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Introduction: What is Development?

According to the World Bank, as many as half of the world's six billion inhabitants live on the equivalent of less than $2 per day, and about one-fourth of the world lives on the equivalent of less than $1.25 per day (Chen & Ravallion, 2008). Meanwhile, people in the 20 richest countries earn, on average, 39 times more than people living in the poorest 20 states (Milanovic, 2007).

At the same time, the extent of world poverty has declined significantly during recent years. For example, the World Bank estimates that from 1981-2005 the percentage of people living on less than $1 per day was halved, decreasing from 52 percent to 26 percent during this period (Chen & Ravallion, 2008).

These contrasting trends highlight both the problems and the progress associated with the process of "development." On one hand, development has resulted in serious inequities between states, whereby large numbers of the world's inhabitants are mired in poverty, especially in Africa, while inhabitants of the world's richest countries live in both relative and absolute luxury. And yet, due to development trends, populations in poor countries are becoming wealthier over time—a process linked to globalization because countries in the developing world can raise their standards of living by integrating with highly developed states.

The term "development" in international parlance therefore encompasses the need and the means by which to provide better lives for people in poor countries. It includes not only economic growth, although that is crucial, but also human development—providing for health, nutrition, education, and a clean environment.

The following Issue Brief is designed to help you:

- understand why some countries are developed and other are not;
- describe the problems development is designed to solve;
- familiarize yourself with the institutions that are active in development;
- explain the main strategies for fostering development; and,
- report on the facts and figures of the Millennium Development Goals, the international community's new effort to promote development.

The Divide Between Developed and Developing Countries

One of the reasons that the process of development garners so much attention is the stark divide between rich (developed) and poor (developing) countries. The United Nations Development Program (UNDP) rates countries' development annually according to its Human Development Index (HDI), which includes measurements of citizens’ access to healthcare, educational attainment, and standards of living, among other factors.

During 2012, the five countries with the highest HDI rankings were Norway, Australia, United States, Netherlands and Germany, while the five countries with the lowest rankings were Niger, Democratic Republic of Congo, Mozambique, Chad and Burkina Faso, all African countries. In fact, 37 of the 46 states ranked as having low human development are...
located in Africa. In contrast, 32 of the 47 states considered to be very high human development are found in Europe (Human Development Report 2013). As these figures demonstrate, development is often a highly localized issue, leading to great wealth disparities between distinct global regions.

Why Are Some Nations Richer than Others?

Recent debates about globalization have led to a renewed interest in the reasons for inequality in development and, thus, wealth distribution among the world's nations. Many of these discussions are approached from a historical perspective, and seek to find the sources of disparities in development. Below are some of the major theories that work to explain uneven development in different global regions.

Geography

In *Guns, Germs, and Steel: the Fate of Human Societies*, physiologist Jared Diamond contends that geography has played a pivotal role in development. Diamond notes that because the Eurasian landmass is oriented east-west, much of its area lies in the same climatic region. This enabled inhabitants to trade goods, ideas and land cultivation techniques like the use of cereal cultivation, which across most of the Eurasian landmass in a historically short 2,500 years (Diamond, 2005).

By contrast, the same techniques, which had spread into northern Africa, could neither be used successfully in—nor cross—Africa's hot tropical zone. This meant that areas in Africa were essentially cut off from this early form of development.

According to Diamond, eventually the lead that Eurasian societies had in development gave them further tools to dominate peoples of other regions. In his theory, agricultural success created food surpluses that led to the establishment of soldier classes and advanced weapons.

Furthermore, Diamond hypothesizes that many centuries of working with animals caused Eurasians to catch and become partially immune to diseases like smallpox, flu, tuberculosis, malaria, plague, measles, and cholera, all of which were originally animal sicknesses. With these "guns, germs, and steel," Eurasian peoples were more readily equipped to conquer other societies. For example, a tiny group of 168 Spanish conquistadors led by Francisco Pizarro (along with local allies) defeated an army of 80,000 Inca soldiers and went on to conquer the entire Inca Empire in what is now South America (Diamond, 2005).

Another example of geographically induced development is the growth of river valley civilizations that existed before the Common Era. These societies developed near the Nile River in Egypt, the Tigris and Euphrates Rivers in Mesopotamia, the Yellow and Yangtze Rivers in modern-day China, and the Indus River in South Asia. They became successful because of their proximity to necessities (water), their ability to grow foods due to their access to water, and more temperate climates in these regions. As people gathered around these major water sources, they began diversifying their social structures. Later, the nations built near these areas would become major hubs for trade, thus leading to greater wealth (Diamond, 2005).
The ebb and flow of natural resources in a geographic area can greatly affect how societies develop. For example, while natural resources can benefit a country, in some cases, the absences of resources can also further development. This was the case in Great Britain prior to the Industrial Revolution, during which time the absence of wood and timber led to necessary advancements in steel and steam.

