Recent Reports

Undoubtedly, structural adjustment has been the predominant theme in development debate at the international level in recent years. This is reflected in the selection of Recent Reports reviewed below by **Mary Sutton**. *It begins with three more general reports before concentrating on structural adjustment specifically in the next three. There follows a group of three on child welfare and nutrition which illustrates inter alia, the impact of macro-conditions on basic needs. The final section moves from the international to the Irish scene with a review by* **Tony Fahey** *of four recent reports from the Advisory Council on Development Co-operation.*

World Development Report 1989,
World Bank, Oxford University Press, New York/Oxford/London,
July 1989 pp 251, $12.95

Overall, 1988 was an excellent year for the OECD countries according to the latest World Bank *World Development Report* (WDR). For example, GDP grew by 4.2%, and was accompanied by low inflation and relatively stable exchange and interest rates until the latter part of the year; and the volume of world trade increased by 9%, the biggest increase of the decade.

Within the developing world, economic performance varied tremendously from region to region. Most Asian economies fared very well with several recording GDP growth rates of 10%. Heavily indebted Latin American countries on the other hand continued to stagnate, while many African countries recorded zero growth rates or even declines. So the pattern of the 1980's has continued with the result that "In some countries in Latin America real per capita GNP is less than it was a decade ago...; in some African countries it is less than it was twenty years ago." (p.6)

The medium term prospects for developing countries look uncertain. Their growth prospects depend on their own policy actions as well as the action of the OECD countries. The WDR posits two scenarios. One, the adjustment-with-growth scenario assumes that the industrialised countries and in particular the United States tackle their macroeconomic imbalances, and that the low and middle income countries also pursue structural adjustment policies.

This is forecast to result in average per capita GDP growth of 2.7% per annum over the period 1988-95 in the low and middle income countries. The low scenario assumes that appropriate policy actions are taken neither in the high income countries nor in certain of the low and middle income countries. The result is GDP per capita growth of 1.8% per annum. Perhaps the most striking feature of the forecasts is that for Sub-Saharan Africa, even with the positive scenario per capita growth is only 0.1% per annum, while with the low scenario it is negative at –0.1% per annum.

While the Report emphasises that growth prospects in the developing countries in the coming decade will depend primarily on their own actions, the impact of the external environment was well illustrated by Stanley Fischer, the World Bank's Chief Economist, speaking at the publication of the WDR when he pointed out that the one-percentage point rise in the real interest rate that occurred at the end of 1988 in response to tightening of monetary policy in the United States and other OECD countries, increased the servicing burden on the heavily indebted countries by as much as the financial resources put into the Brady plan, which was launched in March 1989 as the latest attempt to resolve the debt problem.

In relation to structural adjustment the WDR reiterates that however much external shocks precipitated the crisis of the 1980s, developing countries have no choice but to adjust to changed circumstances. In the 1980s, fifty-nine countries have received long-term structural adjustment loans from the World Bank. The continuation or adoption of structural adjustment policies is seen as the essential ingredient for the resumption of growth.

The theme of the WDR this year is the role of financial systems in development. It argues that existing financial systems for the most part reflect the development strategies of the 1960s and 1970s characterised by a high degree of government intervention. Credit, for example, was directed to state enterprises or priority sectors, and interest rates were set below market levels. These financial systems were unable to respond to the economic instabilities of the 1980s. Consequently the number of insolvent financial institutions, the extent of their losses, and the number of countries affected have reached unprecedented levels. Many countries are now liberalising their financial systems, relying more on market forces than on interventionism.

The WDR sets out prerequisites for successful reform including creating conditions for macroeconomic stability and controlling fiscal deficits; restructuring ailing financial institutions as well as unprofitable firms and enterprises that have borrowed from them; improving accounting, legal, and regulatory systems; liberalising policies toward trade and industry; developing a greater variety of markets and institutions and fostering competition; phasing out preferential rates and reducing the number of directed credit programmes.

The Report reviews the role of finance in development, the history of financial institutions in industrial countries, and the evolution of financial sectors in the developing countries.

In addition to discussing the development of formal financial institutions such as banks, finance companies, and money and capital markets, the Report examines the role and importance of informal services such as pawnbrokers and rotating savings and credit associations.

This twelfth issue of the WDR, like its predecessors, contains the latest World Development Indicators in thirty-two statistical tables of social and economic data on 120 countries. Some indicators for a further 55 countries with populations of less than one million and 10 "non-reporting non-member countries" such as the USSR, GDR, Angola and Namibia - are also included. In addition there are 49 text boxes, 19 text figures, 10 text tables and 12 statistical appendix tables. This wealth of attractively presented data alone makes the WDR an indispensible reference document.

