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NORTH-SOUTH DYNAMICS AND THE QUESTION OF AID

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The North-South dynamic and national boundaries

The North-South phenomenon is of a socio-economic and political, rather than geographical, nature. There are numerous indicators of this. Firstly, the North, or what is labelled the North, itself suffers from a multitude of internal social and economic problems. Furthermore, many countries in the North, such as Italy, are experiencing the North-South dynamic internally.

Secondly, millions of people from the South now live within the geographical boundaries of the North, but even so they remain part of the South and, as such, they comprise the groups that suffer the most discrimination, as is the case in Germany, Britain, France and Italy.

Thirdly, the collapse of the Soviet Union has demonstrated that many eastern European countries are, in fact, so underdeveloped that they could easily be classified as 'southern' countries.

Fourthly, there are divisions within the South itself. The South is experiencing already the 'center vs periphery' phenomenon. There are divisions resulting from the fact that part of the North already lives in the South. This is true of the Middle East: Israel cannot by any means be classified as a southern country, while the Occupied Palestinian Territory is definitely part of the South. The dynamics of the relationship between Israel and the Occupied Territory, and even with other Arab countries, is similar to that between industrialized and developing countries.

Finally, it must be noted that this is a period of transition worldwide, especially in the economic sphere. As one of US President Bill Clinton's key economic advisers expressed recently "in the future there will no longer be national products or technologies, no national corporations or industries. All that will remain rooted are people that comprise a nation." What he did not state is that within each nation there are, and will continue to be, national divisions. Similarly ignored is the fact that common interests are emerging that unite people across national boundaries. The globalization of certain issues, such as environmental concerns, highlight one of the most important and interesting aspects of North-South dynamics - the very real interdependence between the North and the South. This interdependence is impossible to ignore when examining the issues such as the ozone problem, or AIDS. The nuclear accident at Chernobyl is just one example of an environmental disaster, and a major health problem, incapable of being restrained to the boundaries of one particular nation.

Economic exploitation cannot be restricted to national boundaries. Much of what will happen in the future depends on the level of skilled human resources available in each country. The ongoing brain-drain from the South to the North demonstrates that the industrialized countries are utilizing the economic gap, which widens every day, to continue attracting the most active and educated people from the South. This strengthens both the factors which first led to the economic gap and those factors which will eventually increase it.

The gap between North and South is universal, and has economic, social, political and health aspects. The gap is utilized to maintain control of and to exploit the less developed countries. Third World debt and economic aid have become instruments used to control the economies of southern countries, to keep developing countries in a situation where their markets, resources, and raw materials will always be managed and made available to benefit the interests of the general capital market.

Quantitative v qualitative analysis

At the same time, however, any evaluation of the situation in southern or developing countries must not be restricted to a conventional approach. Quantitative analysis, especially in the field of health, is insufficient. Analysis should not be restricted to measuring infant mortality rates or life expectancy, but should include the question of quality of life and of equality of living conditions between people in developing countries and people in industrialized countries. Inequality is evident even in terms of the consumption patterns that have been imposed on southern countries. Many industrialized countries, when exporting their materials or goods to the South, send second-rate goods. Moreover, it is evident that second-rate development standards are being utilized. The question of quality must be a central one, and thus any evaluation must not be restricted to quantitative measures.

Economic aid and North-South relationships

The first question to be raised here is whether it is truly possible to establish relations on an equal footing between a funder and a recipient. Can one honestly speak of partnerships in this context? One important fact which must be recognized is that over the last ten years, governments have become the major source of aid funding, and the vast majority of development money takes the form of bilateral government-to-government support. There has been an increasing dependence of northern NGOs on their governments, which has influenced a clear change

in the policies of these organizations. The level of professionalization of development aid organizations is such that one can speak of the 'aid business' in the North. The result is that some of these northern aid organizations are, in effect, forcing recipient NGOs to follow along behind them, thus making these southern NGOs dependent on the government aid they are receiving. The United States Agency for International Development's (USAID) funding is a clear example of this: AID funding has always been political and will always be political. However, the question is whether this aid, or the major portion of it, is actually being used in order to develop countries in the South, or whether it is primarily being used to facilitate the economy of the North. It is worthwhile examining how much of the money is used to purchase military equipment or goods that are compatible with northern consumption patterns and serve northern marketing needs.

Allocation of funds

What must be asked is, who is determining funding priorities? Usually, and the Occupied Palestinian Territory is a case in point, funders arrive without defined plans or strategies, equipped with a 'charity' mindset. Priorities are then decided by the funders and not the recipients, which accounts for the emphasis on purchasing equipment. For example, the EEC requires, in most cases, that a substantial portion of its support should be used for the purchase of equipment and, moreover, that equipment must be purchased from the countries providing the funding. Is all this equipment really necessary? Furthermore, if huge sums of money are being provided for infrastructural costs, what will happen in the future if we fail to get the money or resources necessary to cover running costs? The contradiction here, or rather the question to which no one has supplied an answer, is how what is termed 'self-reliance' and 'sustainability' can be achieved when the bulk of donated funds is being spent on equipment and machines rather than on human resources.

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Training and technical expertise

Yet another aspect of this issue which must be considered is the question of training, currently a popular trend among funders. If huge numbers of people in the South are trained but the facilities or money necessary to employ them is not available, eventually they will either leave the South to go to the North or they will be unemployed. The value of training programs must be questioned if they are not clearly linked to the provision of running costs or job opportunities.

Furthermore, while there is a great need in many developing countries for technical expertise, it should come not only from northern countries but from the South as well. There is no reason why experts from India cannot be sent to advise certain programs in the Occupied Territory, or why a Mexican health project cannot benefit from a Palestinian consultant. The flow of expert skills need not always be North to South, but can equally be South to South. This point is even more relevant in terms of cost-effectiveness, when the cost of technical experts from the North is ten to fifteen times the cost of those from the South.