Culture

In *The Wealth and Poverty of Nations: Why Some Are So Rich and Some So Poor*, economic historian David S. Landes maintains that the reasons for different development rates are primarily cultural. While Landes admits that tropical regions like sub-Saharan Africa were bound to develop more slowly than temperate areas because climate conditions prevent productivity during summer months, he still puts much of the responsibility for instigating development on cultural factors.

Landes claims that in the year 1000, no one would have predicted that Europe would dominate the world 500 years later. But starting in the 1500s, the Protestant form of Christianity promoted both literacy and concern for conservation of time, and both of these attributes led to higher productivity in societies such as Britain, Germany, the Netherlands, and, later, the United States. Likewise, in China and Japan, Buddhist beliefs emphasized labor and thrift, which led to faster social and economic development (Landes, 1999).

Property Rights

Other commentators focus on particular aspects of culture as the engine of success. Hernando de Soto argues that the secret to development lies in the structure of private property rights. In *The Mystery of Capital*, he says that the world's "poor" actually possess great wealth. The problem, he writes, is that this wealth is usually tied up in "dead capital" due to the legal and social customs in many developing countries (De Soto, 2003).

For example, many people in Egypt, as in America, own their homes and attached properties. But there is a difference between the American and Egyptian conceptions of property. While Americans can utilize their homes to raise capital for an economic activity like starting a business, Egyptians often cannot.

In America, ownership is well documented and there is an efficient legal system that can enforce contracts. Therefore, a homeowner can take out a loan with a bank using his or her property as collateral. In Egypt, traditional land ownership rules make it impossible for a landowner to prove to the bank that he owns his home. In addition, because the Egyptian legal system is not strong in forcing debtors to repay loans, Egyptian banks may not wish to lend money as readily as their American counterparts.

De Soto believes that by reforming land tenure and land ownership registration systems, developing countries can enable their citizens to convert the dead capital that they hold in various land and other properties into huge sums of money that can be used to expand development efforts. De Soto’s research estimates the value of real estate now trapped in dead capital to be $74 billion in Peru and $133 billion in the Philippines. In Egypt, $240 billion is tied up as dead capital, 30 times the value of all shares on the Cairo Stock Exchange and 55 times the value of all foreign investments in the country. De Soto argues that if these funds were available for economic activities, the speed of development could be greatly increased (De Soto, 2003).

Lack of Freedom

Bernard Lewis, argues in his book, *What Went Wrong? The Clash Between Islam and Modernity in the Middle East*, that a lack of freedom—intellectual, political, economic, religious, cultural—is responsible for the decline of the Arab world from a major center of global power to an area frequently dominated by outsiders and plagued by social and economic troubles. Furthermore, he says, Middle Eastern governments are often too focused on finding scapegoats—especially Jews,
Americans, and imperialists—for their failure to develop, asking "Who did this to us?" rather than, "What did we do wrong?" (Lewis, 2003).

The UNDP’s Arab Human Development Report, issued in 2004, endorses this view, noting that the Arab world had the lowest indicators of seven world regions on a "freedom" index based on political participation of the population, civil liberties, and unrestricted media. In addition, the report noted that women in the Arab world were not empowered, with fewer political, social, and economic opportunities than Arab men, and fewer than women in other regions (Arab Human Development Report 2004).

The 2005 Arab Human Development Report displayed findings of women’s rising roles in the Arab world. While they do not enjoy full equality to men in terms of political, civil, and cultural rights, women’s status in the Arab world is improving. The Report emphasizes equality between the sexes to be a main staple of human development (Arab Human Development Report 2005).

A chart mapping the changes in human development levels across 21 Arab states between 1980 and 2011 shows general improvements over time in nearly all cases (UNDP). However, those nations that continue to maintain especially low HDI ratings, including Sudan and Yemen, are also understood as having minimal freedom in areas such as press censorship and protections for minorities (Arab Human Development Report 2004). This correlation supports Lewis’ hypothesized link between freedom and rate of development.

It should be noted that regions with restricted freedoms are also found outside of the Arab world, and any generalization to the contrary is as problematic as it is untrue. In fact, constraints on freedoms exist in Africa; Eastern Europe; Central, South, and East Asia; Latin America; and even areas of the West.

**Problems of Development Today**

Today, the problems facing developing countries revolve around what are generally called “structural constraints” to development. First among these is geography—not just in the historical sense described above—but also in the more contemporary aspect that a modern economy cannot function without a division and diversification of labor. Thus, countries with small populations may have trouble developing and gaining access to markets, while landlocked countries may struggle to integrate with global markets and expand their economies.

Other common constraints on development are poverty, hunger, high mortality rates, unsafe water supplies, poor education systems, corrupt governments, war, and poor sanitation. These factors all combine to create what the World Bank calls "poverty traps"—cycles that must be broken for countries to develop.

