developing countries' integration in the world economy and to reduce poverty. It promotes the natural environment as a mainstreaming of EU developing policy whose objectives have to be integrated in the macro-economic policy.

To meet this objective the Commission proposes:

- to give special attention to strengthening the countries' institutional and administrative capacity to manage the environment effectively;
- to integrate the environment into the programming and project cycle;
- to Advance and evaluate the integration process of environment issues into different policies and programmes.

To succeed in reaching the overall objective of poverty reduction the Commission proposes:

- to reach the highest possible degree of coherence between Community development policy and other Community policies that impact on developing countries;
- to ensure better co-ordination and complementarity among EU development policy and governments' policies, as well as the Commission's multilateral programmes and governments' bilateral programmes;
- to promote and increase the political dialogue with International Organisations, with governments of the developing countries themselves, NGOs, and the north and south civil society.

Despite the difficulties, coherence, complementarity and co-ordination are still the major concerns for the EU. In practice, the articulation between different policies or actions of the Community, which aim to minimise or suppress the contradictory or negative effect of these policies on developing countries, is still far from harmonious. Conflict of interests, imbalance between development co-operation and other public policies, lack of knowledge on the impact of European policies and complex decision making system are the factors causing EU policies' inconsistency. In this regard, the proposal of the Commission, about the adoption of a strategic programming process that links aid, trade and political co-operation, demonstrates, in principle, that the links between political objectives and administrative change are recognised. Furthermore, the Commission emphasises the need to strengthen its capacity to guarantee the coherence between different policies in the field of trade liberalisation, technical assistance and financial co-operation, sustainable development (environment, employment, Codex Alimentarius, etc.).

To ensure better coordination and complementarity among EU development policy and governments' policies, as well as the Commission's

multilateral programmes and governments' bilateral programmes; the Commission outlines the need to strengthen local ownership, to promote local participation in co-ordination and where possible to specify procedures in a common guideline. At the same time, to guarantee greater complementarity, the Commission emphasises the importance of a more effective work division among all the European institutions and the Member states, according to their competence and the importance of encouraging the adoption of a sectoral approach and supporting national sectoral policies.

Finally the Commission outlines that the definition of poverty reduction strategies by the developing countries themselves, is a fundamental prerequisite for sustainable development. The principle of partnership is supposed to encourage ownership of the development strategies by the countries and population concerned. In order to ensure that the process for achieving poverty eradication is defined by developing countries, the Commission emphasises the key role of political dialogue and the necessity of providing support and capacity building in beneficiary countries. The dialogue should allow LDCs and the EU to address all issues of mutual concern and to ensure consistency and the increased impact of development co-operation. The Commission recognises the fundamental role of NGOs in formulating and carrying out the development policy objectives and humanitarian aid programmes and their complementarity to the EU activities. It proposes:

- to strengthen the information and consultation between the EU and the NGOs in defining strategies and development policies;
- to strengthen the participation and collaboration of NGOs in the elaboration and execution of co-operation programmes;
- to simplify the collaboration procedures between the NGOs and the Commission;
- to institutionalise a constant and fluent dialogue with NGOs as partners in every step of the elaboration and implementation of developing policies and co-operation programmes.

As it has been underlined, the need to avoid incoherence between its development policy and other policies is an integral part of the recent EU documents and recommendations, at different levels, particularly after the resolution of the European Council on Development of June 5, 1997.

To this regard, it is also worth noting the recent choice done by the Commission to create within its Development General Directorate an office in charge for the coherence issue. It will be extremely important to open the work of this office to contributions and suggestions from the European Civil Society organisations, including within this category both Development NGOs and other grass root associations.

In addition to what has been already stressed, some further critical areas are those below summarised. Again with reference to trade policies, another specific contradictory element is identified with respect to the objective of fostering development in third countries, which is related to arms exports from European countries, that are subjected to extremely generic constraints. Existing rules are indeed not capable of ensuring that weapons themselves are not sold to governments which are running against the fundamental human rights.

More generally speaking, is it mere wishful thinking to suggest that the “But Arms” philosophy is also employed with regard to European export to LDCs rather than only to imports from these countries?

