Recent Reports

The World Bank's World Development Report 1991 *set out what it termed a two-pronged approach to development strategy – liberalisation of markets and more efficient government attention to social expenditures. But this simple formula can be interpreted (or challenged) in many ways, as is the case in the UNICEF and UNDP Reports reviewed below by **Andy Storey**. The relationship between development, democracy and markets – as outlined in the OECD DAC report also reviewed by Andy Storey – is, similarly, an issue open to widely differing interpretations. The World Bank itself moved on to the topical question of development and the environment in its 1992* World Development Report – *the following section opens with a review of that report by **Richard Douthwaite**.*

WORLD DEVELOPMENT REPORT 1992

The World Bank, Oxford University Press, Washington, D.C., 1992 (308 pages)

Somewhere deep inside the World Bank's 1992 World Development Report, *Development and the Environment,* is a path-breaking, radical book struggling to get out. Unfortunately, it never does because, the moment a vital and exciting part of the hidden volume seems about to emerge, thick layers of the world community's conventional wisdom are pushed into place to prevent it doing so.

The publisher's blurb describes the book which never was: 'Between 1990 and 2030, the world's population will grow by 3.7 billion, demand for food will almost double, and industrial output and energy use will probably triple worldwide. Under current practices, the result could be appalling environmental conditions in cities and countryside alike. This....Report presents...an alternative path – one that, if taken would allow the coming generation to witness improved environmental conditions accompanied by rapid economic development and the virtual eradication of widespread poverty.'

What's this? The World Bank saying that we must abandon our present economic path and spelling out an alternative? It seems too good to be true, and of course, it is, although the Report does discuss many elements which a genuine alternative strategy would have to contain. Moreover, if one reads between the lines and imagines what went on in the endless, droning meetings during which every sentence was argued over by the thiry-plus-strong group which wrote them, it is clear that the radicals like Herman Daly the World Bank employs are beginning to make their mark although, quite evidently, they failed to get the last word.

In a way, then, the Report can be taken as a dispatch from the front line where the economic ideas which will shape our futures are fighting it out. Indeed, viewed in this light, the Report is encouraging because both sides seem to accept concepts such as carbon taxes which were either largely unknown five years ago or would have been considered outside the realm of practical politics.

The Report's most bitterly fought-over ground was undoubtedly the Overview with which it begins. If we remember that Herman Daly is the anti-growth economist who wrote *The Economics of the Steady State* while another member of the Report team, Wilfred Beckerman, is the author of *In Defence of Economic Growth*, an examination of the Overview's first sentence: 'The achievement of sustained and equitable development is the greatest challenge facing the human race' with its three key words – sustained, equitable and development – becomes a fascinating exercise.

Let us look at the key words more closely. Since 'sustained' and 'sustainability' are vogue terms frequently used by people who have not thought out what they mean, we have to ask whether 'sustained development' means Beekerman's 'continuous economic growth' or Daly's 'once-off movement to a higher overall level of human well-being which can be maintained permanently'? In other words, does the Bank consider the achievement of continuous economic growth to be the greatest challenge facing the human race? Many people would say that it does and that it should, since they see growth as providing the resources for improving the environment and helping the poor. Or is mankind's greatest challenge the achievement of a permanently higher level of human well-being? In other words, to which does the Bank give priority, financial performance or people's welfare?

In fact, the Report team failed to choose between these alternatives and both approaches run uneasily beside each other throughout the book. For example the Report says in a later chapter that 'development is about improving the well-being of people' and 'sustainable development is development that lasts.' This seems to put people first, except that the Report adds that 'economic growth is an essential means for enabling development' and that 'as developing economies grow, they will begin to catch up with the level of energy consumption and industrial production of high income countries.' Indeed, the Report has a pretty full-colour graph showing how, according to an 'energy-efficient scenario', the world will consume 3.7 times the amount of energy it used in 1970 in 2030.

Is this projected level of energy use sustainable? 'All told, fossil fuel resourees are probably sufficient to meet world energy demands for the next century, perhaps longer', which does not seem very sustainable to me. But what about the greenhouse effect, whieh the Report tells us could cause the loss of some species and ecosystems, hit agriculture, spread disease to new areas and damage human settlements by causing storms, landslides, droughts and floods and raising the sea level? Since the Report also says that higher incomes produced by causing environmental damage cannot be considered development, shouldn't we take the advice of the Intergovernmental Panel on Climate Change (IPCC) and cut back our greenhouse gas emissions by sixty per cent rather than embarking on a course which involves emissions increasing?