Countries can avoid poverty traps, however, with strong policies. Likewise, geographic advantages do not always result in sound development in cases when governments squander valuable natural resources. The World Bank, therefore, recommends that countries focus on six areas of policy to improve chances of development:

- Investment in education and health
- Increasing productivity of small farms
- Improving infrastructure (for example, roads)
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- Developing an industrial policy to promote manufacturing
- Promoting democracy and human rights
- Ensuring environmental protection

The following sections of this Issue Brief describe how the international community tries to help poor countries implement these policies.

**Assistance for Development**

Over the last 50 years, wealthy countries have assumed the responsibility of offering economic aid and other assistance to economically disadvantaged countries. Development assistance resulted directly from the violence of the first half of the 20th century. As explained in the Issue Brief on the International Financial Institutions, the World Bank was created at the Bretton Woods Conference to assist the countries shattered by the Second World War. The European Recovery Program, commonly known as the Marshall Plan (named after one of its key architects, then U.S. Secretary of State George C. Marshall), was the world’s first development program.

Through the Marshall Plan, the United States provided billions of dollars to wartime allies like Great Britain, France, and the Netherlands to help them recover from the war. But it also stood military and political tradition on its head: Instead of taking money and resources from its defeated enemies as reparations for damage in allied countries, under the Marshall Plan the United States poured billions of dollars into the economies of Germany, Italy, Austria, and other World War 2 adversaries as a way to prevent war in the future (Worldbank.org).

The Marshall Plan thus established for the first time two key principles of development assistance:

1. That it is morally correct to help people struggling to improve their lives; and
2. That giving development funds benefits those states donating money by contributing to their foreign policy goals and creating foreign markets for their exports.

By emphasizing these two principles, government officials were able to convince the public to support development assistance programs and to ensure that Congress would approve budgets for this important work. Ultimately, the Marshall Plan proved to be a moderate success. It was hailed by leaders of the nations that benefited from it, particularly Germany, France, and Britain, as the key to a speedy economic and social recovery from the war and the foundation of a new era of peace and prosperity in Europe.

By critics, however, the Marshall Plan is not understood as beneficial to development. Instead, they believe the Plan symbolizes American imperialism and willingness to throw money at a problem. Some critics charge that the Plan’s primary goal was to stem the spread of communism in vulnerable disaster zones, rather than to provide altruistic support. These people often cite saving and business strategies as more important long-term economic factors than the influx of foreign cash (Coffrey, 2012).
Additionally, the decades following the War saw a massive decolonization of previously colonized areas of Africa, Asia and Latin America, a trend which had profound effects on global development. This pattern of decolonization was due to several factors, including agitation —politically and militarily— among colonized peoples for their independence from European imperial powers. It was also the result of new conversations about the benefits of democracy that emerged through the war’s efforts against fascism and communism, which made imperialism seem hypocritical, if not completely amoral. As a result, much of the non-Western world, including India, Pakistan, Indonesia, and many African nations began to emerge as independent nations (Strang, 1991).

As decolonization gathered momentum in the 1950s and 1960s, it became clear that many newly independent nations did not have the skills and resources needed to thrive in their new era of freedom. Money, together with expertise and infrastructure, was needed to make the most of new opportunities and develop economies for the improvement of the lives of local people.

In response to these needs, wealthy countries began to establish agencies to contribute development advice and resources to the developing world, as described in the following section.
Institutions of Development

Development assistance is distributed through several means, including development banks, government and international agencies, and non-governmental organizations.

Development Banks

As described in the Issue in Depth on the World Bank, established in 1945, the bank aims to foster development by providing low-interest loans, interest-free credit, and grants. During FY 2012, the World Bank financed more than 35 billion dollars in development programs worldwide, through its sub-agencies, the International Development Association (IDA) and the International Bank for Reconstruction and Development (IBRD). While aid was distributed relatively evenly between the selected regions, Africa still received the largest amount of funds, about $7.5 billion (World Bank Annual Report, 2012).

IDRB and IDA Development Programs by Region, 2012
(in millions of dollars)

- Africa: $7,525; 21%
- East Asia and Pacific: $6,628; 19%
- Europe and Central Asia: $6,628; 19%
- Latin America and the Caribbean: $6,446; 18%
- Middle East and North Africa: $6,595; 19%
- South Asia: $1,513; 4%


In addition to the World Bank, there are also a number of major regional development banks similarly dedicated to providing low-interest financing for development projects. These banks have considerable expertise in understanding and reacting to the special needs and conditions of the regions which they operate. Prominent examples of regional development banks are the Inter-American Development Bank (IADB), the Asian Development Bank, and the African Development Bank.
In 2012, the IADB approved $10.8 billion in loans (IADB Annual Report, 2012). Similarly, the Asian Development Bank offered more than $21 billion in assistance during 2012, financing $13.3 billion of that total on its own and co-financing the rest with outside institutions (ABD Annual Report, 2012). Meanwhile, the African Development Bank provided UA 4.25 billion in development assistance during 2012. The majority of these loans and grants funded energy-related projects, but funds were also put towards transportation, agriculture and other sectors (AfDB Annual Report, 2012).

