



THE NORTH AND  
SOUTH GAP



# Developed and developing countries

- Concept by the UN - intended for statistical convenience
- Based on economic aspects like GDP, GNI, per capita income, industrialization, standard of living
- Newly industrialized countries / emerging countries?

# Developed countries

- High standard of living, high GDP, high child welfare, health care, good medical, transportation, communication and educational facilities, better housing and living conditions, industrial, infrastructural and technological advancement, higher per capita income, increase in life expectancy

# Developing countries

- Not healthy and safe environment to live, low GDP, high illiteracy rate, poor educational, transportation, communication and medical facilities, unsustainable government debt, unequal distribution of income, high death rate and birth rate, malnutrition both to mother and infant, high infant mortality rate, poor living conditions, high level of unemployment and poverty

# Differences

BASIS FOR COMPARISON	DEVELOPED COUNTRIES	DEVELOPING COUNTRIES
Meaning	A country having an effective rate of industrialization and individual income is known as Developed Country.	Developing Country is a country which has a slow rate of industrialization and low per capita income.
Unemployment and Poverty	Low	High
Rates	Infant mortality rate, death rate and birth rate is low while the life expectancy rate is high.	High infant mortality rate, death rate and birth rate, along with low life expectancy rate.
Living conditions	Good	Poor
Generates more revenue from	Service sector	Industrial sector
Growth	High industrial growth.	They rely on the developed countries for their growth.
Standard of living	High	Low
Distribution of Income	Equal	Unequal
Factors of Production	Effectively utilized	Ineffectively utilized

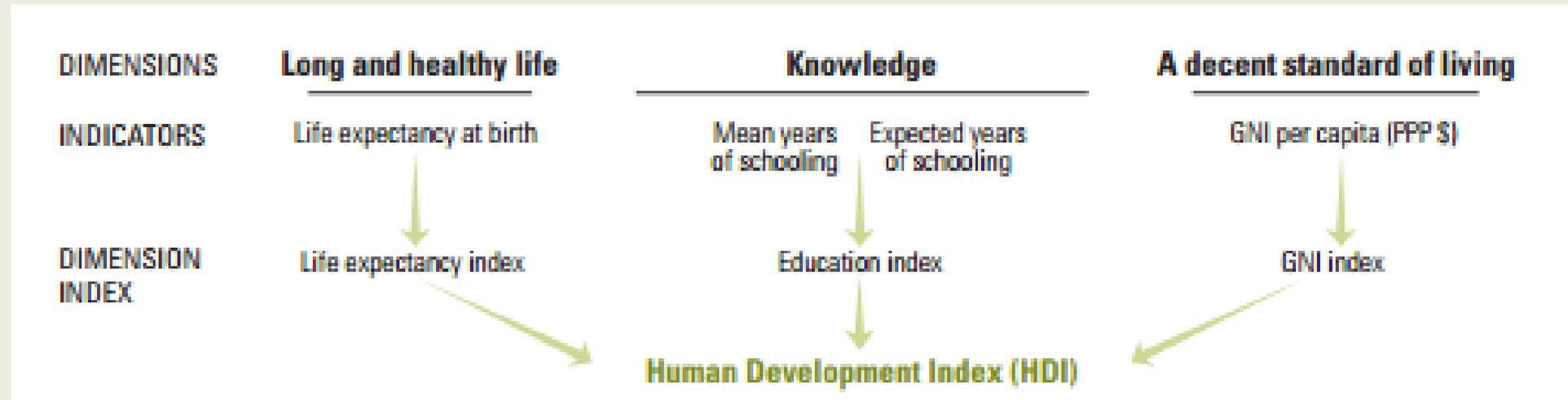
# World Bank

- Classifies countries according to their GNI per capita:
  - *low income (\$995 or less)*
  - *lower middle income (\$996-\$3,945)*
  - *upper middle income (\$3,946-\$12,195)*
  - *high income (above \$11,906)*
- <http://www.differencebetween.net/miscellaneous/politics/difference-between-developed-and-developing-countries/#ixzz42bDxly00>

# Human Development Index (HDI)

- Criteria for assessing the development of a country, not only economic growth
- Ranks the countries on the basis of their development – GNI, education and life expectancy
- Does not reflect on inequalities, poverty, human security, empowerment...

# HDI



- 2015 Human Development Report

- <http://report.hdr.undp.org/>

- Which countries are best and which ones worst according to the HDI?

# Human Development Index

1. Norway

2. Australia

3. Switzerland

4. Denmark

5. Netherlands

6. Germany

6. Ireland

8. United States

9. Canada

9. New Zealand

171	Afghanistan
172	Côte d'Ivoire
173	Malawi
174	Ethiopia
175	Gambia
176	Congo (Democratic Republic of the)
177	Liberia
178	Guinea-Bissau
179	Mali
180	Mozambique
181	Sierra Leone
182	Guinea
183	Burkina Faso
184	Burundi
185	Chad
186	Eritrea
187	Central African Republic
188	Niger

# Gini coefficient

Gini index measures the extent to which the distribution of income among individuals or households within an economy deviates from a perfectly equal distribution.