The Report thinks not, even though the Daly camp managed to get it to say that climate change could have a particularly harsh effect on the world's poor. The dominant view, heavily influenced by William Nordhaus of Yale University, whose work is cited in the bibliography, was that the cost of maintaining emissions at even their current level would be especially heavy in developing countries and give less than a 5% financial return. Consequently, it would be better to invest in more profitable projects and use some of the proceeds to ameliorate the consequences of global warming when they occur and, since their impact will differ from country to country, those lands worst hit will need to be helped by others more fortunate. Given the richer countries' current meanness about overseas aid, can anyone be confident this will occur?

The key factor determining the world's future development path is the energy intensity of the technologies we allow to be used and, had the Report called for a halt in the growth of fossil fuel consumption, and examined the ways in which this could be brought about, it could truly have claimed to have presented an alternative strategy. Instead, it essentially says that since the monetary costs of any alternative path are so high no realistic alternative is available and we must continue as before. Admittedly, the radicals did manage to insert a call for 'modest immediate reductions' in greenhouse emissions but they had to pretend that this was primarily to achieve a higher level of economic efficiency to get it through. In short, the Daly camp suffered a pretty comprehensive defeat, particularly as they failed to achieve any admission that the costs of fossil energy are currently set too low because the environmental consequences are not included. So, even though the Report thinks that the use of renewable energy might enable the increase in greenhouse emissions to be limited to 25% rather than 250%, by 2050, there is no clear call for the imposition of carbon taxes to make a switch to renewable energies commercially feasible now.

In short, the Report comes out in favour of something which is in breach of its definition of development and is certainly unsustainable. What about the third key word, 'equitable', which appears in the Overview but scarcely ever again? To be fair, the body of the Report does mention the moral imperative to reduce poverty and stresses that this is essential for environmental sustainability. However, it sees this as being achieved as a result of the growth process, rather than via a more equitable distribution of the world's resources: 'economic growth is essential for sustained poverty reduction' it says in one place.

This is clearly untrue: poverty persists in countries with very high levels of national income and many studies have shown that, above a certain minimum, relative income levels are much more important determinants of people's welfare than the absolute figure. The Report itself notes that poverty in China was very low for its income level. Moreover, as I show in the *The Growth Illusion*, the British experience demonstrates that the welfare of ordinary people improves far more in times in which national income is redistributed in their favour than when it is growing rapidly and the earnings of all classes are going up.

One of the most serious problems with the growth process is that it unavoidably changes the distribution of income within an economy and, in the type of market economy the Bank admires, rapidly concentrates it in ever fewer hands. Only determinedly redistributive taxes can correct this tendency but most politicians have resisted imposing these, claiming that entrepreneurs need to be rewarded for their risk-taking and that as the rich save a higher proportion of their incomes than the poor they are able to provide more capital for further investment.

Consequently, our leaders say, if the distribution of income is allowed to move in favour of the better-off (on a temporary basis, you understand) growth will be accelerated, which in the long run will benefit us all. The fact that the previous, 1991, *World Development Report* said that inequality seemed to be associated with slower growth and that there was no evidence that the rich saved more, has not yet entered the general consciousness, including, one suspects, that of the World Bank itself.

Obviously, one would welcome growth if it did no environmental damage and tended to make the distribution of the world's incomes and resources more equitable rather than less so. However, this type of growth is a very rare animal. Most growth does actual harm and, as a result, the whole process has to be regarded with grave suspicion. The Report should therefore have concentrated on how the one billion people it describes as living in acute poverty with 'grossly inadequate access to the resources – education, health services, infrastructure, land and credit – required to give them a chance for a better life' can be enabled to get those resources without relying on growth and without making it impossible for the world consumption of fossil energy to be cut by the amount recommended by the IPCC. However, as this would have inevitably involved it in a politically unacceptable discussion of the problems of redistributing the world's wealth, maintaining the dishonest pretence that the problem of world poverty can be solved without redistribution if output simply goes up was very much the easier option.

Most of the resources the poor need involve only tiny inputs of the industrial goods which are the main result of the growth process: education needs mainly teachers and a few books, while clean water and improved sanitation, which, as the Report says, play a more important role in raising health standards than anything else, are labour- rather than manufactured goods-intensive. Giving the poor more land certainly has to involve redistribution – as Mark Twain said, they aren't making any more of it. And it is the industrialisation process itself which makes the heaviest demands for more infrastructure.