Development Co-operation

Efforts and Policies of the Members of the Development Assistance Committee, 1988 Report, OECD, Paris, November 1988, pp 254, FF 170

The 18 member countries of the OECD's Development Assistance Committee (DAC) between them provide over 80% of total aid to developing countries. For almost 30 years these donors have been meeting in the DAC with a view to increasing the volume of resources made available to developing countries and improving aid effectiveness. Despite this ODA as a percentage of GNP is still only half the UN target level (of 0.7%) on average in the DAC countries. This average conceals great variations however, with at one extreme four Scandinavian countries (Denmark, Netherlands, Norway and Sweden) all exceeding the UN target, while at the other extreme the United States ratio is a mere 0.21% with Ireland only marginally better at 0.24%.

This year's Report highlights the significance of ODA in total flows of resources to developing countries. With net flows of private financing and export credits very depressed, ODA accounted for 54% of the total flow in 1986 and 1987, compared to 29% in 1980.

The Report notes the "striking degree of consensus on the core elements of structural adjustment and policy reform programmes" that has emerged in the 1980's in response to the debt crisis. It notes that currently about half of all aid to Sub-Saharan Africa is related to structural reform either through co-financing of structural adjustment programmes by bilateral donors and the World Bank, or other forms of close co-operation with the World Bank and IMF.

However, in his Chairman's Overview Joseph C. Wheeler notes that the DAC has been concerned about the social consequences of adjustment programmes. He points out that "structural adjustment by itself is really only a beginning rather than in any sense a full answer to the development challenges of Africa" (p.25). He also acknowledges that structural adjustment is needed not only in hard-pressed developing countries, but in the OECD countries as well" (p.17).

In terms of geographical priorities for aid, Wheeler justifies the concentration on the least developed countries, mostly in Sub-Saharan Africa in the 1980's, in the light of drought, the collapse of commodity markets, the build-up of debt and the long-term failure of agriculture to keep pace with population growth. But looking to the 1990's he notes that most of the poorest people do not live in the 42 countries on the United Nations list of "Least Developed". For example, India, Pakistan and China contain a large proportion of the poorest people. Countries such as Indonesia, the Philippines, Nigeria and several Latin American countries are classified as lower middle-income but contain significant numbers of poor people. He predicts that "the donor community will look at the poor-country versus poor-people issue more closely in the years ahead" (p.18).

In a chapter entitled "Investing in People" Wheeler surveys discussions in the DAC about how aid strategies in the 1990's can foster growth, equity and sustainability. Reviewing progress achieved in "the human condition", and ways of programming further improvements, the concerns are those that routinely pre-occupy NGO's, e.g. "giving priority to those activities which really make a difference to most of the people in the society - especially to those so far left out....A more bottom up and participatory approach may be called for" (p.40).

As in each year since its inauguration, the DAC Report provides a wealth of authoritative data on flows of ODA and other finance to developing countries from non-DAC OECD countries, CMEA countries, Arab countries and other developing country donors, as well as from the members of the DAC. Twenty-three text tables and charts provide information on financial flows and debt service, while the Statistical Annex provides more detailed tables.

One World or Several?
Louis Emmerij (ed.) OECD, Paris, 1989, pp. 320, FF160

This book presents the deliberations of a symposium to mark the 25th anniversary of the OECD Development Centre, held in Paris in February 1989. The 75 participants were development practitioners, present and former government officials from developing countries and donor agencies, academics, researchers, private sector executives, writers, NGOs and members of international organisations including the IMF, World Bank, UNCTAD, UNDP, UNICEF, and UNESCO. There are 14 papers around the theme of "Interdependence, Multipolarity and the Dual-Track World Economy" with "Comments" by 16 participants.

In his Introductory Statement to the Conference Louis Emmerij suggested four principal themes for the symposium. Noting the emerging forms of global markets and emergence of new regional centres of economic power in East Asian and ASEAN countries, South America, COMECON and prospectively, India and China, how might co-operative rather than adversarial relations between these economic poles be fostered? He described the global economy in prospect for the 1990s as analogous to a fast train: "The OECD countries already have seats. New passengers, the first and second generation NICs, have got on board or are about to... but...a large number of poor countries, mainly but not exclusively in Africa ...have been left behind on the platform and seem to have little prospect of getting on board in the foreseeable future" (p.26). What were the options for these poorest countries in the 1990's? How could involuntary delinking be avoided?

