k—u—s—k—a

Exhibition about development cooperation

“High income countries”

According to the World Bank “high-income countries” are countries with an annual GDP (gross domestic product) of **more than US$ 12 476** per person per year.

In this exhibition the term “high-income countries” is used for countries which have highly developed, strong and predominantly service industry based economies.

“Developing countries”

The term “developing countries” here stands for so-called low, lower middle and upper middle income countries. According to the World Bank these are countries with an annual GDP (gross domestic product) of **less than US$ 12 476** per person per year.

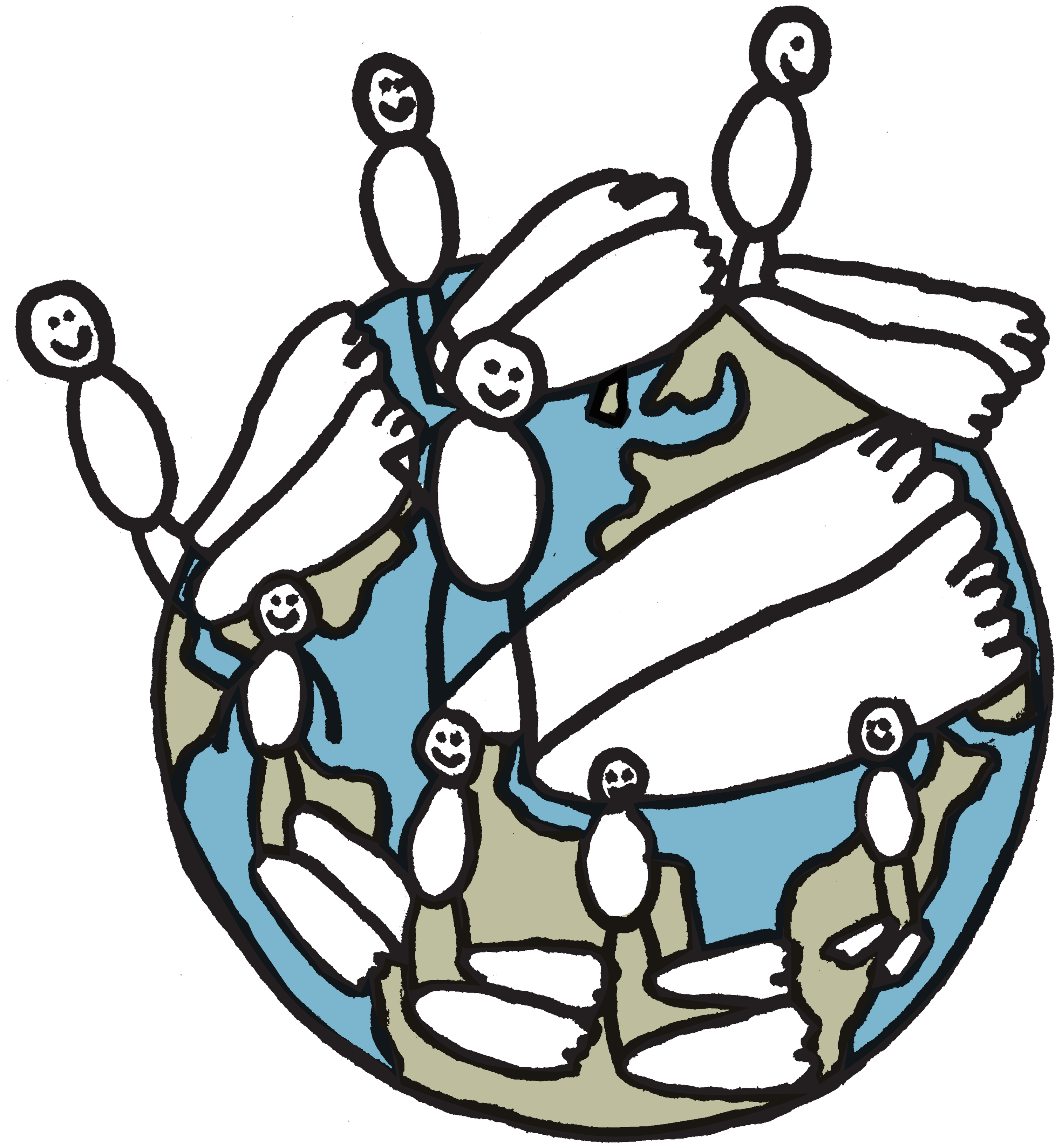
In this exhibition the term “developing countries” is used for countries in which the majority of inhabitants have measurably low economic and social living standards. There is, however, no generally recognised definition. In fact, the term “developing countries” is highly controversial since it is based on the one-sided idea that poor countries should develop while rich countries are already developed.

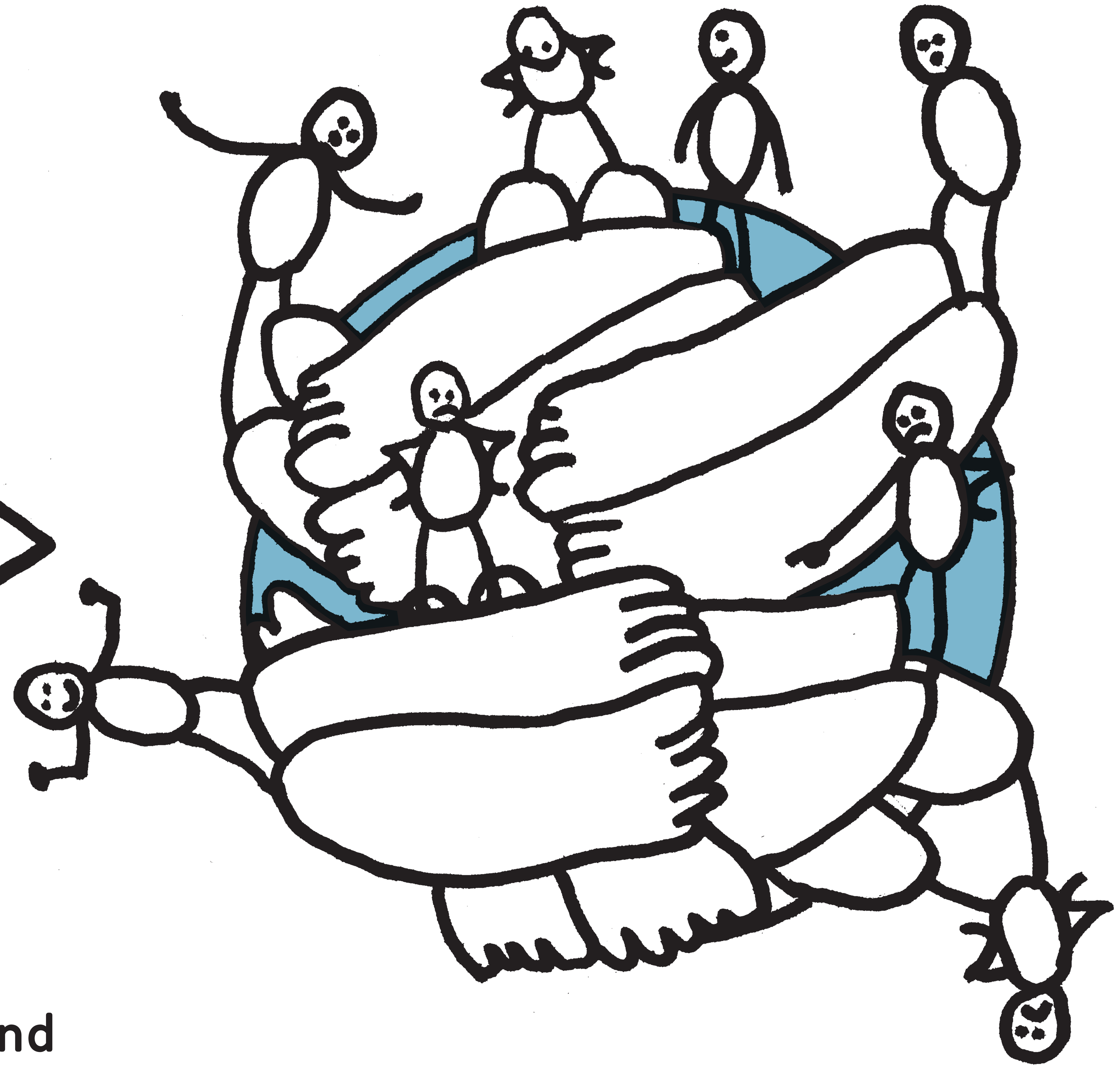
Who is in need of DEVELOPMENT?

