

Dr Lesley-Anne Knight
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“Breaking the Bottlenecks to Compassion”

As a visitor to Australia, it is a special honour for me to speak at the National Press Club and I thank you for the opportunity.

And as a first-time visitor here, I would also like to acknowledge the traditional owners of this land, the Ngunnawal people, and pay respect to their elders past and present.

Ladies and Gentlemen, not far from where I now live in Rome is the Coliseum, where in the days of Ancient Rome people used to gather to watch Christians being thrown to the lions. Standing here today, surrounded by journalists, I am somewhat fearful that maybe the tradition lives on here in Canberra.

But I have to admit that for humanitarian organisations like Caritas, the media are among our greatest allies in the fight against poverty and injustice.

It is through the media that we learn of the suffering of our fellow human beings around the world. And it is through the media that we are slowly building a global culture of compassion and solidarity.

We experienced this effect on a massive scale following the devastating tsunami in 2004, which resulted in a record 7.5 billion US dollars being donated by the general public around the world to help those affected¹. We saw it again when cyclone Nargis hit Myanmar last year. And of course, early this year, the world shared Australia’s grief and horror after the bushfires in Victoria.

The generosity of the general public in response to emergencies such as these is an expression of the compassion we feel when images of human suffering are beamed into our living rooms.

But there are also ongoing long-term tragedies that tend to drop below our horizons when they lose their news value.

Around 230,000 people died as a result of the Asian tsunami, but this same number of people die every five days as a result of poverty. The number of deaths directly attributable to poverty is about 18 million – that’s equivalent to losing around 85 per cent of the Australian population each year².

These ongoing tragedies are all around us, and no less deserving of our compassion.

¹ Riddell p3

² Riddell p121

The Asia Pacific region is home to half of the world's poor and includes 14 of the world's Least Developed Countries. On Australia's doorstep you have, in Papua New Guinea and Timor-Leste, two of the poorest countries in the world, ranked 149 and 158 respectively out of 179 countries on the UN's Human Development Index. In PNG a third of the population lives below the poverty line, 5.5 per cent of babies will die before they are two, and those that survive will be lucky to make it to their sixtieth birthday³.

Further afield, the statistics are even more shocking. Half the population of Sub-Saharan Africa lives in extreme poverty; nearly a third do not have enough to eat; one in seven children dies before its fifth birthday.

The fact that these tragedies continue in 2009 is nothing short of a global scandal that should concern us all.

The reaction to large-scale anti-poverty initiatives, such as Jubilee 2000, Make Poverty History and Micah Challenge, which is campaigning here in Canberra this week for action on the MDGs, shows that when we are made aware of this suffering, we want to respond. We realise we are all part of one humanity and we have a responsibility to one another that derives not from any national, racial or religious affiliations, but from the very fact of our humanity.

So why does extreme poverty still persist? I believe it is the result of "bottlenecks to compassion". The big challenge we face is how to locate and break those bottlenecks so that the genuine compassion that is felt throughout the world can be turned into real effective action.

Nine years ago, at the start of the new millennium, world leaders set about harnessing this global compassion and established a series of targets aimed at freeing millions of people from extreme poverty, hunger, disease and illiteracy. The Millennium Development Goals, or MDGs as they have come to be known, aim to halve the number of people living in extreme poverty by 2015.

They have provided a focal point for global development efforts and a benchmark by which we can measure our progress.

Significant progress has been made in many areas since the MDGs were launched. The big danger now is that we allow the global economic crisis to throw us off course.

As is so often the case, it is the poor who will suffer most as a result of the economic crisis. The World Bank estimates that, the number of people living below the poverty line will have grown by up to 64 million by the end of this year⁴. This means that we will need to work even harder to achieve the MDGs. Here in the Pacific, the poorest countries face the prospect of not achieving any of them.

³ UNDP

⁴ ODI

Progress is also challenged by climate change which threatens to undo many of the advances that have been made in recent years.

So where are these bottlenecks – and how can we break them?