Thirdly, while the slow track probably applies to one quarter of the world's nations, it applies to half the world's people, given that there are large non-participating groups of poor people in the second generation NICs. How could these internal dichotomies be overcome? The fourth theme related to the role of external agents in responding to the plight of the poorest countries.

These themes were explored in conference sessions focussing on the global trends, the NICs, the poorest countries, and international policies. A paper by Colin Bradford argued that to a significant degree the world economy has shifted from North-South interactions to a multipolar structure. Mabub Ul Haq discussed the globalisation of markets, the diffusion of global economic power, the implication of the entry of the socialist bloc for the IMF/World Bank and GATT, the narrowing of the gap between rich and poor countries over the last 25 years, the marginalisation of some developing countries, and the decline of the Bretton Woods institutions.

Papers on the NICs analysed the excellent economic performance of the Asian NICs in the 1980s and predicted that once the debt crisis had passed the Latin American NICs too would join the fast train. Papers on Sub-Saharan Africa discussed the deterioration in the 1980s, the debt burden and poverty as a major source of environmental degradation. It was argued that the response of the world community to Sub-Saharan Africa and other very poor countries will have to rest on a rationale other than self-interest. Richard Jolly's paper looked at "Human Goals in Retrospect and Prospect" while Thorvald Stoltenberg set out a blueprint for a "world development strategy"; including a plan to avoid involuntary delinking of Africa from the main thrust of world economic development. This included a proposal that structural adjustment programmes be replaced by more comprehensive "development contracts" for medium and long term development policies. These would be contracts between equals covering debt, financial flows, trade, foreign investments, development aid and containing commitments by both sides to specific policies.

Although the symposium was by and large taken up with economics the presence of writers such as Chinua Achebe introduced a holistic and spirited response from Africa, including from Joseph Ki Zerbo a rejection of the train analogy: "The problem is not whether to board the train or not . . . The problem is that some act as the locomotive while others are only wagons" (p.259).

Structural adjustment

Africa's Adjustment and Growth in the 1980's, The World Bank and the UNDP, Washington 1989, pp 38, $4.95

This Report - undoubtedly the most controversial of the last year - challenges the widely held and very pessimistic view of Africa's current economic situation and future prospects. As such it is at variance with a host of reports including others from the World Bank itself.

While acknowledging the bad news—weak agricultural growth; precipitous declines in export earnings, terms of trade and capacity to import in the 1980's with a resulting decline in per capita income; an enormous debt build-up at a time of severely curtailed capital inflows

—the Report's contention is that closer examination of the indicators reveals "a more complex, less dismal picture" (p.1). In particular, "when recent trends are put in the longer perspective of the last 15-20 years - or when Sub-Saharan Africa is disaggregated into important country groups, including those that have, or have not, pursued significant policy reforms - the crisis seems less precipitous, and the road to recovery more obvious and more manageable"(p. 1).

The "good news" that this closer examination reveals is that agricultural production has clearly improved, and now exceeds population growth for the first extended period since 1970; export volumes are rising at more than 3 per cent a year and Africa's international market share is increasing; GDP growth is up - over 2 per cent for the region in 1985-87; and while this is still below population growth it is much better than the negative 1.1. per cent of 1980-84.

Further, the Report claims to show that countries that have adopted substantial macroeconomic reform programmes involving more competitive exchange rates, rationalised government expenditures and enterprises, better prices and incentives for farmers, are performing better than countries that have failed to embrace strongly such programmes.

It classifies countries into those with "strong reform programmes" and those with "weak or no programmes" on the basis of adjustment programmes with the World Bank and the IMF. "The reforming countries are those that have had one or more adjustment programmes in place since 1986. The countries with weak or no reform programmes are those that have never had programmes (but are considered to need them because of existing domestic distortions) or have not been able to sustain them. The remaining countries are not classified because they have perennially had fairly good policies, because their reform programmes are too recent to be assessed, or because data deficiencies would preclude assessment (pp. 35-36). On this basis 19 countries in Sub-Saharan Africa are identified as strongly reforming and 12 as non- or weakly reforming. Countries considered to have had severe shocks—principally weather related in the mid-1980's are also identified.

The Report's analysis shows that agricultural growth has doubled in reforming countries in the period 1985-87 compared to no change in the other grouping; export growth has improved twice as much in reforming countries as in non-reformers; improvement in GDP growth has been three times more in reforming countries.