A societies where poverty prevails

B societies who are endangering the planet with their wasteful way of life

C both





At this point in time humanity already lives beyond its means and has an excessively large footprint.

We would need 1.6 Earths in order to permit today's way of life in the long term. "Developed" countries or high-income countries would even need 3.6 Earths.

Is it really desirable that all people adopt such a wasteful way of life in the future and thus endanger the planet?

Global Footprint Network, www.footprintnetwork.org

How has global extreme POVERTY changed in the last 25 years?

A halved

B stayed the same

C doubled

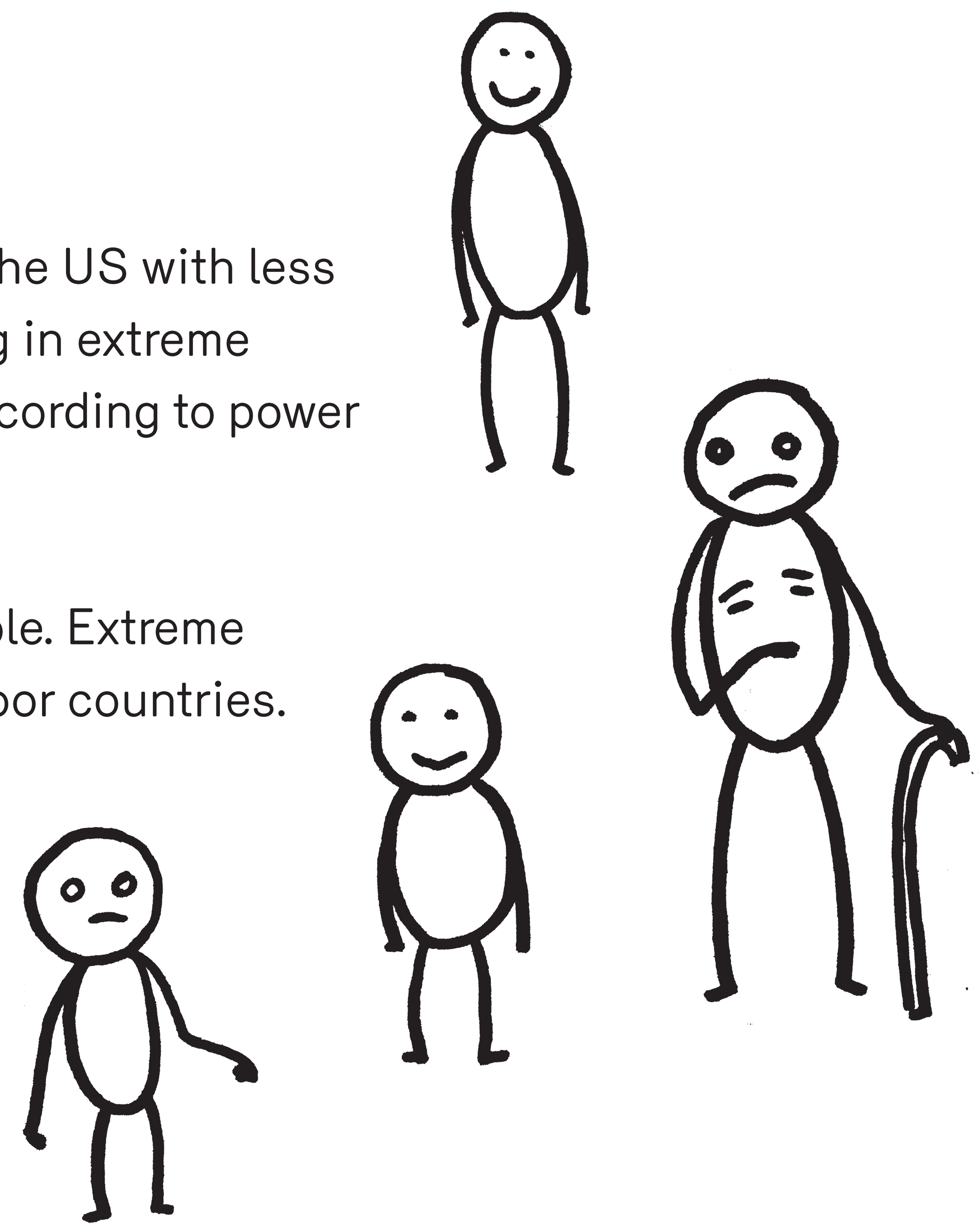
Extreme Poverty 1820–2015, www.eurodad.org/finance_for_developing_countries (2014)

Extreme poverty means that people have to live with US$ 1.90 per day or less. They can no longer afford the necessary nourishment and the vital requisites of everyday life.

MEASUREMENT

The World Bank describes those people that live in the US with less than US$ 1.90 per day or US$ 57 per month as living in extreme poverty. For each country this amount is adjusted according to power purchase.

Survival on this amount of money is almost impossible. Extreme poverty exists therefore almost exclusively in very poor countries.



POWER PURCHASE PARITY (PPP)

If a market basket of goods and services costs US$ 100 in the US, in each country it is calculated how much money would be needed in their own currency to buy the same market basket: for example, 0.79 Euro in Germany or 311 BOB in Bolivia.

The same conversion formula is used to calculate extreme poverty in every country: Extreme poverty in the US is defined by having to live on less than US$ 1,90 per day. In Germany this amounts to having less than 1.49 Euros and in Bolivia less than 5.91 in BOB.