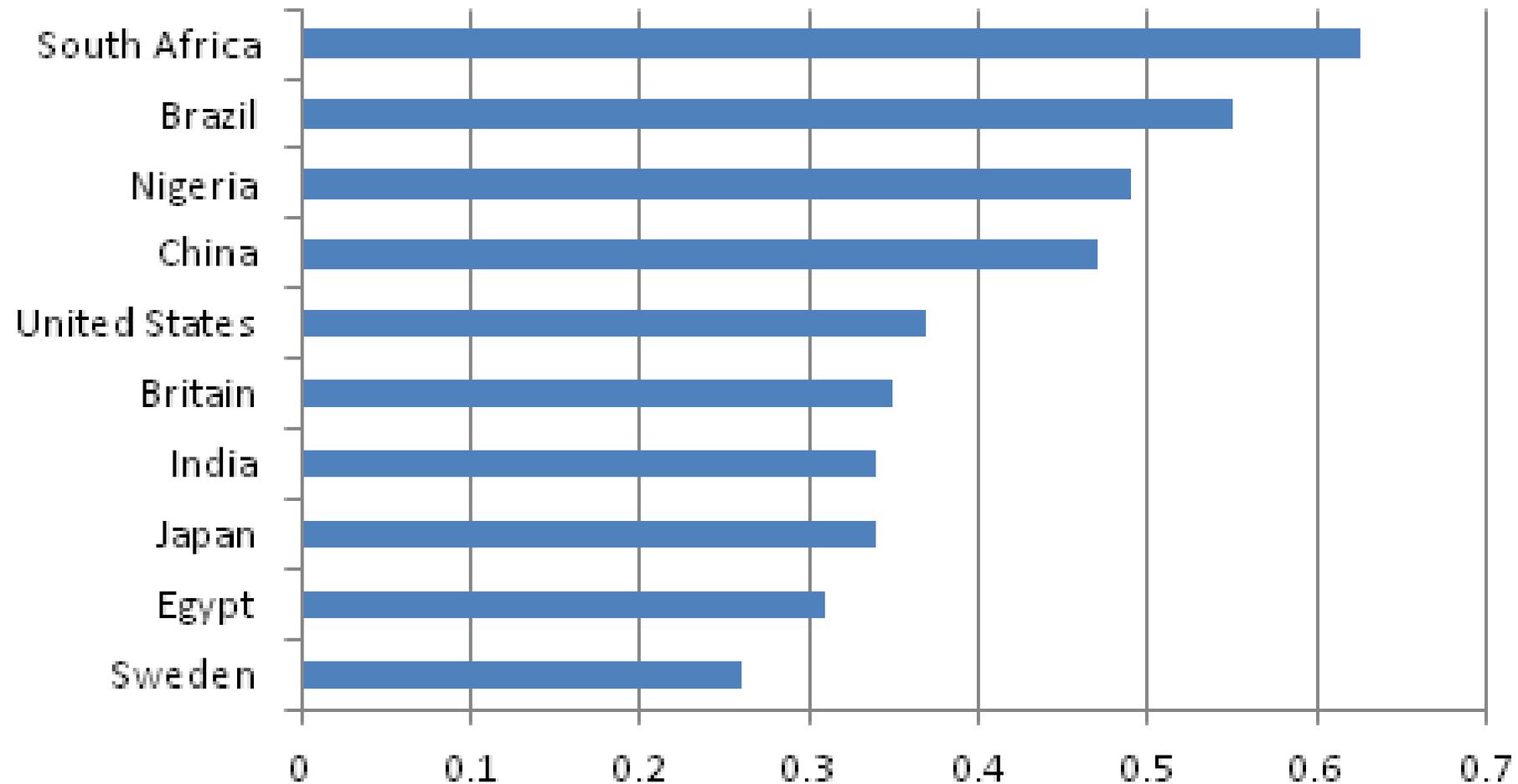
**Table 15**  
**Evolution of Gini coefficients by region, 1970-2000**

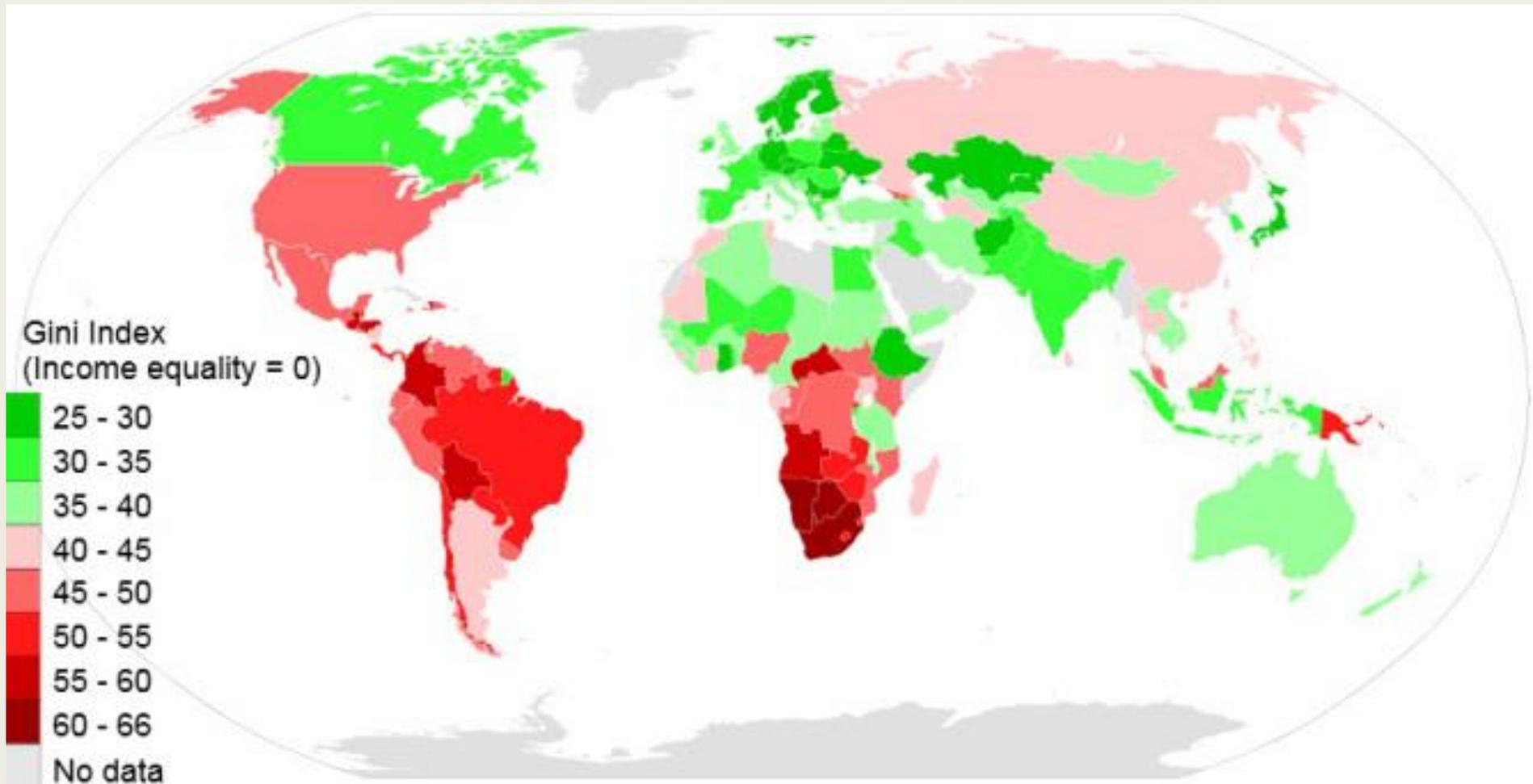
Years	OECD	LAC	EAP	SAS	AFR	ECE
1970	0.352	0.561	0.444	0.380	0.649	0.298
1980	0.339	0.556	0.489	0.384	0.631	0.301
1990	0.353	0.552	0.485	0.381	0.651	0.307
2000	0.368	0.572	0.520	0.334	0.668	0.428