Instead of urging direct action to remove poverty, the Bank seems to think that growth, largely in the manufacturing sector where 'output will probably rise threefold in the next twenty years and fivefold in the next thirty' will do the trick. However, manufacturing growth, as the Daly camp point out, could have severe environmental consequences: 'In relation to energy use, the most serious problems faced by developing countries are the local effects of... dust and smoke, the use of leaded fuels, and indoor air pollution arising from the use of biomass fuels. In a growing number of places, sulphur dioxide, nitrogen oxides, unburned hydrocarbons and carbon monoxide also need attention. Industrial activity generates most of these pollutants, as well as effluents and wastes, which are becoming more numerous, toxic and exotic as industrialisation proceeds.'

In spite of this, the majority view was that developing countries could avoid increasing pollution too much if they adopted the latest techniques from the West, allowing a die-hard free-trader to get a few words in: 'Developing countries are more likely to gain from such advantages [low-polluting practices] if they encourage international trade and investment', the Report notes rather gratuitously, without any further elaboration of the point at all.

The Report is not an easy read: its prose has that dull, flattened feel that always results when people with differing views go over a text again and again. It would have been far better for the reader if each opposing group had written its own Report and the Bank had published them side by side because then, at least, the arguments would have been fully developed and one would not have had to have kept one's wits about one to work out what was going on. As things are, the tables of statistics and the bibliography the Report contains are more valuable than the text of document itself.

But if you have the time and stamina for a fairly heavy exercise in forensic economics, you will come away from the Report well pleased because, even within the gleaming, marble-clad walls of the World Bank itself, a true alternative development strategy is beginning to be hammered out.

Richard Douthwaite

Development Co-Operation: Efforts and Policies of the Members of the Development Assistance Committee
1991 Report by Alexander R. Love (Chairman of the Development Asistance Committee), OECD, Paris, December 1991, (FF 150, 258 pages)

DAC philosophy

There has been a pronounced shift to more pluralistic systems [of government] and a related move

> away from centrally-planned economies toward more open market systems. (p.11)

> A current of political liberalisation, underway or demanded, contributes positively to the global rethinking of development strategies. Coincidentally, a number of countries... are introducing policies of economic liberalisation centred around market-oriented approaches. (p.45)

Are the global trends towards political pluralism and market economics related, as the first quote suggests, or are they merely coincidental, as implied in the second quote? The issue of the relationship between democracy and the market is one which runs through the 1991 OECD DAC Report.

While there are occasional suggestions to the contrary, the principal thrust of the Report is that a more market-oriented economy is a necessary counterpart to democracy. However, the evidence for this is scanty and weak: it is, for example, argued that a stronger private sector reduces corruption; that enlarged opportunities for private enterprise allow more people to participate in development; and that the role of private non-profit organisations will be strengthened by a 'rolling back' of state controls. It could equally be argued that large private sector operators are as capable as the state of corruption, and that they are even less accountable for their actions; that the opportunities for individual 'empowerment' through private enterprise can be matched by at least equivalent 'disempowerment' through unemployment and immisetisation; and that NGOs can become less effective actors in the democratic process in situations where they have to take on social roles previously fulfilled by the state. This is clearly a complex debate, but little of that complexity comes through in the Report.

The Report also adopts a very one-dimensional conception of democracy itself: in reference to a high-level meeting in Latin America the Report states that 'With the exception of Cuba, all heads of state present were freely-elected representatives of Latin American democracies' (p.31). According to this thinking, a country where a large military shadow is cast over a nominally civilian government and where extensive economic deprivation denies people meaningful access to the political arena, is, by definition, 'democratic'. By the same token, a country where a degree of economic security and equality facilitates people in making some form of input into the political process, is, by definition, 'undemocratic' because it lacks formalised multi-party structures (and, perhaps, the market-based economy deemed to be the essential accompaniment of democracy). This Manichean vision of democracy – which posits a single approved version and consigns all other possible alternatives to the category of 'undemocratic' – permeates the Report.

A hostility to countries which do not (or did not) adhere to the approved version of democracy crops up regularly. In a section of the Report on 'disproportionate' military expenditure, Mozambique, Vietnam and Nicaragua are prominently featured as countries with inappropriate priorities in this regard. That all three countries suffered from massive external aggression at the time the figures were compiled, does not rate an explicit mention. This lack of external context makes the behaviour of the countries in question seem aberrant and irrational. The Report goes on to endorse the placing of conditions on aid which would prompt developing countries to correct this 'irrationality' by cutting their military budgets. In certain cases, such cut-backs are, of course, badly needed and there can be a serious argument in favour of using aid in this way – this Report does not, to say the least, present the strongest version of that argument.