Example Germany
Conversion = 0.786
US$ 100 × 0.786 = 79 Euro
US$ 1.90 × 0.786 = 1.49 Euro

Example Bolivia
Conversion = 3.11
US$ 100 × 3.11 = 311 BOB
US$ 1.90 × 3.11 = 5.91 BOB

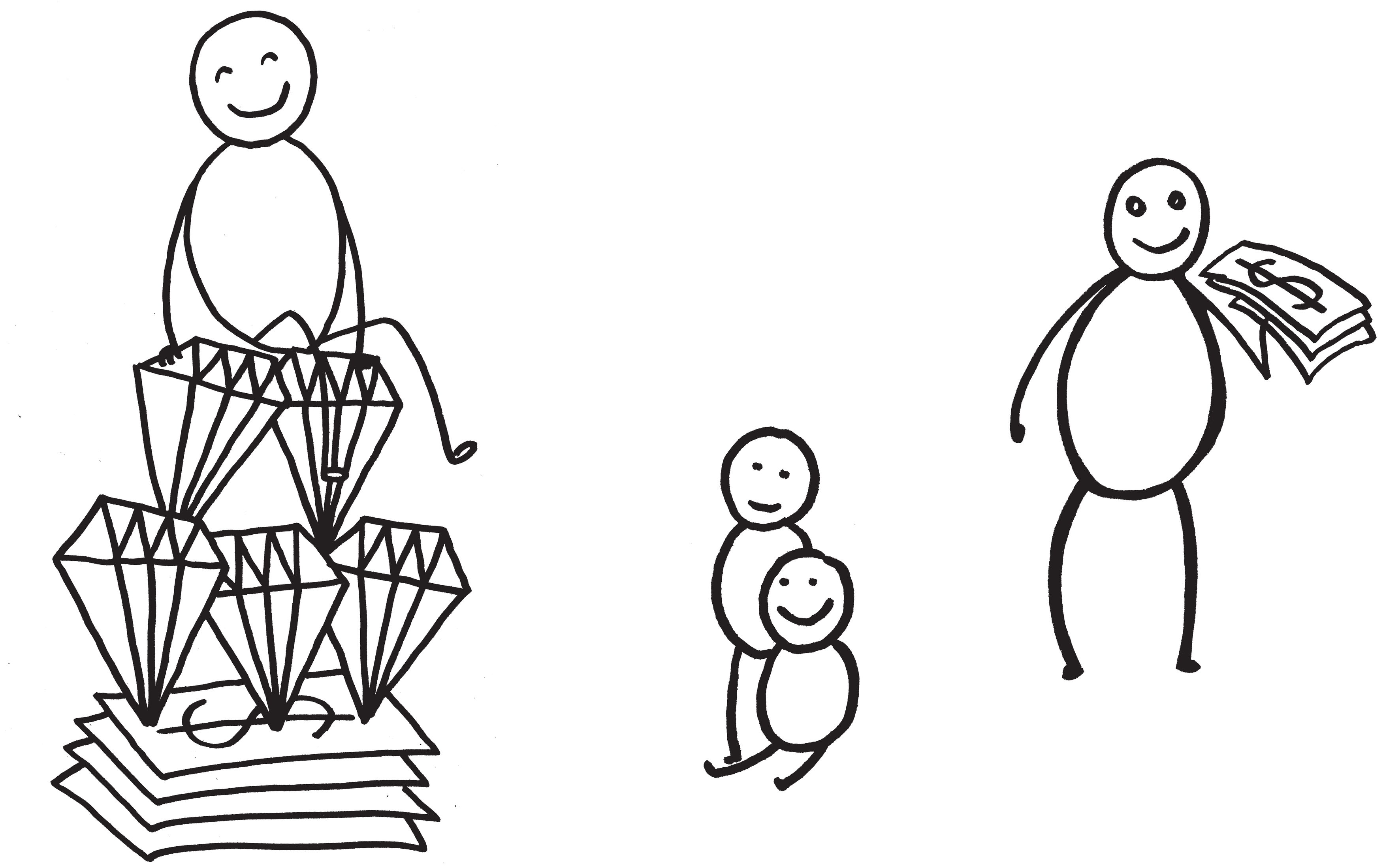
www.worldbank.org/en/topic/poverty/overview

Relative poverty describes poverty in comparison to a person's respective social environment.

MEASUREMENT

Relative poverty is defined differently in each country. To measure relative poverty, a person's available income is compared to the average income of the society in which they live.

For the measurement of poverty a minimum subsistence level is generally defined. On this basis it can be decided, for example, if somebody should receive social benefits.



What STRATEGIES should be used to tackle poverty?

A sending food, medicine and clothes

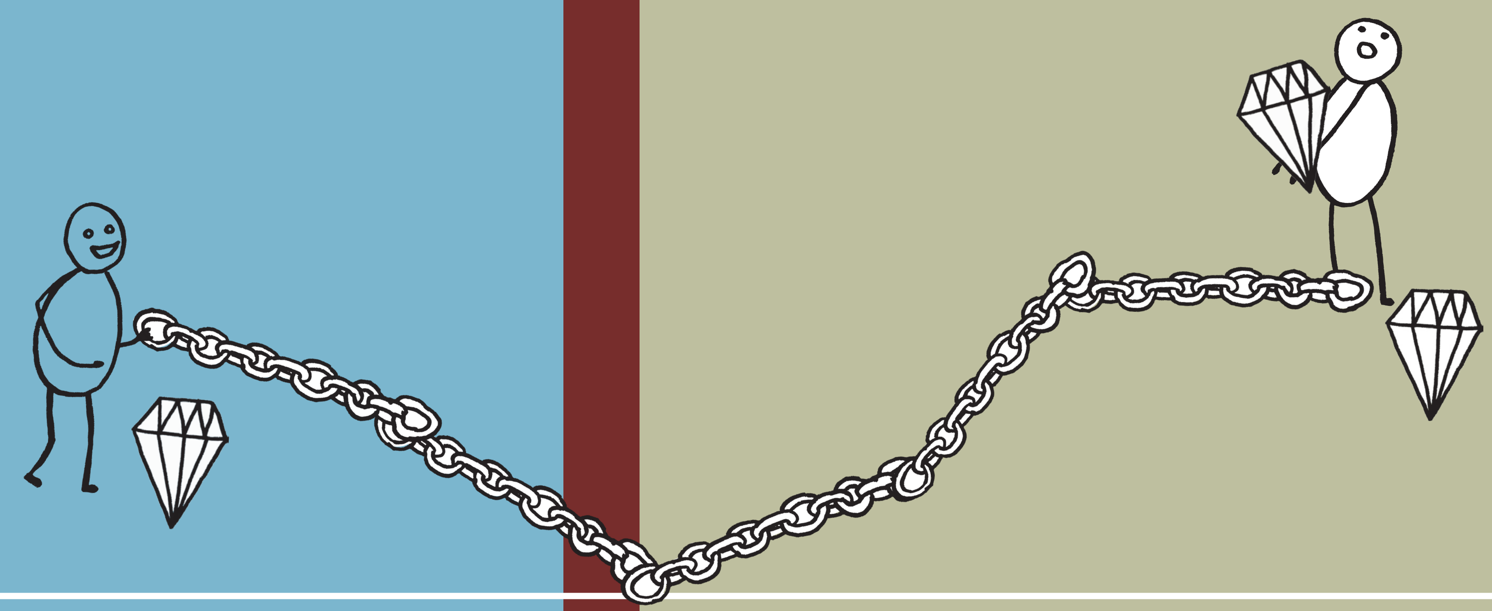
B sending money

C taking less instead of giving more

15th to 20th century

Colonial era

Since the end of the 15th century European states started to bring many areas in Africa, America, Asia, Australia and Oceania under their sovereignty. This often happened through subjugation, displacement or murder of the local population. The colonial rulers' quest was to develop new settlements and markets and thus extend their power.