While acknowledging that many factors — including better weather — contributed to the positive trends in the reforming group, and that a three year horizon is too short to allow robust conclusions, nonetheless, "the evidence points to better overall economic performance in countries that pursue strong reform programmes than in those who do not...." (p.iii). The Report notes the significant redirection of aid to reforming countries and identifies substantial foreign financial aid and strong domestic policy reforms as the key factors in making adjustment with growth work.

Apart from these findings on the relative performance of reformers and non-reformers, another controversial aspect of the Report is its claim that "external factors may have been less hostile than supposed and less culpable in explaining the crisis" (p.iii). It contends that "Africa's crisis cannot be satisfactorily explained as the result of an adverse international economic climate, low commodity prices, or dwindling foreign assistance" (p.2). In fact, according to the Report, Sub-Saharan Africa has not faced more adverse global conditions than other developing regions; its overall terms of trade are higher than in the early 1970's; the fall in non oil commodity prices has been only half as much since 1975 for Sub-Saharan exporters as for all exporters of primary commodities; Sub-Saharan Africa has had more favourable access to industrial countries' markets than most other developing regions; it receives more official foreign assistance and debt relief relative to its GDP and population than any other region. All-in-all, "a longer historical perspective shows that the sharp drop since 1980 in Sub-Saharan Africa's export earnings, financial flows, terms of trade and capacity to import is more a return to the long-term trend (after a period of unprecedented highs) than a persistent decline" (p.1).

Whatever the veracity of each individual claim the whole was perceived - particularly in Africa - as a misleading, highly insensitive and unsympathetic response to Africa's development problems. Not surprisingly it invoked a barrage of criticism and led the Economic Commission for Africa to publish a rebuttal (see below).

Statistics and Policies, Preliminary observations on the World Bank Report: "Africa's Adjustment and Growth in the 1980's" Economic Commission for Africa, Addis Ababa, April 1989, 25 pages, ref no.89-10075

The UN's Economic Commission for Africa (ECA) questions the World Bank/UNDP analysis on a number of counts. First, it points out how much at variance it is with the report of the UN Secretary General to the General Assembly on the mid-term review of the implementation of the UN Programme of Action for African Economic Recovery and Development. It also notes the disparity with two other Bank reports on adjustment, one of which was published in 1988 and the other of which is still in draft.

The Bank has therefore departed from the common view. This brings the ECA to its second major criticism. "The Report suffers from a lack of documentation regarding basic data, concepts and criteria which would allow the reader to replicate its analyses. It further does not show the degree of consistency commonly deemed necessary in serious economic research: some of its major conclusions regarding the causes of the crisis and the impacts of structural adjustment programmes can only be reached if groups of countries, reference periods and statistical methods are shifted or selectively applied depending on the topic to be covered" (summary, p. 1).

It challenges the validity of focusing on the period 1985-87 and comparing it with 1980-84, given that "as early as 1980, IMF and World Bank programmes were well in place in a large number of African countries and certainly in the so-called "countries with strong reform programmes" (p.5). In all 33 Sub-Saharan African countries have adopted stabilisation and structural adjustment programmes supported by the IMF and World Bank since 1980. The ECA argues that the appropriate comparison would be performance in 1980-87 as against pre - 1980 in order to arrive at sound conclusions. The definition of a "strong shock" it describes as "hazy at best" being defined as "abnormally large extremes in the range of annual agricultural growth rates ...., as a proxy for large variations in rainfall, and/or exceptionally large changes in the index of export prices . . ." (WB/ UNDP Report, p.33).

It argues that some of the WB/UNDP Report's conclusions can only be reached by highly selective use of data. For example, base years or base and reference periods are not uniform throughout the study; country-groupings are not held uniform throughout the tables and graphs; oil is, in some instances, excluded from the list of commodities despite its accounting for over 60% of Africa's total export earnings. It cites the Report's optimistic view of developments in Africa's terms of trade as an instance of how the choice of base period influences the outcome. If 1980 is the base year the index for 1986 is 69; if 1970 is the base year the index for 1986 is 86. The WB/UNDP Report uses 1970-1973 as the base period leading to its conclusion that Africa's terms of trade, despite recent declines, are still 15% higher than in the early 1970s. The ECA accuses the World Bank of having chosen a base period containing "three 'freak years' - in order to depress the base..." (p.6).