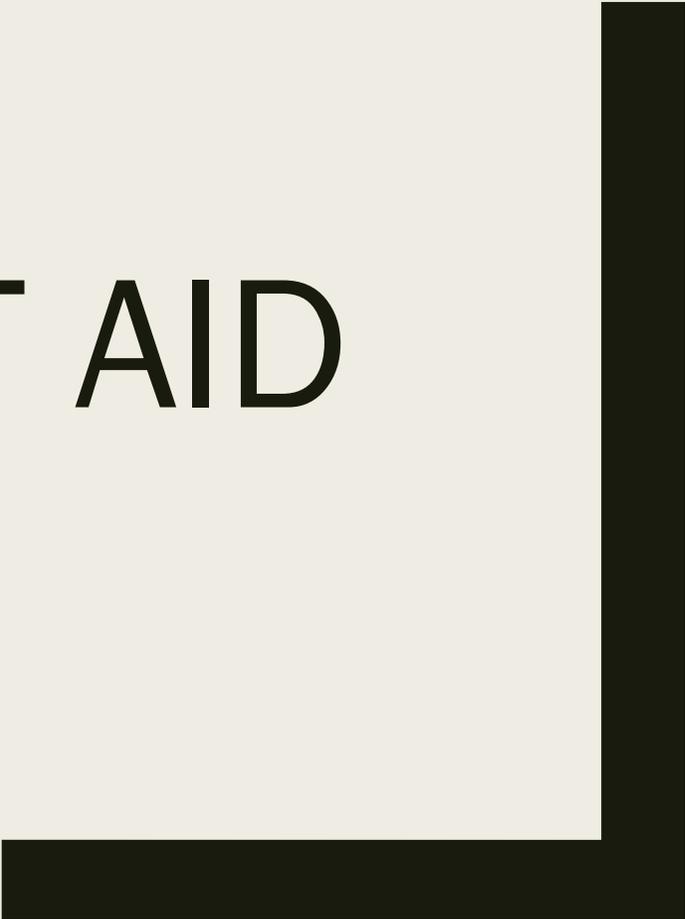
*Note:* LAC: Latin America and the Caribbean; EAP: East Asia; SAS: South Asia; AFR: Africa; ECE: East and Central Europe.

*Source:* Dikhanov (2005) "Trends In Global Income Distribution, 1970-2000, and Scenarios For 2015", Human Development Report 2005.

## Gini Coefficients, Maximum Income Inequality = 1







DEVELOPMENT AID

# Development and Humanitarian Aid

- Humanitarian vs development aid?
- UN – 0,7 % GNP
- Efficiency? (know-how vs finances)
- Humanitarian/etical vs political/pragmatic goals?
  - *Cold war vs now?*
  - *Dollar Diplomacy*