An additional area regards the practice of “export refunds”, which is designed to make European products competitive on international markets. This practice often stultifies local production. In theory mechanisms exist capable of regulating the amount of refunds on the basis of the costs of the products exported in the recipient countries; nevertheless, these mechanisms are not always implemented strictly and impartially.

On a more general level, the EU should play a positive role in ensuring that Food Security is actually considered by the international community – starting from the World Trade Organisation – as an inviolable right of LDCs. The current rules – as defined by the Agreement on Agriculture – allow developed countries to heavily subsidise their domestic agriculture and exports and ignore the problem of dumping by private

firms on agricultural products from developed countries to the world markets at less than the cost of production. The outcome is that developing countries are forced by the rules to allow the influx of subsidised imports, which compete unfairly with agricultural goods produced by their own farmers in situations where the farmers receive no subsidy<sup>22</sup>.

22. See the document “Putting Food Security into the WTO Agriculture Agreement” (November 15<sup>th</sup>, 2000), by the Joint Food Security Group of EuronAid and the Liaison Committee of Development NGOs to the European Union. The document urges the adoption of some recommendations as central to the EU’s negotiating position on Agriculture within the WTO. These include: the creation of a

Finally, the Commission itself has underlined<sup>23</sup> the contradiction existing between the general objective of the fight against poverty in the most stricken areas of the world and the recent trend pointing to a re-definition of the intervention priorities as regards financial allocations which attaches priority to countries such as Kosovo and Turkey to the detriment of the poorest countries. We deem it appropriate to add a further consideration with reference to this last critical area. It raises great concern also in the light of the process of enlargement which is currently underway within the European Union. Indeed, the risk exists that this process is matched by a gradual cutting down to size of the European humanitarian and development aid commitment towards the LDCs and, more generally speaking, the ACP, the Asian and Latin American countries. The risk also exists that the current re-definition of priorities anticipates the way in which the European Union intends to develop its co-operation policy in the future, by aiming in particular at economic integration with its neighbouring areas and their stabilisation. We do not call into question either the validity of these objectives, or the fact that the European Union and its member states have mobilised to face the great humanitarian needs which have emerged in the former Yugoslavia, but we formulate the wish that this commitment would not run counter to the objective of the fight against social marginalisation and exclusion in the poorest countries all over the world.

The creation of the "coherence office" can certainly contribute to reducing the contradictions of the European activity towards third countries, provided that it is equipped with the sufficient political authority and its work is recognised and supported by member states.

In general terms, however, a renewed European commitment in favour of consistency between economic and co-operation policies cannot leave aside not only a careful monitoring activity within the European Union institutions, but also a close dialogue with the developing

Food Security or Development Box (the idea is to allow poorest and net food importing countries to develop and protect their agriculture also by being exempted from the WTO demands of minimum market access); the implementation and strengthening of Marrakech Decision (with the focus on ensuring the growth of food production capacity of net food importing developing countries as a needy measure during the liberalisation process for adjustment purpose); ending Export Subsidies and Export Restraints; improve access to the markets of developed countries by developing countries; impose penalty measures when domestic support distorts international markets; requirement for Anti-Dumping Provisions; recognition of the role of State Trading Enterprises in planning for food security; avoiding abuse of the Peace Clause; meaningful capacity building for developing and least developed countries; increasing civil society participation in the WTO process.

23. See the document "Towards Improved Coherence between the Community Development Policy and other Community Policies", 1999.

countries' governments and non governmental organisations. The dialogue with governments is clearly extremely important and the more Europe will be willing to accept the developing countries demands regarding the consistency of its policies towards them, the more it will be in a position to positively affect national planning and development strategies. As is well-known, the fragility of the economic and social fabric in developing countries is influenced not only by negative international situations, but – very often – also by the local ruling classes' inefficiency and lack of democratic representation. In this field dialogue and international pressures can prove to be extremely important, but their effectiveness is linked to the existence of a real partnership relation, where each Party is willing to revise its choices on the basis of the other Party's needs.