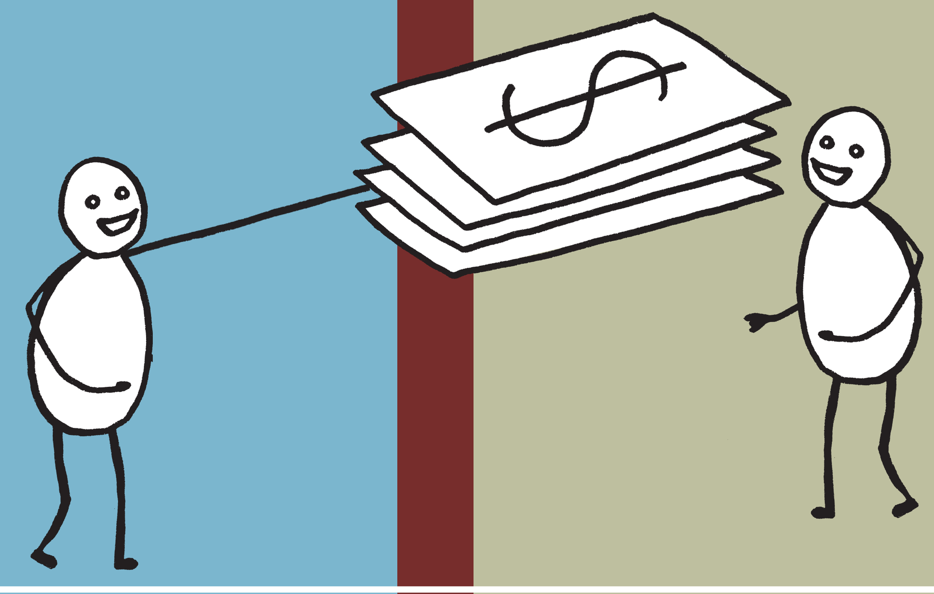


The European colonial powers not only murdered and enslaved many people but also spread their languages, religions and notions of culture. Moreover they built up political and economic dependencies. Although most colonies became independent by the end of the 20th century, occupied territories still exist.

1960s

Development through growth

In the 1960s it was believed that money could solve the problems faced by developing countries. Based on this assumption poor countries were supported through loans. The expectation from this was local economic growth, leading to a reduction in poverty and unemployment and effects of prosperity such as better education and health.

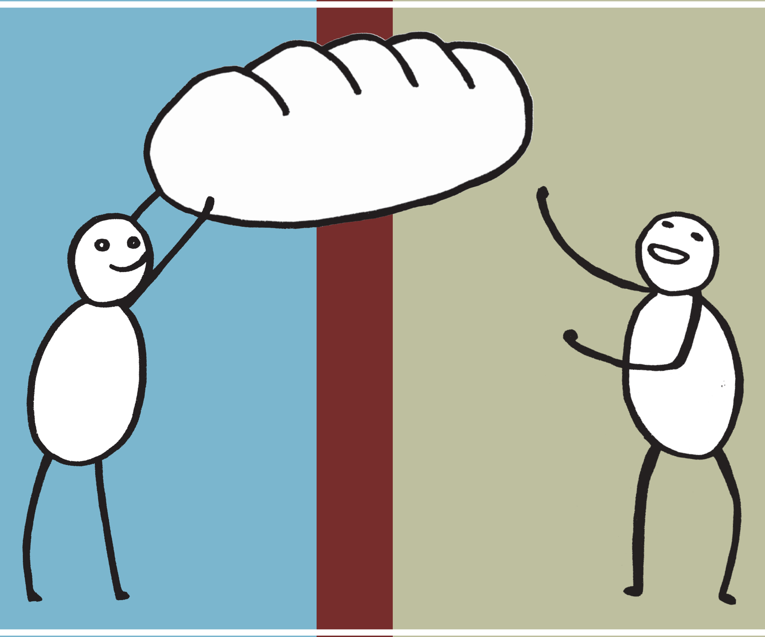


However, the loans that had been made ended up in the hands of the few while the majority of people remained poor. Moreover, in the hope of quick growth many countries had taken on loans which they could not pay back. As a result many developing countries almost went into bankruptcy and slipped into difficult economic, social and political crises.

1970s

Satisfying basic needs

As the strategy "development through growth" was unsuccessful, a new theory developed in the 1970s: It was presumed that growth would follow as soon as the basic needs of people were taken care of. Instead of money, food and other basic goods were sent to developing countries.

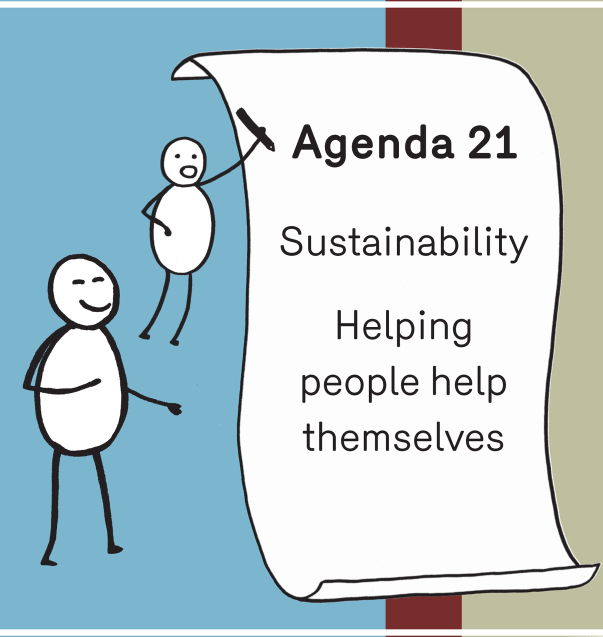


The strategy to satisfy basic needs was also not successful. In addition, a negative side effect of sending basic goods was the marginalisation of local suppliers from the markets, who were unable to compete against free aid supplies. Today we still have a similar situation where state subsidised products are exported from high-income countries to developing countries and are sold cheaply there.

1992

Helping people help themselves

In 1992 the United Nations adopted the Agenda 21 at the Rio Conference. Therein a new the principle of "helping people help themselves" was defined. Development policies were henceforward to enable disadvantaged beneficiaries to help themselves. Moreover, the conference marked a rethink away from "development aid" and towards "development cooperation".



The collaborative understanding of development cooperation questioned the relationship between donors and recipients and increasingly took local circumstances into consideration. The focus shifted to economic autonomy in an attempt to reduce financial dependence. As a result it was possible to drastically reduce extreme poverty.

2000

Millennium Development Goals

In 2000 at the Millennium Summit the United Nations took stock of a sad state of affairs: there were still a lot of people who were affected by extreme poverty, had no access to education and lived in undignified living conditions. The aim of the "Millennium Development Goals" was to improve this situation by 2015, for example by halving extreme poverty and reducing child mortality.