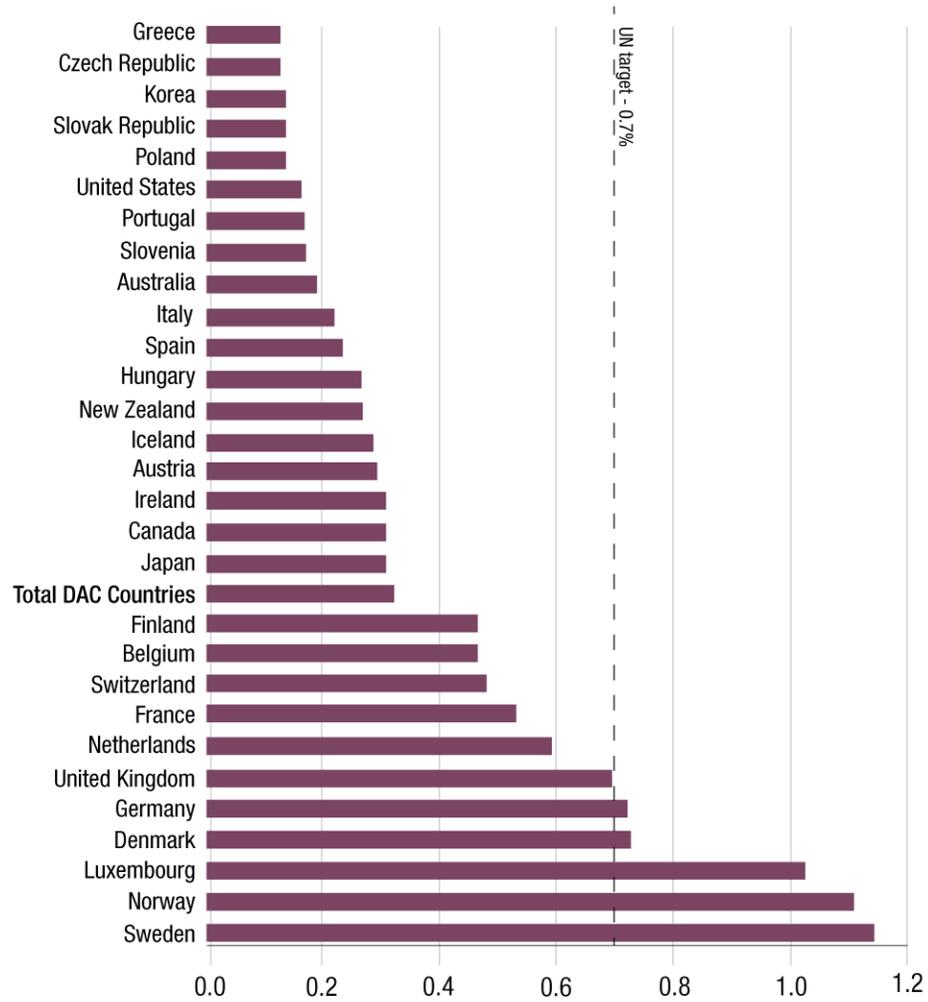
# Development aid

- Concept goes back to the colonial era
- Modern development aid after WWII
- 1948 - European Recovery Program / Marshall Plan
  - *Un/selfish?*
- International aid to developing countries grew dramatically during the 1960s
- 1960 - OECD established
- Development aid has become a key tool to boost economic growth and advance security interests in our globalized world?
  - <https://www.devex.com/news/development-aid-what-you-need-to-know-74725>
  - *Effectiveness?*

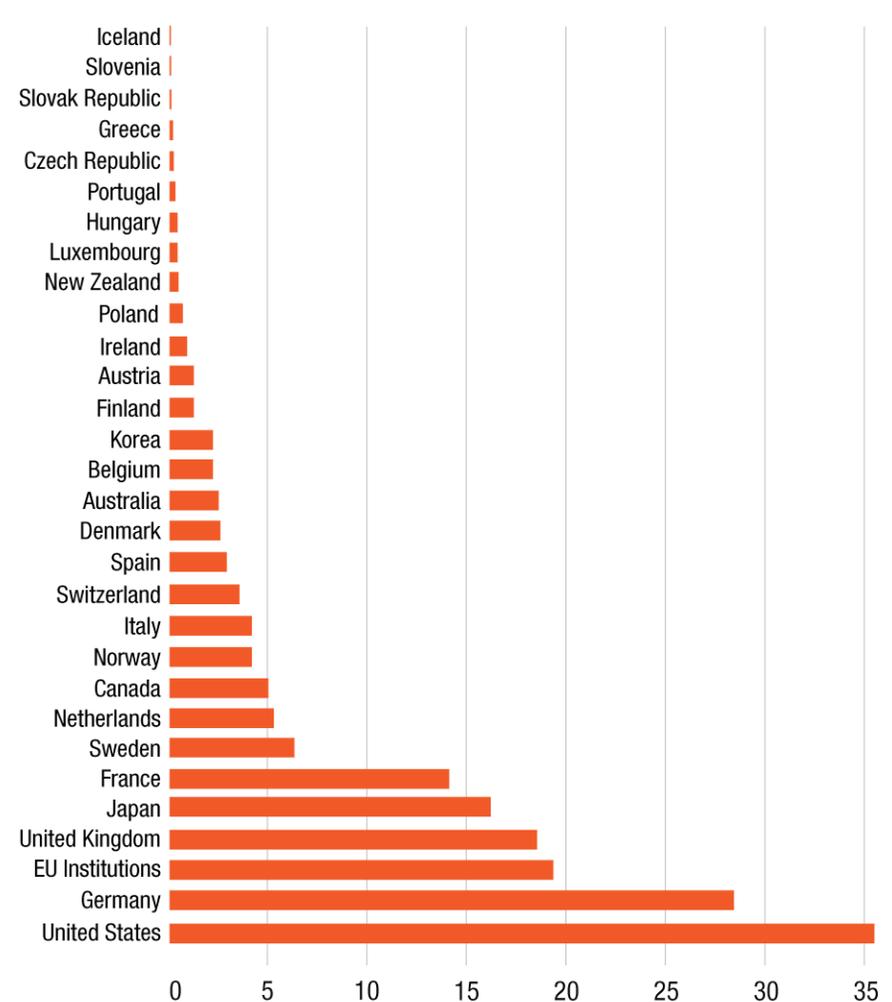
# Development aid

- 80-85% of development aid from government sources (ODA)
- 15-20% from private organisations
- What countries provide most development aid?

ODA grant equivalent as percent of GNI (2020)



ODA grant equivalent - USD billion (2020)



# EU AID TO AFRICA



# Agenda

- Introduction
  - *What is aid to Africa?*
  - *Why is it so important?*
  - *How is Aid used?*
- EU aid to Africa
- Controversies surrounding Aid
- Case Studies: Senegal
- Possible solutions
- Conclusion

# What is Aid to Africa?

- The goal of giving aid to African countries is to help strengthen Africa and promote health, education, peace, and safety.
- It began in the 19th century
  - *providing aid to their colonies in Africa,*
  - *After gaining independence (not before the 1960s) did aid programs begin to develop.*
    - Setting target for countries giving % of national income in developmental assistance.