There are, on the other hand, a number of positive features about the 1991 Report. For example, there is an acknowledgement that 'structural adjustment' involved 'diverting... resources from key development priorities such as education [and] health...' (p.18), and there is a general endorsement of the need now to devote increased expenditure to the fulfilment of basic needs. The negative role of those who export arms to the developing world is recognised (though overt aggression against poor countries by Western powers is not), and there is an acceptance that business and other Western interests play a role in promoting corruption in developing countries. That developed country trade barriers cost developing countries an estimated $100 billion in lost export revenues every year is deplored. And there is some useful analysis of aid practices in areas such as technical assistance, which yields up 'recurring examples of inadequate planning, poor management and over-reliance on expatriate, to the exclusion of local, expertise' (p.27).

These positive aspects are well summarised in the following passage:

> The scope of this challenge will also mandate reform in our own countries – in areas heretofore seen as unrelated or, at least, 'immune' from examination in the context of our relationship with the developing countries. The areas of needed reform are ones that cause great discomfort – arms export, military expenditure in our own countries, a more open trade regime, re-thinking the developed-country role in global challenges such as environment and drugs, and re-examining our own role in corruption in the developing countries, etc. (p.32).

This willingness to assign at least partial responsibility for problems to forces in developed countries contrasts, however, with more familiar 'blaming the victim' passages, such as the following extraordinary commmentary on recent events in Haiti: 'Collapse of these new [democratic] governments, and reversion to autocratic systems is a distinct threat if economic issues are not dealt with effectively. Haiti is a recent case in point' (p.33). The suggestion that the Aristide government's alleged economic incompetence (in threatening the interests of the rich?) was responsible for its demise, recalls US attribution of Nicaragua's problems to 'Sandinista mismanagement'.

This Report, therefore, uneasily straddles the divide between, on rhe one hand, balanced analysis of certain issues, and, on the other, a tendency to subscribe to the facile triumphalism of Western 'democracy' complete with its hostility to all alternative projects.

DAC practice

As regards resource flows to developing countries, 1990 saw a 4% real increase in thc total amount of Official Development Assistance (ODA) supplied by DAC member countries, raising the average ODA/GNP ratio for the DAC to 0.35%, from 0.34% in 1989. Most of this increase was due to the timing of US and other countries' payments to multilateral institutions. Not surprisingly, Africa emerges as rhe region to which this increase is most important: 'Because of the weak private flows [investment and lending], Africa's financing is increasingly dependent on ODA' (p.17). Aid from non-governmental organisations (NGOs) rose by a remarkable 12.5% in real terms in 1990.

It is well known that as a proportion of GNP, Irish ODA is the lowest of any country in the DAC. The Report notes that Irish 'ODA appropriations were more severely affected by budget cuts than other items of public expenditure' (p.142). By contrast, Irish NGO contributions are shown to be the highest, relative to GNP, of any DAC country.

These figures have clear implications for the conduct of Irish development cooperation policy. Less direct implications for Ireland can also be drawn from other sections of the Report, such as the following:

> It is regularly pointed out that corruption in developing countries frequently requires a willing partner in the developed countries. It is therefore incumbent for donors to also review and strengthen their own procedures for providing both development assistance and related programmes of export credits. The same principles apply – transparency in procurement accompanied by an open competitive procurement process. (p.39)

In the context of the 'Beef Tribunal', such strictures might be worth bearing in mind here at home.

The State of the World's Children 1992

James P. Grant, Executive Director of the United Nations Children's Fund (UNICEF), Oxford, Oxford University Press, 1992, (Stg £4, 100 pages)

This Report is, in its own words, 'a plea for the inclusion of the issues which tend to be ignored and the voices which are normally silent' (p.3). The voices in question are those of the world's poorest people, especially the children, and the Report follows its usual pattern of setting out strategies which would genuinely promote their development. These interlocking strategies are summarised in ten propositions, each of which the Report examines in turn.

The first proposition is 'that the promise of the World Summit for Children should be kept and that a new world order should bring an end to malnutrition, preventable disease, and illiteracy among so many of the world's children'. (p.5) This refers to the 'year 2000' goals – such as halving maternal mortality rates and increasing basic immunisation coverage to 90% of children – endorsed by many world leaders after the 1990 Summit. The Report outlines the cost implications of these goals:

> In total, it is estimated that the financial resources required to reach all of the year 2000 goals amount to an addditional $20 billion a year. Of that sum, two thirds might be found by the developing countries themselves and one third might be made available in additional aid (though the proportions will vary from region to region). (p.8)

According to these estimates, aid from the main OECD governments would have to increase by no more than 12% in one year and be sustained at that level thereafter, in order to achieve the targets.