Some further considerations are now appropriate with reference to the non governmental organisations' involvement in developing a genuine consistency of the European policies towards third countries. We are convinced that this involvement is essential, especially because it can enable the viewpoints of the rank-and-file organisations in developing countries – which for decades have been the “partners” of the development programs carried out by the NGOs – to become part and parcel of the debate on the political choices to be made. As we have tried to stress, in the lack of political support measures, the globalisation and integration of markets have the effect of increasing inequality not only between rich and poor countries, but also within the individual countries. Small producers' associations are the main victims of this situation for the additional reason that very often they cannot find political bodies and fora ready to represent their interests. Working on this assumption, we can maintain that the growth and the role of these associations through development programs and the representation of their interests in international fora are part and parcel of the same strategy, for which today non governmental organisations can be preferential protagonists. The Report on Human Development shows that the growth of NGOs networks is one of the factors which characterise the current globalisation process. If it is true that in every process everybody shall do its utmost, we believe that in this case the NGOs role is basically the one that we have already described – that is fighting against marginalisation and social exclusion both at local level and in international fora, as well as supporting the interests of small producers who do not want to become passive recipients

of humanitarian assistance, but rather contribute to growth and development in their own countries.

#### 4. Some priorities of the EU Development Co-operation with regard to LDCs

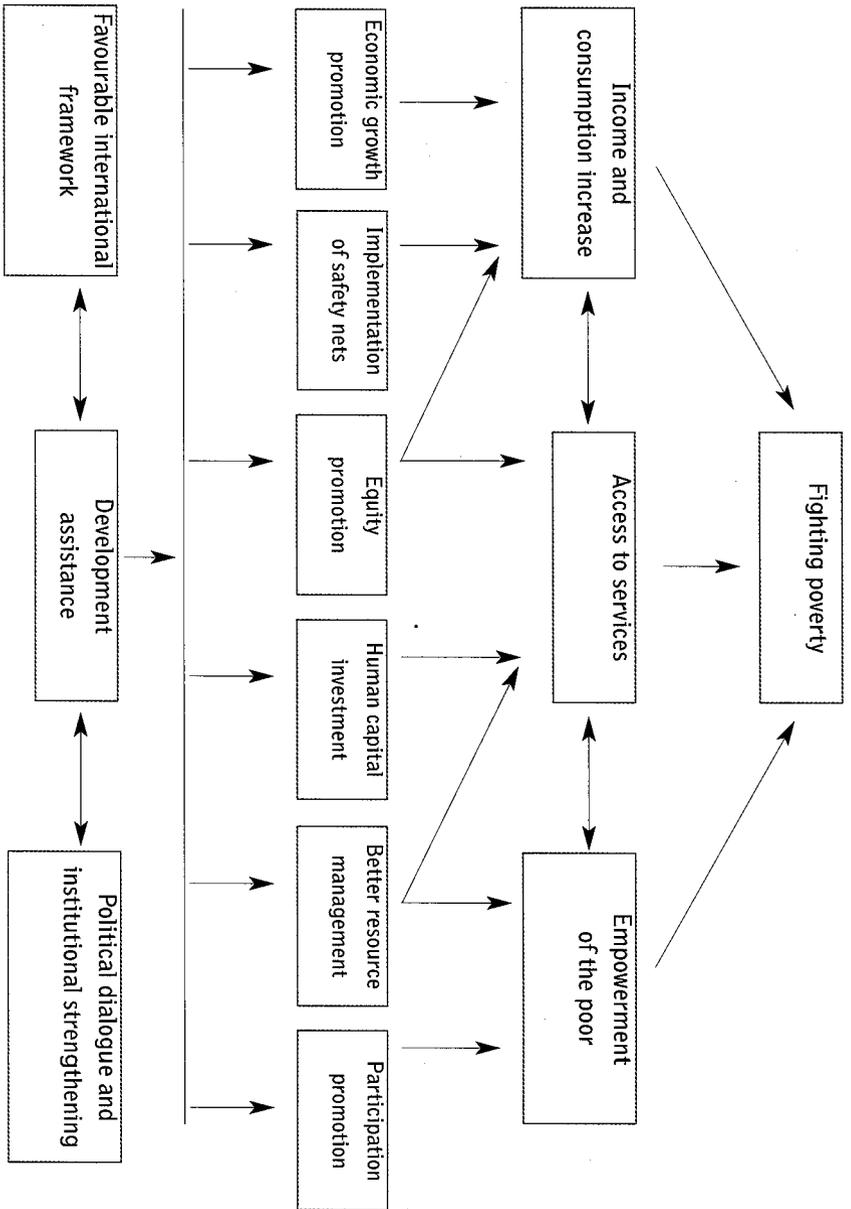
##### 4.1 Notes on an integrated approach to Poverty, Vulnerability and Food insecurity