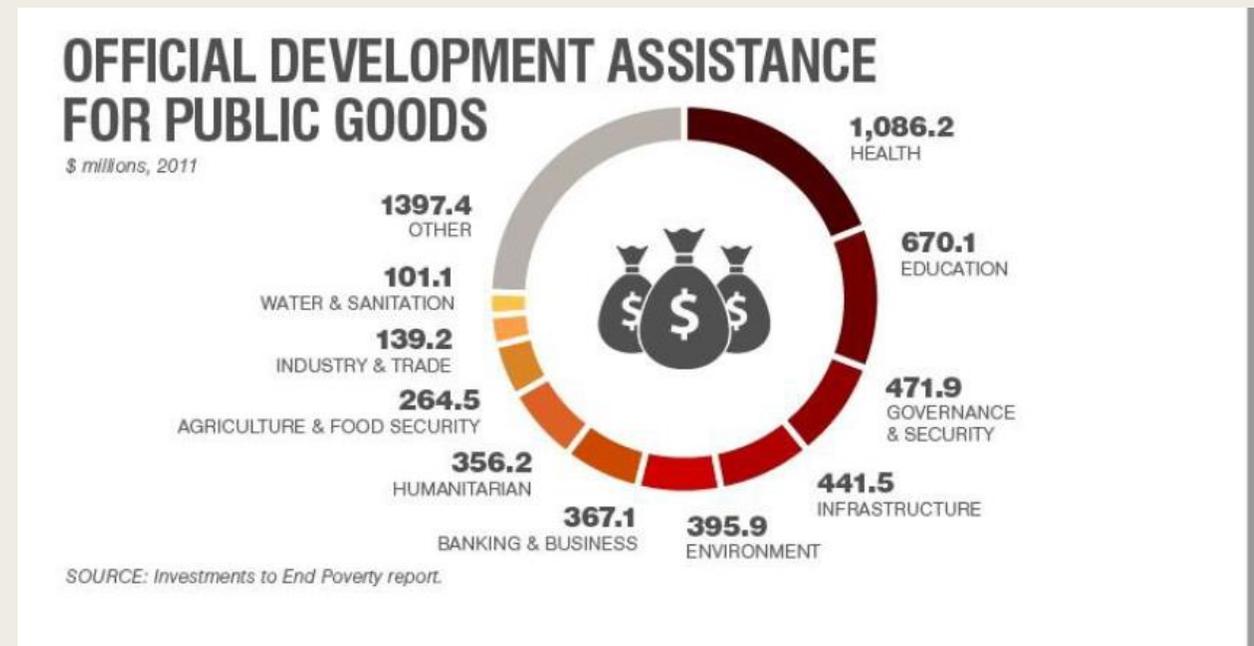
# Why is it so important

- Aid can be crucial to many third world countries
  - *ability to produce goods and services to trade in the international market.*
  - *stimulates the nation's economy and the gives them the opportunity to grow and develop further.*
- Aid can impact the lives of millions of those living in poverty in both the short and long term
  - *Smallpox, tuberculosis, and leprosy: developmental aid efforts have managed.*

# How much is given?

In total around €130 billion in 2017 was given (source: OECD-DAC)

- Who Donated?
  - 16% from the US, 7% from UK, 6% from France, 4% from Germany, 4% from Japan
- Who Received?
  - 10% to Egypt, 7% to Ethiopia, 6% to Tanzania, 6% to Kenya, 5% to Uganda
- What does aid go to?
  - Health
  - Education
  - Governance and Security
  - Infrastructure
  - Environment