There are many essential ingredients that need to be combined to produce real progress in ending global poverty, and there are three in particular where bottlenecks can occur:

- Political will on the part of governments;
- The prioritising of financial resources, and;
- The implementation of the right policies.

A failure in any one of these areas can cause a bottleneck and I would like now to look at each of them in turn...

Political will

Political will, at least in a democracy, should equate to the will of the people. So the question is “Is it the will of the people that we should end global poverty?”

I believe that the very existence of organisations such as Caritas is evidence that the answer is “Yes”. Caritas Internationalis has 164 member organisations and works in support of the poor and marginalised in almost every country in the world. Caritas organisations have a combined annual budget of around five billion US dollars. Of this sum, nearly one and a half billion goes on international humanitarian and development aid, a significant part of which is contributed by members of the worldwide Catholic community. In addition to more than 400,000 paid staff, we have hundreds of thousands of volunteer workers around the world.

Caritas Australia is a member of the international Caritas network and works in many countries in the Pacific Region as well as with the Australian indigenous communities. It also has programmes in Asia, Africa and Latin America. This work is mostly funded by the Catholic community of Australia, who last year donated close to 20 million dollars to Caritas.

Catholics, however, do not have a monopoly on compassion. Many other humanitarian and development NGOs have seen huge increases in the level of support they receive, with private donations worldwide now running at over ten billion US dollars a year.

Here in Australia, the public donated around 780 million dollars in 2007 to aid and development work through Australian NGOs. This is an increase of around 7.5 per cent compared with the previous year. Donations from the public account for around 81 per cent of NGO funding and include funds raised from donations, fundraisers, bequests and company donations. The rest comes from Government and multi-lateral donors.

More than 1.6 million Australians were involved in supporting an overseas aid and development NGO in 2007 – an increase of almost 19 per cent from the previous year.

Nearly 21,000 volunteers contributed their time to the work of Australian NGOs and more than 1.2 million people are regular donors.

The level of support for NGOs clearly illustrates a high level of compassion and a strong commitment to international aid on the part of the general public. But do people also want their governments to provide overseas aid?

Again, the answer would appear to be **“Yes, they do”**.

Opinion polls on the level of public support for Official Development Assistance around the world show consistently strong support. A 2003 review of these polls showed that 81 per cent of people in the major donor countries supported aid to developing countries⁵. A survey of 22 countries in Europe in 2004 showed that, in the previous two years, support for development aid had risen from 83 to 91 per cent. And a 2005 study by AusAID showed 90 per cent support in Australia.

Unfortunately, the level of support for aid shown by the public is not always reflected in the amount provided by governments. There may be a number of reasons for this. One is that while the public can be stirred by compassion and a sense of moral duty, government aid is often motivated more by self-interest, and will be dictated by prevailing economic and foreign policies.

Foreign aid is also an easy target for cuts in times of financial constraint because the effects are less likely to be noticed than with cuts in domestic public services.

Thirdly, overseas aid does not tend to be a high priority issue at election times, when voters' attention tends to focus on major domestic and foreign policy issues. But politicians should not assume that this indicates that their constituents are not concerned about global humanitarian issues. Indeed, during the last Australian election campaign, the question of overseas aid made it onto the electoral agenda for the first time, thanks to the Make Poverty History and Micah Challenge campaigns.

Humanitarian organizations themselves need to do more to encourage their supporters to communicate their concerns on these issues to their governments.

Finally, there is a problem with lack of awareness on the part of the public about the level of overseas aid provided by their governments — most people believe that their governments give far more than they actually do. For instance, a survey in Canada revealed that, on average, Canadians over-estimated their government's aid budget by a factor of five⁶. And a similar survey in the United States showed that the average American thinks their government gives twenty times as much aid as it actually does.

So this brings me to my second ingredient: financial resources.

⁵ McDonnell, cited in Riddell p108.

⁶ Noel, cited in Riddell p112

Financial resources

Forty years ago, the UN formally adopted a target for overseas development assistance of 0.7 per cent of Gross National Income or GNI – to be achieved within five years. Today, only five countries have met that target: Sweden, Norway, Denmark, Luxembourg and the Netherlands.