The results of some researches on poverty indicate that in many countries the poorer family units of the rural population are those that draw the lowest share of their agriculture production for their own maintenance. In other words, the poorest are almost always those that have to find sources of income alternative to the use of the land. At the same time it has become clear that even in zones and periods in which the agriculture production is satisfying, with availability of products in the market, a large number of households is insecure from as far as alimentation is concerned. This points out the frequent failure of the strategies of self-maintenance undertaken by the rural poor and focusing on researching sources of income other than self-production.

In order to define serious and effective strategies of food security and poverty relief it is necessary start from analysing the main factors of vulnerability. These can be divided into two broad categories: those contributing to a poor income generation and those fostering the sedimentation of unfavourable socio-economic environments. In the former category finds place the insufficient availability of production<sup>24</sup> assets, the insufficient supply of means (i.e. fertilisers and seeds), the critical sanitary conditions of the farmers that obstacle the full productivity. In the latter are traditionally included the scarcity of infrastructure and connection systems, the poor access to services and instruction, the low level of community organisation, which also determine a tendency towards the political marginality of the rural communities with respect to the political power and the institutions.

24. A research carried out in 1989 in Ethiopia (Various: 1998) suggests that, on average, every rural household commands 0,78 hectares.

It is not difficult to extrapolate from the joint factors of vulnerability a comprehensive picture of extreme poverty. What can the Development Co-operation do in order to tackle the issue of poverty in a comprehensive way?



This kind of formalisation has the advantage of setting the Development Co-operation strategies in a wider framework, that includes, in general, the net of relations between European Countries and LDCs. For instance, the determination of favourable international framework does not depend exclusively on the Development Co-operation, while it calls on other general issues, like the commercial relations, the management of the debt crisis, the impact of the European Community Agriculture Policy on the economies of the poor countries. Some strategic priorities seem to arise, on our opinion, from the analysis so far developed and from the above presented scheme on the relation between food security and poverty relief, that are here summarised.

*The added value of non-governmental co-operation*

Another advantage of the formalisation presented above is that it allows us to identify the different subjects that have to be involved in the pursue of the common general aim of reducing poverty. If, for instance, developing the political dialogue and granting the consistence between co-operation and economic and trade policies is a primary governments' responsibility, we believe that the main value added of the non governmental co-operation regards the aim of empowerment of the local communities, through their actual involvement in the resources management and in the strategies definition. For example, the NGOs can contribute to the strengthening of associations and local NGOs able to effectively represent the demands and the needs of the most vulnerable slices of the population.

*The gender issue*

The analysis so far developed gives the gender issue a key role in the activity of co-operation for fighting poverty in LDCs, basically for two reasons. The former is that the various dimensions of poverty cannot be understood without a rigorous analysis of the gender issue. Assuming for example the lack of access to services and to productive assets as two of the most significant dimensions of poverty, we cannot ignore, if we want positively affect this situation, that women often suffer from the existence of extremely strong barriers, also for cultural reasons. It is not accidental that among the poor families, both in rural and metropolitan areas, there are female headed households. The latter is given by the fact that an effective policy against poverty cannot ignore the coping strategies normally undertaken by poor households in situations of crisis,

among which are included the reduction of per capita consumption, internal migrations, search of new income sources. These strategies are often undertaken by women. Therefore, increasing the access to instruction and training for the women can improve the effect of coping strategies of entire households and local communities.