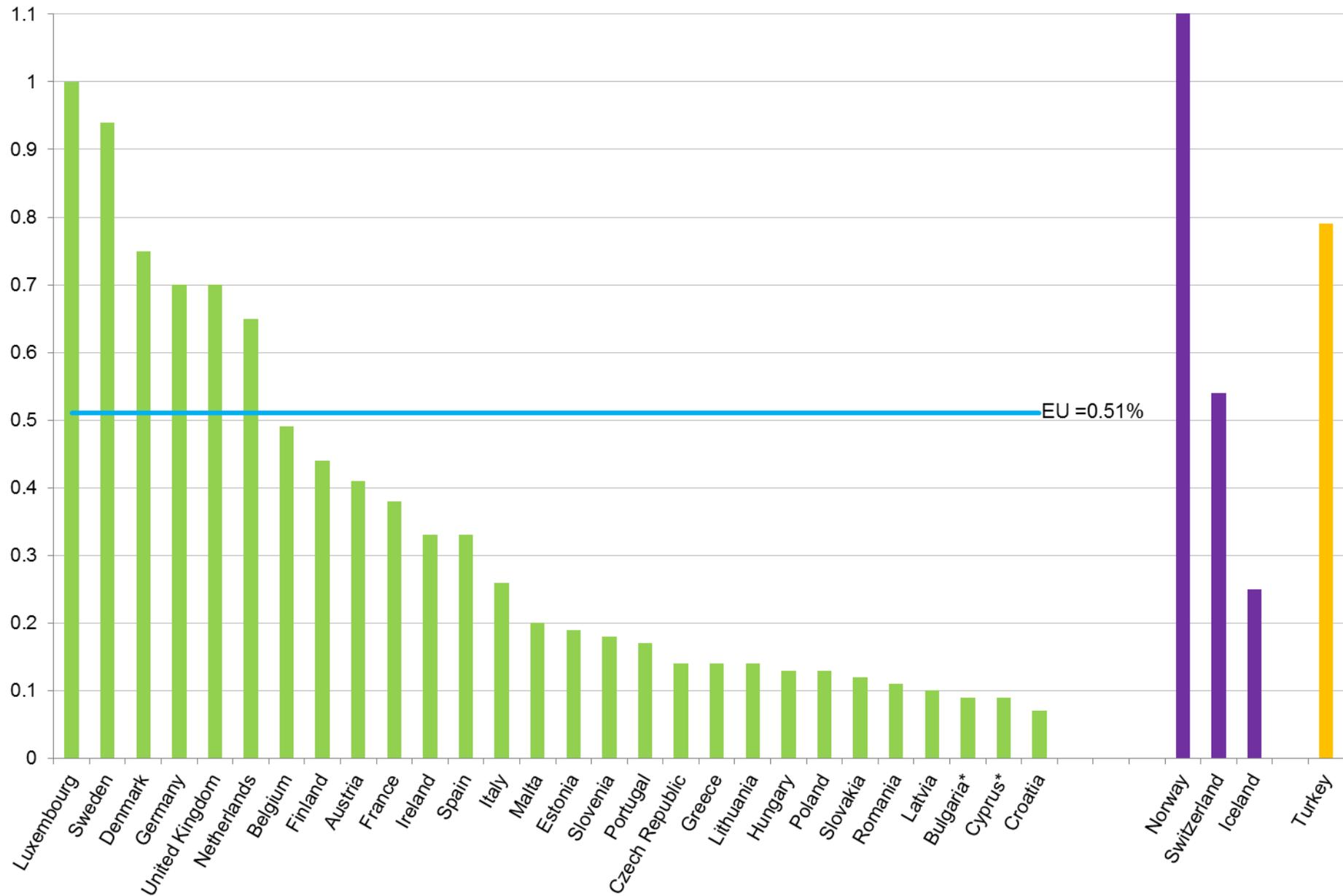


# EU aid to Africa

# EU Development Aid

- development aid from the EU and its MS
- 2017 - €75.7 billion in 2017 (funds + EU and MS´ budgets)
- 0,50 % GNP
  - *By 2030 increase up to 0,7 % GNP*
- 2015 European Year for Development – poverty
  - *MDG´s => SDG´s*
  - <https://europa.eu/eyd2015/en>
- Colonies => European Development Fund (EDF)
- *Everything But Arms*

# Official Development Assistance as share of gross national income, 2016 (%)



\* 2015 data

# Development cooperation

The total financial resources of the 11th EDF amount to €30.5 billion for the period 2014-2020.

strong focus on Africa with 76 % of the total allocations

**Evolution of EDF allocations by region**

	Allocations				
Region	8 EDF	9 EDF	10 EDF	11 EDF	Total
Africa	82%	72%	77%	77%	76%
Intra-ACP	9%	20%	14%	15%	15%
Caribbean	6%	6%	7%	4%	6%
Pacific	3%	2%	2%	3%	2%
Total	100%	100%	100%	100%	100%

## EDF 9

transport (30 %), poverty reduction (23 %), institutional support/capacity building (11 %), food security/rural development (9 %) and social sectors (9 %), access to energy

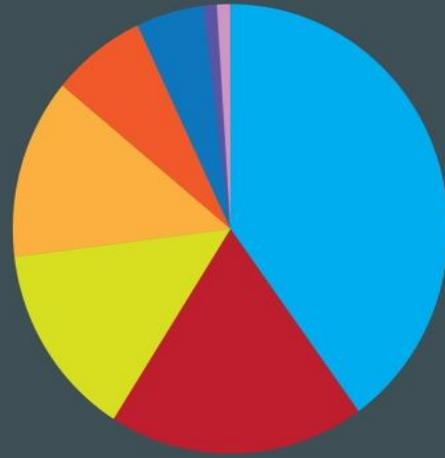
## EDF 11

agriculture comes on top (21 %) energy (10 %) environment and natural resources (8 %) health (9 %), education (5 %) and social protection (0.5 %)

# EU Humanitarian Aid

- E.g. Syria (civil war), South Sudan, Ukraine (conflict), West Africa (Ebola epidemic), the Central African Republic ('forgotten crises'), the Ivory Coast; central, southern Europe and the Balkans (forest fires, floods); Japan (the triple disaster)
- Currently: it provides relief in all major crisis zones around the world including Syria, South Sudan, Yemen and Ukraine
- The European Commission's Humanitarian Aid and Civil Protection department works with over 200 partner organisations and agencies on the ground
- The EU Aid Volunteers initiative (2014-2020)
- Between 2010 and 2014, the EU responded to over 80 emergencies worldwide
- EU Commissioner for Humanitarian Aid and Crisis Management

## Our budget by **policy sector**



Food and nutrition 40%



Shelter 19%



Healthcare and medical support 14%



Water and sanitation 13%



Protection 7%



Coordination and support 5%



Disaster preparedness 1%



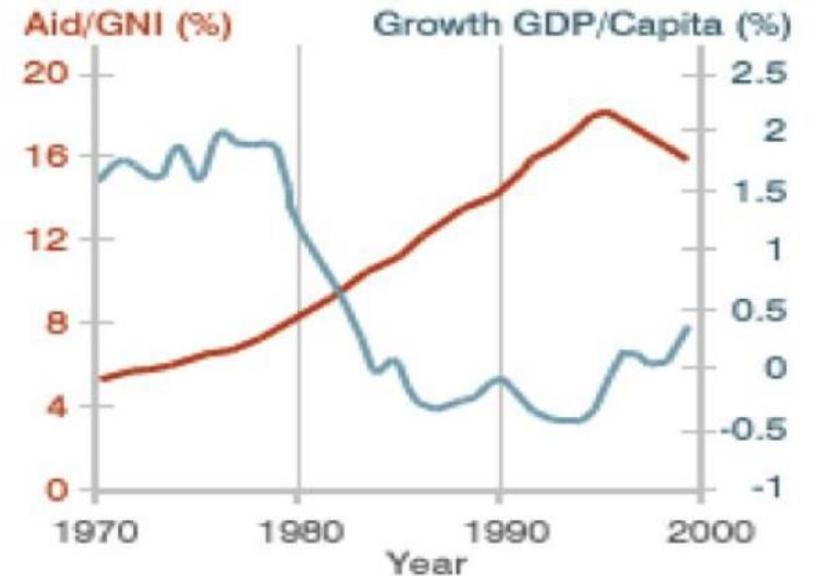
Transport 1%

(2013 data)

# Controversies surrounding aid

- Aid in Africa hurts more than it helps since it acts as a crutch in many cases
- Many nations have become dependent on aid and provides little incentives to grow on their own.
- Aid introduced to Sub-Saharan African countries have actually gotten poorer in many cases.