United Nations Development Program

The United Nations Development Program (UNDP) is an agency within the United Nations that directs development policy in member nations. It concentrates specifically on increasing development by focusing on the following issues:

1. Democratic governance, that is, helping countries create legislatures, courts, and bureaucracies;
2. Poverty reduction, such as debt relief and promotion of foreign investment,
3. Crisis prevention and recovery, such as dealing with post-war reconstruction and recovery from natural disasters;
4. Energy and environment, that is, providing efficient energy sources for the poor and improving their environment, such as ensuring clear water sources;
5. Information and communications technology, such as helping poor countries develop phone systems; and

Examples of its work include a program to install a civilian police force in Somalia, and an imitative to curb the spread of sexually transmitted diseases, including HIV and AIDS in Africa, through the distribution of birth control technologies, among many others (UNDP.org, 2013).

Government Aid Agencies

Wealthy countries disburse development assistance through development departments or agencies that are part of their national governments. These agencies build infrastructure in developing countries, provide famine relief, advise developing countries on public policy, and make grants to regional development banks.

Some of the world's largest government aid agencies are the Japan International Cooperation Agency (JICA), the U.S. Agency for International Development (USAID), Britain's Department for International Development (DFID) and the German Gesellschaft fur Technische Zusammenarbeit (GTZ). Examples of their work include USAID immunization programs, which treat more than three million people worldwide each year, and recent efforts by the DFID to move Haitians from tents into permanent homes before the arrival of the 2013 hurricane season (USAID.org; Safe Homes for Haiti as Deadly Hurricane Season Approaches, 2013).

The U.S. Peace Corps is also a government agency, but operates more like a non-governmental organization (NGO), which you will read about below. The Peace Corps sends people to work directly with local populations for extended periods of time, especially in remote locations, to focus on major issues within that area. Peace Corp volunteers work in many different fields, such as teaching high school science and math, instructing farmers on advanced agricultural techniques, and building water and sewage systems.

Non-Governmental Organizations

Non-governmental organizations (NGO) are bodies organized by private citizens to give financial and technical assistance to developing countries. NGOs are, by definition, independent of any government and of the various development banks. They generally focus on “grassroots” development that involves local groups and individuals and often come into conflict both with the governments of the countries in which they operate and the official development world.
At the same time, much of NGOs’ funding comes from governments and international organizations, such as the UN, so they function in a complex environment, sometimes cooperating with and other times in opposition to other development institutions. Occasionally, for example, they compel official institutions to make changes by rallying the public in both wealthy and poor countries against policies they consider harmful. In other cases, they may work alongside government institutions to implement reforms and development programs.

Some of the prominent NGOs are Oxfam International, CARE, and World Vision. Examples of their work include running a media campaign for HIV/AIDS awareness in Ukraine, providing relief and reconstruction after a hurricane hit Honduras, and delivering meals in urban schools in Zimbabwe.
Case Studies of Development Projects

The organizations described above engage in a wide range of activities. Here are three detailed descriptions of typical development projects.

Community Management of Acute Malnutrition Programme, UNICEF

UNICEF is an agency within the UN devoted entirely to protecting the rights and wellbeing of children worldwide. The work of UNICEF aids global development because the organization maintains the stance that “nurturing and caring for children are the cornerstones of human progress.” UNICEF’s projects focus on the following five major areas: Child Survival and Development; Basic Education and Gender Equality; HIV/AIDS and Children; Child Protection; and Policy Advocacy and Partnerships (UNICEF.org).

In 2009, UNICEF, in collaboration with the Nigerian Government, launched a program to lower malnutrition rates among children in Northern Nigeria. The program works locally, by bestowing community doctors and health centers with necessary tools to treat malnutrition, as opposed to having children travel to large hospitals far from their homes. The tools are relatively simple – a fortified peanut paste and vitamins administered in prescribed dosages – but the program has been incredibly successful, treating more than 500,000 children as of July 2013 (Sorenson, 2013).

The program’s effects on development are, thus, twofold. Primarily, it works to improve the chances of an entire generation of Nigerian citizens, who may otherwise be, at best, developmentally stunted due to malnutrition, and at worst, unable to survive. Secondly, the initiative supports Nigerian infrastructure by equipping local medical centers with necessary resources and skills to meet the needs of the people they service.