Fashions in funding

Yet another problem affecting the relationship between northern and southern organizations is the constant shift in the priorities of northern NGOs and governments according to the latest trends in development. These shifts have a distinctly negative impact on programs in the recipient countries, as exemplified by the case of one institution which had initiated a child health project. Child health as an issue was attractive to funders at the time and the project was supported. However, the following year the funding agency announced that their new program was to be maternal and child health, so the institution was forced to alter their project to fit in with the concept of maternal and child health. The third year the trend turned towards women's health, and the institution had to change its project once again to suit the interest in women's health. Such a situation

distorts the recipient organization's objectives and forces them either to 'cheat' in their representations to funders, or to adapt their program and not respond to their own priorities.

The concept of sustainability

The majority of funders insist that funding should not exceed a period of one to three years. There are exceptions, those groups that have been involved in long-term development work for many years and have a different philosophy, but it seems the majority set short-term funding conditions which call into question the possibility of achieving real development. Sometimes a project may need at least one to two years to get on a firm footing and if the funding is to last only another year real sustainability is threatened. Yet sustainability is the watchword constantly presented to recipient organizations.

Is sustainability a valid concept when aid is given in small portions, as in the Occupied Territory? In 1991, West Germany poured funds into the former East Germany equivalent to the entire amount of aid that was given to developing countries. In one country of 16 million people, the amount of money utilized was the same as that going to the rest of the world, from all countries, not merely from Germany. This would seem to prove that serious development cannot be achieved by small sums given here and there. Major structural changes are required before true development aimed at self-reliance and self-sufficiency can be realized.

Moreover, while recognizing the value of concepts such as self-reliance and sustainability, a health organization - working under occupation - cannot raise taxes. Neither does it have a government that can subsidize the health system, yet it must be subsidized if it is to reach those most in need. Therefore, an endowment would seem to be the answer, because it would allow a gradual increase in self-reliance. However, with very few exceptions, no funding organization is willing to accept the idea of an endowment. The reason generally given is that with an endowment the funding organization has no guarantee that the character of the recipient

organization will not change over time. However, organizations in the North receive endowment funds despite the fact that their character may also change. Yet, it would be more equitable to apply the same standards in both the North and South.

The administrative burden

Another common requirement is that administrative costs should be kept to a minimum which is fair. Ideally, administrative work should be done on a voluntary basis because this helps a grassroots organization retain its character and integrity. However, when donors require detailed narrative and financial reports every six months as well as audited financial reports, they are in fact pushing recipient organizations toward bureaucratization and forcing an expansion in the administrative structure in order to meet their own demands. In the Occupied Territory, numerous organizations have been forced in the direction of institutionalization and, having arrived at that point, many of them lose their grassroots character.

Monitoring and evaluation

Evaluations pose yet another challenge to an open and fair relationship between funding and recipient organizations. Evaluations are always required by the funder - those providing the money. Furthermore, some organizations choose to send an evaluation mission of two or three people from the funding country to evaluate and critique a program and try and find solutions to problems that recipient countries or organizations have sometimes spent years working out. Never has the evaluation process been reversed, with a southern organization travelling north to critique the work of a funder. The organizations in the South are the primary beneficiaries of the funding process as well as the ones doing the bulk of the work on the ground. Should not these organizations, therefore, be the partner that should evaluate the program and determine its success or failure?

Apolitical advocacy

Finally, there is the widely held view that development aid must be apolitical and, usually, based on the concept of charity. When it comes to advocacy on difficult questions such as the Palestinian-Israeli issue, most organizations claim to be 'apolitical'. When the Soviet Union collapsed, however, most funding went to eastern Europe. This was a political decision. In development, clearly, any move is, in reality, a political move. This is especially clear when one remembers that true development can hardly be achieved in the absence of democracy.

Prospects for the future of the relationship

The first step on the road to changing some aspects of the development/funding process is for southern organizations to be united in their stand, and to engage in dialogue with northern organizations. This should, ideally, have an influence on policy decisions, which would allow changes to occur. However, the objective is not to form an alliance of southern organizations opposing those in the North, but instead to aim for the establishment of a trans-geographical coalition of people who believe in social justice, equity, and democracy, in order to truly influence the development process.

Secondly, southern organizations should determine priorities, rather than people and organizations from outside, and funders should be required to provide long-term commitments. Thirdly, development should always be a democratic process, and it should be true, sustainable development, rather than mere cosmetic changes.

Significant steps must be taken to close the huge economic gap between North and South, since real change cannot be achieved unless this happens. Debts should be cancelled, for unless Third World debt is cancelled, imbalances in the global economy cannot be corrected. Major emphasis should be placed on human resources, specifically on skills.

If the northern countries diverted fifty percent of what they spend on arms alone, to the South, development programs in southern countries could be implemented that could start the process of closing the economic gap between the South and the North.

At a practical level this should be possible, even in the current international situation, primarily because of the interdependence factor and the globalization of the issues discussed earlier. Any environmental problems in the South will effect the North and there will be a growing number of interested groups in the North that will fight for change. What will be needed in the future is a clear vision, a clear strategy, clear policies, and a great amount of creativity. In this regard, the organizations functioning in developing countries must be self-critical, open-minded, and flexible.

Finally, one of the biggest challenges facing grassroots movements and developing organizations in the South is to be able to understand the huge changes that have occurred in the world. Whether they seem desirable or not, they must be fully understood before changes can be made and before the slogan 'Health for All' can be translated from a mere slogan into a real instrument of change in a world that has never been so powerful, and yet has never been so confused in its attempts to find the right path toward the future.