*The focus on Social Capital*

Acknowledging the complexity of the phenomenon of poverty also brings us to conceive a project of development co-operation as catalysing agent of institutional, financial, and human resources in a given context. It is evident that it is unlikely that a single co-operation initiative can substantially affect poverty in a given area if it is not planned in order to favour the actual participation- and the cohesion - of different subjects, in search of adequate solutions for the problems ahead. We refer to the local institutions, to the Academic world of the country, to the specialised institutes, to the private sector, to the grass root organisations and; furthermore we refer to the linkages among these actors. In many LDCs, in different fields, the human and institutional resources are available, but their connection, the synergies among them and their full involvement in the development plans are still missing. The co-operation projects can attempt to fill this gap, becoming the gathering point for the search of effective solutions to the problems of poverty.

*The role of development co-operation in urban areas*

Although the focus of poverty alleviation projects is rightly put on rural areas, where generally the majority of the LDCs populations live, there are very good reasons to strengthen the European Development assistance also in the cities of LDCs, for a number of reasons. The first reason lies in the absence, in many cases, of the basic services and survival opportunities for millions of urban poor. Here the humanitarian and the political reasons are both calling for an integrated response. In fact, in addition to the humanitarian concerns, it has to be underlined that urban poor can constitute a factor of instability and in many cases the widespread of the urban criminality, which is obviously related to the extreme poverty, is hampering many development opportunities. A concrete example here is the reduction of tourism as a consequence of the fear of foreigners to go in unsafe cities. The second reason is related to the possibility to support the growth of a public urban opinion oriented towards the defence and the promotion of human rights. It has to be underlined that in the

LDCs the media are generally concentrated exclusively in the big cities – if not only in the capital towns –. Therefore positive actions performed in urban areas may have a cultural impact in the country. Recently, in many LDCs cities, associations that implement a lobby action for feminine emancipation, for the defence of childhood, for the defence of street children's rights, have appeared. These realities have to be supported, also through plans of capacity building because they carry out positive actions in support of weak subjects and also because they can contribute to reinforce in the country a culture of rights that today is objectively fragile everywhere in the LDCs.

*The focus on the fight against HIV as an integral part of poverty alleviation strategies*

Last but not least an impact oriented European Development Policy towards LDCs cannot ignore the real nightmare represented by the widespread, in these countries, of HIV. The reality of this problem starts to be known in its dramatic entity, since many countries, after years of reluctance, have started to officially address the international community asking for an help to control this real tragedy. We have chosen to address this issue under the sub-chapter dedicated to the fight against poverty because poverty is the root cause of this problem in the LDCs. In this case poverty means lack of education, lack of access to services, lack of prevention, lack of care. Again: lack of protection for the children made orphans by the disease. There are already applicable guide-lines drafted by the WHO in order to identify the priority actions to be performed. What is still missing is the definition of country strategies to the formulation of whom international and local NGOs can contribute. An idea that the EU could promote, to this regard, is the establishment, in the LDCs, of national consultative platforms that could have the Ministries of Health and the Ministries of Education as focal points. The platforms should be open to international NGOs and local NGOs and have the role of defining for each country priority areas of intervention, with a strong focus on prevention.

#### 4.2 Orienting Development Co-operation towards Conflict Prevention

It is a fact that LDCs are very often theatres of violent and prolonged political and military conflicts. Wars often classified as ethnic generally arise from the struggle for the access to resources, exacerbated by conditions of misery. The identification of central power with the defence of