Other propositions include calls that 'the chains of Africa's debts be struck off' and that 'the apartheid of gender' be more vigorously opposed than at present (p.4). Each of these propositions is discussed at length. There are at least three reasons why that discussion is of unusual value.

First, the Report's emphasis on past achievements is an appropriate response to those counsels of despair which argue that the Third World is getting steadily and inevitably poorer. For example, with respect to immunisation programmes:

> A system has been put in place which now reaches over 100 million infants – and their parents – on five separate occasions each year. Against all logistical difficulties, this means that over 500 million separate contacts are now being made each year between modern health services and children. The result of this effort... is that the lives of almost 9,000 children are being saved each day. (pp.9,11)

Immunisation also prevents numerous cripplings through polio. Similarly, more widespread use of oral rehydration therapy (ORT) saves around 1 million lives each year. Achievements such as these are worth highlighting because they effectively rebut fatalism and cynicism.

Second, the Report's listing of past progress and its detailed itemisation of both present problems and future targets, demonstrates how practicable its suggestions are. For example, by pointing out that only 1% of all international aid is devoted to primary healthcare, and much less than 1% to primary education, the Report clearly shows the scale of what could be achieved through even a small re-orientation in aid priorities (p.35).

Third, the Report convincingly restores a moral and ethical basis to development discourse, for the most part replacing the hackneyed phrases ('enterprise', 'market-friendly', etc.) from such as the World Bank, with meaningful language directly related to human needs. The treatment of the phrase 'moral hazard' is a good example of this re-prioritisation:

> It is claimed that a more dramatic reduction in Africa's debts would constitute a 'moral hazard' by rewarding those who do not pay their debts. But the real moral hazard is to the soul of a world which is prepared to condemn a continent to continued poverty, and a generation of its children to malnutrition, for the sake of collecting interest on moneys which were often irresponsibly lent and most of which cannot possibly be repayed. (p.52)

Where a 'visionary' note is introduced, it is in the form of an appeal to altruism and collective action rather than self-interest: 'the process of advancing civilisation is essentially a process of institutionalising these finer feelings and higher principles which human beings intermittently show themselves capable of'. (p.15)

While accepting that there is widespread agreement on the need to switch to more market-orientated economic systems, the Report is unusual in its emphasis on those areas where 'the free play of market forces is demonstrably counter to the public interest', such as the promotion of commercial baby foods as replacements for breastfeeding. The two-pronged strategy propounded in the World Bank's 1992 *World Development Report* – liberalisation of markets and government attention to education, health, etc. ('investing in people') – is broadly endorsed, but the Bank's own approach is criticised:

> The Bank is not even-handed in its scrutiny of these two aspects of development policy. Its implication continues to be that markets can do little wrong and that all economic growth is necessarily to the good (including the kind of growth which the World Bank has assisted in the Amazon region and which has benefited neither the poor majority or the environment). Government intervention in the economy, on the other hand, is always regarded as guilty until proven innocent. (p.34)

Together with its extremely useful statistical appendix, this UNICEF Report is therefore, as usual, a stimulating and important contribution to the development debate.

Human Development Report 1992
United Nations Development Programme (UNDP), New York, Oxford University Press, 1992
(216 pages)

The UNDP's *Human Development Report* for 1992 sets out to review 'human development in a global context' (p.3); specifically, it focuses on 'the workings of... global markets – at how they meet, or fail to meet, the needs of the world's poorest people' (p.1). Its central thesis is that restrictions in these markets constitute enormous barriers to human development in poor countries: 'global markets are neither free nor efficient. At a time when national markets are opening, global markets are greatly restricted' (p.1).

The Report also suggests that where markets are not restricted, their usefulness to developing countries is limited by inequalities in power and resources. The problem is therefore seen as two-fold:

> First, where world trade is completely free and open – as in financial markets – it generally works to the benefit of the strongest. Developing countries enter the market as unequal partners – and leave with unequal rewards.
>
> Second, in precisely those areas where developing countries may have a competitive edge – as in labour-intensive manufactures and the export of unskilled labour – the market rules are often changed to prevent free and open competition. (p.1)

The remedy, is is argued, must also be two-fold: there must be investment in people in poor countries in order to build up competitive capacity, and this must go beyond fulfilment of 'basic needs' to the development of technical, managerial and other skills; there must also be massive liberalisation of global markets. This approach is clearly similar to the World Bank's strategy of freeing markets and ensuring adequate social spending, but the UNDP's stress on 'human resource development' is more ambitious than the Bank's concern with 'social safety nets' and is rooted in a greater emphasis on the difficulties faced by the weak in competitive markets.