Financial Infrastructure Development Project, World Bank

The World Bank undertakes many different development initiatives worldwide. As mentioned above, these often include giving grants and loans to governments, small businesses and/or organizations to fund different projects aiding the progress of developing nations. The Financial Infrastructure Development Project follows these guidelines. The Project is a joint agreement between the World Bank and the state of Yemen; it provides the Yemeni government with a $20 million grant to improve its central banking system. Yemen is understood to be the poorest country in the Middle East and North Africa Region, a situation exacerbated by the 2011 political crises that resulted in massive, violent protests throughout the nation and the eventual overthrow of the existing government. The nation has suffered financially, especially since that time (The World Bank, 2013).

The Financial Infrastructure Development Project is meant to stabilize and make more transparent Yemen’s central banking system. Functional and trustworthy central banks are crucial to development of strong financial infrastructure. This financial infrastructure can allow people to access credit, which can be used to build small businesses, buy homes, attend college and other key components of a highly developed society. In this sense, the Project extends beyond creating a more functional banking system, in that it implicitly supports other forms of development.

Powering Haiti with Clean Energy, The Clinton Foundation

The Clinton Foundation is an example of a globally active non-government organization (NGO) that supports projects to improve development in impoverished regions and countries. The organization was founded by the Clinton family and works within several different focus areas, including global health, economic inequality, climate change and others. The Foundation became involved in projects in Haiti in 2009, when the nation was already considered one of the poorest in the

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http://www.globalization101.org
Western Hemisphere. Following the devastating earthquake there during 2010, the need for aid in Haiti was heightened more so.

The Powering Haiti with Clean Energy project, founded in 2012 and renewed in January 2013, aims to improve Haitian infrastructure while finding sustainable energy solutions for the country, much of which lacks access to electricity. To this end, the project has worked to replace high dependency of expensive fossil fuels with solar energy in communities across the country. Results of this effort include newly constructed schools with electricity and solar powered street lamps, which vastly improve the safety of nighttime travel when compared to dark roads (clintonfoundation.org). The Clinton Foundation’s effort to bring solar power to Haiti may greatly affect development in the nation. As schools are provided electricity, the education system can be updated and made more accessible to students. And as noted above, the installation of reliable streetlamps will improve public safety, especially for women and children who are often understood to be most vulnerable to assaults.

Here is another example of a development project:

Development Strategies
The institutions and projects outlined above operate according to certain strategies for development that sometimes conflict and other times reinforce each other. The following section describes some leading theories on how to provide development assistance. No single theory can explain how development works best or offer a strategy that is most efficient in every case. Furthermore, the theories are founded on the different hypotheses about the causes of national poverty that were discussed in the beginning of this Issue Brief, meaning that they vary in the specific issues they seek to address.

Poverty Reduction
Poverty reduction is the main goal of the World Bank, the UNDP, and most other development agencies. This strategy emphasizes lifting countries out of what the World Bank calls “poverty traps”, such as low productivity, poor infrastructure, and weak public health and education systems. According to the Bank, poverty reduction policies should focus on six areas:

1. Social structures, such as health, nutrition, education, water, and sanitation systems;
2. Agricultural production, including improving technology, rural infrastructure (such as roads, irrigation, and storage facilities), and secure property rights;
3. Infrastructure, such as roads, ports, energy, and communications;
4. Government industrial policies that spur private economic activity, such as tax incentives and government-funded research and development;
5. Social equality, such as equal rights for women (discussed in more detail); and
6. Environmental sustainability (also discussed in more detail). Investments in these areas, says the Bank, would lead to an economic take-off “within a generation” (The World Bank, 2001).

Significantly, the World Bank says that outside resources are not needed to get the ball rolling on poverty reduction, only to support it once it’s begun.

Most importantly, the World Bank states that economic policies should be oriented toward the creation of jobs in labor-intensive manufacturing industries, to produce goods for export, which, it believes, “is half the battle of achieving sustained growth” (United Nations Development Program [UNDP], 2003).

But those policies, the World Bank argues, require a support system of properly valued exchange rates, financing from foreign direct investments, and a competent and cooperative public sector bureaucracy. The institution notes that while industrial development moves forward, poor populations still need other help, such as agricultural assistance, access to land, and other economic assets and legal rights (UNDP, 2003).
Trade-Not-Aid

The trade-not-aid strategy is based on the idea that if developing countries were able to trade more freely with wealthy countries, they would have more reliable incomes and they would be much less dependent on external aid to carry out development projects. International trade would raise incomes and living standards as poor countries would be able to export their way to economic development by selling their products to rich countries eager to buy their goods. In this sense, the “trade-not-aid” theory aligns with the poverty reduction theory, in that both perspectives emphasize the importance of creating export sectors to increase development.

Unfortunately, most wealthy countries have higher tariffs on goods that developing countries export, such as clothes, than on manufactured goods that other developed countries produce. This means that in order to sell their goods in developed countries, exporters in developing countries must pay high taxes, which are ultimately reflected in higher prices of their products once they hit the market. Developed countries also subsidize their own industries to keep prices of domestically produced goods low, thereby keeping out competition from poorer countries.