Already by 2010 one of the targets of the "Millennium Development Goals" was achieved. Extreme poverty in the world was reduced by half. This came about not just through development politics but also through the economic boom that happened in countries such as China and India. Although not all of the goals could be achieved, many people's living conditions were improved and many lives were saved.

2015

Sustainable Development Goals

In 2015 the "Sustainable Development Goals" were adopted. They include the ambitious proposition to end worldwide poverty and hunger by 2030. Besides social and economic aspects the agenda also addresses ecological sustainability, peace and security. The goals put a stronger focus on the idea of shared responsibility and demand that all countries make a contribution.

Strategies for tackling poverty were improved and developed over the course of the last decades. In this way extreme poverty has been substantially reduced despite many setbacks.

However, "help" from high-income countries remains limited. Even today high-income countries still benefit clearly more from developing countries than they help them.

Do high income countries **BENEFIT** more from developing countries or the other way around?

Foreign direct investment

Private financiers, companies and states invest in firms and projects in developing countries, through which money flows from high-income countries to developing countries.

Remittances from migrant workers

People who emigrate from developing countries and work in high-income countries often send back money to their families or invest in projects in their home countries.

Aid

Aid here stands for state aid funds which are deployed internationally for the development of a country or a region. They exclude administrative costs in high-income countries and irregular monetary flows such as disaster relief.

Stocks & shares

Investors make investments in companies and projects on the basis of the share price performance rather than on the basis of how the companies are managed.

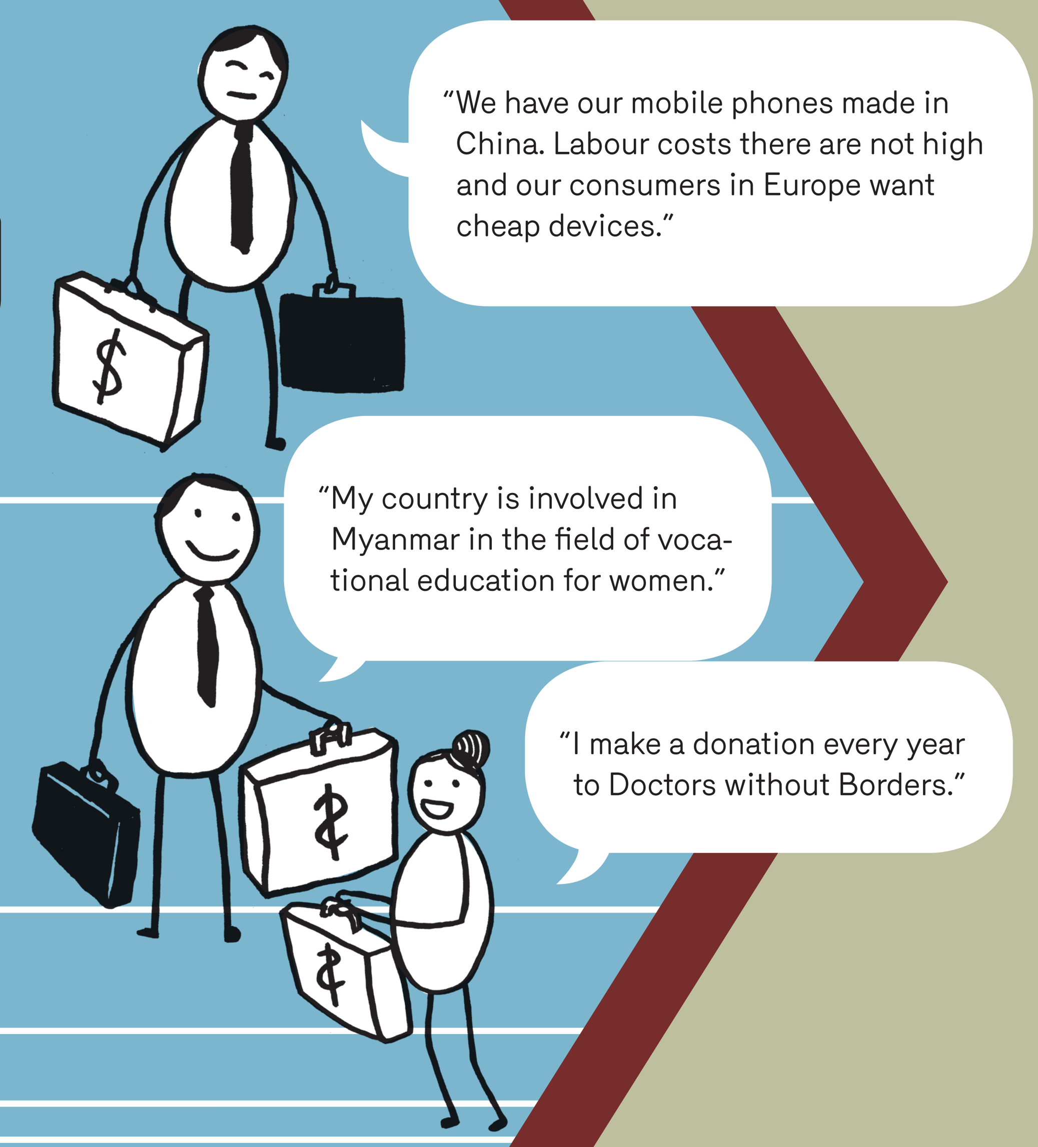
Charitable Donations

Organisations, foundations, associations or individuals from high-income countries donate money to people in developing countries.

Other official flows

Credits are an example of cash flows which are not calculated as a part of official development cooperation, as they are not primarily aimed at development.

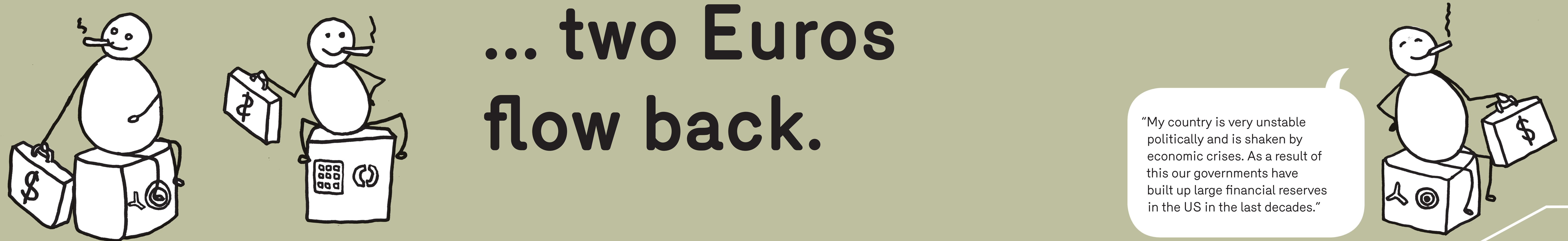
For every Euro flowing from high-income countries to development countries ...



Illicit financial flows

Money that was illegally earned, transferred or circulated. Examples are tax evasion, trade mispricing, the export of cash and smuggling.

... two Euros flow back.