The issue of global market restrictions is taken up most fully in Chapter 4 of the Report. There are discussions of the damage done to poor countries by unfair practices in financial, labour and product markets, and it is estimated that these, in total, cost developing countries $500 billion a year – ten times what they receive in development aid. It is pointed out that twenty of the twenty-four OECD countries are more protectionist now than they were 10 years ago. Restrictions in capital and product markets are probably quite well known, but the discussion of labour market restrictions is less common, and all the more welcome for that. The Report points out that the present immigration policies of developed countries serve to encourage a 'brain drain' effect by selectively allowing entry to some highly skilled and qualified people from the South:

> The industrial countries, in what is effectively a 'buyers' market' for migrants, have been setting higher and higher levels of qualification – giving preference to highly skilled workers, or to those who bring capital with them, or letting in only political refugees....
>
> The industrial countries are now in a position to ask not just for labour but also for money. Canada and the United States, for example,

> have been giving preference to investors and are said to have attracted millions of dollars in this way. (pp.55-56)

The cost of immigration restrictions concerning those without the desired skills or capital is calculated as folows:

> Developing countries already have extensive unemployment and underemployment, combined with population growth of 2.2% a year. And workers who migrate could expect much higher salaries overseas. So, to suggest that, say, 2% of the labour force in the developing world would choose to move each year if there were no restrictions is a cautious estimate indeed. If such workers earned no more than a poverty-line salary in industrial countries (around $5,000 a year), they would earn $220 billion a year. Of this, between $40 and $50 billion would be sent home as remittances.
>
> The benefit of remittances would be cumulative at first as more people found a place in richer societies, but would then level off as immigrants started to sever close links with their home country. Over five years, however, they might reach $200 billion a year. This income would have an even greater impact on GNP (possibly double) through the multiplier effect mentioned earlier. Offset against all this income would have to be reduced growth opportunities because of the loss of skilled workers.
>
> Even using very conservative assumptions, immigration controls deny developing countries income (direct and indirect) of at least $250 billion a year. (p.58)

Interestingly, the Report does not conclude with a recommendation for sweeping liberalisation of this particular market; for pragmatic political reasons it instead calls for a 'defusing' of immigration pressure through measures to promote development in poor countries.

Elsewhere the Report covers ground which will mostly be familiar to readers of the previous years' publications. Chapter 1 discusses this year's human development index (HDI) which amalgamates GNP, educational attainment and life expectancy into a single indicator of each country's development, and defends the concept of human development against charges that it is opposed to growth, that it is concerned only with 'basic needs' and others.

Chapter 2 makes a preliminary attempt to construct a political freedom index (PFI) which could act as the political/civil rights counterpart to the HDI's emphasis on economic/social rights. Selected indicators are established – personal security, rule of law, freedom of expression, political participation and equality of opportunity – but the resulting indices for each country are not presented, and it is concluded that more work needs to be done to ensure that the PFI yields sensible information.

Chapter 3 examines growing global inequalities. A provocative section of this chapter analyses official development assistance (ODA) and challenges the established notion that each developed country should give the same proportion of its GNP in ODA: 'A progressive system of ODA would mean having richer countries contribute a greater proportion of their income than industrial countries that are less well off' (p.45). Adjusting for different income levels in this way it is argued that Ireland should aim to give only 0.32% of its GNP in ODA. Whatever about its merits in principle, this seems a questionable approach to try and adopt in practice – most 'rich' developed countries already fail to meet even the 0.7% UN ODA target, let alone the higher level this approach would demand; while 'poor' developed countries would most likely use such arguments, and the failure of richer countries to live up to their greater responsibilities, to justify their own inadequate contributions.

Chapter 5 outlines what is termed a new vision of global, human development, including proposals for the radical reform of institutions such as the World Bank, the IMF and the UN. An example is the call for a new 22-member Development Security Council of the UN, which would construct a political consensus on appropriate development policies and would then charge the various institutions to carry them out.

The statistical section of the Report provides the usual plethora of human development indicators.

Overall, the UNDP Report is a stimulating read, highlighting some areas of development policy (such as immigration restrictions) often ignored in other publications.

Andy Storey