For example, Middle Eastern countries face average clothing tariffs of 15 percent on the $4.2 billion worth of goods they export to the United States each year (Reuters, 2009; Office of the United States Trade Representative, 2009). Meanwhile, France encounters tariffs of only two percent on manufactured goods, which account for $34 billion in annual exports to the United States (Reuters, 2009; Central Intelligence Agency). According to Progressive Public Policy Institute, although Middle Eastern countries export less merchandise to the United States than France, they pay just as much in taxes. This is because the United States charges higher taxes on clothes than on manufactured goods, creating a disadvantage for developing countries, where apparel is often a primary export industry (Reuters, 2009).

Likewise, subsidies to European farmers have played a role in the decline of the Brazilian and Jamaican dairy industries and the South African sugar industry. Wealthy countries grant subsidies of $265 billion per year to their domestic farming industries, 3.3 times more than the aid given to developing countries by OECD member states (Organization for Economic Cooperation and Development, 2005; Office of the U.S. Trade Representative, 2006). In fact, every cow in Europe gets more money in EU subsidies per day (an average of $2.20) than 20 percent of the world’s population earns in daily income (Kaplan & Calzonetti, 2005). Eliminating those subsidies, many analysts say, would make development aid much less necessary and allow poor countries to develop their own economies while competing in the global economy.
The Uruguay Round trade negotiations, completed in 1994, established the World Trade Organization and were intended to open developed countries' agriculture and textile markets to trade with the developing world. Poor countries were disappointed, therefore, when the negotiations did not result in as much access to global markets as they had hoped for. They agreed to another round of negotiations at Doha, Qatar, in November 2001 only if their needs were specifically addressed. The round was therefore dubbed the "Doha Development Round" and was intended to focus on the needs of developing countries for access to the import markets of developed countries. Particularly important was the end of agricultural subsidies, which were supposed to be gradually lowered and eventually eliminated.

But in the ten plus years since the Doha meeting, negotiations on agricultural trade have progressed slowly. In the summer of 2003 the United States and Europe finally promised a reduction in subsidies, but it was not enough for the developing countries. The whole round of negotiations stalled in September 2003 when the developing countries refused to go forward with discussions on other areas of trade, such as rules for foreign investment. Since then, little has changed and few negotiations have been determined from Doha.

In 2006, because of continued disagreement and stalled negotiations, the General Council for the Doha Rounds agreed to suspend the talks, and the meeting in 2008 signaled the conclusion of the Doha Round (World Trade Organization). The general consensus remains that the Doha Rounds ultimately did very little to significantly implement the Trade-For-Aid strategy or decrease agricultural subsidies in OECD countries.

**Good Governance**


The “good governance” development strategy focuses on ensuring that development aid is spent most effectively by receiving states. In an influential research paper published by the World Bank in 1997 entitled “Aid, Policies, and Growth,” two economists showed that development aid was most helpful when given to countries that had sound fiscal, monetary, and trade policies. Aid given to poorly run countries, on the other hand, had no effect on economic growth (Burnside & Dollar, 1997).

This research spurred the idea that aid should be given selectively, only to countries that implement good economic and other policies. The idea has had a major impact on aid programs. In January 2004, for example, the U.S. government announced the establishment of a new fund for international development, called the Millennium Challenge Corporation. The corporation began by distributing up to $5 billion per year to countries that the U.S. government judges to be fighting corruption, improving social services, and adhering to the rule of law and human rights (Pan, 2004). By FY 2011, the yearly appropriations had risen to $10.4 billion (MCC Annual Report 2011).

Another element of this strategy to support good governance is the idea of "institution building." The growth of many developing countries is constrained, the theory suggests, by the capacity limitations of their government agencies. To combat this problem, projects to strengthen institutions are directed at developing countries’ government agencies to improve their technical abilities and increase their operational efficiencies in areas such as the legislatures, courts, government bureaucracy, law enforcement, and regulatory agencies.

For example, USAID has helped legislators in El Salvador, Bolivia, Nicaragua, Guatemala, and Mozambique modernize their lawmaking processes through assistance in drafting budgets, defining legislative goals, and interacting with citizens.
Sustainable Development

Sustainable development means, in the words of the 1987 World Commission on Environment, "development that meets the needs of the present without compromising the ability of future generations to meet their own needs." In other words, sustainable development is a comprehensive approach to promoting development in ways that do not harm the environment or deplete natural resources so that they still will be available in the future.

This strategy is guided by the international agreement called Agenda 21, or the Rio Declaration on Environment and Development, which focuses on the goals of sustainable development. These goals include economic prosperity in combination with and alongside protection of the world's atmosphere, promotion of sustainable farm production, combating deforestation and desertification, protection of the oceans, maintenance of biodiversity, and protection of water resources (United Nations, n.d.).