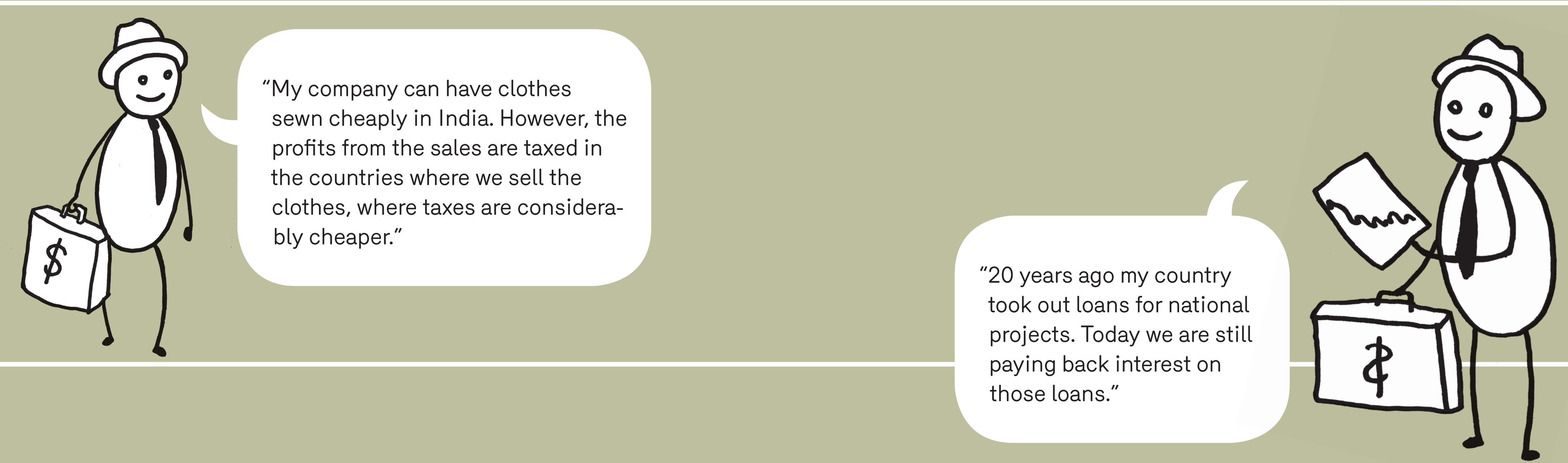


Monetary reserves in foreign currencies

In order to protect their own economy and currency from instability and crisis, many developing countries deposit huge reserves in foreign currencies in foreign accounts. Thereby, in actuality, they lend these countries money at very low interest rates. The result is that development countries have less money at their disposal.

Profits taken out by foreign investors

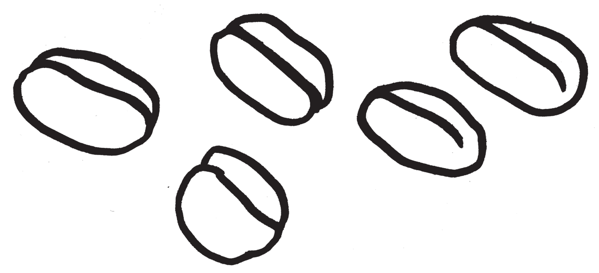
Foreign firms invest money in developing countries to save money in production. They make their profit however outside these countries, in places where taxes are lower.



Interest repayments on foreign debt

Many developing countries have taken credit from foreign countries to finance projects, resulting in them having to pay high interest rates over many years for the money they owe.

www.eurodad.org/finance_for_developing_countries (2014)



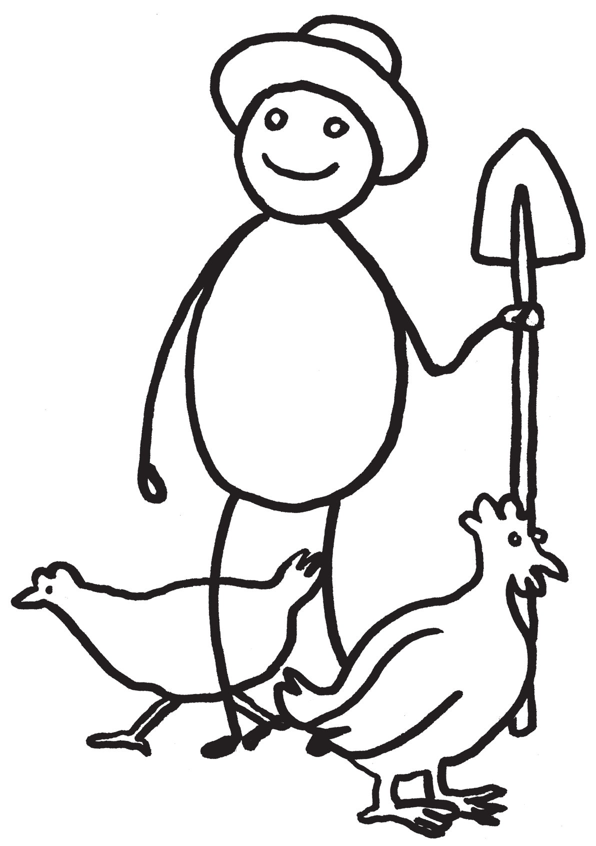
Coffee

A golden business for high-income countries

Today 25 million farmers worldwide grow coffee. Just five companies deal globally with over half of the coffee produced around the world, and only three companies roast 40 % of the global coffee harvest. The main beneficiaries of the huge coffee market are therefore a few companies which are situated in industrial states.

Export of raw materials

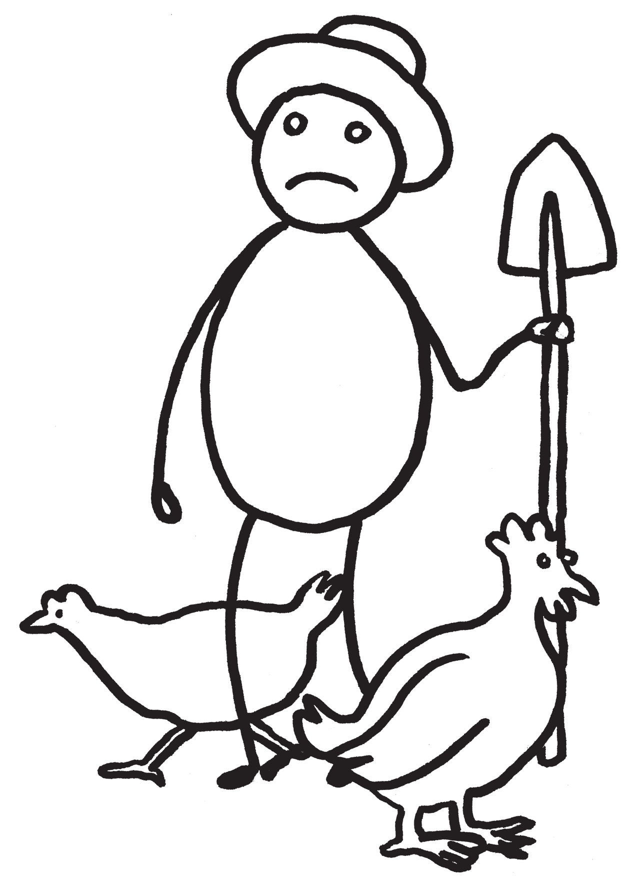
Companies in high-income countries buy raw materials such as oil, gas, coffee or cocoa cheaply in developing countries. However, the processing and sales are carried out in high-income countries, and resultantly the main profit is made in those countries.