With regard to the impact of reforms it takes issue with the claim that GDP growth rates are higher for countries with strong structural adjustment programmes, particularly if they were not exposed to strong shocks. The ECA report reanalysed some of the data using weighted averages as opposed to the unweighted averages used in WB/UNDP Report Table 20. This analysis shows that during 1980-1987 the performance of the "strongly adjusting" countries in terms of GDP growth was -0.53% contrasted with 2.0% for countries with weak programmes and 3.5% for non-adjusting countries. However, the year by year analysis in the period covered by the WB/UNDP Report is not so clear-cut. For example, in 1986-87 it shows negative growth of -1.97% in the strong adjusting countries while the non-adjusting countries record -2.51%. The "weak adjusting" fare best at 1.88%.

In relation to aid flows and debt relief it remarks that the fact that strongly adjusting countries have benefitted more "simply demonstrates that conditionality and cross conditionality have intensified and become a real problem." (p.11)

Finally, the ECA Report points out that "neither social nor long-term aspects of Africa's condition — amounting to a total neglect of a developmental perspective— have been touched upon in the World Bank Report" (Summary, p. 2). It regards the non-consideration of the social costs of structural adjustment programmes as a grave omission.

Overall, the Report's optimism about the severity of the crisis and the path to recovery is seen as misplaced and dangerous. The ECA has now produced its own alternative framework in which it seeks to merge the demands of structural adjustment and long term development (see below).

African Alternative Framework to Structural Adjustment Programmes for Socio-Economic Recovery and Transformation, United Nations Economic Commission for Africa, E/ECA/CM 15/6/Rev. 3, 60 pages

It is the thesis of this Report that "the major problems of mass poverty, food shortage, low productivity, weak productive base and backward technology that plague Africa are basic bottlenecks that arise from the structures of production, consumption, technology, employment and socio-economic organization . . . It is this structural focus on the African economy and attention to measures that could change the underlying structures that have been the major missing elements in past and current policies for adjustment" (p. 1) .

The Report's first chapter describes the structure of Africa's political economy. It suggests eight causes of Africa's underdevelopment and retrogression viz. the predominance of subsistence and commercial activities; the narrow, disarticulate production base with ill-adapted technology; the neglected informal sector; the degraded environment; lopsided development due to the urban bias of public policies generally and development policies in particular; the fragmentation of the African economy; the openness and excessive dependence of the economies including dependence on external factor inputs; and weak institutional capabilities.

Chapter 2 sets out Africa's development objectives. These are human centred development i.e. alleviating poverty and raising the welfare of the people; establishing a self-sustaining process of economic growth and development; integrating the African economies and promoting national and regional collective self-reliance. It is acknowledged that "to achieve these objectives will call for wide-ranging changes in the democratisation of society within the social and economic framework as well as in development strategies and policies."

Against this background the Report evaluates stabilisation and structural adjustment programmes (SAPs) in Africa. It analyses the policy content of such programmes and the principles underlying them and finds them to be incomplete, too mechanistic and too short term. Turning to empirical evidence of the impact of SAPs on Africa's economic performance, it repeats the negative assessment of GDP growth contained in its reply to the WB/UNDP Report (see above). It acknowledges the ongoing rethinking about adjustment programmes in the Bretton Woods institutions and most notably in UNICEF but argues that the resulting proposals to date have been reformist and have not addressed the relevance of the programmes in African conditions.

Consequently, in the remaining three chapters it sets out an alternative framework, the African Alternative to Structural Adjustment Programmes or AAF-SAP. This goes beyond short term adjustment to embrace a range of policy reforms aimed at transforming the structures of African economies. The approach is called "adjustment with transformation."

In order to strengthen and diversify Africa's production capacity a number of major policy directions are suggested. These include land reform; allocating at least 20-25% of total public investment to agriculture; increasing the share of foreign exchange used for imports of raw materials, parts and other vital inputs for agriculture and industry; correcting the current bias favouring export commodities over food production. In addition, consumption patterns should be realigned via taxation to accord more closely with local production patterns; credit policies should favour food production and the manufacture of essential goods. Governments are urged to adopt multiple exchange rates managed so as to ensure essential imports, discourage capital flight and encourage capital inflows especially from nationals living abroad.

It cautions against anything that would constrain productive capacity for the sole purpose of achieving financial balances. Further, budget deficits must not be reduced at the expense of expenditures on education, health and other social sectors. It recommends that 30% of total government outlays be devoted to the social sector.

The AAF-SAP sees the need for a pragmatic balance between the public and private sectors. The public sector has a role to play especially in the provision of physical, human and institutional infrastructure, environmental production and the provision of essential services. But the report calls for the removal of subventions to parastatals other than those in the social sector and nationally strategic industries, so as to release funds for productive investment and to attain better fiscal balances. It urges steps to encourage entrepreneurship and the effective contribution of the private sector and grassroots initiatives.

