

Promises aren't enough

Canada needs a strict timetable to meet its commitment to the poorest people on the planet, say economists JEFFREY SACHS and JOHN MacARTHUR

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In 2005, the international community stands at a fateful crossroads. One path leads to the achievement of the Millennium Development Goals, the world's targets for cutting disease and poverty by 2015. The other path leads to a world of continuing upheaval and early death for millions of people each year who are too poor to stay alive. The Millennium Project report delivered to UN Secretary-General Kofi Annan in January presented a road map for the first path. Although Canada's International Policy Statement released this week showed a clear preference for the same route, Canada needs to do more if it is to carry its weight in the global fight for development, peace and security.

More than anything, what is urgently needed is for rich countries such as Canada to live up to their long-standing, and long-unfulfilled, commitment to give 70 cents of every \$100 of gross national product (0.7 per cent) to the poorest countries, by the year 2015, so that impoverished societies can fight disease, grow more food, start small businesses, and thereby escape from extreme poverty. Yet, despite having promised in 2002 to "make concrete efforts toward the target of 0.7 per cent of GNP as official development assistance," and despite Mr. Annan's recent call on all donor countries to reach 0.7 per cent by 2015, Canada has yet to follow through.

The new International Policy Statement supports the 0.7 target in principle, but without a timetable for achieving it. Meanwhile, among other rich countries, the momentum to reach the target is real and growing. Two weeks ago in the UN General Assembly, for example, the German government announced a timetable to reach the target by 2014. The world's third-largest economy, Germany now joins six other countries with timetables to reach 0.7 over the coming decade: Belgium, Ireland, Finland, France, Spain, and the United Kingdom. These are in addition to the five countries that have long since met the target: Denmark, Luxembourg, Netherlands, Norway, and Sweden.

There is great irony in the fact that Canada has not yet set a timetable, since 0.7 was very much a Canadian creation. The standard was set in 1969 by an international commission headed by former Canadian prime minister Lester B. Pearson. It was adopted by the UN General Assembly in 1970, with the goal to be reached by 1975. Now, 35 years later, Canada gives approximately 0.3 per cent (or 30 cents per \$100).

Canada's aid as a share of GNP

is actually much less now than it was in the 1980s, when Canadian incomes were roughly 20-per-cent lower than they are today.

Annual aid increases are currently under way, but they remain relatively modest, rising to perhaps 0.35 per cent of GNP by 2010, and far below 0.7 by 2015 on the current trajectory.

The International Policy Statement rightly and wisely focuses on how best to streamline the use of Canadian resources, but it neglects the question of how much aid constitutes Canada's fair share of support required to meet the Millennium Development Goals. The 0.7 target has long been the international political agreement. Broad professional consensus, exemplified by the Millennium Project report, also now exists that 0.7 is enough to meet the world's agreed poverty reduction goals, if timetables to 2015 are established quickly and honoured this time around.

The lack of a Canadian timetable bucks the international movement for 0.7 that has been building this year. This comes at a time when Canada could swing the Group of Seven countries to a majority with timelines for the target. The political costs to Canada may well prove high. For example, when Canada lobbies other countries on major international security policy proposals, its influence is likely to be hamstrung by the transparent

lack of follow-through on 0.7. In 2005, Canada's shortfall vis-à-vis 0.7 (approximately \$5-billion this year) would be enough to fund an entire global initiative to control malaria in Africa, a disease that needlessly kills more than two million children a year.

Many reasons have been put forward to explain Canada's inability to set a 0.7 timetable. Foremost among these are the need for fiscal credibility and careful economic planning. Fortunately these problems can easily be solved through prudent but clear political decisions followed by sound budget management. It is circular to argue that one cannot commit to a long-term goal because long-term commitments are not credible. Long-term goals are achieved through long-term commitments, with intermediate milestones along the way. For Canada to reach 0.7 by 2015, this implies roughly doubling the current 8-per-cent annual nominal increases, starting in 2006. This would enable Canada to reach 0.5 by 2010 and 0.7 by 2015. Such increases are entirely feasible amidst Canada's commendably consistent budget surplus and can be efficiently directed through a variety of bilateral and multilateral channels.

Fortunately, increased aid for the poorest countries is a non-partisan issue in Canada. Prime Minister Paul Martin is a committed internationalist with a long track record of support for development. Finance Minister Ralph Goodale, as a member of the Commission for Africa led by U.K. Prime Minister Tony Blair, called for rich countries to meet the 0.7 target. A February joint opposition statement

lamented the lack of follow-through on 0.7. Strongly business-minded Conservative MP Belinda Stronach this month called for a 0.7 timetable, a show of international leadership that is also fiscally responsible.

Over the coming weeks, culminating at the July Group of Eight summit in Scotland, the world's richest countries will decide whether they are truly committed to meeting their promises to the poorest people on the planet. In follow-up to the International Policy Statement, an immediate and decisive commitment to a timetable of 0.7 per cent by 2015 will help prove Canada's international leadership. It will also help to save millions and create a more just, prosperous, and secure world.

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