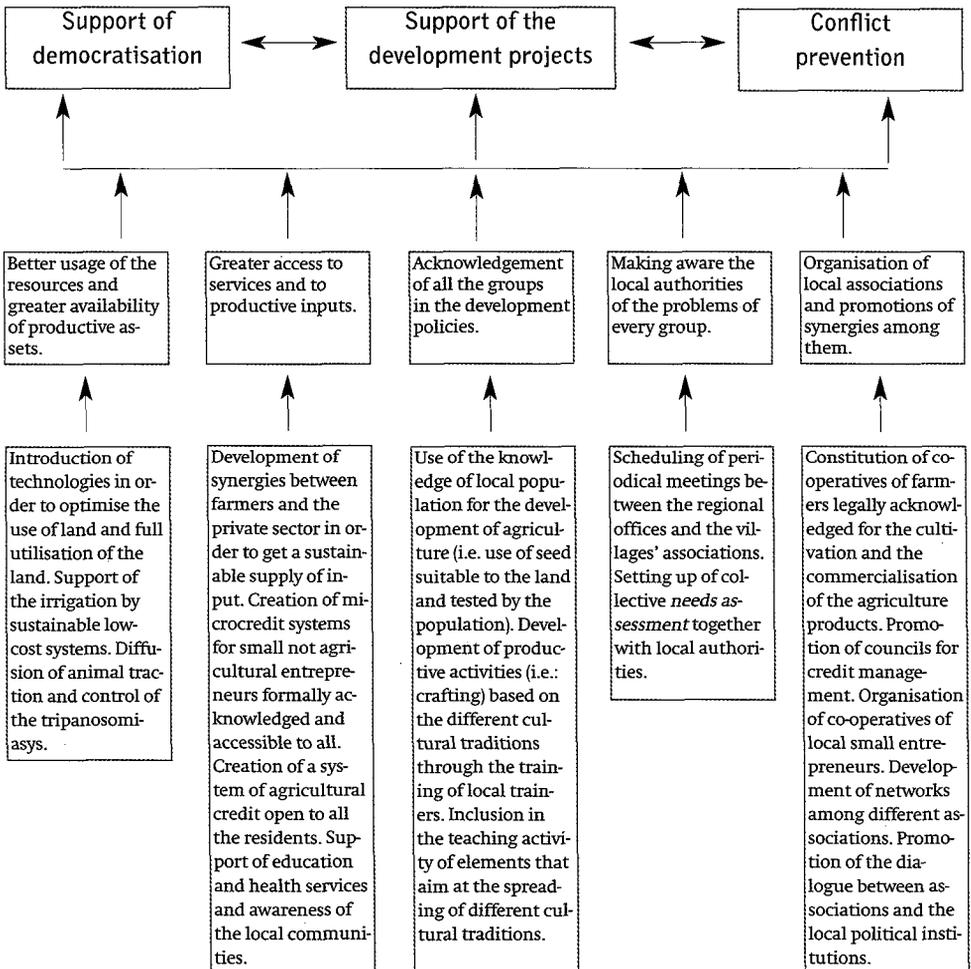
interests that conflict with those of its own group, most of the times motivated by governments' actions, in some cases goes beyond the responsibility of the governments themselves and could nourish power ambitions of political-military groups that offer immediate abductions in favour of peculiar interests. In many cases the cause is the lack of regulation mechanisms of the use of and the access to resources in the places where the conflicts arise.

Lacking these mechanism, every repressive intervention of the central authority in case of rebellion seems to be undoubtedly arbitrary as they tend to restore a social order that has not been defined by participation of the actors involved. In many LDCs, even though in convulse form, the demand for participation to the economic policy decision process can be noticed to be stronger than elsewhere as to this process is attached the possibility of survival of the group itself. In a sense, the ethnic character of politics, as opposite groups are identified almost completely on the basis of ethnic or clan consideration, can be seen as a means of having their own interests and identity represented. Putting forward the hypothesis of concrete means of democratisation means giving credible answers to this question, posing at the same time the basis for conflict prevention.

In the context of LDCs, to form the hypothesis of stable solutions to the democracy problems, only based on the definition of macro institutional orders like federal systems founded on the principle of self-government of the various regions, is not sufficient, also because within the local and regional administrative contexts themselves could often arise, and actually in many cases do, conflicts nourished by the struggle over the control of resources. Both the co-operation and the political dialogue could effectively contribute to the structuring of mechanisms and institutional places that carry out the duties described above, that should be intended as mechanisms of regulation and planning at local levels. A co-operation intervention can have a positive effect on the process of democratisation and on the prevention of military conflicts in a country if it includes among its goals that of allowing an actual participation of the local communities to the control and the management of the resources. It means that conflict prevention rather than being only an expected output of an European Foreign Policy in crisis areas – which is in any case something dramatically necessary – is also a general aim of the Development Policy, which can be achieved if the projects are designed to this end.