Aid from Australia has increased under the current government to almost four billion dollars, but this still amounts to only 0.32 per cent of GNI. The current aid allocation for 2009-10 amounts to 0.34 per cent of GNI. This places Australia in the bottom third of OECD countries when it comes to overseas aid so, given that the average is 0.48 per cent, Australia has some catching up to do.

The government has committed to achieve 0.5 per cent by 2015. But this just brings Australian aid donations back to the levels they were at in the Sixties and Seventies, when they were close to the 0.7 target⁷.

It is all too easy for governments to use the global financial crisis as an excuse for failing to meet aid targets. But in Australia's case, the excuse does not wash. Australia has weathered the crisis very well, recording only one quarter of economic contraction – and growth in the last two quarters. If Australia is serious about being “A Good International Citizen” it should be taking a lead in putting aid commitments back on target.

For other countries that *are* suffering recession, the financial crisis excuse looks pretty shaky when one sees the amount of money they are pouring into financial rescue packages and bank-bailouts.

If all 22 member countries of the OECD's Development Assistance Committee achieved the 0.7 per cent target, it would amount to around 280 billion US dollars. Contrast this with America's **700** billion dollar financial rescue package.

In its 2006 report, the UN Millennium Project estimated that to meet the total costs of achieving the MDGs in all countries, overseas aid would need to rise to \$189 billion by 2015. In other words, all the MDGs could easily be achieved if all DAC countries met the 0.7 per cent target. No new commitments are needed – just following through on those already made.

Let's take a look at what some of these costs mean in terms we can relate to:

The World Bank estimates that achieving the health-related MDGs would cost an additional 20 to 25 billion US dollars, which is about what the world spends each year on perfume⁸.

The estimate for achieving the education goal varies greatly, but could be up to 30 billion dollars. To put that in perspective, that is roughly what the world spends on feeding its pet cats and dogs each year⁹.

⁷ OECD stats

⁸ New York Times, June 19, 2009

⁹ Provet

Providing basic coverage in water and sanitation provision could cost around nine billion, according to the World Bank – roughly equivalent to annual beer sales in Australia.

(And if that sounds like a criticism, let me add that, by the time we leave Australia, my husband and I will have made a modest contribution to those sales figures!)

And now I'd like to turn to my final potential bottleneck area: the implementation of aid policies. And included under this heading are both government policies and NGO policies. I'd like to start with a look at government policy.

Government policy

Government policies on development aid have changed dramatically over the years and here in Australia they are, for the most part, changing for the better.

I know that Caritas Australia welcomes the government's renewed focus on poverty reduction and on promoting the MDGs, as well as the shift away from aid that is tied to Australian goods and services. However, it is of concern that more than 40 per cent of Australian aid is still delivered through technical assistance.

Australia's aid programme remains focused on the national interest rather than the humanitarian imperative. Whilst this is understandable, and true for many other countries, it is a policy that tends to produce a rather narrow focus that does not prioritise the world's poorest countries.

More than ten years ago, a review of Australia's aid programme commissioned by former Foreign Minister Alexander Downer said:

the "principal motivation for the overseas aid program is based on humanitarian compassion. Australia is a relatively wealthy country and we have a moral obligation to assist those with significantly less opportunity than ourselves."

And yet defence and security concerns still tend to dictate the direction of aid. Speculation that AusAID might lose its autonomy and be subsumed into the Department of Foreign Affairs and Trade is therefore alarming.

Based on my experience in the UK, this would be a retrograde step; bad news for Australian aid and bad news for the world's poorest people. Certainly when the UK's Overseas Development Ministry was subsumed into the Foreign Office in 1979 it was a disaster for the UK aid programme. The department became focused on promoting UK exports, which culminated in a major scandal linking aid with arms sales. It was only after the formation in 1997 of an independent Department for International Development that poverty reduction once more took centre stage, and tied aid was banned.