Chicken legs

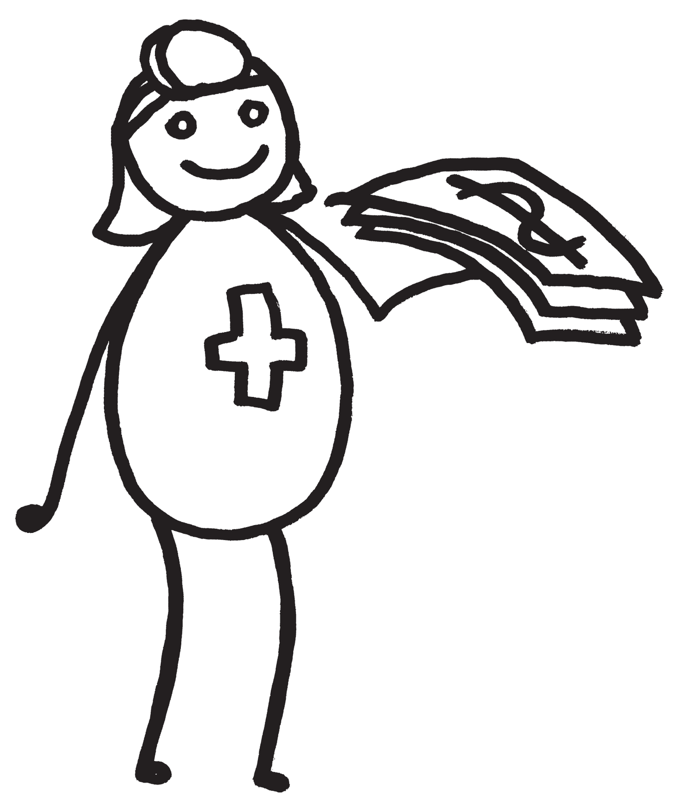
Cheap agricultural products destroy the production in developing countries.

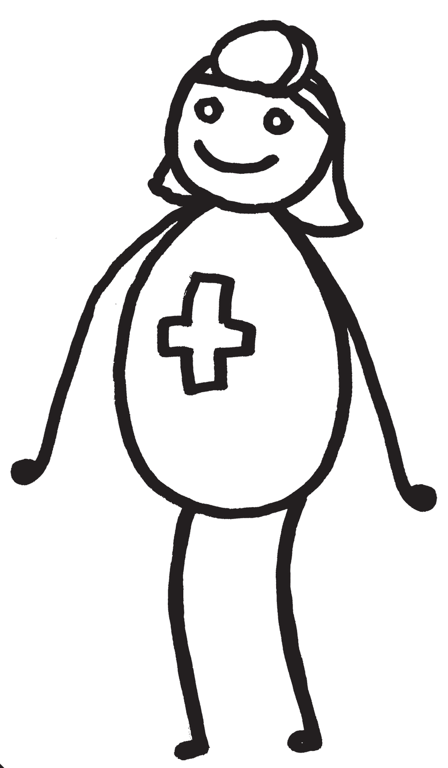
The EU annually exports many tons of chicken meat to African countries. Most of this is in the form of remains such as wings or legs which can be so cheaply exported that local farmers are unable to compete and have to cease production.



Subsidised agriculture

In many high-income countries agriculture is supported by the state. Therefore products can be cheaply exported and sold. This endangers local production in developing countries because there is no chance of competing against subsidised agricultural products from abroad.





Doctors

Emigration of trained professionals from developing countries

In the English city of Manchester, with half a million inhabitants, there are more Malawian doctors than there are in the whole of Malawi, a country of eleven million inhabitants in South East Africa. High-income countries not only benefit from the know-how of the foreign experts but also avoid expensive education costs.

Brain Drain

The emigration of qualified specialists is not only tragic, it is also life-threatening for many people. The World Health Organization (WHO) estimates that per 10,000 inhabitants, 23 doctors, nurses and midwives are needed for medical primary care. In Sierra Leone however they number only 0.1 and in the rest of Africa 3 to 4.

Should I DONATE money directly or through intermediary organisations?

Direct donations …

- … are given to individuals and thus reach only very few people
- … imply a higher risk that they will not be used wisely and sustainably, as the necessary expertise is missing

+ … get through to those in need in their entirety

Donations through intermediary organisations …

+ … are used for projects and programmes and thus reach a lot of people
+ … imply a greater chance of being used wisely and sustainably because they are coordinated by experts

- … do not get through to those in need in their entirety because costs for administration, fundraising and coordination are deducted

Why are you INVOLVED in helping other people?

In order to keep the memory of a person who died.

In order to be seen as a role model.

Because my involvement makes me part of a community.

Because I needed help at one point and I would like to give something back.

Because it is an enrichment for my life

Because I was moved by a story.

Because somebody encouraged me.

Because giving is a family tradition.

In order to be connected to others in a worthy cause.

In order to support my family.

I would like to improve my image or the image of my company.

I want to do something that has a lasting impact.

For religious reasons.

Because I want to support a particular organisation.

