

## Public forum on government spending priorities\*, 17 April 2012

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### • Introduction

Caritas Aotearoa New Zealand is the Catholic Bishops' agency for justice, peace and development. We are working for a world free of poverty and injustice through community development, advocacy, education, and emergency relief. I speak on behalf of Caritas as the International Programmes Manager; my work involves the management of an international development and humanitarian programme of approx \$3million annually, which supports partners in over 25 developing countries working on over 40 projects.

I will speak on the New Zealand Government's level of commitment to Overseas Development Assistance (ODA) in comparison to military spending; and suggest ways in which just one-third of the New Zealand government's military spending of (currently) just under \$3.1 billion, could be diverted towards making a difference in ODA.

### • Millennium Development Goals

The Millennium Development Goals (MDGs) are eight international development goals that were agreed to by the United Nations in September 2000. The intent of the MDGs is to reduce or eradicate extreme poverty and its effects. All UN members have agreed to achieve these goals by 2015. The 8 MDGs are:

- Goal 1: eradicate extreme poverty and hunger
- Goal 2: achieve universal primary education
- Goal 3: promote gender equality and empower women
- Goal 4: reduce child mortality
- Goal 5: improve maternal health
- Goal 6: combat HIV/AIDS, malaria and other diseases
- Goal 7: ensure environmental sustainability
- **Goal 8: develop a global partnership for development.**

Most of the goals are targeted towards developing countries, but there is also a role for developed countries. **Goal 8 sets objectives for developed countries** to enhance debt relief for least developed countries, make technological benefits (such as telephones, computers and access to the internet) available to them, **and greatly enhance Official Development Assistance (ODA)** – that is the overseas aid that governments themselves provide to other countries in need – whether channelled through government-to-government avenues, through multilateral agencies such as United Nations or World Bank institutions, or through NGOs.

The MDG target for ODA is set at 0.7 percent of Gross National Income (GNI). This target was first pledged in a UN General Assembly Resolution in 1970 and has been repeatedly

endorsed since then. As at 2009 the countries to have achieved the 0.7 percent ODA level were **Denmark, Sweden, Luxembourg, the Netherlands, and Norway.**

## ODA as a percentage of GNI

A comparison of net ODA as a percentage of GNI across selected countries<sup>1</sup> shows some interesting results:

### **Net ODA as a percentage of GNI 2006 2007 2008 2009 2010 (provisional)**

New Zealand	0.27	0.27	0.30	0.28	0.26
Australia	0.30	0.32	0.32	0.29	0.32
Canada	0.29	0.29	0.33	0.30	0.33
United Kingdom	0.51	0.36	0.43	0.51	0.56

Of the 23 member countries of the Organisation for Economic Co-operation and Development's (OECD) Development Assistance Committee (DAC), **six have not set a timetable for increasing their ODA to 0.7 percent of GNI: Australia** (which has committed to 0.5 percent by 2015), **Canada, Japan, Switzerland, the United States, and New Zealand.** New Zealand has committed to raising the aid budget to NZ\$550 million in 2011/12, followed by 'prudent increases' over four years to NZ\$621 million in 2014/15.<sup>2</sup> These projections are only made in absolute terms – there is no commitment made in terms of percentage of GNI.

According to the OECD DAC Peer Review (2010)<sup>3</sup>: **“With total ODA equivalent to 0.28% of GNI in 2009, New Zealand ranks 17th among DAC donors for its ODA/GNI ratio,** slightly below the (weighted) DAC average of 0.31%, and well below the unweighted average country effort of 0.48% in 2009”. The committee commented that there needed to be an increase in aid to achieve the internationally agreed target of giving 0.7% of its gross national income (GNI) as official development assistance (ODA).

### **• Percentage of military spending**

Based on New Zealand 'real GDP' of NZ\$133.5 billion (to year ending Dec 2010)<sup>4</sup> – **0.7% of GDP** (not GNI which is GDP +foreign income) would be NZ\$934 million – or only 30% of our \$3,091 million on military spending.

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<sup>1</sup> Source: [Net ODA as percentage of OECD/DAC donors GNI](#)

<sup>2</sup> New Zealand Government: Budget 2011/12.

<sup>3</sup> The DAC conducts periodic reviews of the individual development co-operation efforts of DAC members. The policies and programmes of each member are critically examined approximately once every four or five years. Five members are examined annually.

<sup>4</sup> <http://business.newzealand.com/northamerica/en/invest-in-new-zealand/new-zealand-economy-facts-and-figures/>

## • Targeting of ODA – New Zealand ODA Policy

Since the election of a new government in November 2008, the New Zealand aid programme has been going through a major change process; it has revised its aid policy and institutional arrangements to align them with the new foreign policy. The core statement in the policy is: **“sustainable development in developing countries in order to reduce poverty and to contribute to a more secure, equitable and prosperous world”**.

The DAC peer review commented: **“the scope and impact of the policy changes had not yet been translated into clear strategic orientations”** and it was not clear **“how it will address not only the economic, but also the environmental and social dimensions of its objective”**.

The Review found that confidence in the effectiveness of aid remains weak among the New Zealand public. Non-government organisations (NGOs) are concerned that the poverty reduction focus may be lost with the new orientations of the aid programme.

For Caritas and many NZ international development NGOs, our vision for development is founded on belief in the **innate dignity of each person as an individual and a member of society**. This **places people at the centre of development**. **Economic systems serve people, not the other way round**. People are active subjects in a process of development which helps them move from conditions which are *less* human to those which are *more* human, and through which, people can become more fully human beings.

