

# International economy



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## Rich nations under fire on pledges to fight poverty

By Alan Beattie in London

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Rich countries have largely failed to back their voluble lip service to combating global poverty by doing more to help, according to an annual assessment by a leading think-tank.

The Washington-based Center for Global Development said that while two-thirds of rich countries had improved their policies towards poorer nations in the last three years, seven had gone backwards. Nancy Birdsall, president of the CGD, said there was a "slow but steady improvement" but added that the rich countries' achievements "fell far short of leaders' soaring rhetoric in 2005, the so-called Year of Development".

The index ranks the world's 21 richest countries according to how their policies on overseas aid, trade, security, the environment, migration, technology and investment help poor nations. Nordic countries, which tend to have large and well managed aid budgets and rigorous environmental safeguards, have scored highly since the index was launched in 2003. This year the Netherlands topped the index, followed by Denmark, Sweden and Norway.

Japan, with a shrinking aid budget, huge trade barriers to rice exports from poor countries and a closed door to migrants, came last by some distance.

The US came 13th of the 21 countries. Its relative openness to poor countries' exports, official encouragement of overseas investment by its companies and military protection of global sea lanes used for trade were offset by a low and badly spent aid budget and high greenhouse gas emissions. The CGD said it counted only 10 cents of each dollar of US aid to Iraq because so much was spent on security rather than reconstruction amid an environment of corruption and violence.

The UK came one place above the US, its good investment and environmental policies undercut by a very low ranking on security, thanks to British companies' big arms sales to undemocratic countries. The UK Department for International Development said the UK's aid programme was widely recognised as one of the best in the world, while the Foreign Office said all arms export licences were issued in accordance with strict guidelines.

David Roodman, research fellow at CGD, said it was right for the index to give a big weighting to environmental issues, something US officials have questioned in the past.

"For countries like Bangladesh, vulnerable to climate change and unable to do anything themselves about it, the effect of the rich countries on the environment is critically important," he said.

Mr Roodman said that overall, the scores on aid were improving thanks to an increase in assistance, particularly to Africa. But he added that while the end of global textile quotas in 2005 had helped the developing world, there had been almost no progress in trade openness over the past year.

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