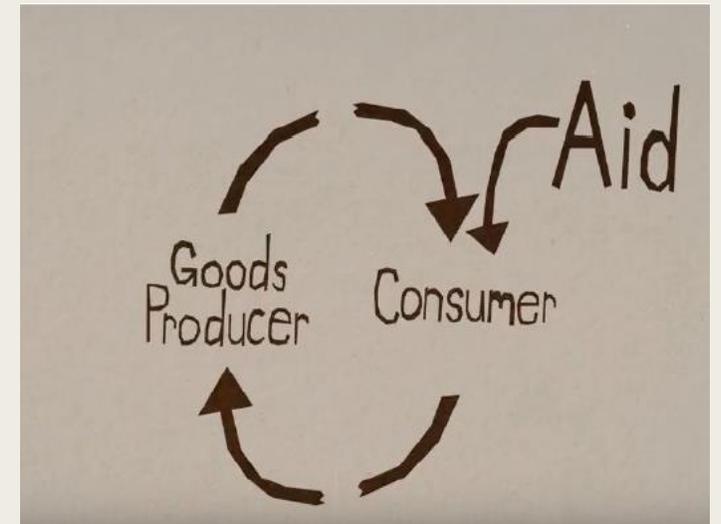
### AID AND GROWTH IN AFRICA 1970-2000 (10-YEAR MOVING AVG)



As African aid rose, growth slowed.  
*World Development Indicators Online*

# Aid is disrupting the Cycle of Economy

- The donations of food and supplies discourages self sufficiency
- There is no incentives to grow and sell food and goods
- The increase in better facilities and funding has caused more citizens to migrate toward the improved areas
  - *created larger communities while aid has often stayed the same*



# Generalization in Aid

- Aid to Africa is often a blanketed statement that groups together an entire continent, often disregarding the individual cultural needs and differences.
- Aid can often impact areas in unpredicted negative ways, through changing their economy, culture, and infrastructure.



- Example: Millennium Villages Project



# Corruption of Foreign Aid

- Even with the best of foreign aid, there is often little to protect the citizens from the corruption of their own government.
- Aid can do little to help a country from a corrupt president or dictator, rather it often does more for international business, and geopolitical agendas.
- Corrupt government officials can not be trusted to use the aid given to deliver public services and equal opportunities.



# Senegal



- 15 765 013 inhabitants
- weak and random rainfall
- severe and extended cyclical droughts
- youth literacy rate 69.77%
- Adult literacy rate 55.41%
- Income between \$20 and \$120/month per individual (2013)
- 48% in poverty
- Stable, democratic



# Trade

## Imports to the EU

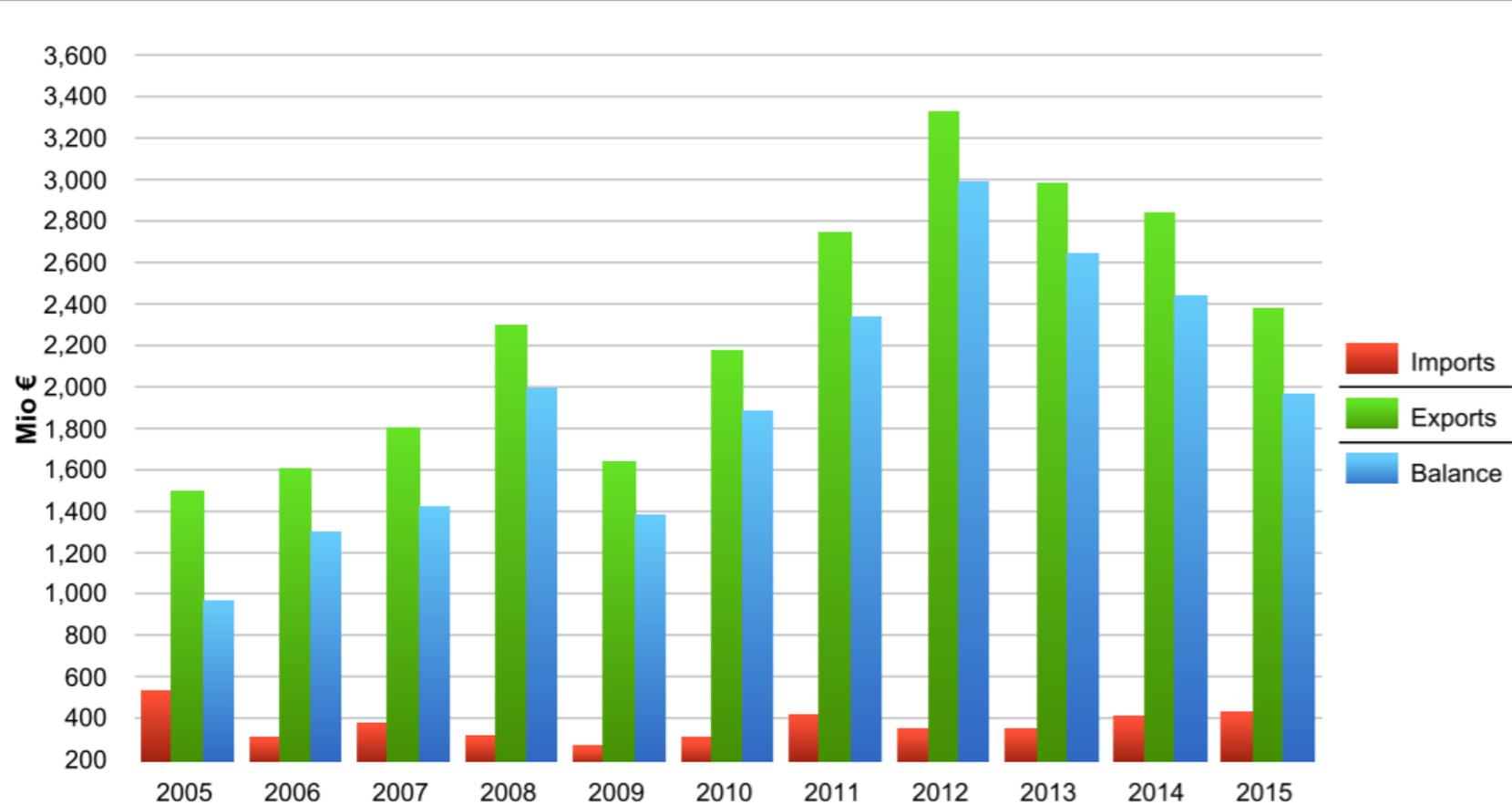
## Exports from the EU

AMA/NAMA product Groups					
Product	Value Mio €	% Total	Product	Value Mio €	% Total
Agricultural products (WTO AoA)	121	28.8	Agricultural products (WTO AoA)	468	19.7
Fishery products	181	43.0	Fishery products	4	0.1
Industrial products	119	28.2	Industrial products	1,903	80.2
Total	421	100.0	Total	2,375	100.0