*The support to the process of democratisation and conflict prevention: the experience of a co-operation intervention*

In order to make the reasoning clearer we turn to present a case of “typical project” realised by an European NGO in one LDC (Ethiopia) in the period 1994-1999 in an area characterised by an high level of competition among different ethnic groups for the control of resources (especially land). In the following scheme we try to summarise the main strategies of the project and the actions linked to it. At the top of the figure the goals are presented, while in the subsequent line there are the strategies on which actions are based.



An approach that tends to strengthen the channels of participation and mediation of the interests of the basic social groups, does not diminish but emphasises the role of the central states that should basically consist of the building up of those institutional mechanisms to which we have referred, besides giving assistance to the elaboration of local development plans that should become part of consistent national policies.

#### 4.3 The role of the intellectuals and of the scientific institutions

A further issue is that of the role of intellectuals and the freedom of research of the University and Scientific Institutions. The dismissal of the intellectuals from their own countries has constituted both an effect and a cause of the crisis of the political systems and of their weak democratic features. In the LDCs is necessary to encourage significant synergies between the spheres of the education and of the politics and where development plans are designed and, above all, not making the mistake, often made in the past by international co-operation, of mortifying rather than developing the contributions to the reconstruction of their own countries of qualified local personalities.

The issue of education, intended not only as the process of making literate the local communities but also as support for the creation of focal points for the development of collective identities, is linked to that of the role of intellectuals. This support is unthinkable without the effective involvement of qualified personalities in this area's countries. Besides it cannot be ignored that the economic reconstruction also requires the availability of professionals and planning experts, financing, social policies and technologies.

#### 4.4 Co-operation and regional integration

Another question that needs to be taken up is that of the regional co-operation and integration. It is evident the negative impact on the process of democratisation within each state and on their political and economic stability, of the regional tensions. Furthermore in some cases the explosion of civil wars in single countries has extremely negative effects on the stability of the neighbouring countries.

We also believe that in order to favour the regional distension some programmes that aim at co-operation among neighbouring countries can result useful.

#### 4.5 Administrative and government ability of the local institutions

The fifth problematic area is that of the administrative ability of the local institutions (regions, districts, municipalities). There is an indissoluble link between the credibility and the stability of the democratic systems, above all in context of extreme poverty, and the efficiency and the credibility in responding to the existing problems in the competence areas. The improvement of the management and administrative abilities in the sphere of the local governments of the LDCs, to which the local European bodies could give a strong support, should be among the main goals of the development co-operation.

#### 4.6 The need for a long term humanitarian strategy to tackle the complex emergencies

Very often LDCs are theatres of complex emergencies, where the deterioration of the concrete conditions of life of the civil population is accompanied by military conflicts and political instability. In these circumstances it is certainly necessary to provide relief assistance to the most vulnerable sectors of the society; at the same time a clear and rehabilitation oriented humanitarian strategy is also of vital importance.

The first ingredient of this strategy is the broadening of the thematic and operative boundaries of humanitarian aid, that cannot be limited in the mere immediate management of emergencies. This necessity was officially acknowledged by the European Union, so that the mandate of its humanitarian office, in the code approved and made effective on the 1<sup>st</sup> of January 1999, has been extended to the first rehabilitation. However we signal a tendency of going back to the past, that is a too strict vision of what humanitarian aid is, that raises concern and that, on our opinion, is inadequate with respect to the challenges we have to face today. In order to give a concrete example, interventions of capacity building that support the growth and the intervention capacity of the local communities appear to be indispensable also in contexts of first emergency, above all if we want to reach the two aims: (i) preventing the exasperation of the dependence from outside of the vulnerable communities; (ii) allowing the humanitarian aid to use the nets of local solidarity, without which it is difficult to reach the most vulnerable segments of the population.