What is becoming increasingly clear is that in so many areas, in the final analysis, global interests are actually the same as national interests. We have seen this with the global financial crisis where narrow protectionist policies threaten the whole world's chances of recovery. The best solution for all of us is to look at the bigger picture and help one billion people enter the global marketplace.

The threat from climate change is the prime example of a situation where a global solution is in the national interest and is in fact the only solution. No country can ultimately escape the effects of climate change by deluding itself that its true self-interest is anything other than the global interest.

I mentioned earlier that climate change threatens to set back many of the development advances of recent years. It threatens livelihoods, food security and social cohesion. That is why it is vitally important that climate change policies are inextricably linked with those of development.

The poor will be the first to suffer the effects of climate change – indeed in many parts of the world it is already happening. Climate change policies must therefore prioritise their interests.

There is an urgent need for more help for developing countries in both mitigation and adaptation programmes. But it is vitally important that this is in addition to current aid commitments.

If the Australian government takes the cost of climate change funding from its existing overseas aid budgets, this will represent a double whammy for the world's poor – not only will they suffer the worst effects of climate change, for which they are least responsible, but they will also lose out on development aid intended to help them lift themselves out of poverty.

Australia is on the front line in the battle against climate change. In the Asia-Pacific Region alone, it is estimated that 75 million people could be forced to leave their homes by 2050. In places like Kiribati we have already seen people having to move their houses to retreat from the rising sea.

The implications for us all – and particularly for you here in Australia, surrounded by millions of vulnerable people – are truly worrying. A global solution is urgently needed. Caritas Australia has been a prime mover in bringing the issue of climate change to the fore within Caritas Internationalis. Australia as a whole has an opportunity to play a similar role on the world stage.

A major and welcome development in Australian government policy has been its increased willingness to work with NGOs. AusAID funding for NGOs in 2009-10 will amount to 108.6 million Australian dollars, a 12 per cent increase over the previous year. But this is still only about an eighth of the amount donated directly to NGOs by the Australian people.

Although Australian NGOs are benefitting from increased government support, in percentage terms they receive only about half the amount that UK NGOs receive from their government.

And a significant proportion of Australian aid continues to be delivered through the private sector, which is not subject to the level of accountability demanded of NGOs.

The OECD peer review said in this regard:

“Considering Australian NGOs’ high credibility with the public, and the scaling-up of the development assistance programme, AusAID should continue increasing the amount of aid channelled through civil society organisations.”

Organisations like Caritas stand ready to play a greater role in meeting the MDG challenge, but international donors and governments are not taking full advantage of this valuable resource.

There are clear advantages for Governments in channeling their aid through organizations such as Caritas. We have unmatched outreach and infrastructure in many of the world’s poorest countries. Our partnership ethos and ability to work with local church and civil society organizations provides an invaluable source of ‘on the ground’ knowledge and enables us to provide solutions that quickly become part of the fabric of the local community.

For Caritas Australia, this has proved especially successful in PNG, where for example, an organic farming project in Port Moresby run by the local church’s social action centre has helped former street children avoid a life of crime, while developing new skills that benefit the community.

In parts of Africa, the Catholic Church is the primary – if not the only – provider of healthcare and education. The excellent services provided by schools, hospitals and other vital infrastructure run by Catholic and other faith-based organizations must be part of a holistic solution to global poverty.

As a faith-based organisation, Caritas recognises that in many parts of the world, faith and religion are critical to community identity and therefore vital elements of development. Caritas’ ability to work through the Church therefore gives us a unique advantage.

Being part of the Catholic Church also means that Caritas can often work in areas where other organisations cannot.

For instance, during the recent conflict in Sri Lanka, Caritas Sri Lanka was one of only two aid agencies working in the combat zone throughout the fighting. Caritas is providing food, medical help, and shelter to some of the 285,000 people who were forced to flee their homes and are now being held in camps.

We still need to get improved access to these camps but we would like the Sri Lankan government to allow these people to return home, now that the war has been over for more than three months.