Implementation of the proposals would require mobilisation of new domestic resources and more effective use of existing ones. The AAF-SAP calls for switching of expenditure from non-productive to productive uses, including reducing military expenditure. It also calls for debt service to be limited to levels consistent with growth and development. The ECA warns that the prospects for implementing the African Alternative will be compromised if African countries fail to mobilise increased domestic resources and if aid donors continue to link their assistance to the strict conditionality of orthodox structural adjustment programmes.

Child welfare, mortality and nutrition

The State of the World's Children,
UNICEF, Oxford University Press,
1989, 116 pages, Stg£3.35

This year's annual publication from UNICEF looks back at what has been achieved over the ten years since the International Year of the Child in 1979 and at prospects for the next ten years. Debt and adjustment to economic recession are highlighted as major influences on the lives of children during the 1980s, and likely to remain so in the 1990s. The opportunity is taken once again to advocate "adjustment with a human face", by protecting the most vulnerable. The Report presents a range of evidence showing that large areas of the world have been "sliding backwards into poverty" in the 1980s and that it is children who are bearing the heaviest burden of debt and recession. At its starkest, it is estimated that at least half a million children died in the previous year as a result of the slowing down or reversal of progress in the developing world. These "extra" deaths have occurred in Africa and Latin America. By contrast most Asian countries continued to see a slow improvement in average living standards.

The Report emphasises the progress that has been made, even against this background, especially in terms of immunisation and combatting dehydration. The proportion of children protected by immunisation has risen from under 10% in 1981 to over 50% in 1987, remarkable progress towards the (still optimistic) target of universal immunisation by the end of 1990. The wider use of oral rehydration therapy (ORT) which enables parents themselves to prevent and treat dehydration has also been encouraging.

However, in detailing the impact of recession and adjustment on developing countries, the Report spells out the manner in which the poor and vulnerable have born the heaviest burden. Generally, the services that are most heavily pruned when expenditure is cut back are health care, education and food and fuel subsidies. Evidence of increasing malnutrition, falling school enrolment rates and rising drop-out rates is now becoming available for a number of countries.

UNICEF argues, in the Report as in previous publications, that while the need for adjustment is not in question, the policies which lead to rising malnutrition, declining health services and falling school attendances are "inhuman, unnecessary and ultimately inefficient (p.18)." Instead, policies which seek to protect the poorest families and their children, by for example maintaining well-targeted food subsidies and expanding primary health services and primary schooling, represent both a short-term human imperative and long-term economic investment.

Current adjustment strategies have not only placed a disproportionate burden on the poorest, they have failed to allow indebted economies to escape from debt through a return to healthy economic growth. "Adjustment with a human face" does not mean introducing more welfare programmes into stagnant economies: rather, it means a different approach to the whole adjustment process. The orderly reduction of the debt burden is an essential pre-condition, requiring a degree of debt relief by commercial banks and increasing official aid. Together with measures to stabilise commodity prices and resist protectionism, this could make possible a "return to growth". Without such action, adjustment policies will amount to little more than "a rearranging of the furniture inside the debtors' prison" (p. 23). The present crisis calls not just for a different kind of policy response, but also a redefinition of development itself. What UNICEF terms "real" development puts the poorest first and has as its first priority the meeting of essential needs, for adequate nutrition, clean water, safe sanitation, primary health care, adequate housing, and basic education.

To accompany such a recommendation, the Report also identifies the need for changes in the way in which development is measured. A supplementary chapter therefore examines the limitations of standard measures such as per capita GNP. It proposes that particular attention be given to three statistics: the adult literacy rate, average life expectancy, and the under-five mortality rates (see below). Given UNICEF's particular mandate, for its own purposes the under - 5 mortality rate is chosen as the single most important indicator of the state of a nation's children. It is of interest that Ireland ranks as 14th - best country in terms of this indicator, significantly above its ranking by per capita GNP.

In addition to its six chapters, text tables, figures and panels and the supplementary chapter on "Measuring Real Development", the Report has a statistical section containing eight tables of economic and social statistics with particular reference to children's well being.

Mortality of Children under age 5 — World Estimates and Projections 1950-2025, United Nations , New York, 1988, 50 pages, price $9.50

Infant mortality - mortality during the first year of life - has long been seen as an important indicator not only of the general standard of attained health but also of the overall social and economic well-being of a country. In 1983, the UN in co-operation with UNICEF, produced estimates and projections of infant mortality rates for all countries of the world during the period 1950-2025. However, for a variety of reasons, infant mortality does not convey the full picture with respect to child mortality for developing countries particularly and the UN has now widened the focus of these estimates and projections to include all deaths of children under 5. These can be estimated more reliably for most developing countries, and - in contrast to developed countries - a substantial proportion of deaths in these countries occur between the ages of 1 and 4.