It is first of all necessary to endow humanitarian aid with a certain

and medium term time horizon. In fact, in the case of conflicts emerging in LDCs, humanitarian aid risks to be stuck in the conflict rationale – or worse, in contributing to foster it – if it mainly responds to the effects of the conflict itself and if it is not able to present itself with an independent rationale, projected in the future and oriented to the restoring of the productive capacity and to reconstruction.

It is also imperative to build up mechanisms able to ensure a stricter relation, both at informative and consultative level, among humanitarian, political and diplomatic actors in emergency operations, particularly in LDCs. In many cases it is absolutely clear that a greater capacity to ensure the humanitarian assistance to the populations relies, not marginally, on the possibility of negotiating with the central governments, which cannot be a task of each individual relief agency.

#### 4.7 The focus on rehabilitation

The support to the rehabilitation of social fabrics made weak by a number of factors including prolonged civil wars, extreme poverty, natural disasters such as drought, should remain one of the most important priorities of an European development policy. Europe has a potential added value to “exploit” in the definition and implementation of rehabilitation strategies in LDCs. We refer to the variety and richness of the European civil society and to the existence, in our countries, of many associations, organisations, institutions that could positively intervene in order to contribute to restore social fabrics in LDCs. In this framework, Development NGOs could act – an in many cases are already acting – as real “bridges” between LDCs institutions and associations (municipalities, welfare organisations, schools, hospitals, local unions, etc.) and their European “counterparts”.

In other words, the rehabilitation of LDCs could involve the “System Europe” as a whole, through a strategic alliance between the Commission and the NGOs where the first should play its role of defining comprehensive strategies and the NGOs could be the activators of synergies and partnerships between LDCs and European societies. There is a lot that can be done here. We cannot forget that LDCs are lacking social services, infrastructures, skilled manpower in many areas. Development Co-operation alone cannot fill all the existing gaps unless it is able to involve other resources from the European society.

At the same time the involvement of European realities other than NGOs and specialised agencies in LDCs has to be planned and governed from the very beginning in the framework of clear strategies if it has to be avoided the risk of creating in the same LDCs an unnecessary confusion.

With regard to the rehabilitation issue, some additional points need to be underlined. The first is that rehabilitation does not necessarily mean restoring previously existing institutions and services as they were before. In fact in many cases previously existing services could never be sustainable in the new contexts. That is why a deep economic analysis should always be conducted during rehabilitation programmes.

The second point in question here is that of the social and political impact of rehabilitation plans, particularly when they occur after a military or political conflict.

This impact has to be assessed jointly by the European Union and the NGOs. Indicators can be defined and applied informing on the local communities' level of participation in the services' management, on the intensity and frequency of the collaborations developed, starting from the rehabilitation projects, among community and personalities related to different groups of the society, on the actual involvement of the local authorities in the projects' planning.

A real challenge is also to identify actors at the same time credible and as representative as possible. The effort has to be addressed in individuating local counterparts, expression of mentality and visions of their country different from the ones that have settled in years of conflict and contrast. In this case again the collaboration and the partnership between the Commission and the NGOs is a potential resource to be exploited. Just to give concrete examples: how to select local counterparts to restore social fabrics in countries like Somalia or Sierra Leone avoiding the risk of "feeding" the very same subjects responsible for the destruction and the violence? To respond to this answer is not an easy task and it requires a lot of joint analysis between the Commission and the NGOs.

Again few considerations on the sustainability issue. The sustainability of the health and education services is problematic everywhere in LDCs as a consequence of very fragile economies and of a general cut in public expenditures. At the same time these services are indispensable because they respond to basic human rights and because in many cases they represent the few visible and concrete elements of a connective tis-

sue in societies where the majority of the population lives well beyond the poverty line.

An holistic approach to the theme of sustainability has then to be necessarily developed. The sustainability has to be considered, rather than a precondition for the start up of new projects, as an objective to meet beginning from three thematic areas:

- institutional: working in order to strengthen the management and direction ability of the local structures;
- technical: the emphasis has to be posed on the formation and retraining of the local staff, in order to be in the conditions of assuring continuity to the services' management;
- socio-economic: reducing as much as possible the costs of services' management and, at the same time, promoting effectively forms of cost-sharing of the services themselves at community level.