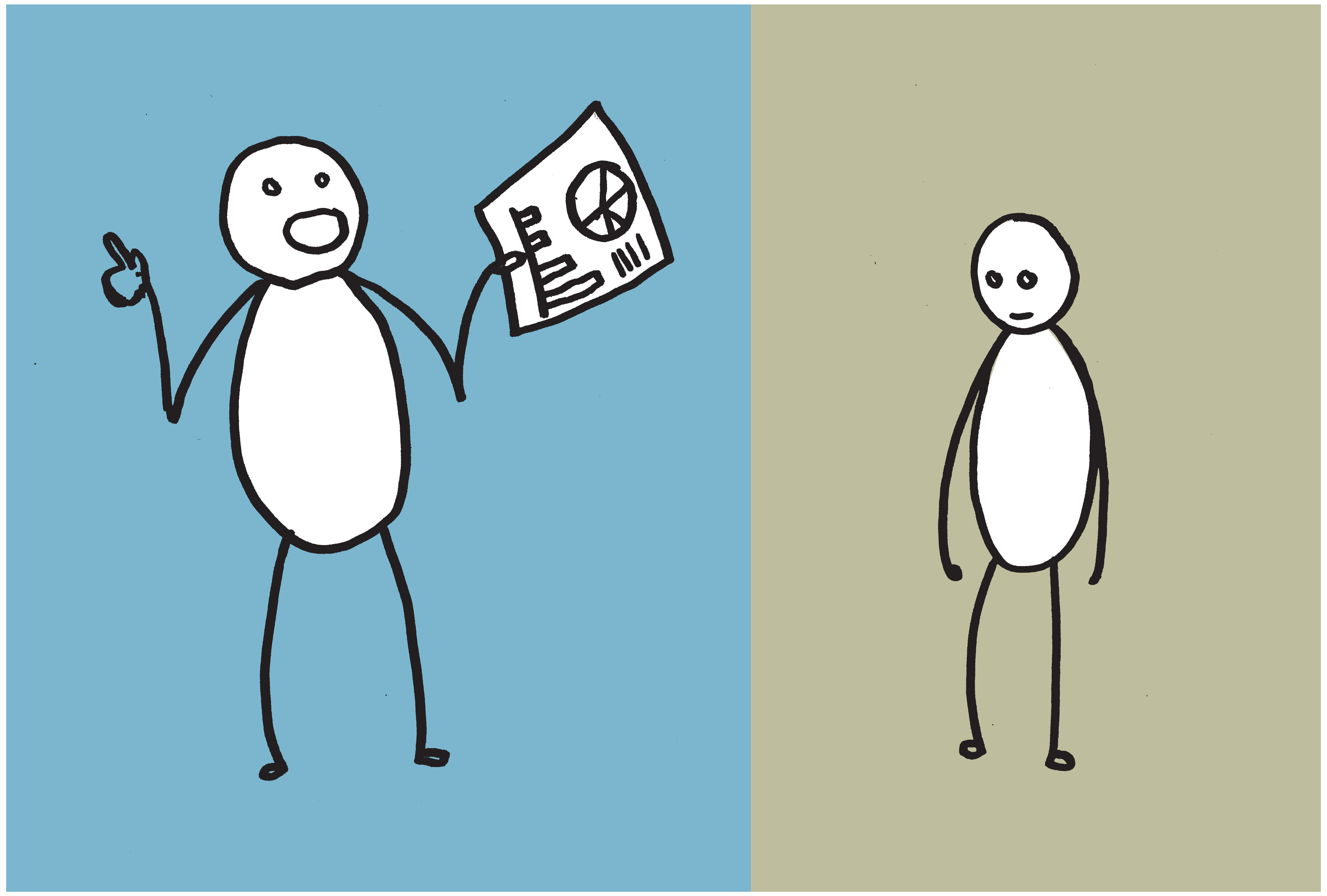
In order to help others who are less fortunate.

Because it allows me to save taxes.

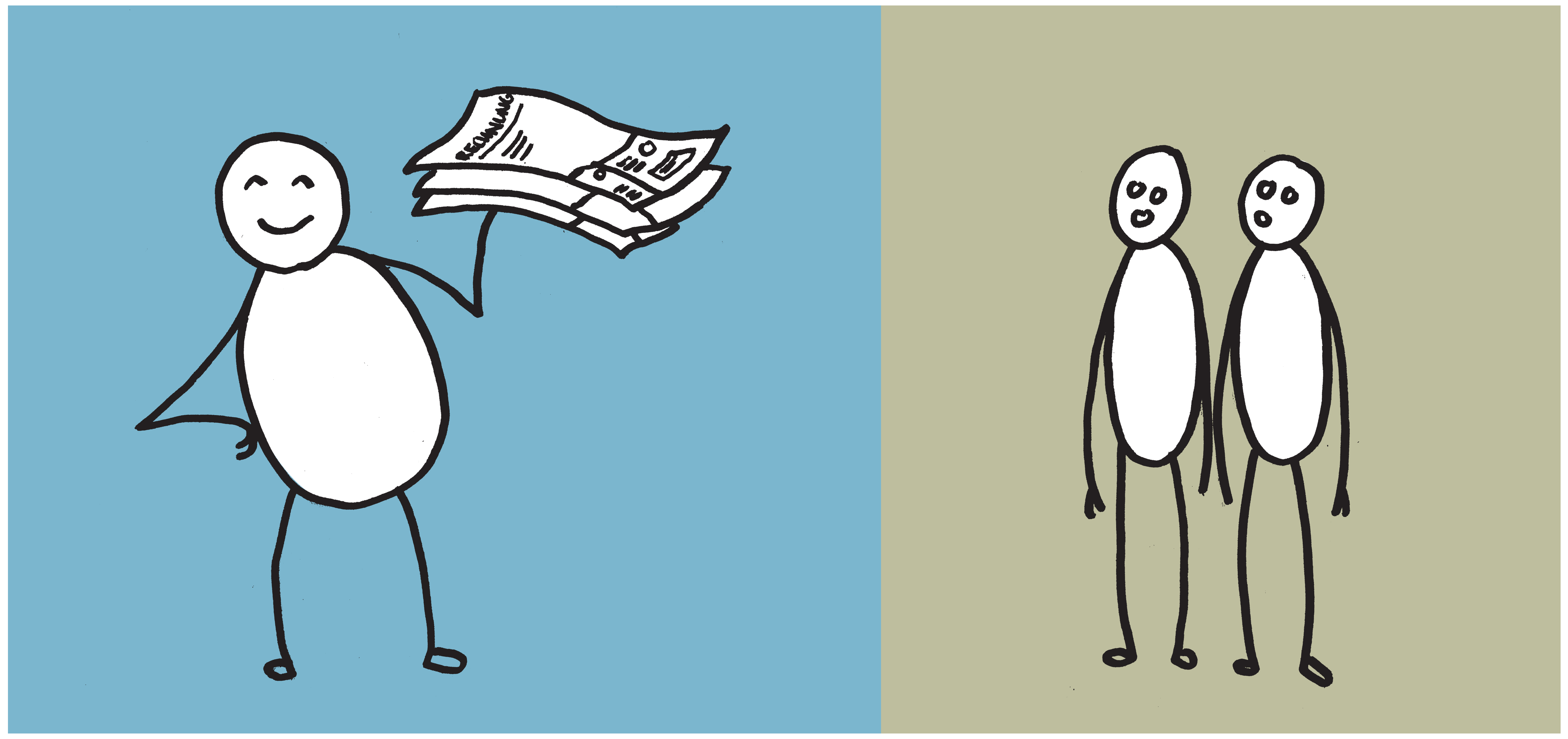
Is a person's DIGNITY compromised by receiving development aid?*

* Title of an interview with Kilian Kleinschmidt

Excerpts from the interview "**Is a person's dignity compromised by receiving development aid?**" with Kilian Kleinschmidt. The former UN staff talks about his experiences as manager of the refugee camp "Zaatari" in Jordan.



"It is about working together with these so-called victims **as equal partners**, talking to them as people and not as statistics or victims. Seeing them as equals with capacities of their own, who want to make a contribution, and who essentially are not looking for charity handouts, but rather to shape their own lives."



"A vitally important principle is to **get away from thinking about victims and charity**. I remember in camp 'Zaatari', when I first said that people could actually pay for their own electricity and water, aid organisations were disbelieving: 'No, these are refugees, they can't pay for this.' And that is exactly the argument. There is nothing worthier for a person than paying a bill, and therefore taking responsibility for what you use and need in this world."

"The point is to **turn people back into people again**, to provide them with opportunities, so that they don't have to spend 90% of the time fetching water and food."

Is a person's dignity compromised by receiving development aid? Interview with Kilian Kleinschmidt, Deutschlandradio Kultur: Im Gespräch; Beitrag vom 30.04.2015 von Susanne Führer. Note: Quotations have been adapted to allow for better understanding.