As a strategy, sustainable development recognizes that past policies sometimes achieved development by means that could not be kept up over time. For example, in the 1990s, between 10,000 and 30,000 square kilometers a year of Brazilian rainforest was cleared, fueling rapid economic growth in farming and ranching operations (Butler 2012). In the short term, the practice created jobs and increased food production, but environmental damage caused by the clearing made much of the newly cleared land unusable in the longer term; the net result in many cases was a negative economic outcome.

On the other hand, a sustainable development project is, for example, a program funded by the Canadian International Development agency that worked for almost three years to help farmers in drought-prone regions of Zimbabwe and other Sub-Saharan African countries develop better farming techniques. Through this program, farmers learned how to use new technologies of irrigation and soil conservation, and obtained drought-resistant types of seeds of indigenous species of plants. The program also helped the local government officials work more closely and efficiently with the citizens to foster these policies, leading to improvement in what is known as "sustainable livelihoods" for the farmers (Canadian International Development Agency, 2006).
Gender Equality

Statistics show a strong link between the lack of women's rights and poverty. In societies without gender equality, women are denied access to education, legal representation, and political voice, making it much harder for them to contribute to social progress. For example, where women are prevented from holding jobs or pursuing careers, half of the population is unproductive, and this is a major inhibitor of a country's development and economic efficiency (Khan, n.d.).

Furthermore, lack of concern for women can lead to major social problems. For example, illiterate and poorly educated mothers have a hard time providing high quality child care because they lack knowledge about proper health care and nutrition. As a result, their children have higher mortality and malnutrition rates. This, too, leads to slow economic growth.

Many development programs therefore focus on gender specifically, with the goal of fostering general social cohesion and economic progress by attending to women's issues. For example, "microbanks" have been created to lend small amounts of money—sometimes only a few dollars—to women to help them start businesses based on their skills, such as sewing.

The Hunger Project runs a microfinance program meant to empower women in Africa through small loans. These loans can be used for a number of different practical needs, including building small businesses, paying for their children's schooling, construction projects, and so on, and thereby allowing women to engage in other income building activities (thp.org).

New Investment Strategies

In the late 20th century and early 21st century, there has been a growing movement called microfinancing. This movement became popular thanks to Bangladeshi banker and economist Muhammad Yunus, who was jointly awarded the Nobel Peace Prize in 2006 with Grameen Bank. Similarly to the Hunger Project example given above, microfinancing emphasizes microcredit, or the creation of small loans given typically to poor entrepreneurs in developing nations who are too impoverished to apply for more traditional bank loans. Supporters of the microfinance movement argue that microfinance is cyclical in nature; by giving loans to poor individuals, these people can create businesses and sustain their households by raising income and building assets (Consultant Group to Assist the Poor, 2012).

Critics of the movement emphasize the potential for usury – the difficulty in tracking how money lent is spent – and the
sustainability of operations. In addition, some microfinance institutions charge obscenely high interest rates which could stunt, rather than contribute to poor individuals’ economic growth. This leads critics to believe that microcredit is a short-term solution to a long-term problem. Nevertheless, this growing trend is making headlines and serves as a nontraditional way for individuals to participate in international investment (Dichter, 2006).

Conclusion: The Millennium Development Goals


All of the organizations and strategies described above have come together in the push to achieve the Millennium Development Goals (MDGs). In September 2000, the leaders of 189 countries met at United Nations headquarters in New York to participate in the UN Millennium Summit. At the conclusion of the meeting, members agreed to the UN Millennium Declaration, which laid out the MDGs as guides for the UN in the years to come, as shown in the box below. They are intended to be part of a "compact" between poor nations and rich nations, ensuring that rich will devote resources to helping poor countries develop if the poor make their own efforts to reform their countries to make the assistance work effectively and efficiently.

### Millennium Development Goals

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

Source: United Nations

Along with the goals, the international community set 18 specific targets to meet to fulfill the goal and related indicators by which to measure achievement toward meeting the targets and goals. For example, one target is to halve the number of people in the world living in hunger, as measured by, among other factors, the proportion of children under five years of age who are underweight.

Another target is to integrate sustainable development principles into developing countries' policies, as measured by, among other factors, the amount of forestland and the amount of land preserved for biological diversity purposes. A third target is making information technologies available to wider sector of the world's population, as measured by the percentage of people with access to personal computers, the Internet, and telephones.
The targets, as measured by a set of indicators, will be a crucial yardstick by which world leaders will be able to judge to what extent their development efforts are working. They also will help organizations like the World Bank and UNDP produce a more concrete vision of what they want to accomplish over the years to come, and hopefully enhance their ability to convince governments to give them the funds needed to accomplish the goals.