When Cyclone Nargis hit Myanmar last year, Caritas was able to make an immediate response through the Church and other partners, saving lives and delivering urgent

relief to more than 80,000 people. We were able to call upon more than 300 local volunteers recruited from parishes and communities where the Catholic Church operates. Local church representatives enjoy a high level of trust among the affected population. They speak the local languages and understand the social and economic environment in which they operate. To date more than 250,000 people have been helped.

In Darfur where we are providing relief to some 350,000 people, we have been able to continue operating almost uninterrupted since 2005, even when 12 other agencies were thrown out earlier this year.

Finally, faith-based organisations have an important role to play in peace-building and reconciliation programmes, especially through inter-faith dialogue and cooperation. In countries such as Myanmar, Sri Lanka, Pakistan, Bangladesh and Indonesia Caritas is often working with other faith groups, which helps to promote understanding and awareness of our common humanity. For instance, in Indonesia, Caritas Australia is working with an Islamic community organisation on water, sanitation and agricultural programmes.

NGO policy

My final comments on policy relate to NGO policy implementation. Just like governments, NGOs have made their share of mistakes in the past, from which I hope we have learned.

NGOs today are very focused on the effectiveness of the aid they provide. They are subject to stringent reporting requirements from their institutional donors, but they must also work hard to ensure that their private donors know that their money is being well spent.

The persistence of global poverty can lead to a perception that aid simply does not work. It is important therefore that we can demonstrate our success stories. And we can.

If we look at some of the MDGs we can see that, prior to the onset of the economic crisis, progress was being made. For instance:

- In 2005 the proportion of people in the developing world living in extreme poverty was just over a quarter, compared with nearly a half in 1990.
- Enrolment in primary education in the developing world reached 88 per cent in 2007, up from 83 per cent in 2000. In Sub-Saharan African enrolment increased by 15 per cent from 2000 to 2007.
- Deaths of children under five have been reduced from 12.6 million in 1990 to around nine million in 2007.

Aid does work. What is needed is more aid, and smarter aid.

We must ensure that our interventions are sustainable, particularly in emergency situations. Emergencies often occur in the poorest parts of the world and can have a devastating effect on development programmes. Caritas prides itself on being present before, during and, most importantly, after an emergency. We recognise the importance of a continuing presence after an emergency in order to manage the transition from disaster recovery back to long-term development.

We need to ensure that our aid policies respond to local needs, build local institutional capacity so that it can manage increasing levels of aid, and strengthen civil society's ability to hold governments to account. Above all, aid should not be delivered in a paternalistic manner that denies developing countries' rights and duties to manage their own development.

Conclusion

You may have heard about the outspoken critic of aid Dambisa Moyo. Her book title suggests that aid is dead. Can I say to you, to suggest aid is dead - is dead wrong. Moyo's argument centres on the failures of our multilateral institutions to deliver solid development outcomes. Whilst in part the history of delivering development through multilaterals such as the World Bank and African Development Bank is chequered, at best. What this argument does is cast a shadow over the work of organizations like Caritas. I totally reject that aid delivered through organizations like ours is not having a dramatic impact.

I think of the tens of thousands of women in DR Congo, raped and ostracized by their communities as a result, many of them have been given new life and hope through support of Caritas. In Zimbabwe, thousands more would have died of starvation if not for our delivering food aid, with the support of the WFP.

To stop giving aid at the grassroots level will propel millions back into poverty.

So in conclusion, I would just like to make the following points:

Overcoming global poverty, and achieving the Millennium Development Goals, is not an insurmountable problem.

The compassion that arises in us when we reflect on these issues can be harnessed to drive solutions. As well as doing what we can individually to support this work, we need to encourage our politicians to have the courage to prioritise international aid.

And we need to make clear to world leaders that we expect them to work together to provide answers. We are dealing with global problems and we need global solutions.

I am hopeful that we can overcome the enormous challenges we face today. We *can* achieve the Millennium Development Goals, we *can* put an end to global poverty, we *can* find solutions to climate change.

We *can* break the bottlenecks of compassion. Let's do it. Thank you.