About 15 million children under age 5 are estimated to have died each year between 1980 and 1985. About 98 per cent of these were in developing countries. The available data - although poor for many countries show that for the world as a whole the probability of dying before age 5 fell more than half - from 240 to 118 per thousand - between 1950-55 and 1980-85. However, the decline was more rapid in developed countries, so the difference between them and the developing countries widened. By 1980-85, the probability of dying before age 5 was more than seven times as high in the developing countries, taken as a group. Some developing countries had made remarkable progress notably East Asian countries and particularly China.

Looking to the future, the projections show a continuing decline in infant and child mortality rates, except in a number of developed countries where these have already reached very low levels. For the developing countries, this suggests that by 2010-2015 the mortality rate for under 5s will be down to 64 per thousand, which would be half its current level.

Significant changes in the distribution of child mortality are projected with Africa becoming even more prominent: by 2020-2025 nearly half of all deaths under age 5 are expected to occur there.

The Report includes six chapters of text, four text tables, nine figures and five maps. Four annex tables covering twenty pages provide details of mortality under 5, infant mortality and child mortality by region and country or area for the period 1950-2025.

Update of the Nutrition Situation: Recent Trends in Nutrition in 33 Countries, United Nations, ACC/SCN, Geneva, Jan-Feb 1989, 193 pages

The Administrative Committee on Co-ordination — Sub-Committee on Nutrition (ACC/SCN) is a co-ordinating body for the activities of the various UN agencies in the area of nutrition. In 1987 it published a "First Report on the World Nutrition Situation", which provided for the first time an overview of trends in nutrition in developing countries over the last twenty-five years. This concluded that the long-term trends in these countries generally showed a slow improvement in nutrition up to around 1980. In the 1980's, though, this improvement ceased, on average, with economic recession and structural adjustment, made worse by drought in Africa, identified as important contributory factors.

These findings were largely based on analysis of trends at a regional level. They were reinforced by the influential UNICEF Report on "Adjustment with a Human Face" which presented ten detailed country studies linking increasing malnutrition with recession and adjustment policies. This Update not only provides more recent data than the First Report, it also contains much more detail for 33 developing countries. The data available varies from country to country, making comparisons difficult and the country coverage is far from comprehensive - the many omissions including India, Brazil, Argentina and Mexico.

The Update highlights for the 1980s first of all the contrast between growth in food production in Asia and the sharp decline in Sub-Saharan Africa, with Central and South America being relatively stable. Recovery in nutrition levels in some African countries since 1983/4 is noted, but this probably reflects more a return to pre-crisis levels, with a static underlying trend. Elsewhere contrasting trends in nutrition levels are seen with deteriorations in countries such as Guatemala, Nicaragua and the Philippines but significant improvements in China, Colombia, Indonesia and Thailand.

The Report, in its commentary on the experience of the different countries, emphasises the impact of economic "shocks" in the 1980's including the rapid rise in oil prices, high interest rates, and unfavourable shifts in the terms of trade, and related debt crisis.

Irish Development Cooperation

Four Reports from the
Advisory Council on Development
Co-operation

Irish Bi-lateral Aid - The Evaluation Process, September 1988, 67 pages
Achieving Poverty Orientation, December 1988, 74 pages
Selection, Orientation and Training of Personnel to Work Overseas, December 1988, 69 pages
The Development Cooperation Policies of the European Community and the Contribution of Ireland to those Policies, September 1988, 157 pages

The Advisory Council on Development Co-operation, the 21 member group appointed by the Minister for Foreign Affairs to advise government on development co-operation policy was initially set up when Irish development activity in the Third World was expanding and when it seemed that the aid programme would become large and complex enough to require the kind of sustained inspection and reflection which the Council could provide. Today, with the aid programme being ravaged by budgetary cut-backs, it seems an exercise in optimism that the Council should continue to labour at its job and come up with the kind of reflection and counsel contained in the four documents to hand.