Can the world actually achieve the Millennium Development Goals by the year 2015? According to the UN, $110 billion in additional development assistance per year will be needed in 2015, about 2.7 what had been given in 2002 (United Nations Millennium Project, n.d.). According to the UN Development Program, the only region that has made reasonably positive progress toward the goals has been Eastern and Southeastern Asia, which has 1.5 times less of extreme poverty (UNDP, 2010) and dramatically reduced hunger rates since 1990. Other regions, though, such as Latin America, have shown little progress, and some even regressed. Poverty has worsened steadily in sub Saharan Africa and in Western Asia, for example (UNDP, 2009).

In 2009, two years past the halfway point to the 2015 goal, progress in the eradication of poverty and hunger had “slowed or reversed” as a result of the global economic and food crises. The 2009 progress report concludes that most goals will not be met by 2015 (UNDP 2009). As of 2013, just two years away from the 2015 expiration date, certain goals have been accomplished and others are close to fruition.

For example, the percentage of people living on less than $1.25/day has been halved globally, more than 2 billion people have gained access to clean water, the number of people affected by malaria and tuberculosis has been minimized and the hunger reduction target is attainable within the prescribed deadline. However, other objectives are still far from completion. These include environmental sustainability, lowering child and maternal mortality rates, increasing access to education, HIV prevention and treatment and others (The Millennium Development Goals Report 2013). It remains to be seen whether these areas in need of further progress will receive adequate attention in coming years, and if new, loftier objectives will be set in spheres of development where previous goals have already been met.

Stories of Jeremiah Ugwu, Ifeanyi Okpaga, Cynthia Ukwegwu, and Simon “Monday” Aliome

Jeremiah Ugwu, Ifeanyi Okpaga, Cynthia Ukwegwu, and Simon “Monday” Aliome are all students at the Hope High International School in the Eyboni State of Nigeria. The wife of State Governor Dr. Sam Egwu, Unis Ukamaka Egwu, built the high school and scouted the state to find the best and brightest pupils to attend the school. The high school has a program, fully paid by the state, to send the incoming students to the United States to study at a special summer program at St. Timothy’s School in Baltimore, Maryland. There, Globalization101.org had the opportunity to interview four incredible students. All four students expressed their gratitude to Dr. Sam Egwu and his wife for the opportunity to attend this school during the summer, and to study international politics and the US democracy.

Jeremiah Ugwu
Jeremiah was born in the village of Obodo Aba Obeage in Eyboni state. He is the youngest of five children, with an older brother and three older sisters. His parent work on agriculture policy for the local government. After visiting the United States, he decided he wants to become a Nigerian diplomat and work for the Nigerian Embassy in the United States. When asked how globalization affects his life, he said globalization has helped bring better transportation to his village and has allowed him to fly to the United States.

Ifeanyi Okpaga

Ifeanyi is fifteen. He was born in the town of Ezzangbo, part of the village of Umuagara. He is the youngest of six children, with three older brothers and two older sisters. His parents are subsistence farmers, who grow yams, maize, cassava and pumpkin. He believes education is important and understands that not everyone has the opportunity to go to school. He said many children are forced to farm rather than go to school. When he grows up, he wants to be an engineer, so he can construct roads. He said "most of my family lives in primitive areas where there are no bridges, no water and occasionally there is electricity." When asked how globalization affects his life, he spoke about the importance of communication. Today he can make telephone calls, whereas five years ago he could not. He pays a local business 60 naira (about 50 cents) for a two-minute phone call on a cell phone.

Cynthia Ukwegwu

Cynthia was born in the village of Amudo. She is one of six children in her family. Her family traveled a lot when she was younger and so she has lived in a number of Nigerian states. Her sister is also in school and her older brother is in the first year of university. She wants to be an accountant and to help the government with their banking system. She dreams of working for the World Bank. When asked how globalization affects her life, she said it has given her the freedom to travel and to immigrate. She hopes to move to the United States. She hopes that after seeing the world, she can go back to Nigeria and use the ideas she has learned to help improve her country’s economy. Her trip to the United States has influenced her to want to take a leadership role in her community by
Simon “Monday” Aliome

Simon was born in the village of Kpakpajiezzama. He is one of seven children in his family. His parents are subsistence farmers, who grow cassava, star fruits, cocoa and yams. He attended primary school in his own village before attending Hope High. He wants to be a mechanical engineer because he wants to build houses and bridges. When asked about how globalization has affected his life he spoke about the spread of television and access to cars and telephones. He has to walk 30 minutes to school every day. Sometimes he catches a ride with a friend on a motorcycle or a bus. One of his favorite games he learned in the United States was “Simon Says”. He plans to teach it to everyone when he returns home. He hopes it will spread around Nigeria.
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**Conclusion: The Millennium Development Goals**