Therefore we work in very poor communities in LDCs (least developed countries) supporting them to improve their living conditions through accessing livelihood opportunities (income generating) and health, education, housing (services) etc. For e.g. our programme in Afghanistan is focussed on improving soil and water conditions for farmers in Bamiyan province as well as accessing schooling for girls and literacy for adults. It is addressing the need of the communities as they have prioritised them.

## • What is the relevance of development in terms of military spending?

I wish to focus on 3 key points:

1. Volume of ODA: An increase in ODA from approximately \$600m to \$934m will demonstrate New Zealand’s commitment to an international agreement to provide 0.7% of GDP to help achieve the MDGs. Additionally, New Zealand’s ODA policy is still aimed at “reducing poverty”; therefore the increased level of funds would have a greater reach and potentially target the most poor. At present the policy has an emphasis on the Pacific region, over half of the annual budget is spent in this region. However, we know that the poorest people live in sub-Saharan Africa. Fifty percent of the 2.6 million children who die every year from malnutrition (a perfectly preventable disease) are African children. Although very little funding is available for Africa, Caritas continues to maintain a presence through its partners, e.g. working on the drought situation in Horn of Africa and the mounting famine in the Sahel Region.
2. The key rationale for New Zealand military spending has been for attaining and sustaining global peace. In line with Catholic social teaching, Caritas maintains that real

development and true peace are closely intertwined. “**Development is the new name for peace**”<sup>5</sup> Pope Paul VI said in his papal letter *Populorum Progressio – On The Development Of Peoples*, specifying one of the keys for development is our search for peace. The theme has been expounded upon in subsequent Catholic social teaching. Pope John Paul II said: “*Can true peace exist when men, women and children cannot live in full human dignity? Can there be a lasting peace in a world ruled by relations - social, economic and political - that favour one group or nation at the expense of another?*” With this in mind, Caritas prioritises areas with the potential for conflict – Darfur in Sudan, West Papua in Indonesia. We focus on providing humanitarian assistance (in partnership with NCA-ACT Darfur) and social and economic empowerment (through Yasanto for women in Merauke, WP – literacy, business training, technical help for agriculture and livestock, etc)

Peace and development is also allied to human dignity. Pope John XXIII, in *Pacem in Terris*<sup>6</sup> (*Peace on Earth*), emphasised the **rights to an array of conditions** without which that dignity cannot be attained. These include at the most basic level the right to life in all its forms, but also rights to all the conditions necessary to allow life to be fully human, such as “food, clothing, shelter, rest, medical care, social services, education, freedom of conscience, marriage, safe working conditions, private property, association and free assembly, emigration and immigration, and participation in public affairs”<sup>7</sup> This list in many ways echoes the rights set out in the Universal Declaration of Human Rights, where Economic, Social and Cultural Rights are every bit as important, universal, indivisible, and inalienable as the Civil and Political Rights we more usually think of when we hear the phrase ‘Human Rights’. Does the world not have the ability to feed and house and educate its people? We certainly have enough resources to wipe out its people many times over.

Most of Caritas’ programmes focus on integrated community development, empowering villagers in remote and isolated places, such as Mondulkiri in Cambodia or Baitadi in Nepal, to identify and prioritise their needs and find ways through collective action to improve their living conditions whether through economic activity (bee-keeping, farming, raising goats) or health education, sanitation and access to water.

3. Another rationale for military spending has been to combat terrorism, to protect human security. CST guides Caritas in its view that the causes of terrorism be fully explored, understood and addressed. Poverty and injustice do not necessarily cause terrorism, rather terrorists exploit conditions of poverty and inequality for their own ends. In his Message on World Day of Peace 2004, John Paul II said... “By eliminating the underlying causes of situations of injustice which frequently drive people to more desperate and violent acts; and on the other hand, by insisting on an education inspired by respect for human life in every situation: the unity of the human race is a more powerful reality than any

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<sup>5</sup> *Populorum Progressio*. This celebrated Encyclical of Paul VI (1967) was a solemn appeal for concerted action in favour of the integral development of peoples

<sup>6</sup> Encyclical of Pope John XXIII “Peace on Earth” – On Establishing Universal Peace in Truth, Justice and Charity” 1963.

<sup>7</sup> Dictionary of Catholic Social Thought, 698.

contingent divisions separating individuals and people.

Caritas approaches these issues from the following basis: there is no security to be found in actions that undermine human rights. The abuse of human rights anywhere is an abuse of human rights everywhere. Therefore we have a strong programme of international advocacy and support for human rights in say for instance Sri Lanka or West Papua. In the latter we support the Offices of Justice and Peace in 5 West Papuan dioceses to document human rights abuses and communicate them and their impact on the indigenous people to the international community. In Sri Lanka we have taken solidarity action to stand with those who have suffered from war crimes during the 2009 civil war, especially those who have been recently victimised for raising issues of concern with the UN Council for Human Rights.

## • Conclusion

At its most basic level, by virtue of their dignity, all people everywhere have a right to a share in the earth's resources sufficient for them to live in dignity and all other rights must contribute to this right. Development must put people at the centre, and affirm their right to take part in the decisions that affect their lives. Development is about people, empowerment, the eradication of poverty and *'the basic solidarity of the human family as the fundamental condition of our life together on this earth'*.<sup>8</sup>

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\* Global Day of Action on Military Spending - more information is available at <http://www.converge.org.nz/pma/gdams12.htm>

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<sup>8</sup> Pope John Paul II –World Day of Peace Message, “Development and Solidarity – Two keys to Peace”.