Of the four, the first *(Irish Bi-lateral Aid - the Evaluation Process)* has the strongest immediate implications for the way Irish official aid projects are run, small though they may be. It concerns itself not just with evaluation but with all the stages in the cycle of aid projects (identifying, planning, appraising, selecting, implementing) which precede the final evaluation stage. Thus despite its brevity, it branches out into comment on many aspects of the Department of Foreign Affairs' style of aid management. Its recommendations are based upon a study of these issues by Dr Basil Cracknell, former head of evaluation in the British Overseas Development Administration. This study is useful if only for highlighting the internal obstacles which hinder the Department of Foreign Affairs from making the most effective use of what aid is available. Despite the high personal qualities of the staff in the programme, their effectiveness is compromised by their rapid movement into and out of the aid section, and this in turn seems in part to reflect the lowly status of the aid section within the Department of Foreign Affairs as a whole. Rapid turnover of administrative staff means that the section has failed to build up and retain a corps of experienced people. This failure is exacerbated by the scarcity of specialist technical staff who might be called upon when they are needed and by the infrequency with which the Desk Officers for the different priority countries get to visit the field. The situation is not helped either by the way in which the committee which selects projects for funding contains representatives from government departments who either have no real interest and attend only sporadically (Agriculture, Industry and Commerce) or who vet projects with Irish fiscal requirements rather than recipient country needs uppermost in mind (Finance).

These and many other management problems which the study points to are not directly caused by the low level of funding for the bilateral aid programme - and they are counterbalanced to some extent by positive aspects of the programme such as the effective role played by the Development Cooperation Officers who run the consulates-cum-aid offices in some of the priority countries. However, the problems are there and many of them could be remedied without great expenditure of resources. The basic difficulty which seems to stand in the way of solution to those problems is not scarce resources but rather an underlying attitude which gives rise both to scarce resources and inadequacies in the structures within which those resources are managed - namely, that the aid programme simply does not seem important enough to warrant careful, creative administration.

The second of the Reports deals with an issue which would have to be central to any larger evaluation of the impact of Irish aid activities in recipient countries. While the objectives of Irish aid policy have never fully been spelled out, "poverty orientation" - that is the attempt to serve the basic needs of the very poor - has figured prominently in those statements of policy that are available. However, poverty orientation is notoriously difficult to realise and the objective of *Achieving Poverty Orientation* is to present the latest thinking on the subject. Four commissioned essays form the bulk of the report, one each from a Norwegian, Danish and Finnish aid expert (the latter dealing with women as a particular target of poverty orientation) and one (by far the most forceful) from Concern's Fr Aengus Finnucane. Fr Finnucane is scathing in his comments on the failure of donor countries to channel aid to the poorest countries and even more scathing in his condemnation of governments in poor countries for their failure to pass on what does arrive to their poorest citizens. "The getting of aid to the poorest", he says, "demands in the first place strategies to get it past national governments. His recommendations to aid donors are to concentrate on the urban poor rather than the rural poor, simply since the former are more accessible, and to make more use of voluntary organisations, both local and international, as channels for aid. While these recommendations may not solve the problems, the diagnosis lying behind them leaves no doubt about the cruel, harsh realities those problems reflect.

The third report, *Selection, Orientation and Training of Personnel to Work Overseas*, is based on a rather slight and incomplete study of Irish professional and voluntary personnel who work in the aid field overseas. The Council acknowledges the incomplete nature of the study, which it puts down to scarce resources, but nevertheless manages to extract some points from it which may provide some guidance to sending agencies, at least until a more thorough investigation is carried out.

The final, and largest, of the reports is more-or-less a beginner's guide to the European Community as far as Ireland and the EC's development cooperation policy is concerned. The guide was compiled by Dr Kieran McKeown on the basis of documentary research and interviews with 20 key insiders in those EC institutions concerned with development cooperation, especially DG 8 - the Directorate General for Development Cooperation. It is admirably lucid and accessible and covers a remarkable range of ground for what was a very short-term descriptive study. It is informative for the outsider and it certainly would be useful for the novice lobbyist in the development field setting out to deal with the EC for the first time. What use it would be to more experienced hands is not clear. Given the introductory nature of the report and given the depth of experience within the Department of Foreign Affairs on the EC, the recommendations the Advisory Council makes to the Department on the basis of the report could well be seen as telling one's grandmother how to suck eggs.

Taking these four reports together and looking at them alongside the numerous reports previously published by the Advisory Council, one question jumps to mind: is all this advice listened to by government, even when it is relevant and soundly based? Governments are often notoriously ready to set up expert advisory bodies and then ignore the advice they produce. It might be useful if the Advisory Council on Development Cooperation soon took a look at its own record to see if it too has suffered this fate. Would an examination of the Council's impact on Irish development policy be in order as a subject for one of its next reports?