## European Union, Trade with Senegal

### Total goods: EU Trade flows and balance, annual data 2005 - 2015

Source Eurostat Comext - Statistical regime 4



- The EU has a long history of supporting Senegal, particularly in the areas of **trade, fisheries, development and security** in line with the country's own development priorities.
- €347 million under the EDF
- Tool to achieve: democratic governance, foster sustainable agricultural development and food security and invest in improved water and sanitation, turning the agricultural sector into an engine of economic growth, as well as consolidating political stability, justice and security.
- Senegal receives funding through thematic budget lines: 47 projects (child rights, food security, governance and waste management)

# EU Projects in Senegal

# Support sustainable improvements in productivity and competitiveness of bovine dairy sector



- €300,000
- improving the nutritional status of the families, farmers and consumers = enhanced milk output of 2-6 litres per day
- reducing the bacterial contamination of raw milk
- training - 160 producers, 16% women and 44% young people - harvesting and preservation of natural hay and stabling of dairy cows

# Sustainable food system and fight against malnutrition in Dakar region

- to strengthen the resilience of populations in situations of food insecurity
- place sustainable food systems and promoting local products with a high nutritional value
- €409,905
- It targets approximately 3200 students from elementary schools, 54 teachers of 4 schools and 12 producers
- raise awareness about the importance of a healthy and diversified diet, supported by local products



# Collaboration on sustainable energy and climate change

- a budget of €270 million until 2017 to leverage investments on sustainable energy
- universal access to energy through the development of renewable sources
- Nigeria, Benin, Senegal, Kenya, Madagascar and Cameroon



# Implementation of EU EOM Senegal for the Presidential Election in February 2012

- Election Observation Mission
- promote democracy, human rights and the rule of law
- strengthening democratic institutions, building public confidence in electoral processes, helping to deter fraud, intimidation and violence
- Peace-building



What is currently one of the biggest problems in Senegal?

# Migration

- Senegal lost its status of immigration country in the early 1980s to become an emigration country
- 2010, the number of international migrants is estimated at nearly 2 million
- Droughts, destruction of industries, fisheries, textiles
- 14.9 million migrant in 2015 (whole Africa)
- Current emigration countries are Eritrea, Somalia, Nigeria, [Senegal](#), Mali, The Gambia, Guinea and the Democratic Republic of Congo
- <http://www.aljazeera.com/news/2016/04/returning-home-senegal-eu-deal-effect-160416073941055.html>

# EU response

- [EU Emergency Trust Fund for stability and addressing root causes of irregular migration and displaced persons in Africa](#)
- €1.8 billion
- €81.3 million – member states contributions
- Senegal - €73.6 million
  
- [New support to tackle root causes of migration in Senegal](#)
- € 30 million – 2 projects
- their aim is to develop economies and businesses in departure zones of migrants and improve living conditions in rural areas
  
- [Programme to support reducing migration through the creation of rural jobs in Senegal by setting up village and small family farms \('Naatangué' farms\) in regions with a high migration potential](#)
  - [Developing employment in Senegal: strengthening businesses competitiveness and employability in departure areas](#)
  - [Food, nutrition, access to water and sanitation](#)

# Fisheries Partnership Agreement

- Senegal – the first country to sign this (1979)
- Fishing policy - fishing opportunities for EU vessels, the EU's financial contribution, and the terms of support for the Senegalese fisheries sector
- allows up to 38 EU boats to fish in Senegalese waters in return for a €8.69m payment by the EU
- 14 000 t of tuna
- 2000 t of haek (no limit in the past)

# BUT!!!

- 1979 – 2006
- 2006 – agreement renewed  local fish stocks collapsed
- Local fishermen not included in new negotiations
- 1990s – enough fish for everyone within 5 km reach
- By 2000 – 40 km  more fuel costs, lower income (50 % decline in fish stocks)
- African boats cannot compete with European
- Tons of unwanted or juvenile fish, dolphins, sharks and turtles, are often dumped back in the sea already dead

## Main problems:

- fish processing factories closed down
- Affects also nutrition and migration

# Conclusions

- Continuous aid creates an attitude that citizens must wait for outsiders to help them
  - *Become dependent*
- Aid cannot change the circumstances surrounding economic growth
  - *Continuing allocations only lengthen the list of problems*
  - *These problems hinder development and use resources that could otherwise be allocated toward production as opposed to debt*
- Aid is not aiding the poor it is increasing government consumption and often corruption
- Interests of the EU and member states prevail!!!!

Possible solutions ?

# Pay Damages!

- Has to be done?
  - *Maybe not straight cash*
- How much?
- To whom?
  - *Individual countries?*
    - Impossible because some countries do not have a stable enough government
  - *Multilateral groups?*
- More organized?

# Focus of Money

- UN General wrote this in the new budget for aid to Africa
  - *“The central message is that economic growth alone is not enough. It must be accompanied by deliberate and proactive policies to reduce inequality and promote inclusion”*
- Money will go towards
  - *Supporting more inclusive governments*
  - *Public health*
  - *Creating industry through public education and subsidies*
    - “Give a man a fish, he’ll eat for a day. Teach a man to fish, he’ll eat for a lifetime”
    - People need to be educated in order to make money

Thank you!