

## Who benefits from whom?

For decades the Western world has been sending billions of Euros to so-called “developing countries”. If this is the case, why are most of these countries still developing countries? Has development cooperation failed?

The strategies to fight poverty are not universally agreed upon. However, one indisputable fact is that money going into development cooperation is only a small part of what actually goes to developing countries. Migrants alone who have moved to high-income countries send back three times as much as goes into development cooperation. Direct foreign investments in the economy also substantially exceed the subsidies sent by high-income countries.

All this flow of money is however outshone by the money which makes its way from developing countries into high-income countries: for example black money, business profits or money reserves in foreign bank accounts. Black money alone that disappears into Western tax havens exceeds state aid by a factor of nine.

High income countries also benefit by employing qualified workers from developing countries whose educational costs they don't have to pay for, or from raw materials which are cheaply bought and then manufactured, sold and taxed in high-income countries.

For every Euro flowing into developing countries, two Euros flow back to high-income countries. Herein the morally questionable but legal tax practices of international corporations are not yet taken into account.